Consolidated Financial Results
for the Fiscal Year Ended March 31, 2015
[Japanese GAAP]

May 8, 2015

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
URL: http://www.mirait.co.jp/
Representative: Masatoshi Suzuki, President and CEO
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Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2015
Scheduled date of commencing dividend payments: June 26, 2015
Scheduled date of filing annual securities report: June 26, 2015
Availability of supplementary briefing material on annual results: available
Schedule of quarterly results briefing session: scheduled (for analysts and institutional investors)

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

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

(1) Consolidated Operating Results (% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2015	283,747	2.2	14,139	23.4	14,834	20.9	11,108	54.6
Fiscal year ended March 31, 2014	277,720	2.5	11,454	5.6	12,267	4.3	7,186	71.1

(Note) Comprehensive income: Fiscal year ended March 31, 2015:12,835 million yen (48.1%)
Fiscal year ended March 31, 2014:8,664 million yen (66.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2015	136.58	—	9.5	8.0	5.0
Fiscal year ended March 31, 2014	87.30	—	6.7	7.0	4.1

(Reference)
Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2015: 52 million yen
Fiscal year ended March 31, 2014: (40 million yen)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal Year Ended March 31, 2015	192,700	126,184	63.8	1,510.59
Fiscal year ended March 31, 2014	175,992	114,173	63.0	1,362.61

(Reference)
Equity: Fiscal year ended March 31, 2015: 122,860 million yen
Fiscal year ended March 31, 2014: 110,827 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2015	18,683	(3,870)	(2,247)	29,260
Fiscal year ended March 31, 2014	9,073	(2,712)	(3,546)	16,788

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2014	—	10.00	—	10.00	20.00	1,637	22.9	1.5
Fiscal year ended March 31, 2015	—	15.00	—	15.00	30.00	2,440	22.0	2.1
Fiscal year ending March 31, 2016 (Forecast)	—	15.00	—	15.00	30.00		24.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% 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
First half	124,000	0.7	4,200	(29.3)	4,500	(28.1)	3,000	(23.8)	36.89
Full year	310,000	9.3	15,000	6.1	15,500	4.5	10,000	(10.0)	122.95

* Notes:

(1) Changes in significant subsidiaries during the period under review : No
(changes in specified subsidiaries resulting in changes in scope of consolidation):

(2) 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.: Yes
2) Any changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Corrections of errors: No

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

March 31, 2015	85,381,866 shares	March 31, 2014	85,381,866 shares

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

March 31, 2015	4,049,000 shares	March 31, 2014	4,046,553 shares

3) Average number of shares outstanding during the period:

March 31, 2015	81,334,347 shares	March 31, 2014	82,316,434 shares

* Status of execution of the audit of financial statements

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

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

- The Company plans to hold a briefing session for analysts and institutional investors on Friday, May 14, 2014. The briefing material on earnings distributed at this briefing session will be promptly published on the Company's website after the briefing session is held.

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.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Although the impact of the increased consumption tax was prolonged and there was a slump in the overseas economy, the Japanese economy underwent an a moderate recovery in the fiscal year ended March 31, 2015, such as steady improvements in employment conditions and corporate earnings.

In the telecommunications sector, new demand for wholesaling of optical lines was seen as the fixed broadband market matured. Meanwhile, smartphones and tablets have become more widespread in mobile communications, and the telecommunications carriers who are MIRAIT's main clients are focusing on the implementation of fixed pricing plans and expansion into new usage situations. In order to respond to rapidly increasing traffic, these carriers are swiftly building high-speed broadband mobile networks such as LTE and Wi-Fi.

Furthermore, in addition to movements toward the liberalization of the electric power market and environmental and energy issues, there are heightening expectations in the rebuilding of social infrastructure due to the Olympic and Paralympic Games being held in Tokyo in 2020, resulting in significant changes to the environment surrounding the MIRAIT Group.

In order to actively track such changes in the business environment and to enhance corporate value and achieving sustained growth as a “Comprehensive Engineering & Service Company,” the MIRAIT Group has established a three-year medium-term management plan beginning in the year ended March 31, 2015 (targets for the year ending March 31, 2017: sales of 310,000 million yen, operating income of 17,000 million yen, operating margin of 5.5%, ROE of 8% or more), and is actively expanding its scope of business and strengthening its management base.

In NTT business, the Company engaged in business reforms such as shifting personnel to growing businesses and consolidating offices.

In the multi-carrier business, the Company strengthened support for a high volume of small-scale projects such as LTE and worked to improve productivity, in addition to converting an Australian local subsidiary into a consolidated subsidiary.

In the environmental & social innovation and ICT solution business, MIRAIT worked to build solar power facilities, install EV charging equipment, and expand large-scale network projects in universities and enterprises, in addition to actively developing new business areas such as commencing the provision of the ee-TaB Plus tablet service for hotels.

Consequently, in the consolidated business performance at the end of current fiscal year, orders received amounted to 293,690 million yen (up 4.1% year-on-year) and net sales were 283,747 million yen (up 2.2% year-on-year). In terms of profit, operating income was 14,139 million yen (up 23.4% year-on-year) and ordinary income was 14,834 million yen (up 20.9% year-on-year). Net income increased significantly to 11,108 million yen (up 54.6% year-on-year) partly due to the recording of extraordinary income associated with the revision of the retirement benefits system and pension assets in subsidiaries.

[Business Results of MIRAIT]

MIRAIT has actively engaged in the creation and establishment of all kinds of networks aimed at diversifying and advancing services as a “Comprehensive Engineering & Service Company” with the aim of achieving the targets set out in the medium-term management plan.

In the NTT business, personnel have been shifted to growing areas, and we have also made an effort to improve productivity and increase business efficiency through moves such as the establishment of the Fujisawa Technical Center in Kanagawa Prefecture and the consolidation of work offices in the prefecture.

In the multi-carrier business, we have proceeded to improve business efficiency by strengthening management aimed at performing a high volume of small-scale projects such as LTE. Furthermore, we established the Next Generation Mobile Business Creation Headquarters, and worked to expand business peripheral to mobile carriers and new business utilizing mobile technologies.

In the environmental & social innovation and ICT solution business, MIRAIT worked to build solar power facilities, install EV charging equipment, develop software, and conduct large-scale network projects such as upgrading PBX in universities, in addition to actively developing new business areas such as commencing the provision of the ee-TaB Plus information service for hotel guests. Furthermore, we strengthened sales by establishing the ICT Sales & Marketing Group, the Environment & Energy Sales and Marketing Group and the Social Infrastructure Sales & Marketing Group in order to expand businesses that will serve as drivers for future growth, while also working to promote the development of business through the establishment of a new incubation organization.

As a result of the above, in the consolidated results for the year ended March 31, 2015, orders received were 189,953 million yen (up 2.3% year-on-year), net sales were 187,999 million yen (up 1.6% year-on-year), and operating income was 11,477 million yen (up 26.8% year-on-year).

[Business Results of MIRAIT Technologies]

MIRAIT Technologies, placing the highest priority on ensuring safety, improving quality and thorough compliance, has made an effort to secure profits in the NTT business by expanding facility management services, promoting work across a wide area such as post-earthquake reconstruction work and pole renewal, and consolidating technical centers.

In the multi-carrier business, we engaged in the generation of profit such as improving the efficiency of allocation of personnel to match decreased capital expenditure by mobile carriers and the utilization of business support systems, and also made an effort to expand fixed communication services such as network transmission design. In global business, the management of our Australian local subsidiary was consolidated and business expanded with the launch of MIRAIT Technologies Australia Pty. Limited. In addition, further efforts were made to expand business in Myanmar and other rapidly growing economies in the Asia-Pacific region.

In the environmental & social innovation and ICT solution business, we fully engaged in the construction and maintenance of solar power facilities, and established a Hong Kong branch office to facilitate procurement of solar panels from China. Moreover, we have been actively engaged in a wide range of areas utilizing ICT, such as commencing field tests of new wireless networks for power and gas meters using the 280MHz band previously used by pagers.

As a result of the above, in the consolidated results for the year ended March 31, 2015, orders received were 115,154 million yen (up 4.2% year-on-year), net sales were 107,240 million yen (up 3.7% year-on-year), and operating income was 2,393 million yen (up 14.7% year-on-year).

[Business Results of the Company (Holding Company)]

As a holding company that handles planning functions including the Group's management strategy, along with finance, IR and general affairs functions, the Company has been engaged in business management and promotion of business strategies for the whole Group in return for management fees and dividends from the two business companies within the Group. As a result, the Company's operating revenue was 4,353 million yen (up 27.3% year-on-year) and operating income was 2,730 million yen (up 53.8% year-on-year).

(Outlook for Next Fiscal Year)

Although there are concerns about uncertainty surrounding overseas economic conditions, economic recovery is expected to be certain in the year ending March 31, 2016 due to robust corporate earnings and an improvement of the employment environment. Furthermore, full-scale reconstruction following the Great East Japan Earthquake, promotion of conversion to new energy sources, and an expanded movement to rebuild social infrastructure looking toward 2020 are expected.

In the telecommunications sector, although the fixed broadband market is maturing, new demand is expected to be generated with the emergence of the optical collaboration model. In addition, expansion of diverse services is expected to be brought about by the expansion of Wi-Fi, increased popularity of tablets and other such devices, and the convergence of fixed and mobile, and of communication and broadcast services.

Meanwhile, in mobile communications, in addition to the increased speed provided through the introduction of carrier aggregation technology for responding to rapidly increasing data traffic, commencement of service on new frequencies and the introduction of new communication technologies such as LTE-Advanced are expected to move forward.

Demand for cloud and office solutions is expanding in ICT, and demand in environmental and energy solutions is also increasing in areas such as solar power, rechargeable batteries and EV charging.

Under such circumstances, the MIRAIT Group will strive to expand business areas and strengthen management infrastructure as a "Comprehensive Engineering and Service Company" with the aim of achieving our medium-term management plan.

For the forecast of the consolidated business results in the year ending March 31, 2016, we are expecting 310,000 million yen in orders received (up 5.6% year-on-year), 310,000 million yen in net sales (up 9.3% year-on-year), 15,000 million yen in operating income (up 6.1% year-on-year), an 15,500 million yen in ordinary income (up 4.5% year-on-year). Because there will be no effect of extraordinary income associated with the revision of the retirement benefits system and pension assets, net income attributable to parent company shareholders is forecast to be 10,000 million yen (down 10.0% year-on-year).

(2) Analysis of Financial Position

(Assets, Liabilities and Net Assets)

Total assets at the end of the current fiscal year amounted to 192,700 million yen, an increase of 16,708 million yen from the previous fiscal year end. This consisted of an increase in current assets by 8,273 million yen and an increase in noncurrent assets by 8,434 million yen from the previous fiscal year end. This was mainly attributable to the increase in cash and deposits due to progress in the recovery of accounts receivable-trade such as accounts receivable from completed construction contracts of increase in investment securities associated with the return of securities contributed to trust property in the retirement benefit trusts established in certain consolidated subsidiaries.

Total liabilities at the end of the current fiscal year increased by 4,696 million yen from the previous fiscal year end to 66,515 million yen. This consisted of an increase of 3,068 million yen in current liabilities and an increase of 1,628 million yen in noncurrent liabilities from the end of the previous fiscal year. This was mainly attributable to an increase in accounts payable-other and long-term accounts payable-other due to the occurrence of contributions to the defined benefit pension system, and an increase in notes and accounts payable-trade such as accounts payable for construction contracts.

Net assets at the end of the current fiscal year increased from the previous fiscal year end by 12,011 million yen to 126,184 million yen. This was primarily due to the increase in retained earnings by 10,695 million yen resulting from posting net income in the amount of 11,108 million yen.

As a result, the equity ratio was 63.8% and net assets per share were 1,510.59 yen.

(Cash Flows)

Cash and cash equivalents (hereinafter referred to as “cash”) in the current fiscal year increased by 12,472 million yen from the previous fiscal year to 29,260 million yen.

Cash flows in each area of activities and the circumstances behind them were as follows.

1) Net cash provided by (used in) operating activities

Net cash provided by operating activities was 18,683 million yen (up from 9,073 million yen in the previous fiscal year). This was mainly attributable to a 2,076 million yen decrease in costs on uncompleted construction contracts and others and 17,742 million yen in income before income taxes despite a decrease in cash due to income taxes paid totaling 5,934 million yen.

2) Net cash provided by (used in) investing activities

Net cash used in investing activities was 3,870 million yen (2,712 million yen was used in the previous fiscal year) due to the purchase of property, plant and equipment totaling 2,730 million yen and purchase of intangible assets totaling 705 million yen.

3) Net cash provided by (used in) financing activities

Net cash used in financing activities was 2,247 million yen (3,546 million yen was used in the previous fiscal year) due to factors such as cash dividends paid totaling 2,033 million yen.

(Reference) Trends in the Group's cash flow indicators

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Equity ratio	66.5	65.3	60.0	63.0	63.8
Marked-to-market equity ratio	37.4	32.3	46.2	41.8	56.7
Ratio of cash flow to interest-bearing debt	—	10.6	—	5.5	2.1
Interest coverage ratio	—	772.8	—	817.8	902.7

(Notes) 1. Calculation methods for each indicator are as follows:
Equity ratio: Equity / Total assets
Marked-to-market equity ratio: Total market capitalization / Total assets
Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flows
Interest coverage ratio: Cash flows / Interest payment
2. All indicators have been calculated based on consolidated financial data.
3. Total market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).
4. Cash flows refer to net cash provided by (used in) operating activities on the Consolidated Statement of Cash Flows.
5. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest payment refers to the amount of interest paid on the Consolidated Statement of Cash Flows.
6. The ratio of cash flow to interest-bearing debt and the interest coverage ratio for the fiscal year ended March 31, 2011 are not presented here because cash flows in operating activities in said fiscal year turned out to be negative.

(3) Basic Policy of Appropriation of Profits and Dividend Payment for Current Fiscal Year and Next Fiscal Year

The Company makes it a basic policy to pay dividends consistently commensurate to its latest business performance and the trend of dividend payout ratio. Its internal reserve is used for reinforcing its financial position and for investing in the business development that can enhance its corporate value.

Dividends from surplus are basically paid out twice a year in the form of an interim dividend and a year-end dividend, and the organ determining the dividend is the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend. Payment of interim dividends as stipulated under Article 454, Paragraph 5 of the Companies Act has been specified by the Articles of Incorporation of the Company.

We intend to provide year-end dividends of 15 yen per share this fiscal year, an increase resulting from general consideration of performance and dividend payout ratio. Accordingly, the annual dividend including the interim dividend of 15 yen per share is 30 yen per share.

As for the next fiscal year, 30 yen per share (15 yen for interim dividend and 15 yen for year-end dividend) is scheduled.

(4) Business Risks

The MIRAIT Group is exposed to the following risks that could have impact on its operating results and financial position. Forward-looking statements contained herein are based on the Group's judgment as at the end of the fiscal year ended March 31, 2014.

1) Risks associated with excessive dependence on particular clients

Principal clients of MIRAIT Group are telecommunications carriers such as the NTT Group, and owing to the fact that they account for a large portion of net sales, their capital expenditures or technological breakthroughs and other factors could have an impact on the Group's business performance.

2) Risks associated with safety and quality issues

The MIRAIT Group is wholly committed to the safety and quality control over its engineering works to deliver quality engineering and services that deserve customers' trust and appreciation by making use of the safety and quality management system operated by the two business companies.

However, in the event serious accidents or other contingencies occur, these could have serious social consequences and result in the loss of clients' confidence and restriction on the Group's operating activities, and have an impact on its business results.

3) Risks associated with the management of critical information

In handling the critical information such as technical data and personal information from the clients, the MIRAIT Group is wholly committed to the prevention of leakage of classified information through the use of

ISMS (information security management system) operated by the two business companies.

In the event of unforeseen information leakage, however, the Group may suffer liability for damages with potential impact on its financial results, let alone loss of the clients' confidence, which could have an impact on the Group's business results.

4) Risks associated with the clients' credit uncertainty

The MIRAIT Group is adopting measures to avoid credit risks by using external credit agencies for credit management regarding clients and the contract review by the legal section.

However, in the event the credit of clients is uncertain, the Group might not be able to collect fees for engineering works or may be forced to delay works, which could have an impact on the Group's business results.

5) Risks associated with assets held by the Group

The MIRAIT Group holds assets such as real estate and securities due to operational requirements, and significant fluctuation of the fair values thereof could have an impact on the Group's business results.

6) Risks associated with natural disasters

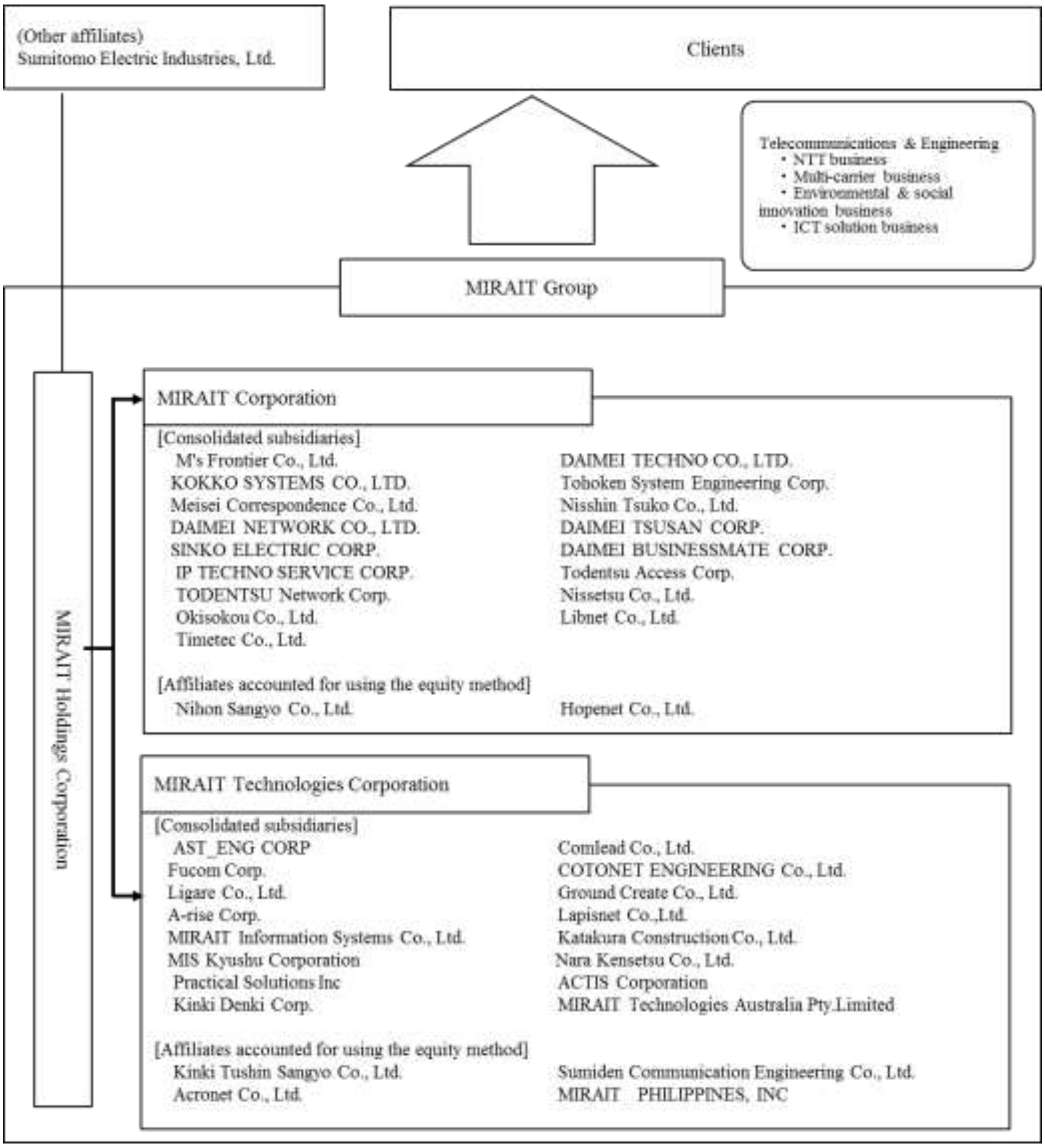
The MIRAIT Group has adopted countermeasures against events such as natural disasters including earthquakes, but the occurrence of contingencies such as shortages of electricity, fuel or materials resulting from such events could have an impact on the Group's business results.

2. Overview of the Corporate Group

The MIRAIT Group comprises the Company as a holding company, two business companies, namely, MIRAIT Corporation and MIRAIT Technologies Corporation, and 35 consolidated subsidiaries. The main businesses operated by the Group are the NTT business, multi-carrier business, the environmental & social innovation business, and the ICT solution business.

The Group's operational structure is as follows.

(As of March 31, 2015)



(Notes) 1. In the first quarter of the year ended March 31, 2015, MIRAIT Corporation acquired shares in Timetec Co., Ltd. and made it a consolidated subsidiary.

2. In the first quarter of the year ended March 31, 2015, MIRAIT Technologies Corporation acquired shares in CCTS Telecommunications Construction Pty. Limited (current trade name: MIRAIT Technologies Australia Pty. Limited), making it a consolidated subsidiary.

3. MIS Kyushu Corporation is a company whose trade name changed with the acquisition-type merger of Fukuoka Systemtechno Inc. (non-consolidated subsidiary) by K-Soft Corp. (consolidated subsidiary).

4. Sumiden Communication Engineering Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, became an equity-method affiliate company from the third quarter of the year ended March 31, 2015 because the stake of MIRAIT Technologies Corporation in the company fell as a result of selling some of its shares.

3. Management Policies

(1) Basic Management Policies

The Company will work to enhance corporate value and ensure sustained growth by:

(i) Striving to be a leading Japanese corporation that realizes the highest levels of customer satisfaction and trust as a "Comprehensive Engineering & Services Company" that continually creates new value centered on the field of information and telecommunications;

(ii) Contributing to the realization of an enriched and comfortable society by placing value on safety and quality and offering the highest level of services.

(iii) Continuing to be an enterprise that coexists and mutually prospers with people and society as a company that fulfils its corporate social responsibility and always respects human beings.

(2) Targeted Management Benchmarks

The MIRAIT Group has established a medium-term management plan starting in the year ended March 31, 2015, (targeting net sales of 310,000 million yen, operating income of 17,000 million yen, an operating margin of 5. 5% and ROE of 8% or more in the fiscal year ending March 31, 2017) and aims to attain these targets.

(3) Medium- to Long-term Management Strategies

The Group will accelerate the transformation of the business structure to respond to changes in the external environment, and work to achieve sustained growth as a "Comprehensive Engineering & Service Company" by focusing on improving efficiency in existing businesses and expanding drivers for future growth.

(4) Issues to be Addressed

The business environment surrounding the MIRAIT Group has reached a turning point. In the telecommunications sector, diverse services are expanding through the convergence of fixed and mobile communication and of communication and broadcasting services as a result of the emergence of optical collaboration model and the expansion of Wi-Fi, and increased popularity of devices such as smartphones and tablets.

Furthermore, in mobile communications, in addition to the increased speed provided through the introduction of carrier aggregation technology, we are proceeding with the commencement of service on new frequencies and the introduction of new communication technologies such as LTE-Advanced.

Furthermore, the promotion of growth strategies involving the public and private sectors working as one, and the advancement and utilization of ICT provide the impetus for social innovation aimed at full-scale reconstruction following the Great East Japan Earthquake, promotion of conversion to new energy sources, the introduction of the My Number system and the reconstruction of social infrastructure aimed at the 2020 Tokyo Olympics and Paralympics are bringing about social innovation and new growth markets.

Under such business conditions, the Group needs to strengthen its technological capability and ability to provide solutions, and work to restructure its business portfolio by actively expanding into many growth areas such as cloud computing, office solutions, Wi-Fi solutions and new energy sources. Moreover, we need to conduct business overseas by utilizing the business experience we have gained in Japan.

Meanwhile, in the NTT network engineering business, it is necessary to work to further improve productivity and operational efficiency to respond to the decline in demand for optical related work associated with the maturing of the fixed broadband market. Furthermore, in the mobile business, further cost reductions and improvements in work efficiency need to be made due to the intensification of service competition among telecommunications carriers and the reduction in scale of projects undertaken.

Under these circumstances, the MIRAIT Group will bring together the combined strength of the group to take on the following challenges with the aim of attaining targets in the Medium-term Management Plan.

(i) Strengthening of business operation

- Support for improvement of efficiency and rebuilding of existing business
- Steady expansion of sales and improvement profitability in “drivers for future growth”

(ii) Strengthening of management foundation

- Strengthening formation inside and outside of the Group
- Strengthening of nationwide construction and maintenance organization
- Development of multi-skilled employees and acquisition of certified personnel
- Improvement of work platform for promoting the improvement of efficiency (utilization of the latest ICT)

(iii) Transformation of corporate culture

- Founding of corporate culture of “safety first” and establishment of MIRAIT Quality
- Encouragement of a free-spirited culture and mentality of attacking challenges
- Promotion of CSR and enhancement of the MIRAIT brand

4. Basic Approach Concerning the Selection of Accounting Policies

The MIRAIT Group's operations are focused within Japan, and we intend to prepare consolidated financial statements based on Japanese accounting standards for now, but we intend to consider the application of IFRS (International Financial Reporting Standards) based on consideration of business developments overseas and trends of adoption of IFRS within other companies in Japan.

<Notes>

This document contains forward-looking statements based on the plans, outlooks, management strategies and policies of the Company as of the time of its issuance. Such forward-looking statements describe management judgments and assumptions based on information available at this point in time.

As such, actual business results could be significantly different from which stated in this document due to changes in conditions. Thus, please be advised that we will not be able to guarantee the accuracy of the forward-looking statements in this document in the future.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Assets		
Current assets		
Cash and deposits	17,627	30,303
Notes receivable-trade	1,021	1,069
Accounts receivable from completed construction contracts	78,647	76,941
Accounts receivable-trade	3,627	3,123
Costs on uncompleted construction contracts and others	19,851	17,444
Deferred tax assets	2,550	2,696
Prepaid expenses	492	429
Accounts receivable-other	1,436	1,134
Other	784	1,156
Allowance for doubtful accounts	(28)	(17)
Total current assets	126,009	134,283
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	21,044	20,664
Machinery, vehicles, tools, furniture and fixtures	8,959	9,407
Land	17,615	18,452
Lease assets	680	515
Construction in progress	44	541
Accumulated depreciation	(18,785)	(19,265)
Total property, plant and equipment	29,559	30,314
Intangible assets		
Goodwill	598	381
Software	2,796	2,272
Other	187	123
Total intangible assets	3,583	2,777
Investments and other assets		
Investment securities	9,409	18,886
Long-term loans receivable	147	11
Net defined benefit asset	3,243	2,904
Deferred tax assets	1,562	1,040
Lease and guarantee deposits	1,093	1,154
Other	1,616	1,549
Allowance for doubtful accounts	(233)	(221)
Total investments and other assets	16,839	25,325
Total noncurrent assets	49,982	58,417
Total assets	175,992	192,700

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Liabilities		
Current liabilities		
Notes payable-trade	742	481
Construction in progress	33,919	35,448
Current portion of long-term loans payable	64	24
Accounts payable-other	1,717	2,897
Income taxes payable	2,959	2,059
Advances received on uncompleted construction contracts	1,388	1,702
Provision for loss on construction contracts	450	323
Provision for bonuses	4,278	4,106
Provision for directors' bonuses	78	72
Provision for warranties for completed construction	14	16
Other	3,961	5,509
Total current liabilities	49,575	52,643
Noncurrent liabilities		
Long-term loans payable	60	36
Deferred tax liabilities	778	3,317
Deferred tax liabilities for land revaluation	44	42
Provision for directors' retirement benefits	175	125
Net defined benefit liability	9,926	7,943
Asset retirement obligations	59	86
Negative goodwill	268	—
Long-term accounts payable-other	329	1,860
Other	600	459
Total noncurrent liabilities	12,243	13,872
Total liabilities	61,818	66,515
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,947
Retained earnings	76,775	87,471
Treasury stock	(2,623)	(2,626)
Total shareholders' equity	107,098	117,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,971	3,109
Revaluation reserve for land	(101)	(100)
Foreign currency translation adjustment	56	1
Remeasurements of defined benefit plans	1,802	2,057
Total accumulated other comprehensive income	3,729	5,068
Minority interests	3,345	3,324
Total net assets	114,173	126,184
Total liabilities and net assets	175,992	192,700

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales of completed construction contracts	277,720	283,747
Cost of sales of completed construction contracts	247,743	250,633
Gross profit on completed construction contracts	29,976	33,113
Selling, general and administrative expenses	18,521	18,973
Operating income	11,454	14,139
Non-operating income		
Interest income	18	21
Dividends income	182	275
Amortization of negative goodwill	271	265
Real estate rent	63	40
Surrender value of insurance	317	101
Equity in earnings of affiliates	—	52
Miscellaneous income	127	136
Total non-operating income	980	894
Non-operating expenses		
Interest expenses	10	13
Foreign exchange losses	28	63
Rent expenses on real estates	46	48
Equity in losses of affiliates	40	—
Miscellaneous expenses	42	73
Total non-operating expenses	167	199
Ordinary income	12,267	14,834
Extraordinary income		
Gain on sales of noncurrent assets	92	0
Gain on sales of investment securities	2	132
Gain on negative goodwill	—	33
Return on liquidation of mutual association	159	—
Gain on revision of retirement benefit plan	—	516
Gain on return of employees' retirement benefit trust	—	2,791
Other	46	88
Total extraordinary income	300	3,563
Extraordinary loss		
Loss on sales of noncurrent assets	3	0
Loss on retirement of noncurrent assets	155	90
Impairment loss	20	322
Loss on sales of investment securities	0	15
Loss on valuation of investment securities	12	6
Restructuring expenses	80	—
Loss on specific construction contracts	16	—
Litigation expenses	2	—
Other	52	219
Total extraordinary loss	344	656
Income before income taxes	12,224	17,742

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income taxes-current	4,657	4,582
Income taxes-deferred	(24)	1,670
Total income taxes	4,633	6,253
Income before minority interests	7,590	11,488
Minority interests in income	404	380
Net income	7,186	11,108
Minority interests in income	404	380
Income before minority interests	7,590	11,488
Other comprehensive income		
Valuation difference on available-for-sale securities	1,029	1,144
Revaluation reserve for land	—	1
Foreign currency translation adjustment	—	1
Remeasurements of defined benefit plans	—	254
Share of other comprehensive income of associates accounted for using equity method	43	(55)
Total other comprehensive income	1,073	1,346
Comprehensive income:	8,664	12,835
(Breakdown)		
Comprehensive income attributable to owners of the parent	8,254	12,447
Comprehensive income attributable to minority interests	409	387

(3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of the period	7,000	25,947	71,457	(1,622)	102,783
Cumulative effect of changes in accounting policies					－
Balance at start of period in which changes in accounting policies were reflected	7,000	25,947	71,457	(1,622)	102,783
Change during the period					
Dividends from surplus			(1,648)		(1,648)
Net income			7,186		7,186
Purchase of treasury stock				(1,001)	(1,001)
Disposal of treasury stock		0		0	0
Change of scope of equity method			(220)		(220)
Net changes in items other than shareholders' equity					
Total changes of items during the period	－	0	5,317	(1,001)	4,315
Balance at end of the period	7,000	25,947	76,775	(2,623)	107,098

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of the period	946	(101)	12	－	857	2,989	106,630
Cumulative effect of changes in accounting policies							－
Balance at start of period in which changes in accounting policies were reflected	946	(101)	12	－	857	2,989	106,630
Change during the period							
Dividends from surplus							(1,648)
Net income							7,186
Purchase of treasury stock							(1,001)
Disposal of treasury stock							0
Change of scope of equity method							(220)
Net changes in items other than shareholders' equity	1,024	－	43	1,802	2,871	356	3,227
Total changes of items during the period	1,024	－	43	1,802	2,871	356	7,543
Balance at end of the period	1,971	(101)	56	1,802	3,729	3,345	114,173

Current fiscal year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of the period	7,000	25,947	76,775	(2,623)	107,098
Cumulative effect of changes in accounting policies			1,620		1,620
Balance at start of period in which changes in accounting policies were reflected	7,000	25,947	78,396	(2,623)	108,719
Change during the period					
Dividends from surplus			(2,033)		(2,033)
Net income			11,108		11,108
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		0		0	0
Change of scope of equity method					―
Net changes in items other than shareholders' equity					
Total changes of items during the period	―	0	9,075	(3)	9,072
Balance at end of the period	7,000	25,947	87,471	(2,626)	117,791

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of the period	1,971	(101)	56	1,802	3,729	3,345	114,173
Cumulative effect of changes in accounting policies							1,620
Balance at start of period in which changes in accounting policies were reflected	1,971	(101)	56	1,802	3,729	3,345	115,794
Change during the period							
Dividends from surplus							(2,033)
Net income							11,108
Purchase of treasury stock							(3)
Disposal of treasury stock							0
Change of scope of equity method							―
Net changes in items other than shareholders' equity	1,137	1	(54)	254	1,339	(21)	1,318
Total changes of items during the period	1,137	1	(54)	254	1,339	(21)	10,390
Balance at end of the period	3,109	(100)	1	2,057	5,068	3,324	126,184

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	12,224	17,742
Depreciation and amortization	2,285	2,429
Amortization of goodwill and negative goodwill	(71)	(55)
Impairment loss	20	322
Gain on negative goodwill	－	(33)
Equity in (earnings) losses of affiliates	40	(52)
Increase (decrease) in allowance for doubtful accounts	(151)	(51)
Increase (decrease) in provision for bonuses	142	(56)
Increase (decrease) in provision for loss on construction contracts	70	(126)
Increase (decrease) in other provision	(275)	(224)
Increase (decrease) in net defined benefit assets and liabilities	140	24
Increase in securities arising from repayment of retirement benefit trust	－	(7,381)
Interest and dividends income	(201)	(297)
Interest expenses	10	13
Foreign exchange losses (gains)	20	65
Loss (gain) on sales of investment securities	(2)	(117)
Loss (gain) on valuation of investment securities	12	6
Loss (gain) on sales and retirement of property, plant and equipment	66	90
Decrease (increase) in notes and accounts receivable-trade	4,233	1,941
Decrease (increase) in costs on uncompleted construction contracts and others	(798)	2,076
Increase (decrease) in notes and accounts payable-trade	(4,033)	1,309
Increase (decrease) in advances received on uncompleted construction contracts	(103)	288
Increase/decrease in other assets/liabilities	(1,434)	3,785
Increase (decrease) in accrued consumption taxes	24	1,469
Decrease (increase) in consumption taxes refund receivable	169	(37)
Other	1,313	1,203
Subtotal	13,702	24,337
Interest and dividends income received	211	302
Interest expenses paid	(11)	(20)
Litigation expenses	(2)	－
Income taxes paid	(4,826)	(5,934)
Net cash provided by (used in) operating activities	9,073	18,683

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) investing activities		
Payments into time deposits	(509)	(733)
Proceeds from withdrawal of time deposits	546	569
Purchase of property, plant and equipment	(1,571)	(2,730)
Proceeds from sales of property, plant and equipment	118	18
Purchase of intangible assets	(964)	(705)
Purchase of investment securities	(111)	(351)
Proceeds from sales of investment securities	33	228
Purchase of investments in subsidiaries	(428)	(8)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(186)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	6	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	36
Net decrease (increase) in short-term loans receivable	(118)	(226)
Payments of loans receivable	(102)	(1)
Collection of loans receivable	126	137
Proceeds from cancellation of insurance funds	358	195
Other	(95)	(112)
Net cash provided by (used in) investing activities	(2,712)	(3,870)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(205)	—
Repayment of long-term loans payable	(479)	(64)
Purchase of treasury stock	(1,001)	(10)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock by consolidated subsidiaries	(15)	—
Cash dividends paid	(1,643)	(2,033)
Cash dividends paid to minority shareholders	(39)	(58)
Repayments of finance lease obligations	(161)	(80)
Net cash provided by (used in) financing activities	(3,546)	(2,247)
Effect of exchange rate change on cash and cash equivalents	0	(120)
Net increase (decrease) in cash and cash equivalents	2,813	12,445
Cash and cash equivalents at beginning of period	13,974	16,788
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	26
Cash and cash equivalents at end of period	16,788	29,260

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

(Changes in Accounting Policies)

The Accounting Standard for Retirement Benefits (ASBJ Statement No.26 dated May 17, 2012, hereinafter "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 dated March 26, 2015, hereinafter "Guidance on Retirement Benefits ") were applied to the provisions shown in the main text of Section 35 of the Accounting Standard for Retirement Benefits and the main text of Section 67 of the Guidance on Retirement Benefits from the current consolidated fiscal year. Accordingly, the Company revised the method of calculation of retirement benefit obligations and current service costs, changed the method of determining the period for the estimated amount of retirement benefits from being based on a fixed amount for the period to being based on the calculation of benefits, and changed the method for determining the period of the bonds forming the basis for determining the discount rate from a method based on the approximated number of average remaining service period to a method using a single weighted average discount rate reflecting the estimated payment period for retirement benefits and the amount for each estimated payment period.

With regard to the application of the Accounting Standard for Retirement Benefits, the impact associated with the change in the method of calculating retirement benefit obligations and current service costs was taken into account in retained earnings at the beginning of April 1, 2014 in accordance with the provisional treatment specified in Section 37 of the Accounting Standard for Retirement Benefits.

As a result, the retirement benefit liabilities as of as of April 1, 2014 decreased by 1,479 million yen, retirement benefit assets increased by 1,039 million yen, and retained earnings increased by 1,620 million yen. The impact on operating income, ordinary income and income before income taxes during the year ended March 31, 2015 is minor.

(Changes in Presentation Method)

(Consolidated Statement of Cash Flows)

The "decrease (increase) in net defined benefit asset" and "increase (decrease) in net defined benefit liability" which were listed separately in "Net cash provided by (used in) operating activities" in the previous consolidated fiscal year are now shown as "increase (decrease) in net defined benefit assets and liabilities" from the current consolidated fiscal year due to little significance in listing them separately. To reflect this change in the presentation method, the Consolidated Statement of Cash Flows for the previous consolidated fiscal year has been rearranged.

As a result, the 123 million yen "decrease (increase) in net defined benefit asset" and 17 million yen "increase (decrease) in net defined benefit liability" in the Consolidated Statement of Cash Flows for the previous consolidated fiscal year have been rearranged into a 140 million yen "increase (decrease) in net defined benefit assets and liabilities."

(Additional Information)

(Changes in the Retirement Benefits System)

In order to make a transition from a defined benefit pension and lump sum retirement payment system to a defined benefit pension system, defined contribution pension system and lump sum retirement payment system in some consolidated subsidiaries, the "Accounting of Transitions Between Retirement Benefit Systems" (Guidance on Accounting Standard for Retirement Benefit No. 1 dated January 31, 2002) and the "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (PITF No.2 dated February 7, 2007) have been applied.

In association with the changes in the system, 516 million yen was recorded as extraordinary income (gain on revision of retirement benefit plan) in the current consolidated fiscal year.

Return of employees' retirement benefit trust

In some consolidated subsidiaries, retirement benefit trusts have been established for the purpose of improving the soundness of pension finances, but there has been a surplus of pension assets including trust property in retirement benefit trusts due to a change in the retirement benefit scheme loss on contribution of securities to retirement benefit system, and the surplus reserve was returned because the trust property is not expected to be used for retirement benefits in the future.

In association with the return, 2,791 million yen was recorded as extraordinary income (gain on return of employees' retirement benefit trust) in the current consolidated fiscal year.

(Segment Information, etc.)

[Segment Information]

1. Overview of Segment Information

(1) Method of determining reporting segments

The reportable segments of the Company refer to the components of the Company whose separate financial information is available, and which are regularly reviewed by the Board of Directors in order to determine allocation of management resources and evaluate performance.

Under the guidance of the Company, which is the MIRAIT Group's holding company, groups centered on two business companies draw up comprehensive strategies and engage in activities relating to the businesses for which each group is responsible.

Therefore the business segments (consolidated basis) of the Company consists of two reportable segments, namely, the "MIRAIT" and "MIRAIT Technologies."

(2) Types of products and services attributable to each reportable segment

MIRAIT and MIRAIT Technologies mainly conduct telecommunication engineering, electrical facility work and air conditioning and sanitation work.

2. Method of calculation of amounts of sales, income, assets and other items by reportable segment

The methods of accounting for reportable business segments are generally the same as the accounting methods used in the preparation of consolidated financial statements.

Income for the reportable segments are figures based on operating income.

As stated in “Changes in Accounting Policies,” with the change in the method of calculating retirement benefit obligations and current service costs from this consolidated fiscal year, we have also changed the method of calculating retirement benefit obligations and current service costs in each business segment. The impact of the change on each reportable segment is minor.

3. Information regarding the amounts of sales and income, assets and other items by reportable segment

Year ended March 31, 2014

(Millions of yen)

	Reportable Segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated Financial Statements Amount (Note 3)
	MIRAIT	MIRAIT Technologies	Total				
Net sales							
Net sales to external customers	180,761	96,957	277,718	1	277,720	—	277,720
Inter-segment sales or transfers	4,198	6,426	10,624	3,418	14,043	(14,043)	—
Total	184,960	103,383	288,343	3,420	291,764	(14,043)	277,720
Segment income	9,053	2,086	11,140	1,774	12,915	(1,460)	11,454
Segment assets	116,776	70,013	186,790	79,873	266,663	(90,671)	175,992
Other items							
Depreciation and amortization	1,290	968	2,258	26	2,285	—	2,285
Increase in property, plant and equipment and intangible assets	1,815	1,426	3,241	23	3,264	—	3,264

(Notes) 1. The "Other" segment refers to the Company (pure holding company) which is not part of any business segment.

2. The amounts in adjustments are as follows.

(1) Adjustments for segment income in the amount of (1,460) million yen include adjustments for dividends, retirement benefits and goodwill in the amount of (1,707) million yen, 137 million yen and 65 million yen, respectively.

(2) Adjustments for segment assets in the amount of (90,671) million yen include the netting of investments and capital in the amount of (65,995) million yen, the netting of receivables in the amount of (21,464) million yen.

3. Segment income is adjusted to the operating income in the Consolidated Statement of Income and Comprehensive Income.

Year ended March 31, 2015

(Millions of yen)

	Reportable Segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated Financial Statements Amount (Note 3)
	MIRAIT	MIRAIT Technologies	Total				
Net sales							
Net sales to external customers	184,270	99,475	283,745	1	283,747	—	283,747
Inter-segment sales or transfers	3,729	7,765	11,494	4,351	15,846	(15,846)	—
Total	187,999	107,240	295,240	4,353	299,593	(15,846)	283,747
Segment income	11,477	2,393	13,870	2,730	16,601	(2,462)	14,139
Segment assets	130,704	72,090	202,794	92,688	295,483	(102,783)	192,700
Other items							
Depreciation and amortization	1,387	1,017	2,405	24	2,429	—	2,429
Increase in property, plant and equipment and intangible assets	1,803	1,399	3,202	9	3,212	—	3,212

(Notes) 1. The "Other" segment refers to the Company (pure holding company) which is not part of any business segment.

2. The amounts in adjustments are as follows.

(1) Adjustments for segment income in the amount of (2,462) million yen include adjustments for dividends, retirement benefits and goodwill in the amount of (2,707) million yen, 215 million yen and 39 million yen, respectively.

(2) Adjustments for segment assets in the amount of (102,783) million yen include the netting of investments and capital in the amount of (65,995) million yen, the netting of receivables in the amount of (34,235) million yen.

3. Segment income is adjusted to the operating income in the Consolidated Statement of Income and Comprehensive Income.

(Per Share Information)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets per share	1,362.61 yen	1,510.59 yen
Net income per share	87.30 yen	136.58 yen

(Notes) 1. Diluted net income per share is not stated since there are no dilutive shares.

2. As stated in "Changes in Accounting Policies," the Accounting Standard for Retirement Benefits has been applied, and provisional treatment stipulate din Section 37 of the Accounting Standard for Retirement Benefits is being followed. As a result, net assets per share increased by 19.93 yen in the current fiscal year. The impact on net income per share during the year ended March 31, 2015 is minor.

3. The basis for calculation of the net income per share is shown below.

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income (million yen)	7,186	11,108
Net income not attributable to common shareholders (million yen)	—	—
Net income related to common stocks (million yen)	7,186	11,108
Average number of common stocks during the fiscal year (thousand shares)	82,316	81,334

(Significant Subsequent Events)

Not Applicable.