Consolidated Financial Results
for the Fiscal Year Ended March 31, 2016
[Japanese GAAP]

April 28, 2016

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
URL: http://www.mirait.co.jp/
Representative: Masatoshi Suzuki, President and CEO
Contact: Manabu Kiriyama, Director and CFO
Phone: +81-3-6807-3124
Scheduled date of Ordinary General Meeting of Shareholders: June 28, 2016
Scheduled date of commencing dividend payments: June 29, 2016
Scheduled date of filing annual securities report: June 29, 2016
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, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended March 31, 2016	269,537	(5.0)	6,127	(56.7)	6,735	(54.6)	3,631	(67.3)
Fiscal year ended March 31, 2015	283,747	2.2	14,139	23.4	14,834	20.9	11,108	54.6

(Note) Comprehensive income: Fiscal year ended March 31, 2016: 2,905 million yen (-77.4%)
Fiscal year ended March 31, 2015:12,835 million yen (48.1%)

	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, 2016	44.65	—	3.0	3.5	2.3
Fiscal year ended March 31, 2015	136.58	—	9.5	8.0	5.0

(Reference)
Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2016: 105 million yen
Fiscal year ended March 31, 2015: 52 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, 2016	194,978	126,599	63.1	1,511.74
Fiscal Year Ended March 31, 2015	192,700	126,184	63.8	1,510.59

(Reference)
Equity: Fiscal year ended March 31, 2016: 122,949 million yen
Fiscal year ended March 31, 2015: 122,860 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, 2016	6,239	(3,680)	(2,690)	29,121
Fiscal year ended March 31, 2015	18,683	(3,870)	(2,247)	29,260

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, 2015	—	15.00	—	15.00	30.00	2,440	22.0	2.1
Fiscal year ended March 31, 2016	—	15.00	—	15.00	30.00	2,439	67.2	2.0
Fiscal year ending March 31, 2017 (Forecast)	—	15.00	—	15.00	30.00		26.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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	120,000	7.1	3,000	—	3,200	—	1,900	—	23.36
Full year	300,000	11.3	14,000	128.5	14,500	115.3	9,300	156.1	114.35

* 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, 2016	85,381,866 shares	March 31, 2015	85,381,866 shares

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

March 31, 2016	4,051,769 shares	March 31, 2015	4,049,000 shares

3) Average number of shares outstanding during the period:

March 31, 2016	81,331,394 shares	March 31, 2015	81,334,347 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 Wednesday, May 11, 2016. 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.

- Acquisition procedures are currently being carried out for Lantrovision(S) Ltd and because an agreement to execute the acquisition was concluded in January this year with the acquisition of shares expected to be completed in June this year, the forecast of the business results after the company is made into a subsidiary are included in the forecast of the consolidated business results from the year ending March 31, 2017.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

During the year ended March 31, 2016, although there were concerns about a global economic downturn caused by factors such as overseas economic conditions and the decline in oil prices, the domestic economy showed a modest recovery based on steadily improving trends in corporate earnings and the job environment in Japan.

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, and service on new frequency bands is also planned for the future. Based on such new services, the telecommunications carriers that are MIRAIT's major clients are proceeding to transform their business models in the IoT era and become more global.

In addition, the environment surrounding the Group has changed significantly such as the introduction of the My Number system, the liberalization of the electric power market, environmental and energy issues, and the rebuilding of social infrastructure ahead of 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 has expanded its business domains and strengthened its management base.

As optical work has declined in the NTT business, the Group has been engaged in the expansion of facility management services, facility improvement proposals and civil engineering business, while making an effort to secure profits through the creation of an efficient business management structure such as the consolidation of offices and the concentration of support operations.

In the multi-carrier business, despite endeavoring to improve profitability through an efficient work organization in the mobile-related business, both sales and income decreased significantly due to a decrease in work on base stations.

In the environmental & social innovation business, although growth was sluggish in work on solar power facilities and work on EV charging equipment, there was an increase in air conditioning work and rechargeable battery work, and MIRAIT-X Corporation was established last October in a joint venture with ORIX Corporation.

In the ICT solution business, the Group expanded PBX/LAN work and Wi-Fi work, and engaged in the data center business (scheduled to commence operation in FY2017) to strengthen its stock business, but sales decreased due to a lack of large projects, and a provision for loss on construction contracts totaling 2,711 million yen was recorded as a result of unprofitable projects in the software business.

Meanwhile, an agreement was concluded to make Singapore-based Lantrovision (S) Ltd. into a subsidiary (scheduled to be completed in FY2016) to expand the ICT business in the global market, and Trust System Inc. was made into a subsidiary (shares acquired on April 1, 2016) to strengthen the financial software business, as the Group actively engaged in the expansion of the group's businesses.

In the consolidated business performance at the end of the current fiscal year, due to the substantial impact of the decrease in mobile-related business, orders received amounted to 260,710 million yen (down 11.2% year-on-year) and net sales were 269,357 million yen (down 5.0% year-on-year). In terms of profit, due to the decrease in net sales and the recording of a provision for loss on construction contracts for unprofitable software development projects, operating income was 6,127 million yen (down 56.7% year-on-year), ordinary income was 6,735 million yen (down 54.6% year-on-year), and net income attributable to owners of parent decreased significantly to 3,631 million yen (down 67.3% year-on-year).

[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.”

In the NTT business, personnel have been shifted to growing areas, and MIRAIT has also made an effort to improve productivity and increase business efficiency through moves such as the consolidation of offices.

In the multi-carrier business, despite endeavoring to improve profitability through an efficient work organization in the mobile-related business, both sales and income decreased significantly due to a decrease in work on base stations.

In the environmental & social innovation business, MIRAIT has continued to develop the area of new energy such as the construction of solar power facilities, and MIRAIT-X Corporation was established last October in a joint venture with ORIX Corporation to develop the area of solar power combined with rechargeable batteries in the household market.

In the ICT solution business, efforts were made to wind down unprofitable projects in software development, while the scope of business was expanded by making Trust System Inc., a software development company excelling in the area of finance, into a subsidiary (shares acquired on April 1, 2016). In addition, MIRAIT actively engaged in the development of new business areas such as expansion of the ee-TaB Plus information service for hotel guests and developing the “PONTANA” digital information stand with public Wi-Fi capabilities.

In the consolidated results for the year ended March 31, 2016, due to the substantial impact of the decrease in mobile-related business and unprofitable projects in the software business, orders received amounted to 173,594 million yen (down 8.6% year-on-year), net sales were 178,826 million yen (down 4.9% year-on-year) and operating income was 4,530 million yen (down 60.5% 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 as optical work decreased by expanding facility management services, promoting pole renewal work, maintenance proposals and proposal-based sales, in addition to improving productivity through the consolidation of offices and encouraging personnel to obtain certification required for expanding business into new areas.

In the multi-carrier business, MIRAIT Technologies engaged in the generation of profit such as shifting personnel and handing operations internally to match decreased capital expenditure by mobile carriers, and also made an effort to expand maintenance operations, creation of transmission networks and CATV-related work through proposal-based sales. Furthermore, MIRAIT Technologies expanded globally in the Asia-Pacific regions by launching MIRAIT Technologies Myanmar Co., Ltd. in rapidly growing Myanmar.

There was a decrease in sales in the environmental & social innovation business due to the substantial effect of the delay in progress of work on solar power facilities.

In the ICT solution business, results were accumulated in core areas such as PBX/LAN communications equipment work and server work, while efforts were made to develop new businesses such as software, Wi-Fi, LED, building office energy, and operations.

In the consolidated results for the year ended March 31, 2016, orders received amounted to 96,428 million yen (down 16.3% year-on-year), net sales were 100,725 million yen (down 6.1% year-on-year) and operating income was 1,563 million yen (down 34.7% 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 4,331 million yen (down 0.5% year-on-year) and operating income was 2,661 million yen (down 2.5% year-on-year).

(Outlook for Next Fiscal Year)

In the year ending March 31, 2017, the Japanese economy is expected to undergo a moderate recovery due to improvements in corporate earnings and the job environment. However, some aspects remain unclear such as uncertainty surrounding overseas economies, fluctuations in resource prices and financial policies, the strong yen and sluggish growth in consumer spending.

In the telecommunications sector, diverse services are expanding through the convergence of fixed and mobile and of communication and broadcasting, and 4th generation mobile communication systems (LTE-Advanced) are expected to expand and evolve.

Furthermore, in addition to changes in the energy environment such as the liberalization of electric power and gas retail and the diversification of new energy, and the rebuilding of social infrastructure ahead of 2020, the environment surrounding the Group is expected to change significantly due to heightened demand for cloud and office solutions for the IoT era.

Under such circumstances, the MIRAIT Group will strive to expand business areas and strengthen management infrastructure as a "Comprehensive Engineering and Service Company" with by strengthening efforts made from a medium- to long-term perspective.

The Group will restructure of its business portfolio and reform its corporate culture to continue growth in response to changes in the business environment in FY 2016. The forecast of consolidated business results in the year ending March 31, 2017 is for 310,000 million yen in orders received (up 18.9% year-on-year), 300,000 million yen in net sales (up 11.3% year-on-year), 14,000 million yen in operating income (up 128.5% year-on-year), 14,500 million yen in ordinary income (up 115.3% year-on-year) , and 9,300 million yen in net income attributable to owners of parent (up 156.1% year-on-year).

Acquisition procedures are currently being carried out for Lantrovision (S) Ltd., and because an agreement to execute the acquisition was concluded in January this year with the acquisition of shares expected to be completed in June this year, the forecast of the business results after the company is made into a subsidiary are included in the forecast of the consolidated business results from the year ending March 31, 2017.

(2) Analysis of Financial Position

(Assets, Liabilities and Net Assets)

Total assets at the end of the current fiscal year amounted to 194,978 million yen, an increase of 2,277 million yen from the previous fiscal year end. This consisted of an increase in current assets by 2,829 million yen and a decrease in noncurrent assets by 551 million yen from the previous fiscal year end. The main contributing factors were an increase in accounts receivable-trade such as accounts receivable from completed construction contracts and an increase in buildings and structures due to capital expenditure, along with a decrease in assets related to retirement benefits due to a revision of the discount rate used in the calculation of retirement benefits.

Total liabilities at the end of the current fiscal year increased by 1,862 million yen from the previous fiscal year end to 68,378 million yen. This consisted of an increase of 2,867 million yen in current liabilities and a decrease of 1,005 million yen in noncurrent liabilities from the end of the previous fiscal year. The main contributing factors were an increase the provision for loss on construction contracts for unprofitable software development projects, 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 415 million yen to 126,599 million yen. This was primarily due to the increase in retained earnings by 1,219 million yen resulting from posting net income attributable to parent in the amount of 3,631 million yen.

As a result, the equity ratio was 63.1% and net assets per share were 1,511.74 yen.

(Cash Flows)

Cash and cash equivalents (hereinafter referred to as “funds”) in the current fiscal year decreased by 138 million yen from the previous fiscal year to 29,121 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 6,239 million yen (18,683 million yen was provided in the previous fiscal year). This was mainly attributable to income before income taxes totaling 6,524 million yen despite income taxes paid totaling 4,188 million yen.

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

Net cash used in investing activities was 3,680 million yen (3,870 million yen was used in the previous fiscal year) due to the purchase of property, plant and equipment totaling 3,433 million yen and purchase of intangible assets totaling 574 million yen.

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

Net cash used in financing activities was 2,695 million yen (2,247 million yen was used in the previous fiscal year) due to factors such as cash dividends paid totaling 2,457 million yen.

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

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Equity ratio	65.3	60.0	63.0	63.8	63.1
Marked-to-market equity ratio	32.3	46.2	41.8	56.7	37.4
Ratio of cash flow to interest-bearing debt	10.6	—	5.5	2.1	7.4
Interest coverage ratio	772.8	—	817.8	902.7	1,584.7

(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, 2013 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.

In line with the above policy, the Company is scheduled to pay 15 yen per share as year-end dividend for the fiscal year ended March 31, 2016. 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 each for interim dividend and 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, 2016.

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 to deliver quality engineering and services that deserve customers' trust and appreciation by making use of the integrated safety and quality management system operated by its business companies.

However, in the event serious accidents, serious quality issues or other contingencies occur, these may have serious social consequences and result in the loss of clients' confidence and restriction on the Group's operating activities, affecting 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 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

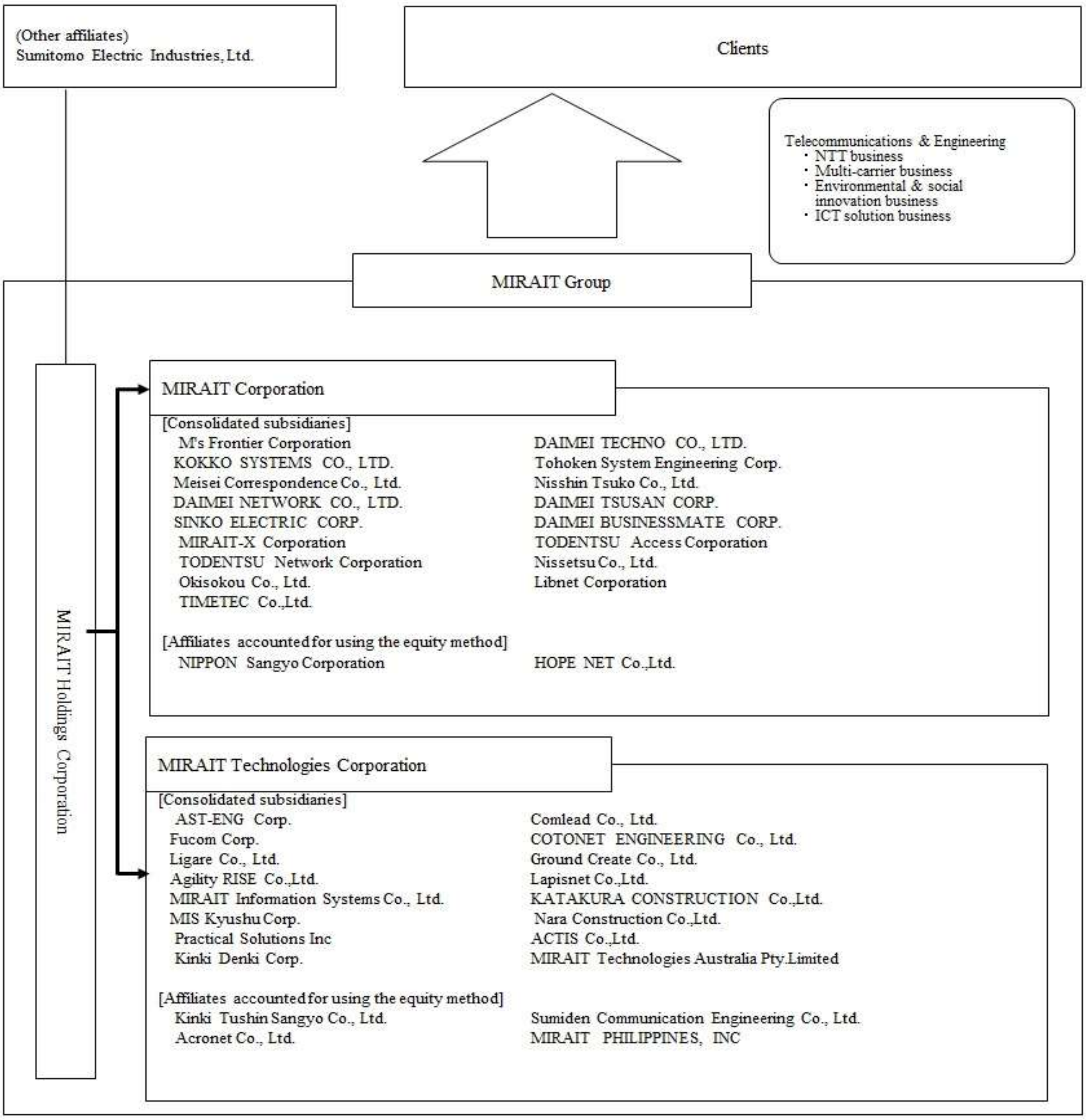
The MIRAIT Group has adopted countermeasures against events such as natural disasters including earthquakes, but the occurrence of contingencies such as shortages of electricity, fuel or materials resulting from such events could have an impact on the Group's business results.

2. Overview of the Corporate Group

The MIRAIT Group comprises MIRAIT Holdings Corporation 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, 2016)



(Notes) 1. Relative MIRAIT Services Pty Ltd., a company that was an equity-method affiliate in the previous fiscal year, was excluded from the scope of application of the equity method from the first quarter of the fiscal year because of its decreased importance.

2. MIRAIT-X Corporation was renamed from IP TECHNO SERVICE CORP. on October 1, 2015 due to the contribution of capital by ORIX Corporation.

3. Management Policies

(1) Basic Management Policies

The Group 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 business plan for the year ending March 31, 2017 targeting net sales of 300,000 million yen, operating income of 14,000 million yen and an operating margin of 4.7%.

(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 with the convergence of fixed and mobile communication and also communication and broadcasting. Furthermore, in the mobile communications sector, new technologies such as carrier aggregation and add-on cells are expected to be introduced, along with the commencement of service on new frequency bands.

The telecommunications carriers that are MIRAIT's major clients are proceeding to transform their business models in the IoT era and become more global.

Furthermore, in addition to changes in the energy environment such as the liberalization of electric power and gas retail and the diversification of new energy, and the rebuilding of social infrastructure ahead of 2020, new growth markets are forming, driven by movements in social innovation such as heightened demand for cloud and office solutions for the IoT era.

As the environment surrounding the MIRAIT Group changes in this manner, the Group needs to strengthen its ability to propose solutions, and actively expand into many growth areas such as cloud computing, stock business, office solutions, environment & energy, global business.

Meanwhile, it is necessary to continue to improve productivity and increase efficiency in order to respond to the decline in optical work in the NTT business, and it is also necessary to further reduce costs and improve work efficiency to respond to the reduced size and increased number of projects in mobile-related business.

Under such conditions, the MIRAIT Group will strive to enhance corporate value as a “Comprehensive Engineering & Service Company”. Specifically, this will involve focusing on the following issues and continue with the basic strategy of restructuring its business portfolio to restore performance.

(i) Strengthening of business operation

- Active development of new business areas and expansion of sales
- Improvement of profitability through the promotion of thorough and efficient management of work
- Becoming more competitive through selection and concentration

(ii) Strengthening of management foundation

- Strengthening of earning capacity of the entire group (improvement of income subject to the scope of consolidation)
- Expansion collaboration within the group in new businesses (strengthening of sales force, mobility, and comprehensive engineering capability)
- Strengthening of human resource development (personnel with electrical, civil engineering and information qualifications, in addition to multi-talented engineers))

(iii) Transformation of corporate culture

- Continued promotion of KAIZEN activities to improve abilities in the workplace and re-establish “safety” and “quality”
- Fostering a thick-boned structure and the will to face challenges to overcome changes in the business environment
- Improvement of teamwork through the promotion of communication and sharing information within the Group
- Promotion of focusing on environmental efforts, and establishment 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. We intend to appropriately respond to 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 Group 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, 2015	Fiscal year ended March 31, 2016
Assets		
Current assets		
Cash and deposits	30,303	30,284
Notes receivable - trade	1,069	2,140
Accounts receivable from completed construction contracts	76,941	77,033
Accounts receivable - trade	3,123	2,984
Costs on uncompleted construction contracts and other	17,444	17,281
Deferred tax assets	2,696	3,451
Prepaid expenses	429	525
Accounts receivable - other	1,134	1,347
Other	1,156	2,107
Allowance for doubtful accounts	(17)	(43)
Total current assets	134,283	137,112
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,664	22,611
Machinery, vehicles, tools, furniture and fixtures	9,407	9,762
Land	18,452	18,397
Leased assets	515	690
Construction in progress	541	322
Accumulated depreciation	(19,265)	(20,053)
Total property, plant and equipment	30,314	31,730
Intangible assets		
Goodwill	381	159
Software	2,272	1,841
Other	123	96
Total intangible assets	2,777	2,097
Investments and other assets		
Investment securities	18,886	19,927
Long-term loans receivable	11	8
Net defined benefit asset	2,904	984
Deferred tax assets	1,040	785
Lease and guarantee deposits	1,154	1,139
Other	1,549	1,304
Allowance for doubtful accounts	(221)	(113)
Total investments and other assets	25,325	24,036
Total non-current assets	58,417	57,865
Total assets	192,700	194,978

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Liabilities		
Current liabilities		
Notes payable - trade	481	516
Accounts payable for construction contracts	35,448	38,154
Current portion of long-term loans payable	24	20
Accounts payable - other	2,897	2,284
Income taxes payable	2,059	1,028
Advances received on uncompleted construction contracts	1,702	2,225
Provision for loss on construction contracts	323	3,330
Provision for bonuses	4,106	4,164
Provision for directors' bonuses	72	71
Provision for warranties for completed construction	16	11
Other	5,509	3,703
Total current liabilities	52,643	55,511
Non-current liabilities		
Long-term loans payable	36	15
Deferred tax liabilities	3,317	2,810
Deferred tax liabilities for land revaluation	42	41
Provision for directors' retirement benefits	125	59
Net defined benefit liability	7,943	8,508
Asset retirement obligations	86	78
Long-term accounts payable - other	1,860	939
Other	459	413
Total non-current liabilities	13,872	12,866
Total liabilities	66,515	68,378
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,936
Retained earnings	87,471	88,691
Treasury shares	(2,626)	(2,630)
Total shareholders' equity	117,791	118,997
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,109	3,786
Deferred gains or losses on hedges	―	65
Revaluation reserve for land	(100)	(98)
Foreign currency translation adjustment	1	3
Remeasurements of defined benefit plans	2,057	195
Total accumulated other comprehensive income	5,068	3,952
Non-controlling interests	3,324	3,649
Total net assets	126,184	126,599
Total liabilities and net assets	192,700	194,978

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales of completed construction contracts	283,747	269,537
Cost of sales of completed construction contracts	250,633	243,648
Gross profit on completed construction contracts	33,113	25,889
Selling, general and administrative expenses	18,973	19,761
Operating income	14,139	6,127
Non-operating income		
Interest income	21	42
Dividend income	275	408
Amortization of negative goodwill	265	―
Insurance premiums refunded cancellation	101	146
Share of profit of entities accounted for using equity method	52	105
Miscellaneous income	176	178
Total non-operating income	894	881
Non-operating expenses		
Interest expenses	13	3
Commission fee	―	35
Foreign exchange losses	63	171
Provision of allowance for doubtful accounts	―	27
Miscellaneous expenses	122	34
Total non-operating expenses	199	273
Ordinary income	14,834	6,735
Extraordinary income		
Gain on sales of non-current assets	0	2
Gain on sales of investment securities	132	65
Gain on bargain purchase	33	―
Gain on revision of retirement benefit plan	516	―
Gain on return of assets from retirement benefits trust	2,791	―
Other	88	0
Total extraordinary income	3,563	68
Extraordinary losses		
Loss on sales of non-current assets	0	23
Loss on retirement of non-current assets	90	110
Impairment loss	322	―
Loss on sales of investment securities	15	2
Loss on valuation of investment securities	6	―
Loss on valuation of shares of subsidiaries and associates	―	47
Other	219	95
Total extraordinary losses	656	279
Profit before income taxes	17,742	6,524

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Income taxes - current	4,582	2,884
Income taxes - deferred	1,670	(388)
Total income taxes	6,253	2,495
Profit	11,488	4,029
Profit attributable to		
Profit attributable to non-controlling interests	380	397
Profit attributable to owners of parent	11,108	3,631
Other comprehensive income		
Valuation difference on available-for-sale securities	1,144	681
Deferred gains or losses on hedges	—	65
Revaluation reserve for land	1	1
Foreign currency translation adjustment	1	1
Remeasurements of defined benefit plans, net of tax	254	(1,862)
Share of other comprehensive income of entities accounted for using equity method	(55)	(12)
Total other comprehensive income	1,346	(1,123)
Comprehensive income	12,835	2,905
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,447	2,515
Comprehensive income attributable to non-controlling interests	387	389

(3) Consolidated Statement of Changes in Net Assets

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	25,947	76,775	(2,623)	107,098
Cumulative effects of changes in accounting policies			1,620		1,620
Restated balance	7,000	25,947	78,396	(2,623)	108,719
Changes of items during period					
Dividends of surplus			(2,033)		(2,033)
Profit attributable to owners of parent			11,108		11,108
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–
Change of scope of equity method					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	9,075	(3)	9,072
Balance at end of current period	7,000	25,947	87,471	(2,626)	117,791

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,971	–	(101)	56	1,802	3,729	3,345	114,173
Cumulative effects of changes in accounting policies								1,620
Restated balance	1,971	–	(101)	56	1,802	3,729	3,345	115,794
Changes of items during period								
Dividends of surplus								(2,033)
Profit attributable to owners of parent								11,108
Purchase of treasury shares								(3)
Disposal of treasury shares								0
Change in treasury shares of parent arising from transactions with non-controlling shareholders								–
Change of scope of equity method								–
Net changes of items other than shareholders' equity	1,137	–	1	(54)	254	1,339	(21)	1,318
Total changes of items during period	1,137	–	1	(54)	254	1,339	(21)	10,390
Balance at end of current period	3,109	–	(100)	1	2,057	5,068	3,324	126,184

Previous fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	25,947	87,471	(2,626)	117,791
Cumulative effects of changes in accounting policies					
Restated balance	7,000	25,947	87,471	(2,626)	117,791
Changes of items during period					
Dividends of surplus			(2,439)		(2,439)
Profit attributable to owners of parent			3,631		3,631
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares					―
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(11)			(11)
Change of scope of equity method			28		28
Net changes of items other than shareholders' equity					
Total changes of items during period	―	(11)	1,219	(3)	1,205
Balance at end of current period	7,000	25,936	88,691	(2,630)	118,997

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,109	―	(100)	1	2,057	5,068	3,324	126,184
Cumulative effects of changes in accounting policies								
Restated balance	3,109	―	(100)	1	2,057	5,068	3,324	126,184
Changes of items during period								
Dividends of surplus								(2,439)
Profit attributable to owners of parent								3,631
Purchase of treasury shares								(3)
Disposal of treasury shares								―
Change in treasury shares of parent arising from transactions with non-controlling shareholders							79	68
Change of scope of equity method								28
Net changes of items other than shareholders' equity	677	65	1	1	(1,862)	(1,115)	246	(869)
Total changes of items during period	677	65	1	1	(1,862)	(1,115)	325	415
Balance at end of current period	3,786	65	(98)	3	195	3,952	3,649	126,599

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	17,742	6,524
Depreciation	2,429	2,417
Amortization of goodwill and amortization of negative goodwill	(55)	193
Impairment loss	322	—
Gain on bargain purchase	(33)	—
Share of (profit) loss of entities accounted for using equity method	(52)	(105)
Increase (decrease) in allowance for doubtful accounts	(51)	22
Increase (decrease) in provision for bonuses	(56)	58
Increase (decrease) in provision for loss on construction contracts	(126)	3,007
Increase (decrease) in other provision	(224)	(69)
Remeasurements of defined benefit plans	254	(1,862)
Increase(decrease) in net defined benefit asset and liability	24	2,484
Increase in investment securities due to the reversion to retirement benefit trust	(7,381)	—
Interest and dividend income	(297)	(450)
Interest expenses	13	3
Foreign exchange losses (gains)	65	193
Loss (gain) on sales of investment securities	(117)	(63)
Loss (gain) on valuation of investment securities	6	—
Loss (gain) on sales and retirement of non-current assets	90	131
Decrease (increase) in notes and accounts receivable - trade	1,941	(1,212)
Decrease (increase) in costs on uncompleted construction contracts and other	2,076	(456)
Increase (decrease) in notes and accounts payable - trade	1,309	2,786
Increase (decrease) in advances received on uncompleted construction contracts	288	529
Increase/decrease in other assets/liabilities	3,785	(1,404)
Increase (decrease) in accrued consumption taxes	1,469	(1,637)
Decrease (increase) in consumption taxes refund receivable	(37)	(227)
Other, net	948	(928)
Subtotal	24,337	9,936
Interest and dividend income received	302	495
Interest expenses paid	(20)	(3)
Income taxes paid	(5,934)	(4,188)
Net cash provided by (used in) operating activities	18,683	6,239

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Payments into time deposits	(733)	(748)
Proceeds from withdrawal of time deposits	569	628
Purchase of property, plant and equipment	(2,730)	(3,433)
Proceeds from sales of property, plant and equipment	18	157
Purchase of intangible assets	(705)	(574)
Purchase of investment securities	(351)	(1)
Proceeds from sales of investment securities	228	82
Purchase of shares of subsidiaries	(8)	(109)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(186)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	36	—
Net decrease (increase) in short-term loans receivable	(226)	70
Payments of loans receivable	(1)	(2)
Collection of loans receivable	137	4
Proceeds from cancellation of insurance funds	195	239
Other, net	(112)	6
Net cash provided by (used in) investing activities	(3,870)	(3,680)
Cash flows from financing activities		
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(85)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	90
Repayments of long-term loans payable	(64)	(24)
Purchase of treasury shares	(10)	(3)
Proceeds from sales of treasury shares	0	—
Commision fee paid	—	(35)
Cash dividends paid	(2,033)	(2,457)
Dividends paid to non-controlling interests	(58)	(75)
Repayments of finance lease obligations	(80)	(99)
Net cash provided by (used in) financing activities	(2,247)	(2,690)
Effect of exchange rate change on cash and cash equivalents	(120)	(6)
Net increase (decrease) in cash and cash equivalents	12,445	(138)
Cash and cash equivalents at beginning of period	16,788	29,260
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	26	—
Cash and cash equivalents at end of period	29,260	29,121

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not Applicable.

(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 current fiscal year, 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 fiscal year in which they occurred. Furthermore, business combinations occurring after the beginning of the fiscal year 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 financial statements of the fiscal year in which the business combination occurs. Furthermore, changes have also been made to the representation of net income and the representation of non-controlling interests. To reflect these changes in representation, financial statements 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 current fiscal year.

The impact on operating income, ordinary income and income before income taxes during the current fiscal year, and capital surplus at the end of the current fiscal year is minor.

In the Consolidated Statement of Cash Flows for the current fiscal year, cash flows pertaining to the acquisition or sale of subsidiaries’ shares not involving a change of scope of consolidation are shown under the category of “Net cash provided by (used in) financing activities,” and cash flows pertaining to expenses related to the acquisition of subsidiaries’ shares involving a change of scope of consolidation and expenses arising in relation to the acquisition or sale of subsidiaries’ shares not involving a change of scope of consolidation are shown under the category of “Net cash provided by (used in) operating activities.”

The impact on the year-end balance of capital surplus in the Consolidated Statements of Changes in Net Assets for the current fiscal year is minor.

Furthermore, the impact per share is minor.

(Segment Information)

[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 the same as those shown in "Significant Matters Forming the Basis for Preparation of Consolidated Financial Statements."

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

Internal revenue and transfers between segments are based on actual market prices.

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

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.

Year ended March 31, 2016

(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	175,959	93,576	269,535	1	269,537	—	269,537
Inter-segment sales or transfers	2,867	7,149	10,016	4,330	14,346	(14,346)	—
Total	178,826	100,725	279,552	4,331	283,884	(14,346)	269,537
Segment income	4,530	1,563	6,094	2,473	8,568	(2,440)	6,127
Segment assets	133,644	70,195	203,840	91,092	294,932	(99,954)	194,978
Other items							
Depreciation and amortization	1,344	1,054	2,399	18	2,417	—	2,417
Increase in property, plant and equipment and intangible assets	1,800	1,933	3,733	0	3,734	—	3,734

(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 (2,440) million yen include adjustments for dividends, retirement benefits, goodwill and expenses related to the acquisition of subsidiaries' shares in the amount of (2,676) million yen, 216 million yen, 2 million yen, respectively.

(2) Adjustments for segment assets in the amount of (99,954) 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 (30,971) 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, 2015	Fiscal year ended March 31, 2016
Net assets per share	1,510.59 yen	1,511.74 Yen
Net income per share	136.58 yen	44.65 yen

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

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

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income (million yen)	11,108	3,631
Net income not attributable to common shareholders (million yen)	—	—
Net income related to common stocks (million yen)	11,108	3,631
Average number of common stocks during the fiscal year (thousand shares)	81,334	81,331

(Significant Subsequent Events)

Not Applicable.