Consolidated Financial Results
for the Six Months Ended September 30, 2015
[Japanese GAAP]

November 2, 2015

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
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Scheduled date of filing quarterly securities report: November 6, 2015
Scheduled date of commencing dividend payments: December 1, 2015
Availability of supplementary briefing material on quarterly 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 Six Months Ended September 30, 2015 (April 1, 2015 to September 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	%
Six months ended September 30, 2015	112,075	(9.0)	(1,364)	—	(1,147)	—	(1,223)	—
Six months ended September 30, 2014	123,138	2.8	5,943	114.2	6,258	100.7	3,939	125.5

(Note) Comprehensive income:
Six months ended September 30, 2015 (1,264) million yen (—%)
Six months ended September 30, 2014 4,963 million yen (102.3%)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2015	(15.05)	—
Six months ended September 30, 2014	48.43	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of September 30, 2015	180,054	123,670	66.8
As of March 31, 2015	192,700	126,184	63.8

(Reference) Equity: As of September 30, 2015:120,310 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	—	15.00			
Fiscal year ending March 31, 2016 (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, 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
Full year	295,000	4.0	9,000	(36.3)	9,500	(36.0)	6,000	(46.0)	73.77

(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):

September 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:

September 30, 2015	4,050,547 shares	March 31, 2015	4,049,000 shares

3) Average number of shares outstanding during the period:

September 30, 2015	81,332,120 shares	September 30, 2014	81,335,034 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.

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1. Qualitative Information on Consolidated Performance for the Period under Review

(1) Qualitative Information on Consolidated Operating Results

During the six months ended September 30, 2015, although there were concerns of a downturn such as Chinese economic conditions and 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 new technologies such as carrier aggregation and add-on cells to respond to rapidly increasing traffic caused by the spread of smartphones and tablets, and service on new frequency bands 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, the introduction of the My Number system and the rebuilding of social infrastructure for 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, as well as 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 six months, the MIRAIT Group actively engaged in the development of new business areas, with a medium- to long-term perspective, such as (1) expanding the construction of solar power facilities with partners, (2) expanding global business such as the creation of communication facilities in Australia, (3) providing new services utilizing Wi-Fi (such as the ee-TaB Plus information service for hotel guests and the “PONTANA” digital information stand).

We also established MIRAIT-X Corporation on October 1 in a joint venture with Orix Corporation to develop business in the environmental and new energy fields within the housing market.

However, consolidated results for the six months ended September 30, 2015 showed orders received of 124,471 million yen (a year-on-year decrease of 16.0%) and net sales of 112,075 million yen (a year-on-year decrease of 9.0%), 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 2,141 million yen provision for loss on construction contracts for unprofitable software development resulted in an operating loss of 1,364 million yen (operating income of 5,943 million yen was recorded in the same period of the previous year), an ordinary loss of 1,147 million yen (ordinary income of 6,258 million yen was recorded in the same period of the previous year), and a loss attributable to owners of parent of 1,223 million yen (profit attributable to parent was 3,939 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 six months decreased by 12,646 million yen compared to the end of the previous fiscal year to 180,054 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 10,132 million yen compared to the end of the previous fiscal year to 56,383 million yen. This was due primarily to a decrease in accounts payable for construction contracts and the recording of a provision for loss on construction contracts.

Due to the dividend payout and the recording of a loss attributable to owners of parent during the first six months, net assets decreased by 2,514 million yen compared to the end of the previous fiscal year to 123,670 million yen.

As a result, the equity ratio was 66.8% (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 "Notice on Revision of Financial Results Forecast" announced on October 23, 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 September 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 six months of the previous fiscal year and for the previous fiscal year have been reclassified.

The Consolidated Statements of Cash Flows for the six months ended September 30, 2015, cash flow related to the acquisition or sale of subsidiary stocks not involving a change in the scope of consolidation is shown under "Net cash provided by (used in) financing activities" and cash flow required for expenses arising in relation to the acquisition or sale of subsidiary stocks involving a change in the scope of consolidation is shown under "Net cash provided by (used in) operating activities".

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.

The impact on operating income, ordinary income and income before income taxes during the six months ended September 30, 2015, and capital surplus as of September 30, 2015 is minimal.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Six Months Ended September 30, 2015
Assets		
Current assets		
Cash and deposits	30,303	32,400
Notes receivable-trade / Accounts receivable from completed construction contracts	81,135	53,677
Costs on uncompleted construction contracts and others	17,444	27,591
Deferred tax assets	2,696	3,722
Other	2,720	3,784
Allowance for doubtful accounts	(17)	(9)
Total current assets	134,283	121,167
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	9,452	10,506
Land	18,452	18,480
Construction in progress	541	509
Other (net)	1,868	2,182
Total property, plant and equipment	30,314	31,678
Intangible assets		
Goodwill	381	284
Software	2,272	2,027
Other	123	112
Total intangible assets	2,777	2,425
Investments and other assets		
Investment securities	18,886	18,569
Long-term loans receivable	11	11
Net defined benefit asset	2,904	2,937
Deferred tax assets	1,040	914
Lease and guarantee deposits	1,154	1,169
Other	1,549	1,340
Allowance for doubtful accounts	(221)	(104)
Allowance for investment loss	—	(55)
Total investments and other assets	25,325	24,782
Total noncurrent assets	58,417	58,886
Total assets	192,700	180,054

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Six Months Ended September 30, 2015
Liabilities		
Current liabilities		
Notes payable-trade / Accounts payable for construction contracts	35,930	28,611
Current portion of long-term loans payable	24	23
Income taxes payable	2,059	421
Advances received on uncompleted construction contracts	1,702	2,806
Provision for loss on construction contracts	323	2,510
Provision for bonuses	4,106	4,291
Provision for directors' bonuses	72	32
Provision for warranties for completed construction	16	11
Other	8,407	5,010
Total current liabilities	52,643	43,719
Noncurrent liabilities		
Long-term loans payable	36	24
Deferred tax liabilities	3,317	3,113
Deferred tax liabilities for land revaluation	42	40
Provision for directors' retirement benefits	125	92
Net defined benefit liability	7,943	7,897
Asset retirement obligations	86	77
Long-term accounts payable-other	1,860	929
Other	459	489
Total noncurrent liabilities	13,872	12,664
Total liabilities	66,515	56,383
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,936
Retained earnings	87,471	85,058
Treasury stock	(2,626)	(2,629)
Total shareholders' equity	117,791	115,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,109	2,890
Revaluation reserve for land	(100)	(101)
Foreign currency translation adjustment	1	153
Remeasurements of defined benefit plans	2,057	2,002
Total accumulated other comprehensive income	5,068	4,945
Non-controlling interests	3,324	3,359
Total net assets	126,184	123,670
Total liabilities and net assets	192,700	180,054

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Six Months Ended September 30, 2015

(Millions of yen)

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Net sales of completed construction contracts	123,138	112,075
Cost of sales of completed construction contracts	107,715	103,583
Gross profit on completed construction contracts	15,422	8,492
Selling, general and administrative expenses	9,479	9,856
Operating income (loss)	5,943	(1,364)
Non-operating income		
Interest income	10	21
Dividends income	111	211
Amortization of negative goodwill	132	—
Real estate rent	17	25
Surrender value of insurance	38	59
Equity in earnings of affiliates	18	63
Other	66	45
Total non-operating income	396	426
Non-operating expenses		
Interest expenses	8	7
Foreign exchange losses	2	181
Rent expenses on real estates	31	18
Other	38	2
Total non-operating expenses	81	210
Ordinary income (loss)	6,258	(1,147)
Extraordinary income		
Gain on sales of investment securities	16	12
Gain on revision of retirement benefit plan	516	—
Other	47	2
Total extraordinary income	579	14
Extraordinary loss		
Provision of allowance for investment loss	—	55
Loss on retirement of non-current assets	8	45
Loss on change in equity	45	—
Other	34	39
Total extraordinary loss	88	140
Income (loss) before income taxes	6,750	(1,273)
Income taxes	2,622	(138)
Net income (loss)	4,128	(1,134)
(Breakdown)		
Profit (loss) attributable to owners of parent	3,939	(1,223)
Profit attributable to non-controlling interests	189	88

(Millions of yen)

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Other comprehensive income		
Valuation difference on available-for-sale securities	784	△220
Revaluation reserve for land	—	△1
Foreign currency translation adjustment	△1	145
Remeasurements of defined benefit plans	128	△54
Share of other comprehensive income of associates accounted for using equity method	△77	0
Total other comprehensive income	834	△129
Comprehensive income	4, 963	△1, 264
(Breakdown)		
Comprehensive income attributable to owners of the parent	4, 771	△1, 347
Comprehensive income attributable to non-controlling interests	191	82

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

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

Six Months Ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

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