Consolidated Financial Results
for the Nine Months Ended December 31, 2014
[Japanese GAAP]

February 3, 2015

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
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Scheduled date of filing quarterly securities report: February 9, 2015
Scheduled date of commencing dividend payments: －
Availability of supplementary briefing material on quarterly results: available
Schedule of quarterly results briefing session: not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2014
(April 1, 2014 to December 31, 2014)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2014	188,912	1.7	9,299	68.1	9,926	59.8	8,156	140.4
Nine months ended December 31, 2013	185,818	4.0	5,532	(3.3)	6,211	(3.5)	3,393	223.7

(Note) Comprehensive income:
Nine months ended December 31, 2014 8,085 million yen (61.2%)
Nine months ended December 31, 2013 5,017 million yen (265.0%)

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2014	100.29	—
Nine months ended December 31, 2013	41.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of December 31, 2014	175,368	121,446	67.5
As of March 31, 2014	175,992	114,173	63.0

(Reference) Equity: As of December 31, 2014:118,290 million yen
As of March 31, 2014:110,827 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2014	—	10.00	—	10.00	20.00
Fiscal year ended March 31, 2015	—	15.00	—		
Fiscal year ending March 31, 2015 (Forecast)				15.00	30.00

(Note) Revision of dividend forecasts from recently announced figures: Not Applicable

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015
(April 1, 2014 to March 31, 2015)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	285,000	2.6	13,000	13.5	13,600	10.9	9,200	28.0	113.11

(Note) Revision of forecast of financial results from recently announced figures: Not Applicable

* Notes:

(1) Changes in significant subsidiaries during the period under review: No

(2) Application of specific accounting treatments for preparing consolidated quarterly financial statements: Applicable

(3) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies due to the revision of accounting standards, etc.: Applicable

2) Any changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Corrections of errors: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

December 31, 2014	85,381,866 shares	March 31, 2014	85,381,866 shares

2) Total number of treasury stock at the end of the period:

December 31, 2014	4,048,237 shares	March 31, 2014	4,046,553 shares

3) Average number of shares outstanding during the period:

December 31, 2014	81,334,713 shares	December 31, 2013	82,405,899 shares

*Status of execution of the quarterly review of financial statements

This consolidated financial report is not subject to the quarterly review of the financial statements under the Financial Instruments and Exchange Act. The procedures for said quarterly review have been executed at the time of disclosing this report.

*Explanation for the appropriate use of financial forecasts and other special notes

While descriptions in this report regarding financial prospects and other future events are based on the information available at the time, this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors.

Contents of Appendix

1. Qualitative Information on Financial Results for the Current Quarter

1) Qualitative Information on Consolidated Operating Results

During the nine months ended December 31, 2014, although the domestic economy continued to find itself in a modest recovery, nevertheless prospects for the future remained uncertain due to factors such as a protracted reaction to the raising of the consumption tax rate, a considerable fall in the price of crude oil, and concerns of a downswing in the global economy.

In the telecommunications sector, as the fixed broadband market matures, signs of movement can be seen in new, increased demand for the wholesaling of optical lines. Meanwhile, in the mobile communications sector, the use of smartphones and tablet devices is spreading, while telecommunications companies, the Company's principal clients, are pushing to increase usage by introducing flat-rate payment systems and expanding new usage scenarios. In addition, in response to rapidly increasing traffic they are quickly constructing or improving high-speed, high-volume mobile networks of LTE and Wi-Fi access points.

Furthermore, the environment surrounding the Company's group is undergoing considerable change, as a result of movement toward liberalization of the electricity market, environmental and energy problems, and rising expectations for the rebuilding of social infrastructure on the occasion of the hosting of the 2020 Tokyo Olympic and Paralympic Games.

The Company's group has actively seized on these changes in the business environment, and in order to improve the Company's value as a "Comprehensive Engineering & Services Company" and provide for sustained growth, the Company formulated a 3-year mid-term management plan (FY 2016 targets: sales of ¥310,000 million, operating income of ¥17,000 million, operating profit margin of 5.5%, ROE of 8% or more) beginning in the present fiscal year, and is actively expanding its business areas and strengthening its management base.

In the nine months ended December 31, 2014, in NTT business, the volume of large-scale construction and routine construction declined, while restructuring of the business was undertaken by shifting personnel to growth segments and consolidating locations. In the multi-carrier business, the response to small-scale, large-volume LTE construction was strengthened, while productivity improvement measures such as insourcing of production, strengthening of cooperation with subsidiaries, and utilization of business-support tools were implemented in order to boost profitability. In addition we are also working to expand the business areas, as for instance by converting the local subsidiary in Australia into a consolidated subsidiary beginning in the second quarter. In the environmental & social innovation and ICT solutions business, in addition to the construction of solar power facilities, the installation of EV chargers, and expansion in the construction of large networks at universities and companies, we began to actively work to expand into new business areas, as for example by beginning to provide "ee-TaB plus" tablet service to hotels.

As a result of the above, consolidated results for the nine months ended December 31, 2014 showed an increase in revenue: total orders received were ¥217,465 million (up 1.5% year-on-year), while sales were ¥188,912 million (up 1.7% year-on-year). In terms of profit, operating income was ¥9,299 million (up 68.1% year-on-year) while ordinary income was ¥9,926 million (up 59.8% year-on-year). As for net income, because of the recording of extraordinary income of ¥2,791 million arising from the return of trust assets that had become redundant due to a reviewing of the retirement system at subsidiaries, net income increased to ¥8,156 million (up 140.4% year-on-year).

2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the third quarter of the consolidated fiscal year decreased by ¥623 million from the figure for the end of the preceding consolidated fiscal year, to ¥175,368 million. This was primarily due to a decrease in accounts receivable – especially in accounts receivable from completed construction contracts – even though liquid funds on hand and costs on uncompleted construction contracts increased.

Total liabilities declined by ¥7,897 million from the end of the preceding consolidated fiscal year, to ¥53,921 million, primarily due to decreases in accounts payable for construction contracts.

Net assets increased by ¥7,273 million from the end of the preceding consolidated fiscal year, to ¥121,446 million. This came about due to the recording of quarterly net income, and in spite of the payment of dividends.

As a result of the above, the capital adequacy ratios at the end of the quarter stood at 67.5%, compared to 63.0% at the end of the preceding consolidated fiscal year.

3) Qualitative Information on Consolidated Earnings Forecast

The forecast for consolidated earnings for the fiscal year ending March 2015 remains unchanged from the forecast published on October 31, 2014.

2. Matters relating to summary information (other)

1) Changes in Significant Subsidiaries during the Consolidated Accounting Period of the Current Quarter

Not applicable.

2) Special Accounting Treatments Adopted for the Preparation of the Quarterly Consolidated Financial Statements

Calculation of tax expenses

Tax expenses have been calculated by multiplying quarterly net income before tax by the current estimated effective tax rate, making a reasonable estimate of the effective tax rate after the application of tax-effect accounting to net income before tax for the consolidated fiscal year including the third quarter of the current consolidated accounting period.

However when calculation using the reasonably estimated annual effective tax rate yields results that are irrational, the amount of income tax has been calculated based on the legal effective tax rate.

3) Changes in Accounting Principles and Changes or Restatement of Accounting Estimates

Change in accounting principles

From the first quarter of the consolidated accounting period the Company has applied the “Accounting Standard regarding Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012, hereinafter “Accounting Standard for Retirement Benefits”) and the “Guidance regarding Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereinafter “Guidance on Retirement Benefits”) with regard to the provisions stipulated in the text of Clause 35 of the “Accounting Standard for Retirement Benefits” and the text of Clause 67 of the “Guidance on Retirement Benefits”. Accordingly the Company reviewed the calculation method for retirement benefit obligations and service costs, changed the method of period attribution for the estimated amount of retirement benefits from a fixed-sum-per-period basis to a benefit-formula basis, and, as concerns the bond period on which the discount rate is determined, changed the method of determining the discount rate from a method based on the approximate number of years of the average remaining service period of employees to a method using a single, weighted-average discount rate that reflects the estimated retirement benefit payment period and the amount of benefit payments in each period.

As far as the application of the “Accounting Standard for Retirement Benefits” is concerned, in accordance with the transitional treatment stipulated in Clause 37 of the “Accounting Standard for Retirement Benefits” the sum arising from the change in the calculation method for retirement benefit obligations and service costs was applied to the retained earnings at the beginning of the third quarter of the present consolidated accounting period.

As a result, liabilities due to retirement benefits at the beginning of the third quarter of the present consolidated accounting period decreased by ¥1,479 million, assets related to retirement benefits increased by ¥1,039 million, and retained earnings increased by ¥1,620 million. The impact on operating income, ordinary income, and quarterly pre-tax income for the third quarter of the present consolidated accounting period was insignificant.

4) Additional Information

Transition of the retirement benefits system

For certain of the consolidated subsidiaries a transition was effected on April 1, 2014, from a system of defined-benefit pensions and lump-sum retirement payments to a system of defined-benefit pensions, defined-contribution pensions, and lump-sum retirement payments, applying “Accounting Treatment regarding Transitions between Retirement Benefit Systems” (ASBJ Guidance No. 1, January 31, 2002) and “Practical Handling regarding Accounting Treatment of Transitions between Retirement Benefit Systems” (PITF No. 2, February 7, 2007).

In association with the transition between systems, in the third quarter of the current consolidated accounting period extraordinary income (gain on revision of retirement benefit system) of ¥516 million yen was recorded.

Redemption of retirement benefits trust

MIRAIT Corporation, a consolidated subsidiary of the Company, had established a retirement benefits trust in order to strengthen its pension financing. Due to the change in the retirement benefits system, the pension assets – including the trust assets of the retirement benefits trust – have become redundant. Because there is no likelihood that the trust’s assets will at any time be used for retirement benefits, the redundant amount was returned.

In connection with this, in the third quarter of the current consolidated accounting period extraordinary income (gain on exemption from employees' retirement benefit trust) of ¥2,791 million was recorded.

Basis of Presentation for Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan..

3. Quarterly Consolidated Financial Statements (FSA)

1) Quarterly Consolidated Balance Sheet

(in millions of yen)

	Fiscal year ended March 31, 2014	Nine months ended December 31, 2014
Assets		
Current assets		
Cash and deposits	17,627	19,350
Notes receivable, accounts receivable from completed construction contracts and other	83,296	57,667
Securities	-	3,000
Costs on uncompleted construction contracts and other	19,851	32,738
Deferred tax assets	2,550	2,609
Other	2,713	3,675
Allowance for uncollectible receivables	(28)	(12)
Total current assets	126,009	119,028
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,023	9,673
Land	17,615	18,017
Construction in progress	44	237
Other, net	1,876	1,969
Total property, plant and equipment	29,559	29,897
Intangible assets		
Goodwill	598	485
Software	2,796	2,356
Other	187	153
Total intangible assets	3,583	2,995
Investments and other assets		
Investment securities	9,409	18,032
Long-term loans receivable	147	12
Net defined benefit asset	3,243	1,594
Deferred tax assets	1,562	1,332
Lease and guarantee deposits	1,093	1,171
Other	1,616	1,531
Allowance for doubtful accounts	(233)	(228)
Total investments and other assets	16,839	23,446
Total non-current assets	49,982	56,340
Total assets	175,992	175,368

(in millions of yen)

	Fiscal year ended March 31, 2014	Nine months ended December 31,2014
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,662	26,110
Short-term loans payable	-	130
Current portion of long-term loans payable	64	29
Income taxes payable	2,959	2,560
Advances received on uncompleted construction contracts	1,388	3,671
Provision for loss on construction contracts	450	339
Provision for bonuses	4,278	2,087
Provision for directors' bonuses	78	45
Provision for warranties for completed construction	14	17
Other	5,678	6,871
Total current liabilities	49,575	41,864
Non-current liabilities		
Long-term loans payable	60	41
Deferred tax liabilities	778	1,356
Deferred tax liabilities for land revaluation	44	44
Provision for directors' retirement benefits	175	183
Net defined benefit liability	9,926	7,952
Asset retirement obligations	59	86
Negative goodwill	268	67
Long-term accounts payable – other	329	1,800
Other	600	524
Total non-current liabilities	12,243	12,057
Total liabilities	61,818	53,921
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	76,775	84,522
Treasury shares	(2,623)	(2,625)
Total shareholders’ equity	107,098	114,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,971	2,434
Revaluation reserve for land	(101)	(101)
Foreign currency translation adjustment	56	(16)
Remeasurements of defined benefit plans	1,802	1,130
Total accumulated other comprehensive income	3,729	3,447
Minority interests	3,345	3,156
Total net assets	114,173	121,446
Total liabilities and net assets	175,992	175,368

2) Consolidated Quarterly Statements of Income and Comprehensive Income

Nine months ended December 31, 2014

(Unit: millions of yen)

	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	Nene months ended December 31, 2014 (From April 1, 2014 December 31, 2014)
Net sales of completed construction contracts	185,818	188,912
Cost of completed construction contracts	166,390	165,534
Completed construction gross profit	19,428	23,377
Selling, general and administrative expenses	13,895	14,078
Operating income	5,532	9,299
Non-operating income		
Interest income	14	14
Dividends income	158	260
Amortization of negative goodwill	202	198
Real estate ren	67	31
Surrender value of insurance	249	52
Investment earnings from equity method	-	39
Others	104	115
Total non-operating income	797	712
Non-operating expenses		
Interest expenses	9	2
Foreign exchange losses	26	-
Real estate rent expenses	39	40
Investment losses from equity method	24	-
Others	18	42
Total non-operating expenses	118	85
Ordinary income	6,211	9,926
Extraordinary income		
Gain on sales of investment securities	2	132
Gain on revision of retirement benefit plan	-	516
Gain on retirement benefit trust return	-	2,791
Reversal of allowance for doubtful accounts	14	3
Others	0	102
Total extraordinary income	17	3,545
Extraordinary loss		
Loss on fixed asset disposal	114	37
Impairment loss	-	87
Loss on changes in equity	-	45
Litigation expenses	2	-
Restructuring costs	72	-
Others	34	60
Total extraordinary loss	225	231
Income before income taxes	6,004	13,240
Corporate taxes	2,388	4,875
Income before minority interests	3,615	8,364
Minority interests in income	222	208
Net income	3,393	8,156

(Unit: millions of yen)

	Nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Minority interests in income	222	208
Income before minority interests	3,615	8,364
Other comprehensive income		
Valuation difference on available-for-sale securities	1,374	466
Foreign currency translation adjustment	-	△1
Remeasurements of defined benefit plans	-	△672
Proportionate share in equity affiliates	26	△72
Total other comprehensive income	1,401	△279
Comprehensive income	5,017	8,085
(Breakdown)		
Comprehensive income according to parent company shareholders	4,788	7,874
Comprehensive income due to minority shareholders	228	210

3) Notes to quarterly consolidated financial statements

(Notes on assumption of ongoing business)

Not applicable.

(Note on significant changes in the amounts of shareholders' equity)

Nine months ended December 31, 2014 (April 1, 2014-December 31, 2014)

Amounts of shareholders' equity have not seen any significant change as compared with the previous fiscal year-end date.