Consolidated Financial Results
for the Nine Months Ended December 31, 2015
[Japanese GAAP]

February 2, 2016

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
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Scheduled date of filing quarterly securities report: February 8, 2016
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, 2015
(April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	172,808	(8.5)	(75)	—	501	(94.9)	(188)	—
Nine months ended December 31, 2014	188,912	1.7	9,299	68.1	9,926	59.8	8,156	140.4

(Note) Comprehensive income:
Nine months ended December 31, 2015 1,032million yen (-87.2%)
Nine months ended December 31, 2014 8,085 million yen (61.2%)

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2015	(2.32)	—
Nine months ended December 31, 2014	100.29	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of December 31, 2015	183,907	124,726	66.0
As of March 31, 2015	192,700	126,184	63.8

(Reference) Equity: As of December 31, 2015:121,334 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	260,000	(8.4)	5,000	(64.6)	5,500	(62.9)	3,600	(67.6)	44.26

(Note) Revision of forecast of financial results from recently announced figures: 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, 2015	85,381,866 shares	March 31, 2015	85,381,866 shares

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

December 31, 2015	4,051,202 shares	March 31, 2015	4,049,000 shares

3) Average number of shares outstanding during the period:

December 31, 2015	81,331,762 shares	December 31, 2014	81,334,713 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 Consolidated Performance for the Period under Review

(1) Qualitative Information on Consolidated Operating Results

During the nine months ended December 31, 2015, although the domestic economy showed a modest recovery based on steadily improving trends in corporate earnings and the job environment, concerns remain over factors such as the economic situation in China and the decline in oil prices.

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 the conversion to a business model aimed at the IoT era, 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, the MIRAIT Group is expanding its business domains and strengthening its management base.

During the nine months ended December 31, 2015, the MIRAIT Group actively engaged in the development of new business areas, with a medium- to long-term perspective, such as (1) expanding business in areas related to environment and new energy within the housing market through MIRAIT-X Corporation, a joint venture with ORIX Corporation, and (2) efforts aimed at the data center business for strengthening our stock business (business is scheduled to commence in FY2017).

However, consolidated results for the Nine months ended December 31, 2015 showed orders received of 187,544 million yen (a year-on-year decrease of 13.8%) and net sales of 172,808 million yen (a year-on-year decrease of 8.5%), 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 2,544 million yen provision for loss on construction contracts for unprofitable software development resulted in an operating loss of 75 million yen (operating income of 9,299 million yen was recorded in the same period of the previous year), an ordinary income of 501 million yen (a year-on-year decrease of 94.9%), and a loss attributable to owners of parent of 188 million yen (profit attributable to parent was 8,156 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 nine months decreased by 8,793 million yen compared to the end of the previous fiscal year to 183,907 million yen. This was due primarily to a decrease in accounts receivable-trade, including accounts receivable from completed construction contracts, despite an increase in costs on uncompleted construction contracts and others.

Total liabilities decreased by 7,335 million yen compared to the end of the previous fiscal year to 59,180 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, net assets decreased by 1,458 million yen compared to the end of the previous fiscal year to 124,726 million yen.

As a result, the equity ratio was 66.0% (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, we expect to see a significant decline in net sales due to the recovery in orders for mobile-related work being delayed longer than anticipated, and there was a decline in projected orders for solar power work and ICT work.

In terms of profit, we have made the following revision to our previously announced forecast (announced on October 23, 2015) due to a decline in the profit margin caused by an increase in the burden of fixed expenses as a result of the decline in net sales, in addition to further increases in the provision for loss on construction contracts in relation to unprofitable projects in software development (2,544 million yen recorded in the first nine months).

Revision of the Forecast for Consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previously announced forecast (A)	(million yen) 295,000	(million yen) 9,000	(million yen) 9,500	(million yen) 6,000	(yen) 73.77
Revised forecast (B)	260,000	5,000	5,500	3,600	44.26
Change (B-A)	(35,000)	(4,000)	(4,000)	(2,400)	—
Percentage change	(11.8%)	(44.4%)	(42.1%)	(40.0%)	
(Reference) Actual results for the Fiscal year ended March 31, 2015 (Fiscal year ended March 31, 2015)	283,747	14,139	14,834	11,108	136.58

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 Third quarter ended December 31, 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 Nine 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.

The impact on operating income, ordinary income and income before income taxes during the Nine months ended December 31, 2015, and capital surplus as of December 31, 2015 is minimal.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Nine Months Ended December 31, 2015
Assets		
Current assets		
Cash and deposits	30,303	20,983
Notes receivable, accounts receivable from completed construction contracts and other	81,135	54,466
Securities	—	5,000
Costs on uncompleted construction contracts and other	17,444	33,016
Deferred tax assets	2,696	3,379
Other	2,720	6,252
Allowance for doubtful accounts	△17	△10
Total current assets	134,283	123,089
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,452	10,389
Land	18,452	18,362
Construction in progress	541	759
Other, net	1,868	2,057
Total property, plant and equipment	30,314	31,568
Intangible assets		
Goodwill	381	236
Software	2,272	1,917
Other	123	104
Total intangible assets	2,777	2,259
Investments and other assets		
Investment securities	18,886	20,770
Long-term loans receivable	11	9
Net defined benefit asset	2,904	2,954
Deferred tax assets	1,040	952
Lease and guarantee deposits	1,154	1,142
Other	1,549	1,330
Allowance for doubtful accounts	△221	△113
Allowance for investment loss	—	△55
Total investments and other assets	25,325	26,990
Total non-current assets	58,417	60,817
Total assets	192,700	183,907

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Nine Months Ended December 31, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	35,930	30,775
Current portion of long-term loans payable	24	22
Income taxes payable	2,059	316
Advances received on uncompleted construction contracts	1,702	3,329
Provision for loss on construction contracts	323	2,934
Provision for bonuses	4,106	2,250
Provision for directors' bonuses	72	53
Provision for warranties for completed construction	16	11
Other	8,407	6,264
Total current liabilities	52,643	45,958
Non-current liabilities		
Long-term loans payable	36	19
Deferred tax liabilities	3,317	3,798
Deferred tax liabilities for land revaluation	42	41
Provision for directors' retirement benefits	125	55
Net defined benefit liability	7,943	7,866
Asset retirement obligations	86	78
Long-term accounts payable - other	1,860	945
Other	459	417
Total non-current liabilities	13,872	13,222
Total liabilities	66,515	59,180
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,936
Retained earnings	87,471	84,871
Treasury shares	△2,626	△2,629
Total shareholders' equity	117,791	115,178
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,109	4,367
Revaluation reserve for land	△100	△98
Foreign currency translation adjustment	1	△88
Remeasurements of defined benefit plans	2,057	1,975
Total accumulated other comprehensive income	5,068	6,156
Non-controlling interests	3,324	3,392
Total liabilities and net assets	126,184	124,726
Total net assets	192,700	183,907

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Nine Months Ended December 31, 2015

(Millions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Net sales of completed construction contracts	188,912	172,808
Cost of sales of completed construction contracts	165,534	158,219
Gross profit on completed construction contracts	23,377	14,589
Selling, general and administrative expenses	14,078	14,664
Operating income (loss)	9,299	△75
Non-operating income		
Interest income	14	30
Dividend income	260	391
Amortization of negative goodwill	198	—
Real estate rent	31	42
Insurance premiums refunded cancellation	52	71
Share of profit of entities accounted for using equity method	39	85
Other	115	98
Total non-operating income	712	719
Non-operating expenses		
Interest expenses	2	5
Foreign exchange losses	—	102
Rent expenses on real estates	40	23
Other	42	10
Total non-operating expenses	85	141
Ordinary income	9,926	501
Extraordinary income		
Gain on sales of investment securities	132	13
Gain on revision of retirement benefit plan	516	—
Gain on return of assets from retirement benefits trust	2,791	—
Other	105	2
Total extraordinary income	3,545	16
Extraordinary losses		
Provision of allowance for investment loss	—	55
Loss on retirement of non-current assets	37	49
Impairment loss	87	—
Loss on change in equity	45	—
Other	60	55
Total extraordinary losses	231	160
Income before income taxes and minority interests	13,240	358
Income taxes	4,875	403
Profit (loss)	8,364	△45
Profit attributable to		
Profit (loss) attributable to owners of parent	8,156	△188
Profit attributable to non-controlling interests	208	142

(Millions of yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Other comprehensive income		
Valuation difference on available-for-sale securities	466	1,264
Revaluation reserve for land	—	1
Foreign currency translation adjustment	△1	△93
Remeasurements of defined benefit plans, net of tax	△672	△81
Share of other comprehensive income of entities accounted for using equity method	△72	△13
Total other comprehensive income	△279	1,077
Comprehensive income	8,085	1,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,874	899
Comprehensive income attributable to non-controlling interests	210	132

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

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

Nine Months Ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

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