Consolidated Financial Results
for the Three Months Ended June 30, 2015
[Japanese GAAP]

August 4, 2015

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
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Scheduled date of filing quarterly securities report: August 7, 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 Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2015	51,686	(9.2)	(559)	—	(208)	—	(272)	—
Three months ended June 30, 2014	56,915	0.2	2,106	166.3	2,341	131.8	1,559	156.1

(Note) Comprehensive income:
Three months ended June 30, 2015 732 million yen (-65.2%)
Three months ended June 30, 2014 2,107 million yen (82.5%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2015	(3.35)	—
Three months ended June 30, 2014	19.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2015	178,745	125,581	68.5
As of March 31, 2015	192,700	126,184	63.8

(Reference) Equity: As of June 30, 2015:122,381 million yen
As of March 31, 2015:122,860 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, 2015	—	15.00	—	15.00	30.00
Fiscal year ended March 31, 2016	—				
Fiscal year ending March 31, 2016 (Forecast)		15.00	—	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, 2016
(April 1, 2015 to March 31, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		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

(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):

June 30, 2015	85,381,866 shares	March 31, 2015	85,381,866 shares

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

June 30, 2015	4,049,834 shares	March 31, 2015	4,049,000 shares

3) Average number of shares outstanding during the period:

June 30, 2015	81,332,550 shares	June 30, 2014	81,335,258 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
- The supplementary material on quarterly results will be published on the website on Tuesday, August 4, 2015.
- 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 Consolidated Performance for the Period under Review

(1) Qualitative Information on Consolidated Operating Results

During the three months ended June 30, 2015, although there was uncertainty such as the European debt issue, the domestic economy showed a modest recovery based on steadily improving trends in corporate earnings and the job environment

Meanwhile, in the telecommunications sector, diverse services are expanding with the convergence of fixed and mobile communication and also communication and broadcasting due to the emergence of the optical collaboration model and the spread of Wi-Fi. Furthermore, in the mobile communications sector, speed will be increased through carrier aggregation to respond to rapidly increasing traffic caused by the spread of smartphones and tablets, and service on new frequency bands and new mobile communications services such as LTE-Advanced are also planned for the future.

In addition, the environment surrounding the Group has changed significantly such as movements toward the liberalization of the electric power market, environmental and energy issues, and the rebuilding of social infrastructure for the introduction of the My Number system and the Olympic and Paralympic Games being held in Tokyo in 2020.

In order to actively track such changes and to enhance corporate value and achieve sustained growth as a Comprehensive Engineering & Service Company, in addition to realizing its medium-term management plan (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%, and ROE of 8% or more), the MIRAIT Group is expanding its business domains and strengthening its management base.

During the first three months, the MIRAIT Group actively engaged in the development of new business areas such as (1) expanding the construction of solar power facilities with partners, (2) expanding business in software development, (3) expanding provision of the ee-TaB Plus information service for hotel guests, (4) collaborating with Orix Corporation in the environmental, energy and ICT fields in the housing market, and (5) developing the “PONTANA” digital information stand with public Wi-Fi capabilities.

However, consolidated results for the first three months ended in orders received of 61,066 million yen (a year-on-year decrease of 12.8%) and net sales of 51,686 million yen (a year-on-year decrease of 9.2%), due to the significant impact of the decrease in mobile-related work. In terms of profit, a decline in net sales coupled with the impact of the recording of a provision for loss on construction contracts resulted in an operating loss of 559 million yen (operating income of 2,106 million yen was recorded in the same period of the previous year), an ordinary loss of 208 million yen (ordinary income of 2,341 million yen was recorded in the same period of the previous year), and a loss attributable to owners of parent of 272 million yen (profit attributable to parent was 1,559 million yen in the same period of the previous year).

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first three months decreased by 13,955 million yen compared to the end of the previous fiscal year to 178,745 million yen. This was due primarily to a decrease in accounts receivable-trade, including accounts receivable from completed construction contracts, despite an increase in liquid assets on hand and costs on uncompleted construction contracts and others.

Total liabilities decreased by 13,352 million yen compared to the end of the previous fiscal year to 53,163 million yen. This was due primarily to a decrease in accounts payable for construction contracts.

Due to the dividend payout and the recording of a loss attributable to owners of parent during the first three months, net assets decreased by 603 million yen compared to the end of the previous fiscal year to 125,581 million yen.

As a result, the equity ratio was 68.5% (63.8% at the end of the previous fiscal year).

(3) Qualitative Information on Consolidated Financial Results Forecast

In terms of the consolidated financial results forecast for the fiscal year ending March 31, 2016, there are no changes to the forecast announced on May 8, 2015.

2. Other Information

(1) Changes in Significant Subsidiaries during the Period under Review

Not Applicable.

(2) Application of Specific Accounting Treatments for Preparing of Consolidated Quarterly Financial Statements

Calculation of Tax Expense

The Company calculates its tax expense by reasonably estimating its effective tax rate after application of tax effect accounting to income before income taxes for the current fiscal year, including the first quarter ended June 30, 2015 and multiplying the net income before income taxes by this estimated effective tax rate.

Also, the Company calculates its tax expense using the statutory tax rate if calculating it using the relevant estimated effective tax rate significantly lacks rationality.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors

Changes in Accounting Policies

(Application of Accounting Standards, etc. on Business Combinations)

Standards such as the Revised Accounting Standard for Business Combinations (ASBJ Statement No.21 of September 13, 2013; hereinafter referred to as “Accounting Standard for Business Combinations”), the Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 of September 13, 2013; hereinafter referred to as “Accounting Standard for Consolidated Financial Statements”) and the Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7; hereinafter referred to as “Accounting Standard for Business Divestitures”) have been applied from the first three months, and in addition to recording the differences caused by changes in the Company's equity in subsidiaries when control is maintained as capital surplus, the method of recording acquisition expenses was changed to record these as expenses for the consolidated fiscal year in which they occurred. Furthermore, business combinations occurring after the start of the beginning of the first three months have been changed to a method of reflecting revisions to the distribution of the acquisition price using the finalization of provisional accounting to one reflecting these in the quarterly financial statements of the quarter in which the business combination occurs. Furthermore, changes have also been made to the representation of quarterly net income and the representation of non-controlling interests. To reflect these changes in representation, financial statements for the first three months of the previous fiscal year and for the previous fiscal year have been reclassified.

The application of accounting standards, etc. on business combinations is subject to provisional treatment under Clause 58-2(4) of the Accounting Standard for Business Combinations, Clause 44-5(4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4(4) of the Accounting Standard for Business Divestitures, and are being applied from the beginning of the first three months.

This impact on quarterly financial statements in the first three months is minimal.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Three Months Ended June 30, 2015
Assets		
Current assets		
Cash and deposits	30,303	32,012
Notes receivable-trade / Accounts receivable from completed construction contracts	81,135	55,325
Costs on uncompleted construction contracts and others	17,444	24,625
Deferred tax assets	2,696	3,432
Other	2,720	3,244
Allowance for doubtful accounts	(17)	(11)
Total current assets	134,283	118,627
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	9,452	9,812
Land	18,452	18,463
Construction in progress	541	560
Other (net)	1,868	2,071
Total property, plant and equipment	30,314	30,906
Intangible assets		
Goodwill	381	333
Software	2,272	2,107
Other	123	116
Total intangible assets	2,777	2,556
Investments and other assets		
Investment securities	18,886	20,400
Long-term loans receivable	11	10
Net defined benefit asset	2,904	2,923
Deferred tax assets	1,040	879
Lease and guarantee deposits	1,154	1,179
Other	1,549	1,366
Allowance for doubtful accounts	(221)	(104)
Total investments and other assets	25,325	26,654
Total noncurrent assets	58,417	60,118
Total assets	192,700	178,745

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Three Months Ended June 30, 2015
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	35,930	24,973
Current portion of long-term loans payable	24	23
Income taxes payable	2,059	283
Advances received on uncompleted construction contracts	1,702	3,105
Provision for loss on construction contracts	323	1,366
Provision for bonuses	4,106	2,567
Provision for directors' bonuses	72	39
Provision for warranties for completed construction	16	12
Other	8,407	7,328
Total current liabilities	52,643	39,698
Noncurrent liabilities		
Long-term loans payable	36	30
Deferred tax liabilities	3,317	3,642
Deferred tax liabilities for land revaluation	42	42
Provision for directors' retirement benefits	125	126
Net defined benefit liability	7,943	7,913
Asset retirement obligations	86	87
Long-term accounts payable-other	1,860	1,124
Other	459	497
Total noncurrent liabilities	13,872	13,465
Total liabilities	66,515	53,163
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,945
Retained earnings	87,471	86,007
Treasury stock	(2,626)	(2,628)
Total shareholders' equity	117,791	116,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,109	4,157
Revaluation reserve for land	(100)	(100)
Foreign currency translation adjustment	1	(30)
Remeasurements of defined benefit plans	2,057	2,030
Total accumulated other comprehensive income	5,068	6,057
Non-controlling interests	3,324	3,199
Total net assets	126,184	125,581
Total liabilities and net assets	192,700	178,745

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Three Months Ended June 30, 2015

(Millions of yen)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Net sales of completed construction contracts	56,915	51,686
Cost of sales of completed construction contracts	50,104	47,208
Gross profit on completed construction contracts	6,811	4,478
Selling, general and administrative expenses	4,704	5,038
Operating income (loss)	2,106	(559)
Non-operating income		
Interest income	6	10
Dividends income	110	203
Amortization of negative goodwill	66	―
Real estate rent	5	13
Surrender value of insurance	11	48
Equity in earnings of affiliates	43	43
Other	23	54
Total non-operating income	266	374
Non-operating expenses		
Interest expenses	1	6
Foreign exchange losses	11	―
Rent expenses on real estates	16	10
Other	1	6
Total non-operating expenses	31	23
Ordinary income (loss)	2,341	(208)
Extraordinary income		
Gain on sales of noncurrent assets	―	1
Gain on sales of investment securities	―	7
Gain on revision of retirement benefit plan	516	―
Other	44	―
Total extraordinary income	560	9
Extraordinary loss		
Loss on retirement of noncurrent assets	5	0
Loss on valuation of golf club memberships	―	7
Loss on change in equity	62	―
Other	25	4
Total extraordinary loss	93	12
Income (loss) before income taxes	2,809	(211)
Income taxes	1,203	40
Net income (loss)	1,605	(251)
(Breakdown)		
Profit (loss) attributable to owners of parent	1,559	(272)
Profit attributable to non-controlling interests	45	20

(Millions of yen)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Other comprehensive income		
Valuation difference on available-for-sale securities	339	1,051
Foreign currency translation adjustment	—	(15)
Remeasurements of defined benefit plans	154	(27)
Share of other comprehensive income of associates accounted for using equity method	7	(24)
Total other comprehensive income	501	984
Comprehensive income	2,107	732
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,061	715
Comprehensive income attributable to non-controlling interests	45	16

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Three Months Ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

There were no significant changes to shareholders' equity compared to the end of the previous fiscal year.