



Presentation on the Financial Results for the Fiscal Year Ended March 2016

May 11, 2016



MIRAIT Holdings Corporation

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I. Overview of the Financial Results for the Fiscal Year Ended March 2016

1. Financial Results for the Fiscal Year Ended March 2016

Unit: bil. yen	FYE March 2015	FYE March 2016	YoY Change	
			Amount	%
Orders received	293.6	260.7	- 32.9	- 11.2%
Net sales	283.7 (100%)	269.5 (100%)	- 14.2	- 5.0%
NTT	95.6	95.1	- 0.5	- 0.5%
Multi-carrier	96.1	76.1	- 20.0	- 20.8%
Environmental & Social Innovation	45.8	53.6	+ 7.8	+ 17.0%
ICT Solution	46.1	44.5	- 1.6	- 3.5%
Gross profit (Gross profit margin)	33.1 (11.7%)	25.8 (9.6%)	- 7.3 (- 2.1p)	- 22.1%
SG&A (SG&A ratio)	18.9 (6.7%)	19.7 (7.3%)	+ 0.8 (+ 0.6p)	+ 4.2%
Operating income (Operating income ratio)	14.1 (5.0%)	6.1 (2.3%)	- 8.0 (- 2.7p)	- 56.7%
Ordinary income (Ordinary income ratio)	14.8 (5.2%)	6.7 (2.5%)	- 8.1 (- 2.7p)	- 54.7%
Net income (Net income ratio)	11.1 (3.9%)	3.6 (1.3%)	- 7.5 (- 2.6p)	- 67.6%
Construction account carried forward	83.5	74.7	- 8.8	—

Key Highlights

- Orders received

⇒ Down by 32.9 bil. yen YoY to 260.7 bil. yen, due to a significant decline in the **multi-carrier business**.

Orders received (Unit: bil. yen)	FYE March 2015	FYE March 2016	
	Full-year Results	Full-year Results	YoY Change
NTT	96.5	95.7	- 0.8
Multi-carrier	94.1	73.1	- 21.0
Environmental & Social	55.2	46.2	- 9.0
ICT	47.7	45.5	- 2.2
Total	293.6	260.7	- 32.9

- Net sales

⇒ Down by 14.2 bil. yen YoY to 269.5 bil. yen, due to the **decline in the multi-carrier business** and despite the **growth in the environmental & social innovation business**.

- Gross profit

⇒ Down by 7.3 bil. yen YoY to 25.8 bil. yen, due to the **decline in mobile-related work and the losses due to a software development project, among other factors**.

- SG&A

⇒ Up by 0.8 bil. yen YoY to 19.7 bil. yen, due to advanced costs for new business growth.

- Operating income

⇒ **Down significantly by 8.0 bil. yen YoY, to 6.1 bil. yen.**

- Net income

⇒ Down significantly by 7.5 bil. yen YoY, to 3.6 bil. yen.

- Construction account carried forward

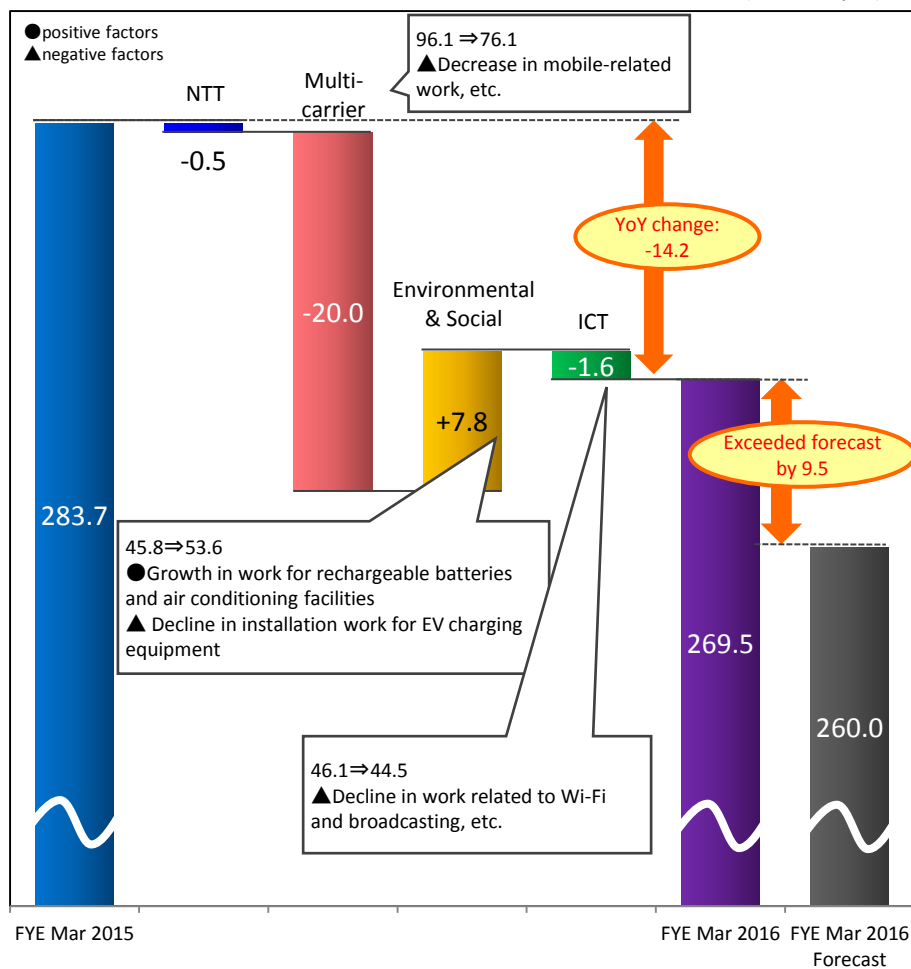
⇒ Down by 8.8 bil. yen YoY to 74.7 bil. yen reflecting efforts to complete projects by the end of the fiscal year.

Detailed Analysis of Net Sales [YoY Comparison]

- NTT business: flat YoY.
- Multi-carrier business: down significantly due to the **decline in mobile-related work, etc.**
- Environmental & Social Innovation business: up on the back of **growth in work for rechargeable batteries, air conditioning facilities, etc.**
- ICT Solutions business: down due to the **decline in work related to Wi-Fi and broadcasting, etc.**

Net sales

(Unit: bil. yen)

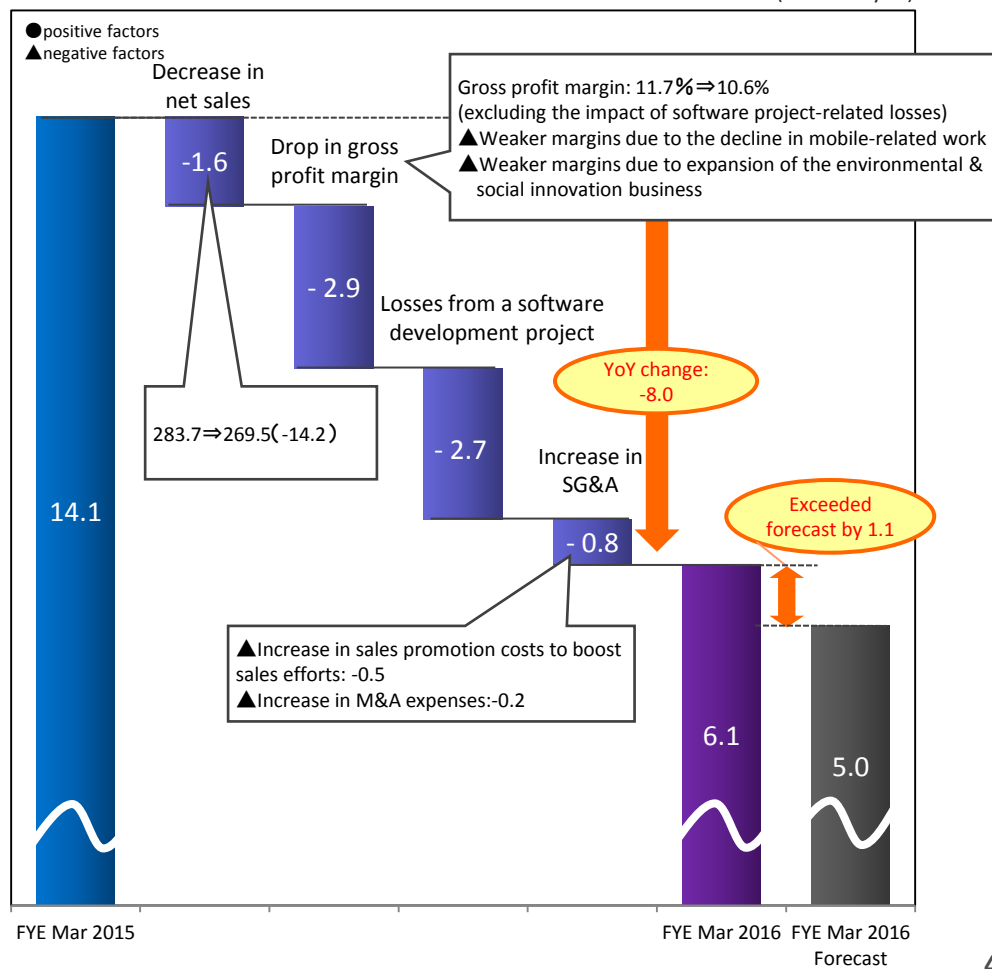


Detailed Analysis of Operating Income [YoY Comparison]

- Decrease in net sales: negative impact of 1.6 bil. yen.
- Weaker gross profit margin due to factors such as the **decline in mobile-related work**: negative impact of 2.9 bil. yen.
- **Losses related to a software development project**: negative impact of 2.7 bil. yen.
- Increase in costs for sales promotion and M&A: negative impact of 0.8 bil. yen.







Operating income

(Unit: bil. yen)



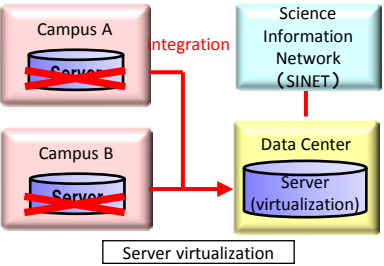



2. Summary of Financial Results in the Fiscal Year Ended March 2016 by Business Category

○ positive factors
▲ negative factors

Item (Unit: billion yen)	Key Highlights	
<p>NTT Business</p> <p>Orders received: 95.7 (YoY change: -0.8)</p> <p>Net sales: 95.1 (YoY change: -0.5)</p>	<ul style="list-style-type: none"> ◆ Net sales was in line with the previous year, with the increase in work related to facility improvement proposals offsetting the decrease in optical work. ◆ Profits increased on the back of improved productivity and efficiency. <ul style="list-style-type: none"> ○ Promotion of facility improvement proposals (removal of service lines, cable renewal, painting of exchanges, etc.) ○ Promotion of efficiency <ul style="list-style-type: none"> ➢ Improved profits (annual cost reduction: 0.2 bil. yen) by consolidating offices locations and support operations. <ul style="list-style-type: none"> • Consolidated office locations in five prefectures in the Kanto area. (Kanagawa, Saitama, Tochigi, Gunma, Ibaraki: 35⇒23 locations) ➢ Reduced the number of employees by transferring staff to other divisions. <ul style="list-style-type: none"> • Down by 53 in FYE March 2016 [2,001 employees (3/2015)→ 1,948 employees (3/2016)]. * Down by 637 since management integration (FYE March 2011: 2,585 employees) 	<div style="display: grid; grid-template-columns: 1fr 1fr; gap: 10px;"> <div style="text-align: center;"> <p>Saitama (Kumagaya) 3⇒1 location</p>  </div> <div style="text-align: center;"> <p>Ibaraki (Tsuchiura) 3⇒1 locations</p>  </div> <div style="text-align: center;"> <p>Tochigi 5⇒1 location</p>  </div> <div style="text-align: center;"> <p>Gunma (Takasaki) 3⇒1 locations</p>  </div> </div>
<p>Multi-carrier Business</p> <p>Orders received: 73.1 (YoY change: -21.0)</p> <p>Net sales: 76.1 (YoY change: -20.0)</p>	<ul style="list-style-type: none"> ◆ The mobile business witnessed a significant drop in net sales due to the decline in base station-related work. ◆ Business gradually recovered in the latter half of the fiscal year, driven primarily by new projects for LTE-A, etc. <ul style="list-style-type: none"> ▲ Base station-related work decreased in the mobile business (net sales: -25% YoY). ▲ Installation work for NCC-related fixed communication equipment also decreased due to the absence of large-scale projects (net sales: -25% YoY). ○ Business with JMCI* increased, including work to improve reception quality in areas such as tunnels and railway stations (net sales: +40% YoY). ○ The overseas business expanded moderately (net sales: +10% YoY). <ul style="list-style-type: none"> ➢ Australia: work related to FTTx (replacement and upgrading of hand hole enclosures, etc.) 	<div style="display: flex; flex-direction: column; align-items: center;">  <div style="text-align: center; margin: 5px;">LTE work</div>  <div style="text-align: center; margin: 5px;">Work to improve reception quality in stations</div> </div>

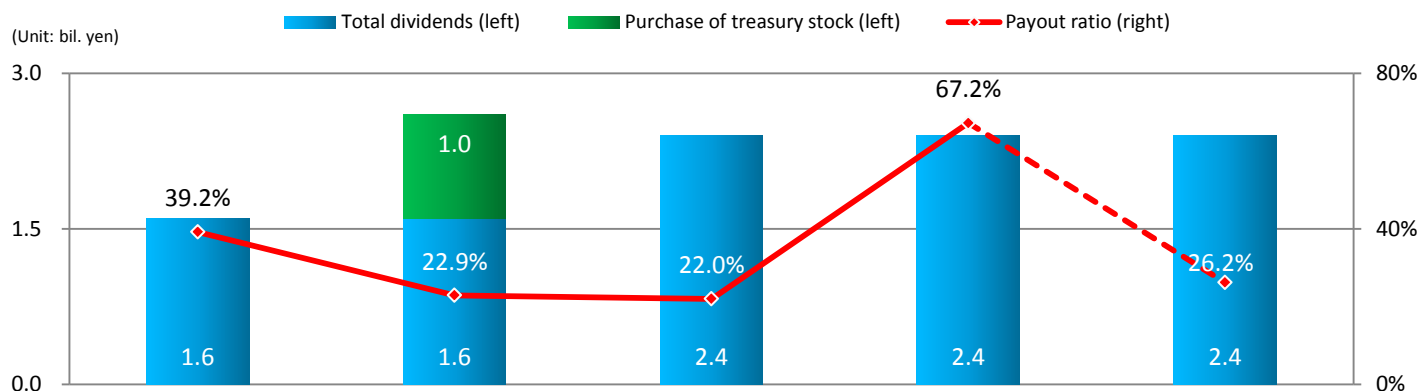
* Japan Mobile Communications Infrastructure Association

Item (Unit: billion yen)	Key Highlights	
<p>Environmental & Social Innovation Business</p> <p>Orders received: 46.2 (YoY change: -9.0)</p> <p>Net sales: 53.6 (YoY change: +7.8)</p>	<p>◆ Net sales increased on the back of the growth in work for air conditioning facilities and rechargeable batteries.</p> <p>◆ Growth in installation work for solar power and EV charging equipment was weak. Profit contribution from the rechargeable battery business was limited.</p> <p>○ Installation work for rechargeable batteries increased (net sales: 0.3→5.8 bil. yen).</p> <p>➢ MIRAIT X, established jointly with Orix Corp., will make efforts to enhance its operational structure in order to improve margins.</p> <p>○ Air conditioning work for Japan Post-related facilities, etc., increased (net sales: +50% YoY).</p> <p>▲ Difficult projects related to solar power increased, resulting in a slight increase in net sales (+10% YoY).</p> <p>▲ Installation work for EV charging equipment dropped due to the decrease in subsidies (net sales: -40% YoY).</p>	 <p>Rechargeable battery installation work</p>  <p>Air conditioning work</p>
<p>ICT Solutions Business</p> <p>Orders received: 45.5 (YoY change: -2.2)</p> <p>Net sales: 44.5 (YoY change: -1.6)</p>	<p>◆ Net sales growth was weak due to factors such as the decrease in large-scale projects.</p> <p>◆ The software business incurred significant losses from a development project in which MIRAIT acted as the prime contractor.</p> <p>▲ Net sales decreased due to fewer large-scale projects related to Wi-Fi and PBX/LAN.</p> <p>➢ Promoted the advanced cloud model (virtualization) in the server-related business.</p> <p>▲ Provisioned 2.7 bil. yen for losses related to a software development project.</p> <p>➢ The project was completed in April 2016.</p> <p>➢ More stringent risk management processes will be adopted for future projects (more intensive prior discussions, tighter monitoring of progress, etc.).</p> <p>○ The stock business expanded in line with the growth in contracted maintenance projects (net sales: +20% YoY).</p>	 <p>Server virtualization</p>  <p>Operation center(Stock business)</p>
<p>SG&A</p> <p>19.7 (YoY change: +0.8)</p>	<p>◆ Efforts were made to reduce SG&A expenses, but sales promotion costs increased given the expansion of new businesses</p> <p>▲ Sales promotion costs increased given efforts to strengthen the operational structure to grow new businesses (+0.5 bil. yen YoY).</p> <p>▲ SG&A expenses increased due to costs related to the M&A in Singapore (+0.2 bil. yen YoY).</p> <p>○ Cost reduction was achieved by consolidating contracting operations (mobile phones, insurance, etc.) in MBC (administrative business center) (annual cost reduction: 0.3 bil. yen).</p>	

3. Shareholder Returns

- The Company's basic policy is to pay dividends consistently, while taking the business performance, the dividend payout ratio, and other factors into consideration.
- Dividends in the fiscal year ended March 2016 was maintained at **30 yen per share (interim and year-end dividends of 15 yen each)**.
- The Company expects to pay dividends of 30 yen per share (interim and year-end dividends of 15 yen each) in the fiscal year ending March 2017.

Shareholder Returns



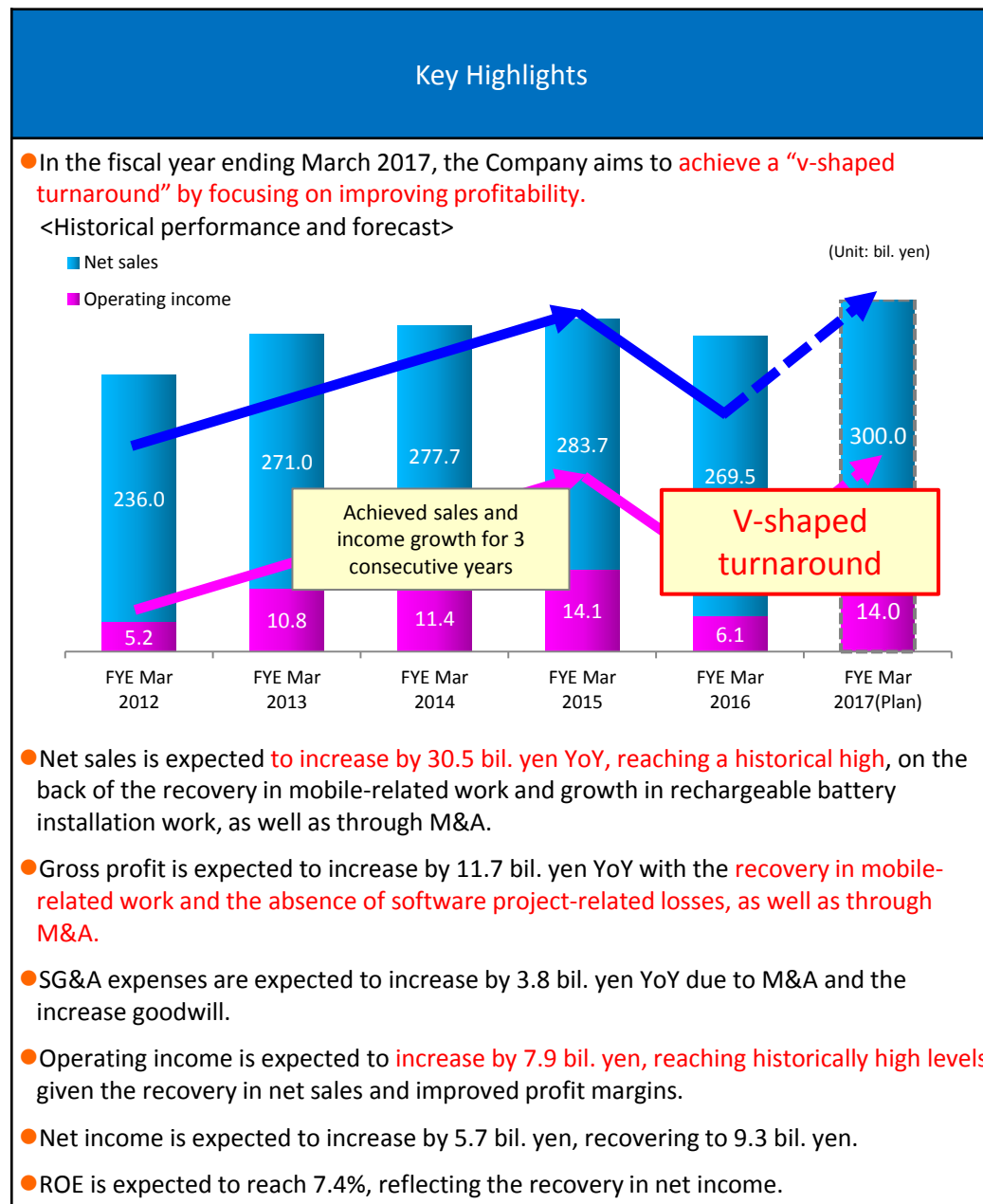
		FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017 (forecast)
Total dividends		1.6 bil. yen	1.6 bil. yen	2.4 bil. yen	2.4 bil. yen	2.4 bil. yen
Net income		4.2 bil. yen	7.1 bil. yen	11.1 bil. yen	3.6 bil. yen	9.3 bil. yen
Annual dividends per share	Interim	10 yen	10 yen	15 yen	15 yen	15 yen
	Year-end	10 yen	10 yen	15 yen	15 yen	15 yen
	Total	20 yen	20 yen	30 yen	30 yen	30 yen
Purchase of treasury stocks		—	1.0 bil. yen	—	—	—
Consolidated dividend payout ratio		39.2%	22.9%	22.0%	67.2%	26.2%
Consolidated total return ratio		39.2%	36.7%	22.0%	67.2%	26.2%
ROE		4.1%	6.7%	9.5%	3.0%	7.4%



II. Business Plan for the Fiscal Year Ending March 2017

1. Business Plan for the Fiscal Year Ending March 2017

Unit: bil. yen	FYE March 2016	FYE March 2017	YoY Change	
			Amount	%
Net sales	269.5 (100%)	300.0 (100%)	+ 30.5	+ 11.3%
NTT	95.1	93.5	- 1.6	- 1.7%
Multi-carrier	76.1	85.0	+ 8.9	+ 11.7%
Environmental & Social Innovation	53.6	59.0	+ 5.4	+ 10.1%
ICT Solutions	44.5	62.5	+ 18.0	+ 40.4%
Gross profit (Gross profit margin)	25.8 (9.6%)	37.5 (12.5%)	+ 11.7 (+ 2.9p)	+ 45.3%
SG&A (SG&A ratio)	19.7 (7.3%)	23.5 (7.8%)	+ 3.8 (+ 0.5p)	+ 19.3%
Operating income (Operating income ratio)	6.1 (2.3%)	14.0 (4.7%)	+ 7.9 (+ 2.4p)	+ 129.5%
Ordinary income (Ordinary income ratio)	6.7 (2.5%)	14.5 (4.8%)	+ 7.8 (+ 2.3p)	+ 116.4%
Net income (Net income ratio)	3.6 (1.3%)	9.3 (3.1%)	+ 5.7 (+ 1.8p)	+ 158.3%
ROE	3.0%	7.4%	+4.4p	—

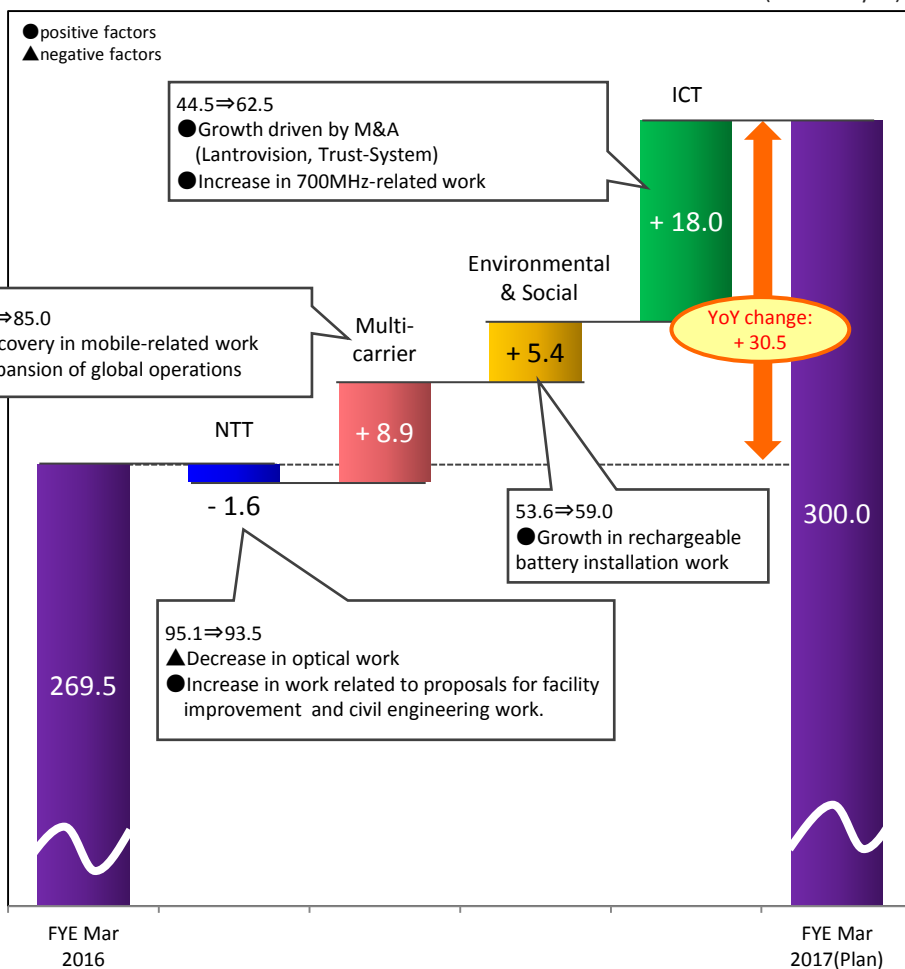


Detailed Analysis of Net Sales [YoY Comparison]

- NTT business: decrease in optical work and **increase in work related to proposals for facility improvement and civil engineering work.**
- Multi-carrier business: **recovery in mobile-related work, and growth in global business.**
- Environmental & Social Innovation business: **increase in rechargeable battery installation work.**
- ICT Solutions business: growth from **M&A and increase in 700MHz-related work.**

Net sales

(Unit: bil. yen)

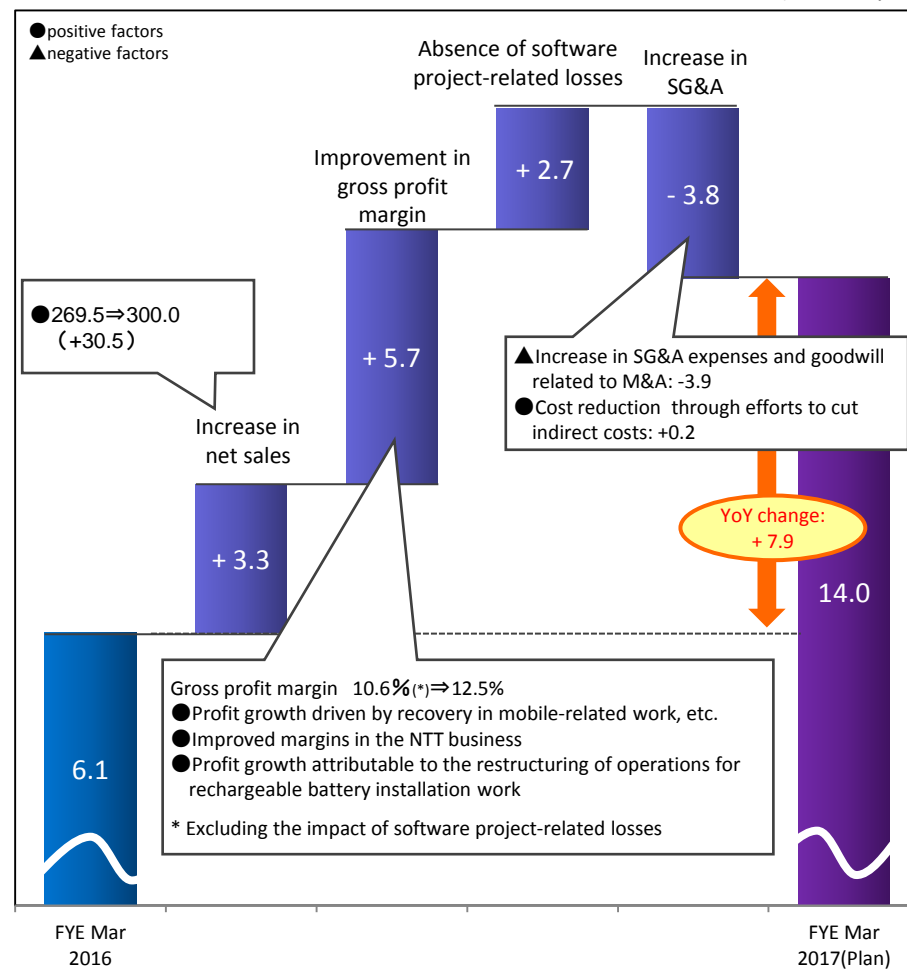


Detailed Analysis of Operating Income [YoY Comparison]

- Net sales growth: positive impact of 3.3 bil. yen.
- Improvement in gross profit margin **given the recovery in mobile-related work, etc., and the restructuring of operations for rechargeable battery installation work:** positive impact of 5.7 bil. yen.
- **Absence of software project-related losses:** positive impact of 2.7 bil. yen.
- Increase in SG&A expenses related to M&A: negative impact of 3.8 bil. yen.

Operating income

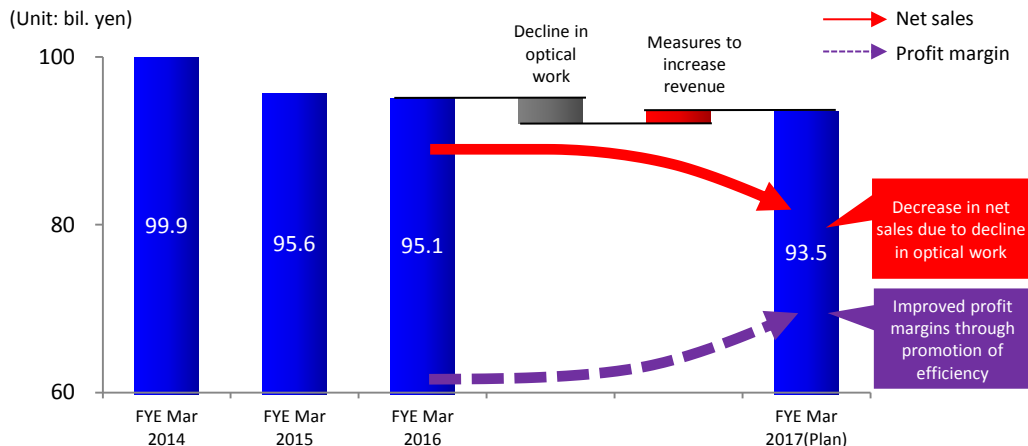
(Unit: bil. yen)



2. Initiatives in the NTT Business

- Capital investments by NTT continues to slow down given that the needs for optical facilities has been satisfied. However, the business environment is changing, as witnessed by **the growth of the facility management and the civil engineering businesses, among others.**
- Boost sales **by attracting maintenance work through proposals for facility improvement and work to eliminate utility poles,** among other efforts.
- Establish **an operational structure that will allow the Company to remain profitable even if sales decline ,** by promoting efficiency through the consolidation of office locations and support operations (design, order creation, photo inspection, etc.).

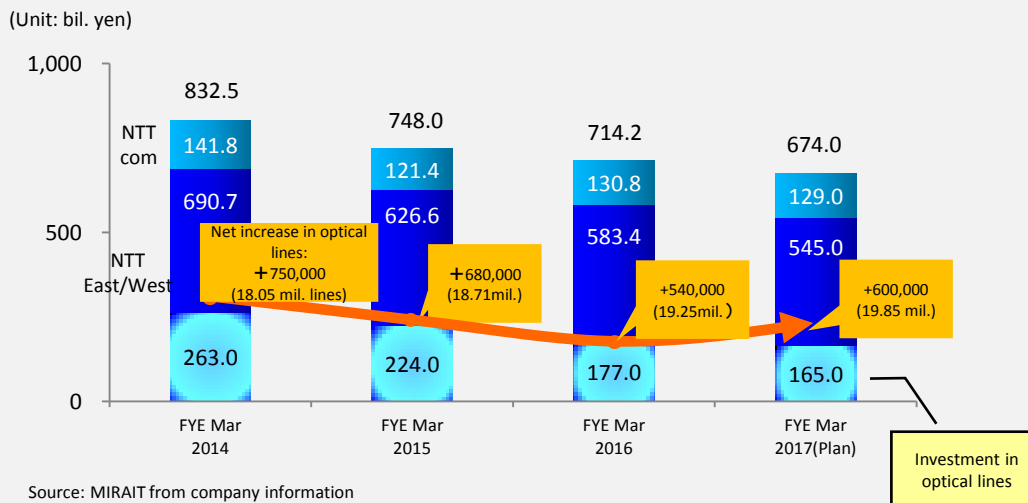
Net sales



Key initiatives for the fiscal year ending March 2017

Initiatives	
Sales growth	Strengthening of operations <ul style="list-style-type: none"> • Facility improvement proposals ⇒ removal of service lines, cable renewal, painting of exchanges, etc.
	Civil engineering <ul style="list-style-type: none"> • Grow the civil engineering business ⇒ elimination of utility poles, conduit repairs
	Facility management business <ul style="list-style-type: none"> • Increase contracted work for access and on-premises maintenance, etc.
Improvement of efficiency	Consolidation of office locations <ul style="list-style-type: none"> • Continue to consolidate office locations to streamline direct and indirect operations and to enhance efficiency
	Consolidation of support operations <ul style="list-style-type: none"> • Consolidate support operations to achieve an efficient operational structure
	KAIZEN activities <ul style="list-style-type: none"> • Promote KAIZEN activities ⇒ Expand KAIZEN activities to general/light work and facility management ⇒ Generate results by sharing information and rolling out KAIZEN activities across the Group

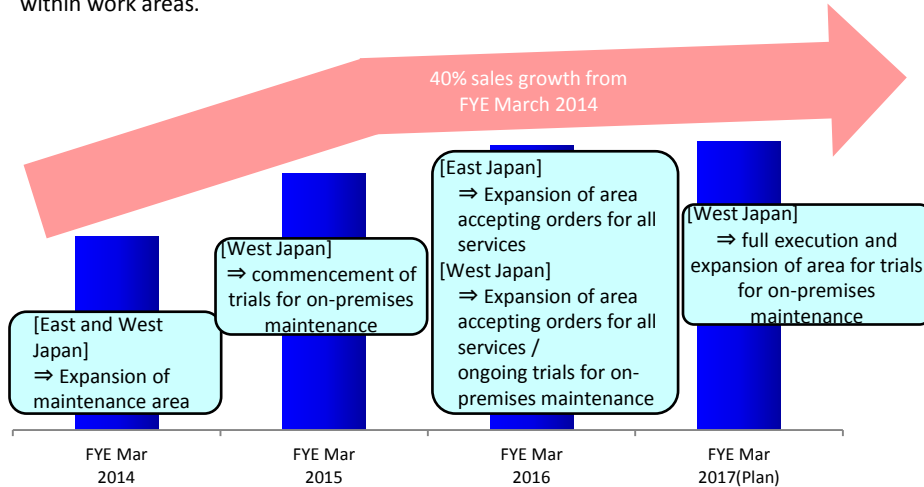
(Reference) Capital investments and net increase in optical access lines by NTT East/West and NTT Communications



Source: MIRAIT from company information

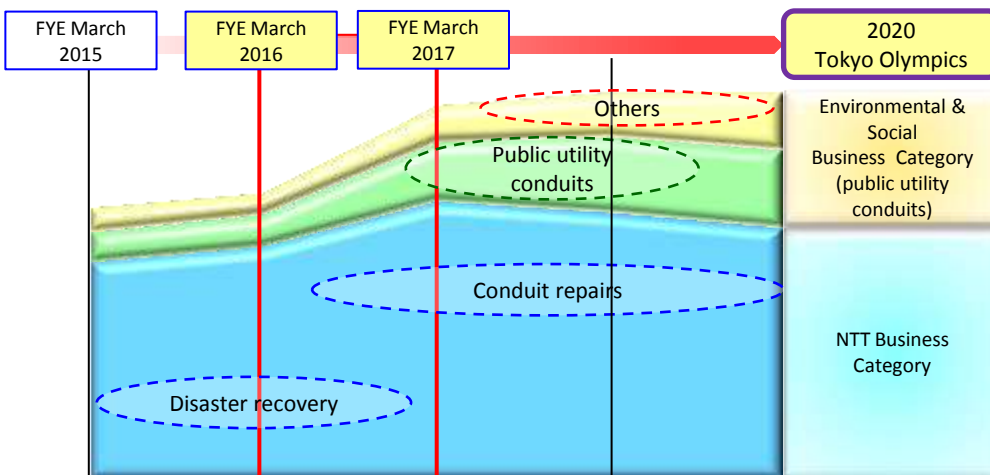
Expansion of facility management services

- Repairs and management of facilities in certain work areas are now fully outsourced from NTT to MIRAIT.
- MIRAIT will proactively approach NTT with proposals, including those to improve facilities within work areas.



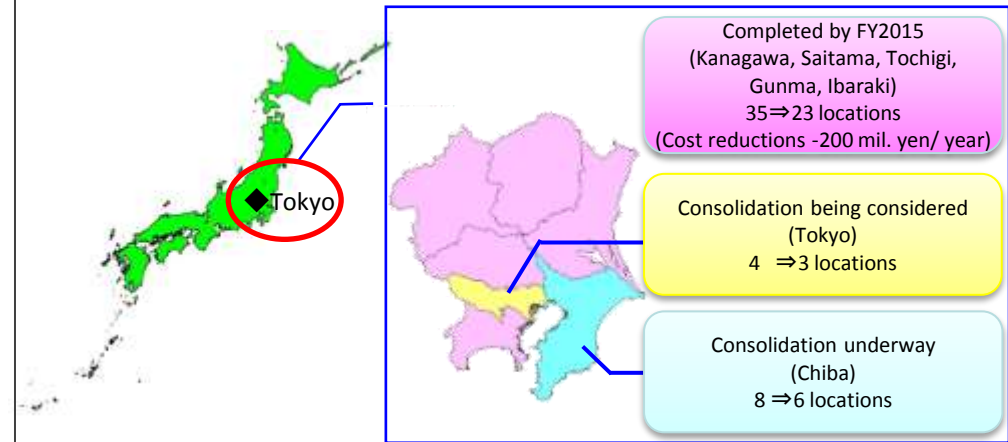
Expansion of civil engineering business

- Work for public utility conduits is expected to increase in major cities such as Tokyo. In the NTT business, increase in conduit repair work is expected.



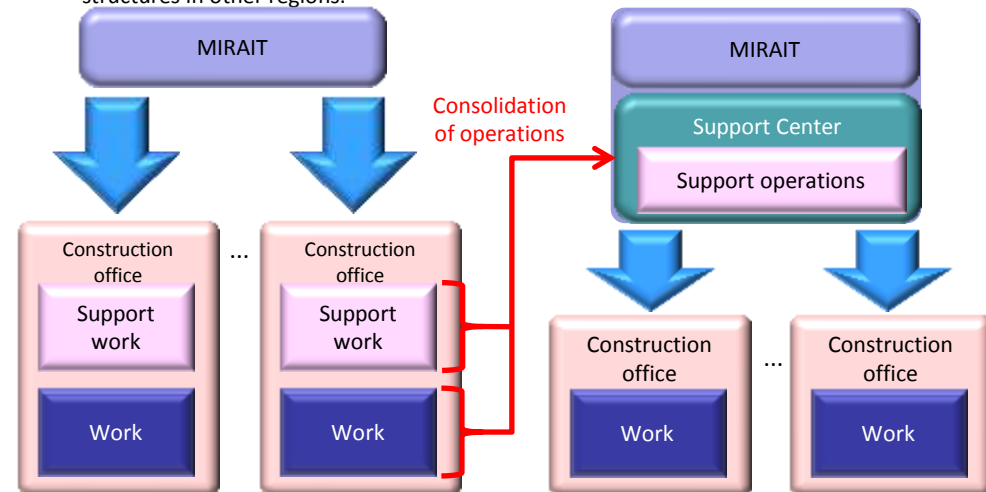
Promoting efficiency through consolidation of offices

- The total number of offices locations will be reduced by around 30% (approx. 70 → 50), including those that have already been closed in the Kansai region
- Reduction of administrative personnel and work vehicles, etc.



Promoting efficiency through consolidation of support operations

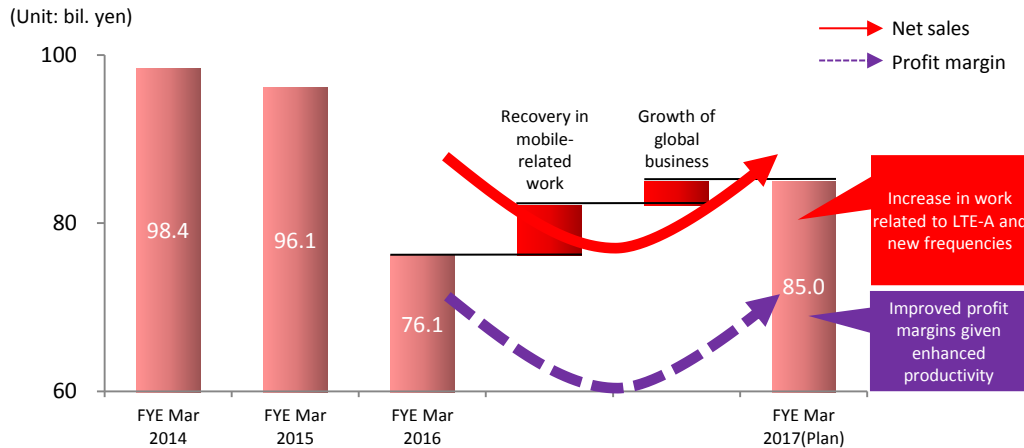
- In FY2015, MIRAIT streamlined support operations (design, order creation, photo inspection, etc.) and established an operational structure in Tokyo for work to be undertaken mainly by subcontractors. In 2016, the Company will consider establishing similar operational structures in other regions.



3. Initiatives in the Multi-carrier Business

- The mobile carriers continue to reduce capital investments. However, the industry will enter a new phase this fiscal year where **LTE-A and new frequency-related work is expected to gain momentum.**
- **Strengthen the management structure to handle large volumes of small-scale work.**
- **Continued growth in the global business,** including the project to build a mobile backbone network in Myanmar.

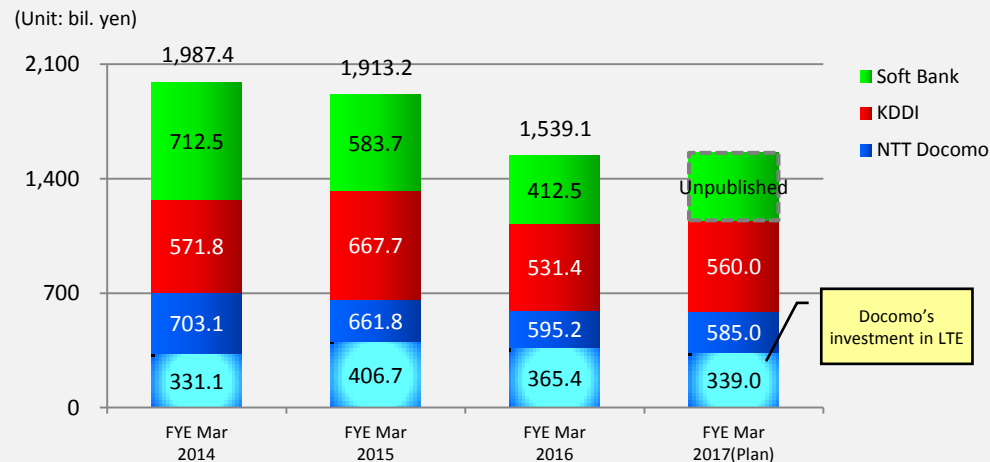
Net sales



Key initiatives for the fiscal year ending March 2017

	Initiatives	
Sales growth	LTE-A, etc.	<ul style="list-style-type: none"> • Increase LTE-A-related work (carrier aggregation, add-on cells) • Increase new frequency-related work
	Improvement of reception quality	<ul style="list-style-type: none"> • Increase work to improve reception quality in railways (metro, private railways) in metropolitan areas
	Peripheral businesses	<ul style="list-style-type: none"> • Expand the solutions business in collaboration with the carrier corporate sales division and through internal and external alliances
	Global	<ul style="list-style-type: none"> • Australia ⇒ Work for FTTx and fixed-area service • Myanmar ⇒ Creation of mobile backbone network
Improvement of Efficiency	Operational	<ul style="list-style-type: none"> • Adjust resources flexibly to respond quickly and appropriately to changes in work volume and size ⇒ Expedite the completion of projects by promoting cooperation between offices nationwide, etc.
	Productivity	<ul style="list-style-type: none"> • Reduce costs through operational restructuring ⇒ Consolidate overlapping functions, such as management operations ⇒ Standardize construction methods and processes, etc.

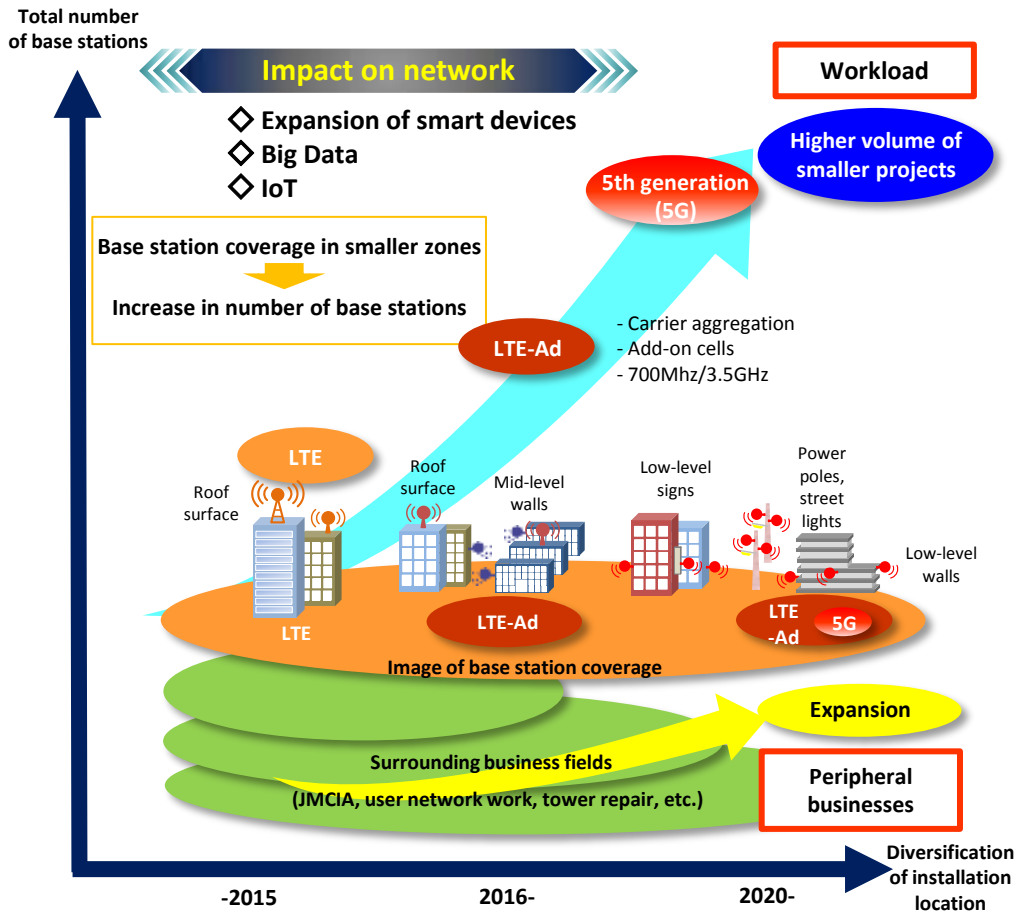
(Reference) Capital investments by the three major mobile carriers



Source: MIRAIT from company information (Notes) The amount shown for Softbank is for domestic telecommunications business only.

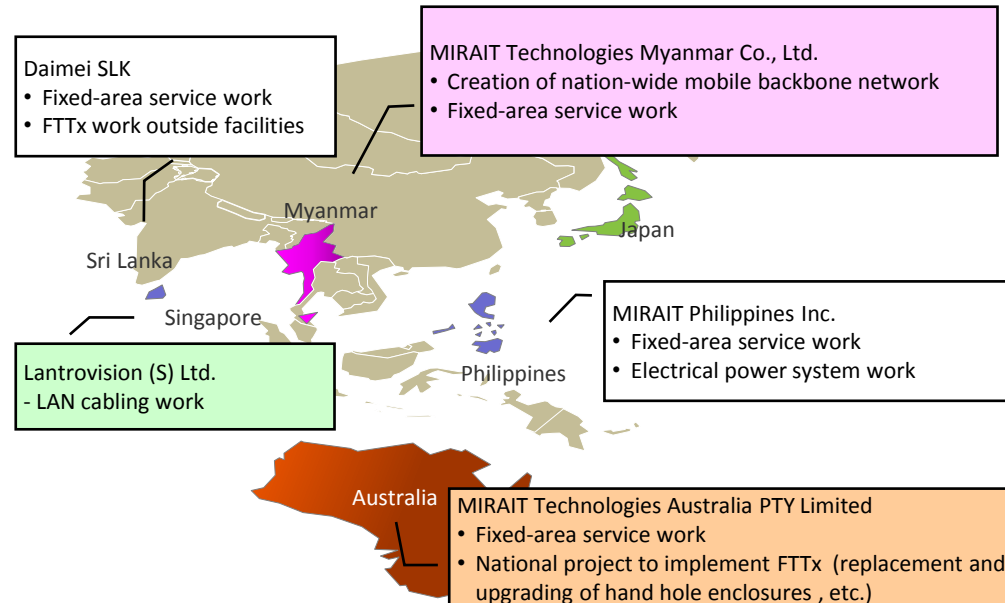
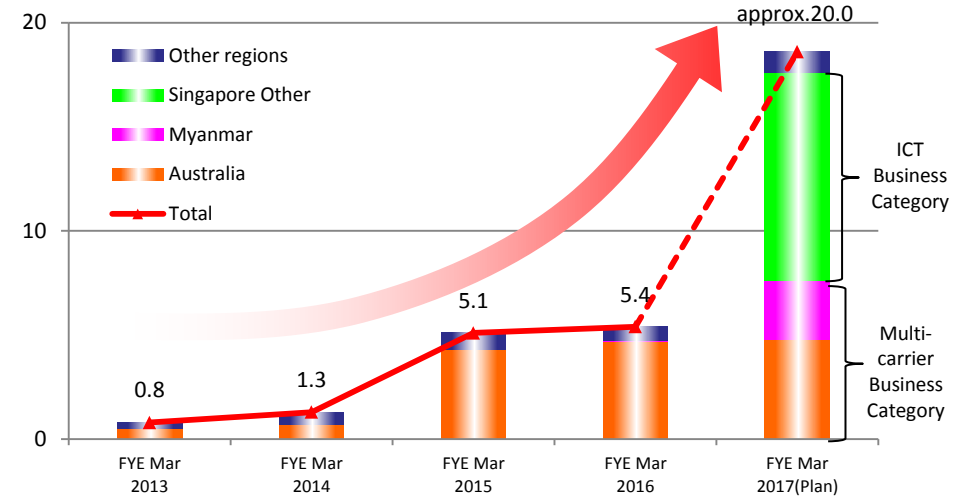
Trends in the mobile business

- LTE-related work, such as carrier aggregation, add-on cells and 3.5GHz, should gain momentum from this fiscal year.
- The target population coverage of 700MHz is 80% for FY2017-2018. Base station work is therefore expected to increase from this fiscal year.
- LTE-related 5th generation (5G) is expected to begin in 2020



Net sales growth in the global business

(Unit: bil. yen)



* The entities in Australia and Myanmar are consolidated subsidiaries.

* The entity in Singapore will become a consolidated subsidiary from FY2016 Q2; the 9-month financial results of the company will be reflected in MIRAIT's consolidated statements for FY2016.

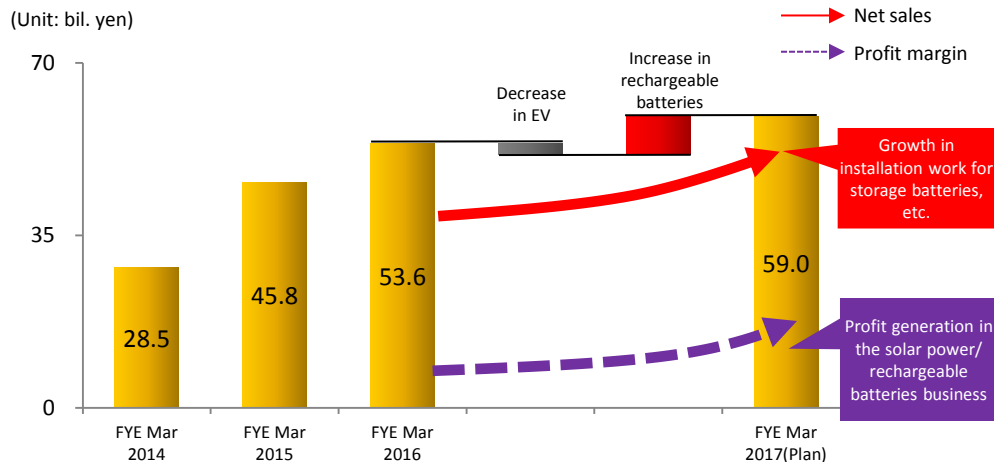
* The entity in the Philippines is an equity-method subsidiary.

* The entity in Sri Lanka is not consolidated.

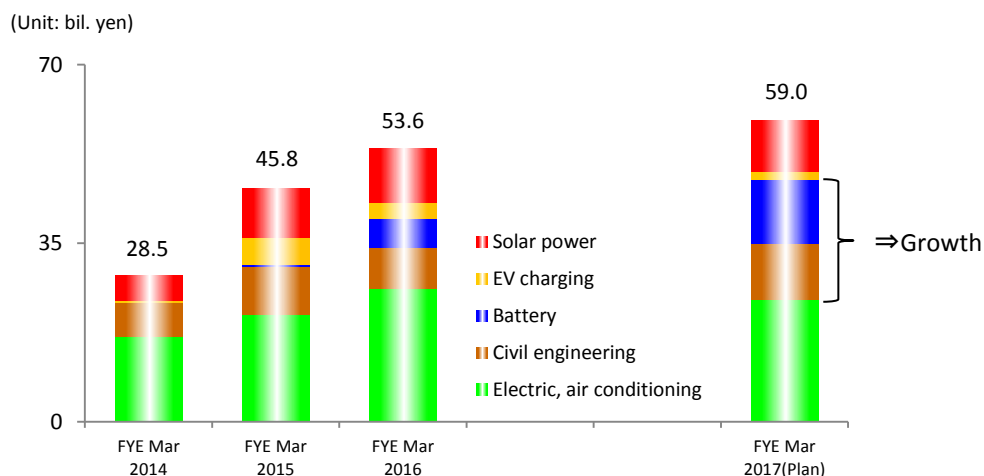
4. Initiatives in the Environmental & Social Innovation Business

- Achieve sales growth in new-energy related businesses, specifically in the area of “solar power + rechargeable batteries” (household captive power generation).
- Focus on expanding the infrastructure and redevelopment businesses (air conditioning facilities, laying of power lines underground, road lighting, etc.) up to 2020.
- Strive to improve margins in the rechargeable batteries business by building an appropriate operational structure.

Net sales



Breakdown of net sales



Key initiatives for the fiscal year ending March 2017

Initiatives	
<p>New energy Rechargeable batteries + Solar power</p>	<ul style="list-style-type: none"> ● Expand in the area of household captive power generation (solar power + rechargeable batteries) ● Grow the rechargeable batteries business for household use <ul style="list-style-type: none"> ⇒ Target: net sales of 13.0 bil. yen, 8,000 locations ⇒ MIRAIT X to achieve higher profit margins ● Develop the O&M business into a stock business ● Focus on the feasibility of mega solar projects that aim to sell electrical power. <ul style="list-style-type: none"> ⇒ Net sales: 10.0 bil. yen
<p>Civil engineering</p>	<ul style="list-style-type: none"> ● Public utility facility work (net sales: 2x YoY) ● Water and sewage renewal work in the Tokyo metropolitan area ● Work for U.S. military facilities
<p>Electrical/ air conditioning facilities</p>	<ul style="list-style-type: none"> ● Work for facilities at the new fish market in Toyosu <ul style="list-style-type: none"> ⇒ Electrical and indoor facilities (total net sales: 0.5 bil. yen) ● Air conditioning work for Japan Post-related facilities



Rechargeable batteries



Solar power



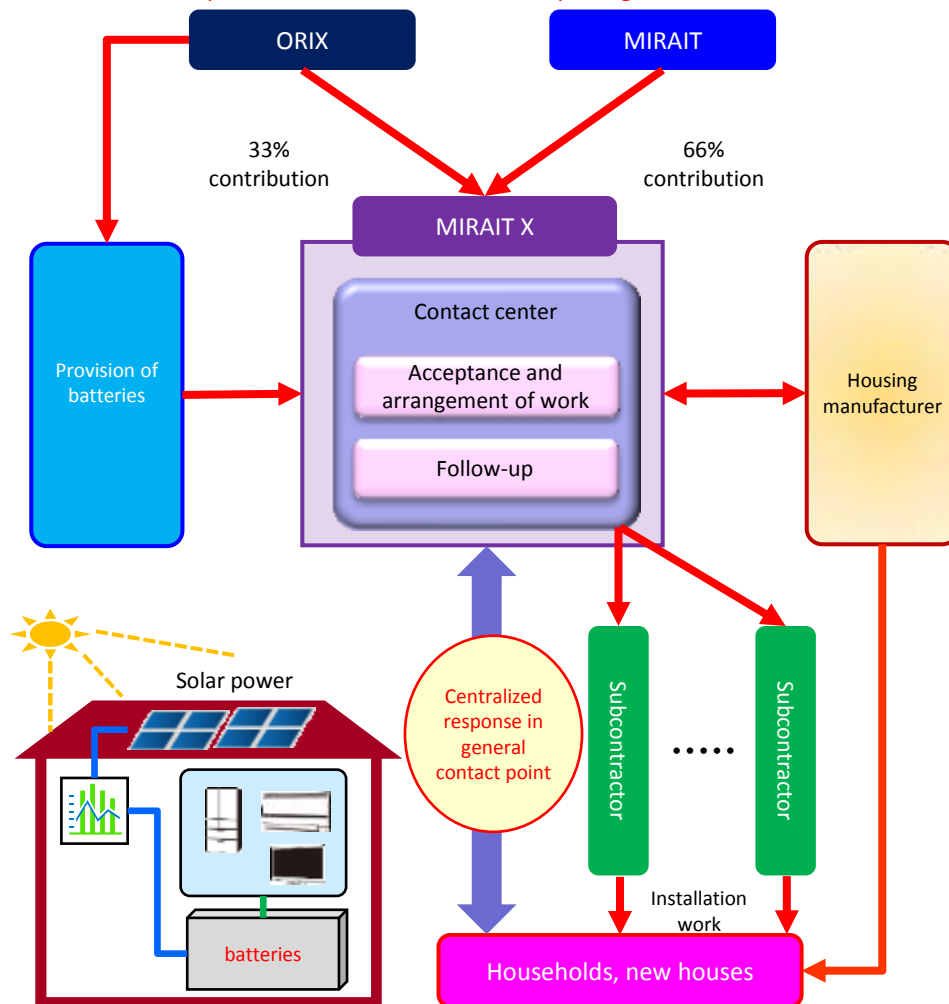
Laying of power lines underground



New fish market in Toyosu

Establishment of an operational structure for rechargeable battery installation work

- “MIRAIX” was established in October 2015 as a joint venture with Orix Corporation (ownership: 66.51% MIRAIX / 33.49% Orix)
- Net sales target for the rechargeable batteries business : 13.0 bil. yen in FYE March 2017
- Aims to expand the market for household captive power generation by offering services for solar power, batteries and HEMS as a package

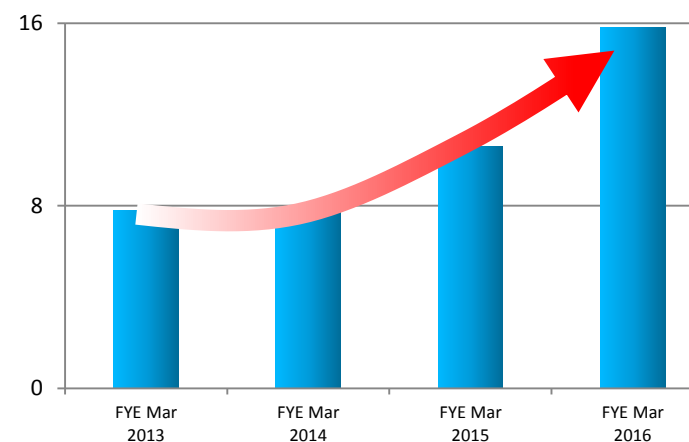


Expansion of air conditioning work

- Expanded business by establishing a nation-wide operational network and through the strengthening of staff
 - ⇒ Established an operational structure with wide-area coverage in the Hokkaido/Tohoku and Kita-kanto regions
 - ⇒ Air conditioning work for telecommunication carriers
 - ⇒ Air conditioning work for the Japan Post group

Nisetsu: net sales

(Unit: bil. yen)



Future initiatives

- Cultivate new businesses, such as energy-saving solutions and agriculture business
- Expand businesses that can be combined with electrical work
- Train staff and hire engineers

(Reference) Japan Post group's plan for capital investment

- The Japan Post group plans to invest a total of 1.96 tril. yen between FY2015~2017 in infrastructure to strengthen its management base.
 - ⇒ Of the above amount, 670.0 bil. yen will be invested in facilities (to improve the environment for client services, the working environment, etc.).

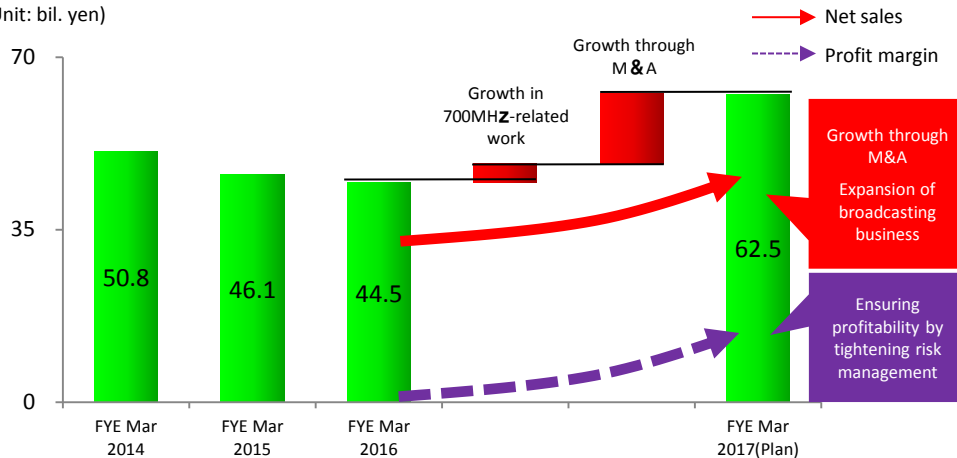
Source: MIRAIX from company information

5. Initiatives in the ICT Solution Business

- Strengthen channel sales to win corporate client business for work related to PBX, servers, LAN, etc.
- Acquired a LAN cabling company in Singapore (Lantrovision: to become a consolidated subsidiary in June 2016) to expand the business in the Asia region.
- Become Slers' "best partner" and acquire a financial software company in the software business.
- Launch the data center business in an effort to enhance the stock business (construction to begin this fiscal year for launch in FY2017).

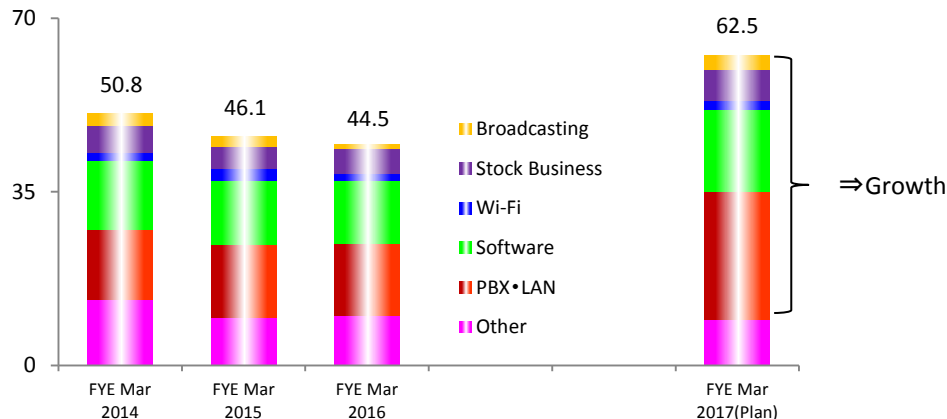
Net sales

(Unit: bil. yen)






Breakdown of net sales

(Unit: bil. yen)



Key initiatives for the fiscal year ending March 2017

Initiatives	
PBX Server LAN	<ul style="list-style-type: none"> Upgrade and virtualize servers at universities (creating "smart schools") ⇒ Expand the advanced cloud model Expand the Asian business through the acquisition of Lantrovision ⇒ to become a consolidated subsidiary in June 2016 
Software	<ul style="list-style-type: none"> Expand business as Slers' "best partner" Tighten risk management for development projects in which MIRAIT is the primary contractor Acquired Trust-System to boost the financial software development business ⇒ net sales: 3.7 bil. yen, operating income: 0.3 bil. yen (FYE September 2015)
Wireless-related	<ul style="list-style-type: none"> TV reception to become a major issue with the installation of 700MHz mobile base stations ⇒ MIRAIT expects to handle 1/3 of all projects to resolve this issue nationwide Expand work for local government disaster radio facilities 
Wi-Fi-related	<ul style="list-style-type: none"> Offer packaged products to users ⇒ Strengthen Wi-Fi product solutions such as Ruckus Launch sales of digital information stand (PONTANA) Promote "ee-Tab*" tablet service for hotels ⇒ Adopted in 1,650 rooms in 9 hotels as of end 4/2016 

Acquisition of Lantrovision

- The largest company in Asia engaged in LAN cabling design, construction and maintenance. Listed on the Stock Exchange of Singapore.
⇒ To become a consolidated subsidiary in June 2016
- Main clients include multinationals ranked in the Fortune Global 500 and global banks ranked in the Global Top 100.
- MIRAIT will be able to strengthen its global operating base by leveraging Lantrovision's human resources, business platform and management systems

Historical performance

⇒ Steady sales growth and stable margins

Unit: bil. yen	FYE June 2012	FYE June 2013	FYE June 2014	FYE June 2015	FY E June 2016: 2Q
Net sales	11.2	11.3	12.8	13.2	8.0
Operating income	0.9	1.0	1.5	1.2	0.9
Operating income ratio	8.6%	9.1%	11.8%	9.2%	12.6%

※Exchange rate: 1SGD=85yen

Major office locations ⇒ Global network with offices in 28 cities across 13 countries



Initiatives in the data center business

- MIRAIT Technologies is building the Osaka No1 Data Center in response to the growing demand for data centers in the Kansai area.
⇒ Investment amount: 18.0 bil. yen (plan for FY2016~2018)
- Operations to commence in FY2017 (plan)
- The Company aims to accumulate know-how in the data center business in order to expand the data center operation business going forward.

Overview of Osaka No. 1 Data Center

Number of floors	8 floors above ground (server rooms on 5 floors)
Area	Total floor space: 15,000m ² Server floors: 1,628m ² / floor
Floor load	All server floors: 1,500kg/m ²
Number of racks	2,500 racks
Incoming power	25,000 kw (2 systems)
Air conditioning	Water-cooled air conditioning system

Location

- Osaka-shi (prime central location)
⇒ Capacity to be among the largest in Osaka

Planned schedule

- Construction to begin in October 2016
- Construction to be completed and operations to commence in FY2017



6. Structural Reforms and Efforts to Reduce Administrative Costs

- Promotion of cost reduction measures through the project to reduce administrative costs (**reduction of expenses, review of real estate holdings**).
- Group-wide KAIZEN to improve productivity in the workplace.
- **Strengthen human resources by consistently expanding qualified staff**, primarily in the areas of electrical work, civil engineering and ICT, in order to capture business opportunities.

		Initiatives in FYE March 2016	Initiatives for FYE March 2017
Reduction of administrative expenses		<ul style="list-style-type: none"> • Cost reduction efforts (vehicles, copying, office supplies, etc.) • Consolidation of contracting operations in MBC (mobile phones, insurance, etc.) • Promotion of efficiency in NTT business (consolidation of office locations and support operations, shifting of staff) 	<ul style="list-style-type: none"> • Assess the status of and reduce administrative personnel (transfer staff to direct divisions within the Group) • Promote efforts to reduce unit prices across the Group • Reduce rental expenses by strategically expanding company assets <ul style="list-style-type: none"> ➢ New office for NTT business, company housing for singles (Tokyo)
KAIZEN		<ul style="list-style-type: none"> • Gathering ideas from employees to improve on cost performance as well as customer satisfaction <ul style="list-style-type: none"> ➢ Approximately 7,100 KAIZEN proposals per year (KAIZEN effect of 0.4 bil. yen) • Creation of framework aimed at the discovery of ideas and their roll out across the organization (KAIZEN Fellow System) 	<ul style="list-style-type: none"> • Create further “quality improvements” and “roll out”, while maintaining the number of proposals • Promote awareness toward KAIZEN across the Group through events, etc., sponsored by KAIZEN Fellows
Strengthening of human resources	Electrical work	<p style="text-align: right;">3/2015⇒3/2016</p> <ul style="list-style-type: none"> • Supervisory engineers (electrical) 186⇒180 • Electrical construction managing engineers 201⇒194 • Electrical workers (Type 1 and 2) 652⇒724 • Type 3 licensed electrical engineers 48⇒ 54 	<ul style="list-style-type: none"> • Increase the number of qualified personnel primarily in the areas of electrical work and civil engineering toward 2020 <ul style="list-style-type: none"> ➢ Target for new qualifications in the area of electrical work: 500 employees (FYE March 2016: 100 employees) <ul style="list-style-type: none"> ⇒Identify and provide support to those applying for exams ⇒Offer potential candidates the opportunity to gain hands-on experience ⇒Hire experienced workers and transfer qualified employees from administrative functions to construction-related divisions
	Civil engineering	<ul style="list-style-type: none"> • Supervisory engineers (civil engineering) 188⇒176 • Construction managing engineers 212⇒202 	
	ICT	<ul style="list-style-type: none"> • Linux Professional Institute Certification LPIC (Level 3) 30⇒ 47 • Cisco-certified CCIE 45⇒ 48 	
Total cost reduction		- 0.6 bil. yen	- 0.5 bil. yen or more

III. Reference Materials

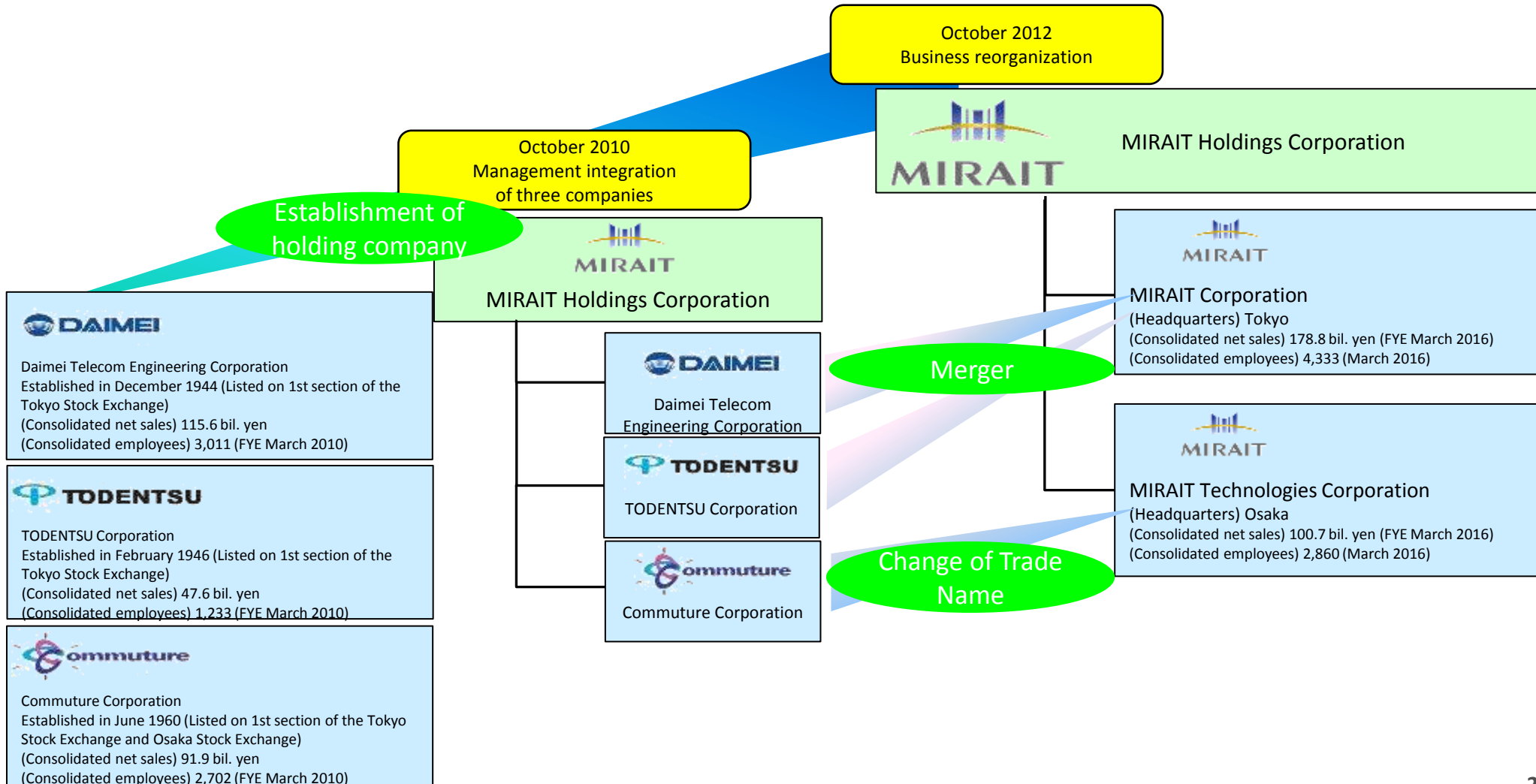
1. Overview of MIRAIT Holdings

(1) Company Overview

Established	October 1, 2010
Paid-in capital	7 bil. yen
President (CEO)	Masatoshi Suzuki
Shares	【Total outstanding shares】 85,381,866 shares
Stock listing	1 st Section of the Tokyo Stock Exchange (Code: 1417)
Credit ratings	Rating & Investment Information, Inc. (R&I): A- Japan Credit Rating Agency, Ltd. (JCR): A
Location	5-6-36 Toyosu, Koto-ku, Tokyo
Office network	【Domestic】 26 locations *Total of MIRAIT and MIRAIT Technologies 【Overseas】 5 locations (Singapore, Hong Kong, Sri Lanka, Australia, Philippines, Myanmar)
Number of consolidated subsidiaries (as of March 31, 2016)	35
Number of employees (as of March 31, 2016)	【Consolidated】 7,295 (MIRAIT Holdings: 102) (MIRAIT: Consolidated 4,333/ Non-consolidated 2,583) (MIRAIT Technologies: Consolidated 2,860/ Non-consolidated 916)
Fiscal year-end	March 31 st of each year
Business description	Telecommunications engineering work, electrical work, civil engineering work and building construction work; management of subsidiaries and Group companies engaged in the aforementioned businesses; other ancillary businesses

(2) Establishment of the MIRAIT Group

- MIRAIT Holdings Corporation was established in October 2010 through the management integration of Daimei, Commutere and TODENTSU, each of which had a history of more than half a century centered on building communication infrastructure in partnership with telecommunications carriers.
- On October 1, 2012, the three operating companies were reorganized into two entities (MIRAIT and MIRAIT Technologies) in order to **promote the structural shift to a "Comprehensive Engineering and Service Company"**.



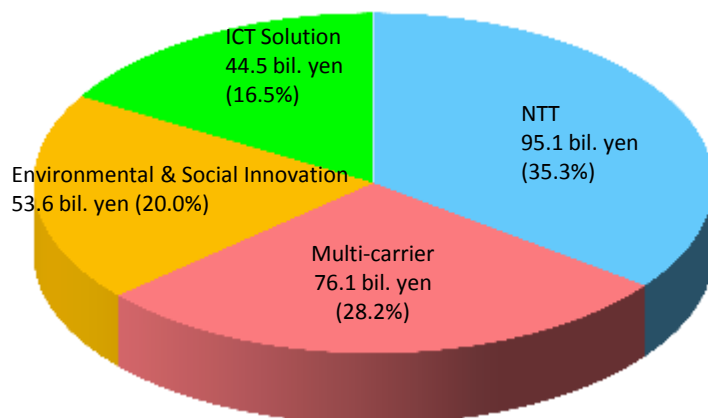
(3) Business Categories

- The MIRAIT Group's business is centered on the construction of communication infrastructure (for fixed and mobile communication), but the Group is also engaged in various other businesses in areas such as ICT, the environment, and energy.

Overview of business categories

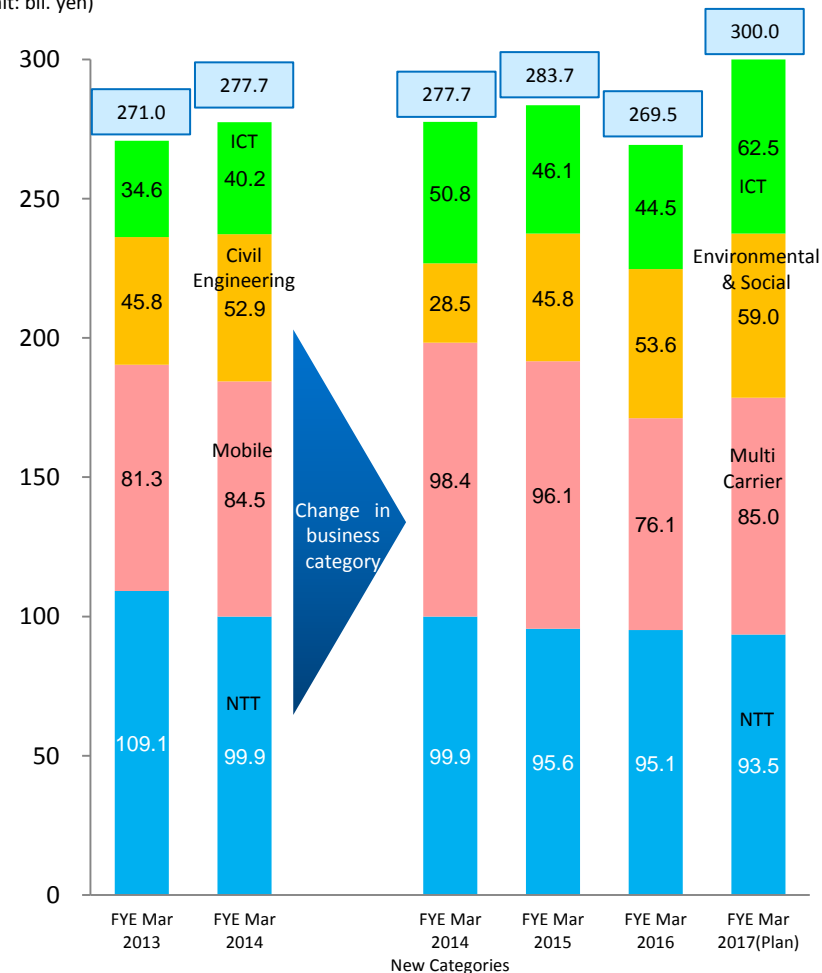
Business Category	
(1) NTT Business	<ul style="list-style-type: none"> ■ Construction, maintenance and operation of fixed communication facilities for NTT
(2) Multi-carrier Business	<ul style="list-style-type: none"> ■ Construction, maintenance and operation of mobile communication facilities ■ NCC fixed communication equipment, CATV work, Global etc.
(3) Environmental & Social Innovation Business	<ul style="list-style-type: none"> ■ Environment and new energy ■ Creation of social infrastructure ■ Construction, maintenance and operation of electrical and air conditioning facilities of general companies, etc.
(4) ICT Solution Business	<ul style="list-style-type: none"> ■ Cloud computing, office solutions, Wi-Fi, software, etc. ■ Construction, maintenance and operation of telecommunication systems f general companies, etc.

Sales breakdown by business category (fiscal year ended March 31, 2016)



Net sales by business category

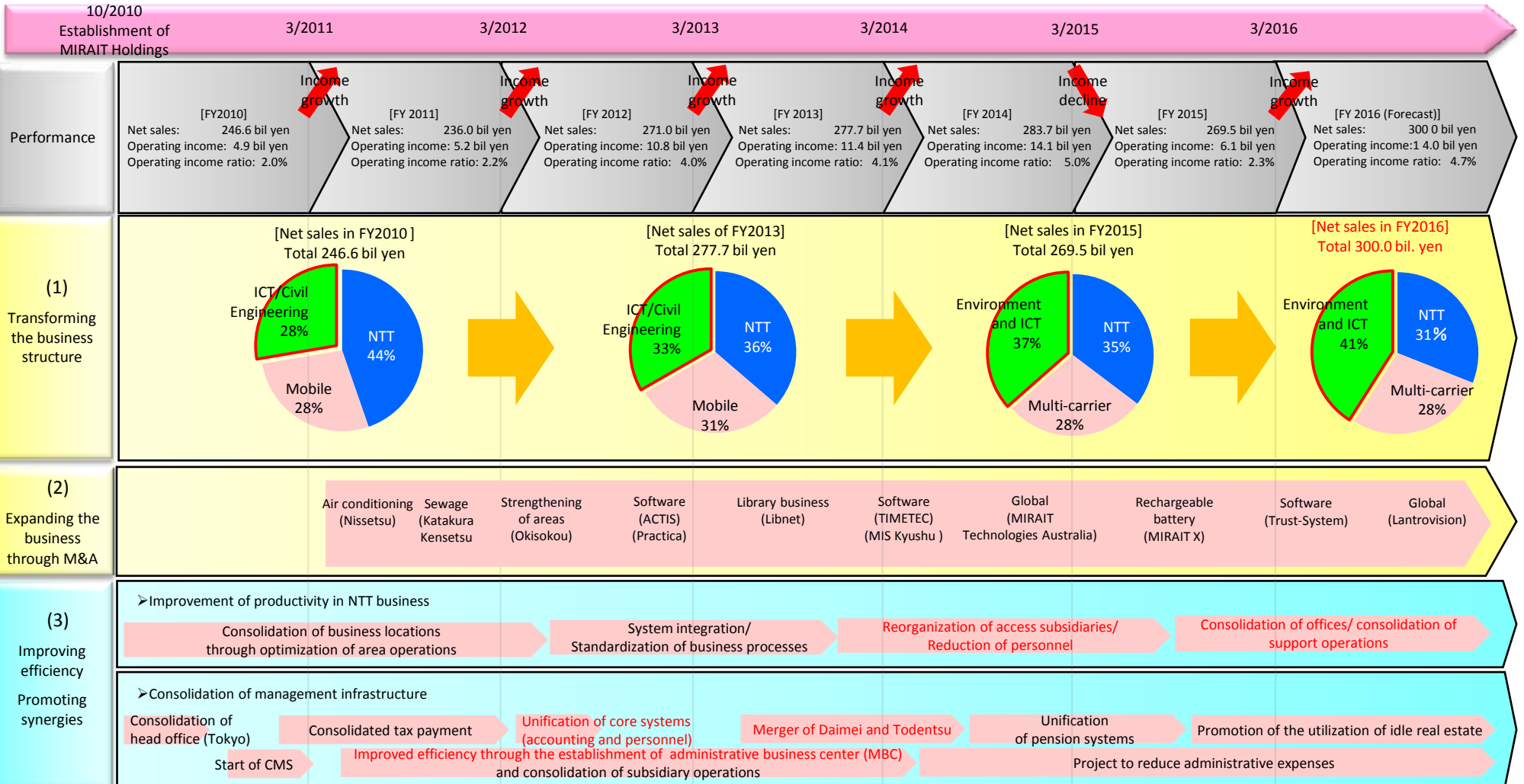
(Unit: bil. yen)



2. The Company's Initiatives Since Establishment

- The management integration aims to strengthen the Group's competitiveness and to create a robust management base by leveraging synergies. The following efforts have been implemented to date:

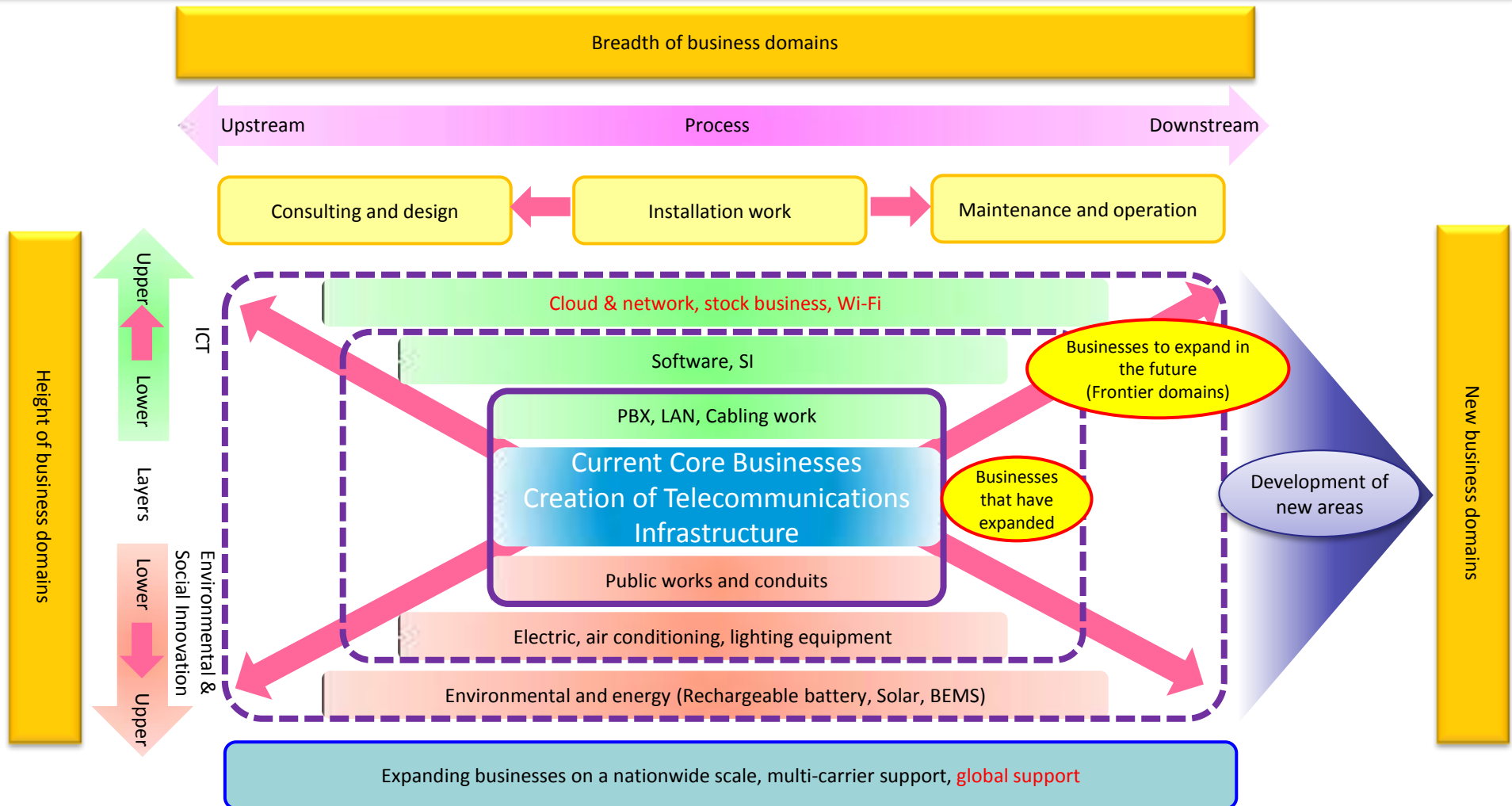
- Strengthening of the environmental & social and ICT businesses to transform the business structure**, raising the sales ratio from 1/4 to 1/3.
- Active use of M&A, etc. to **acquire technology and resources that the Group lacks** in order to expand business domains.
- Maximizing the use of the three companies' management resources to **improve productivity in the NTT business**.



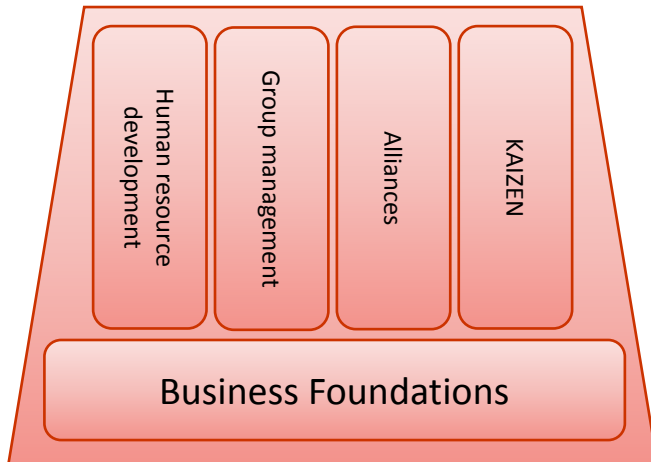
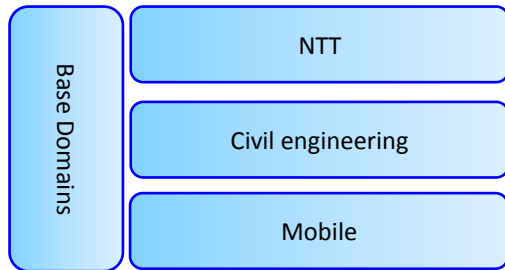
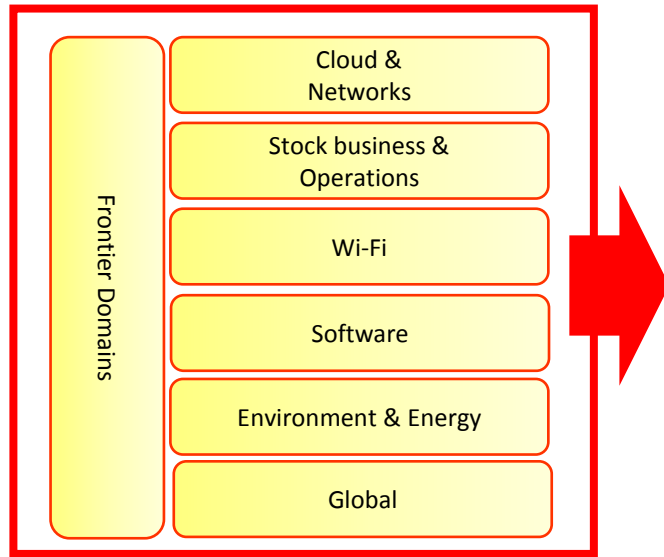
3. Transformation into a "Comprehensive Engineering and Service Company" in Response to Environmental Changes

(1) Expansion of Business Domains (Overview)

- Expand the "breadth" of our business domains → Expansion from upstream to downstream processes (planning, design, construction, maintenance, operation, etc.)
- Increase the "height" of our business domains → Total solutions incorporating upper layer + lower layer
- Strive to expand into new business domains
→ Contribute to the creation of social infrastructure such as **cloud & network, stock business, Wi-Fi, software, environment & energy, and global business**
- Leverage the Group's comprehensive technology to contribute to the "creation of social infrastructure and social innovation" as a "Comprehensive Engineering and Service Company"



(2) Future Focus Areas (Frontier Domains)



Zone Domain	Smart Office	Smart Town	Smart House
Cloud & Networks	<ul style="list-style-type: none"> • Security (Surveillance cameras, network monitoring) • PBX (Cloud) • LAN, Servers, Networks 	<ul style="list-style-type: none"> • Disaster prevention networks • Sensor networks • IoT (water supply smart meters) • ITS (self-driving) 	
Stock business & Operations	<ul style="list-style-type: none"> • Operation centers (Network maintenance, help desks, etc.) 	<ul style="list-style-type: none"> • Data centers • Solar power facility operation and maintenance 	<ul style="list-style-type: none"> • Batteries + solar power maintenance
Wi-Fi	<ul style="list-style-type: none"> • Office and educational Wi-Fi • Hotel Wi-Fi (Guest room tablets (ee-TaB Plus)) 	<ul style="list-style-type: none"> • Local government Wi-Fi • Subway Wi-Fi • Convenience store Wi-Fi • Stadium Wi-Fi 	<ul style="list-style-type: none"> • Home Wi-Fi
Software	<ul style="list-style-type: none"> • Aiming to be the best partner for major Slers (finance, insurance, public sector) • Unique app development (WFM, libraries, Wi-Fi solutions) 		
Environment & Energy	<ul style="list-style-type: none"> • Comprehensive building equipment (Solar power, EV chargers, LED, BEMS, access control systems) • Outdoor air conditioning (eco shower) 	<ul style="list-style-type: none"> • Disaster prevention measures (Batteries, EV chargers, LED street lights) • Building solar power plants 	<ul style="list-style-type: none"> • Batteries + solar power • Intake of electrical power for entire apartment buildings • HEMS
Global	<ul style="list-style-type: none"> • Carrier business (4 countries) • LAN cabling work (13 countries) 	<ul style="list-style-type: none"> • Pursuit of synergies (Domestic customers, overseas customers, building solutions) 	

4. Changes in the Business Environment through 2020

Japan's Structural Problems

- Abenomics (departure from deflation, low birthrate and aging society, revitalization of regional economies, TPP, tax reform)
- Reconstruction of social infrastructure (aging infrastructure, disaster prevention measures)
- Deregulation of power and gas retail, environmental & energy issues
- 2020 Tokyo Olympics and Paralympics

Changes in Social Structure

Changes in the Communication Environment

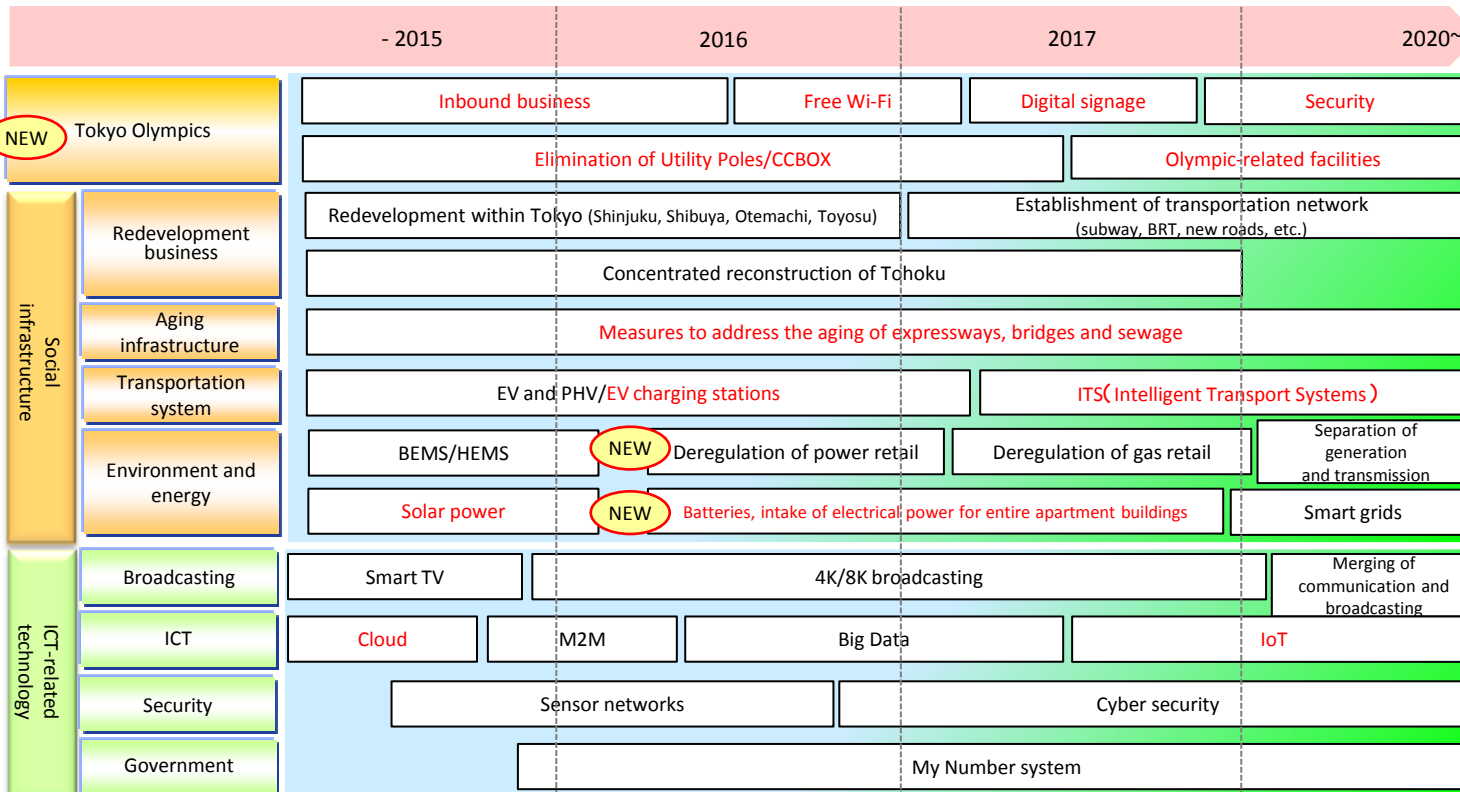
Evolution of communications technology

- Spread of smartphones and tablets
- Increased capacity and speed of communications
- Diversification of services
- Globalization
- Implementation of IoT

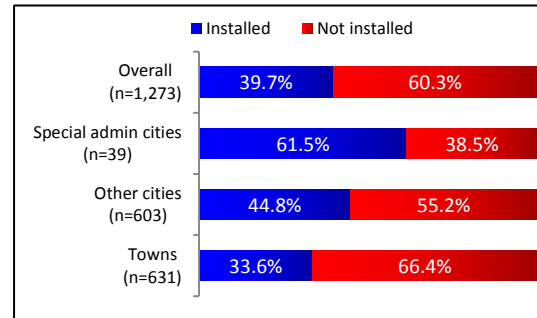
Tailwind for the MIRAIT Group

Transforming our business model while expanding business domains in response to changing times

Changes in Social Structure

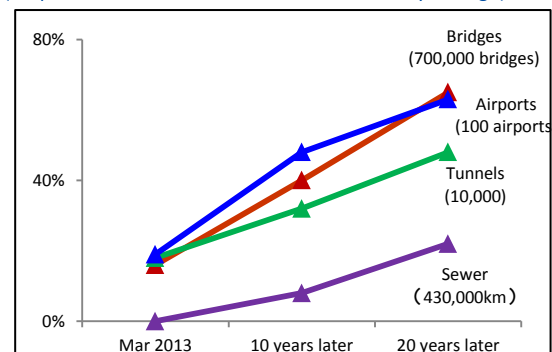


(Domestic) State of establishment of local government Wi-Fi



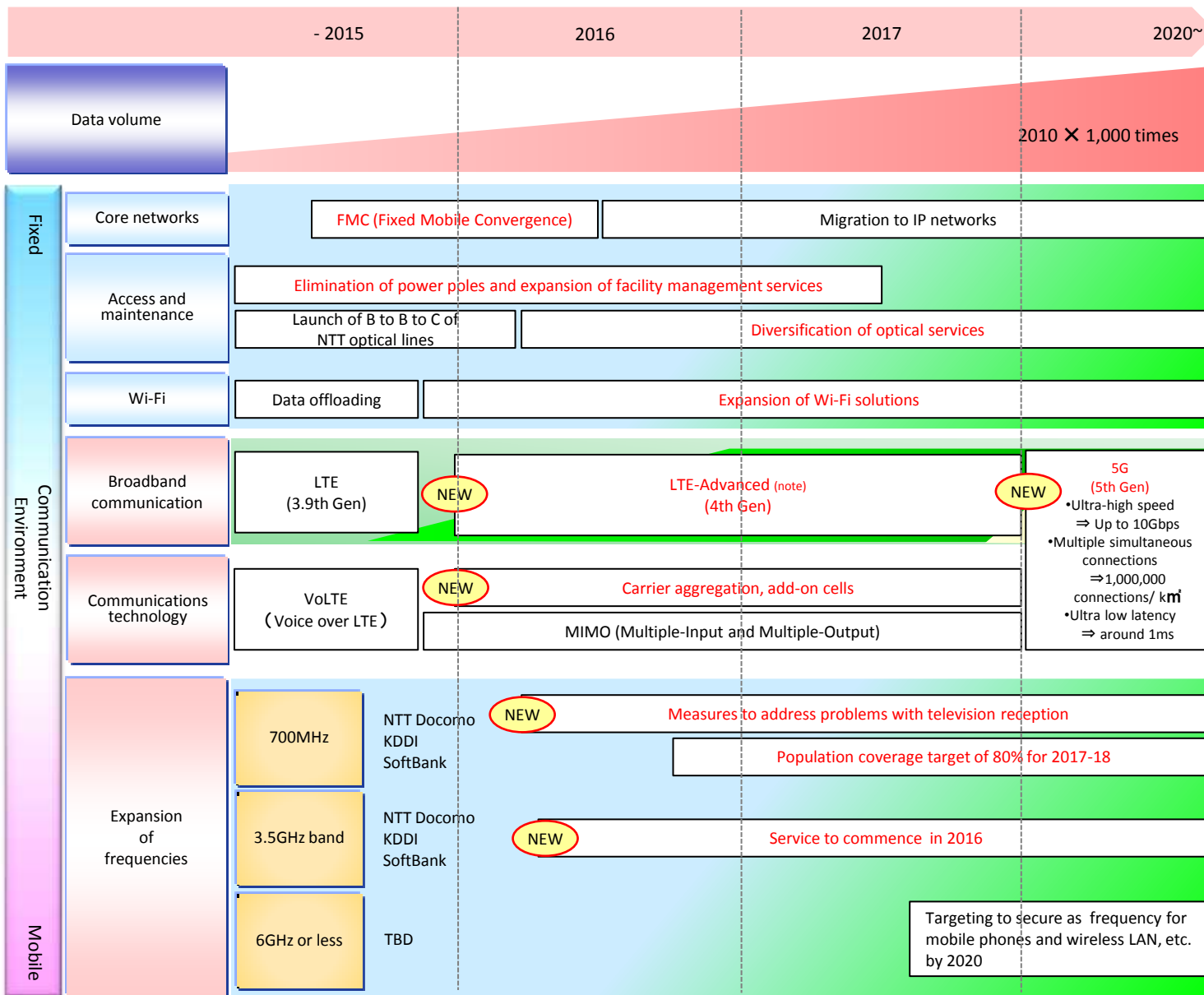
Source: Created by MIRAIT based on materials from the Association for Promotion of Public Local Information and Communication

(Domestic) Ratio and number of obsolete facilities (Proportion of facilities constructed 50 or more years ago)



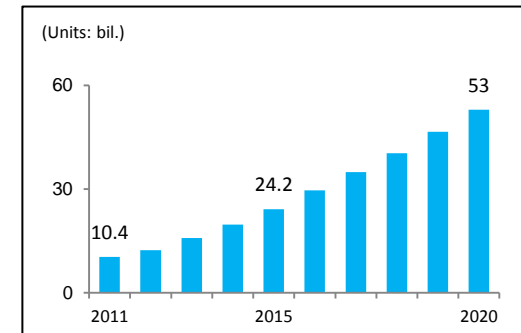
Source: Created by MIRAIT based on materials published by the Ministry of Land, Infrastructure, Transport and Tourism

Changes in the Communications Environment



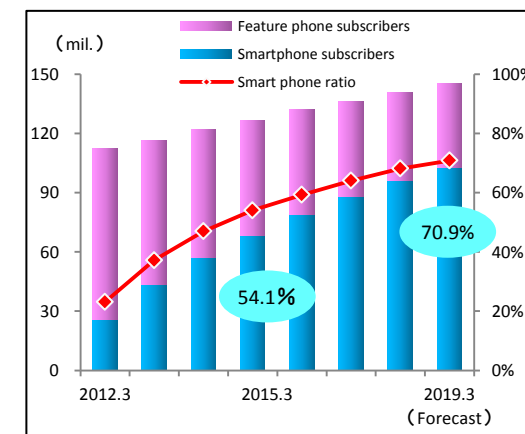
(Note) LTE-Advanced is a mobile phone standard positioned as being 4th generation (4G). It enables high capacity and high speed communication by combining technologies such as carrier aggregation.

(World) Trends and projections on the Internet of Things (IoT)



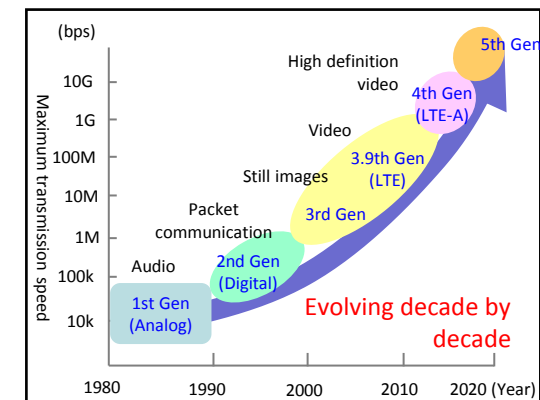
Source: MIRAIT, based on materials published by the Ministry of Internal Affairs and Communications

(Domestic) Projection on the size of the smartphone market



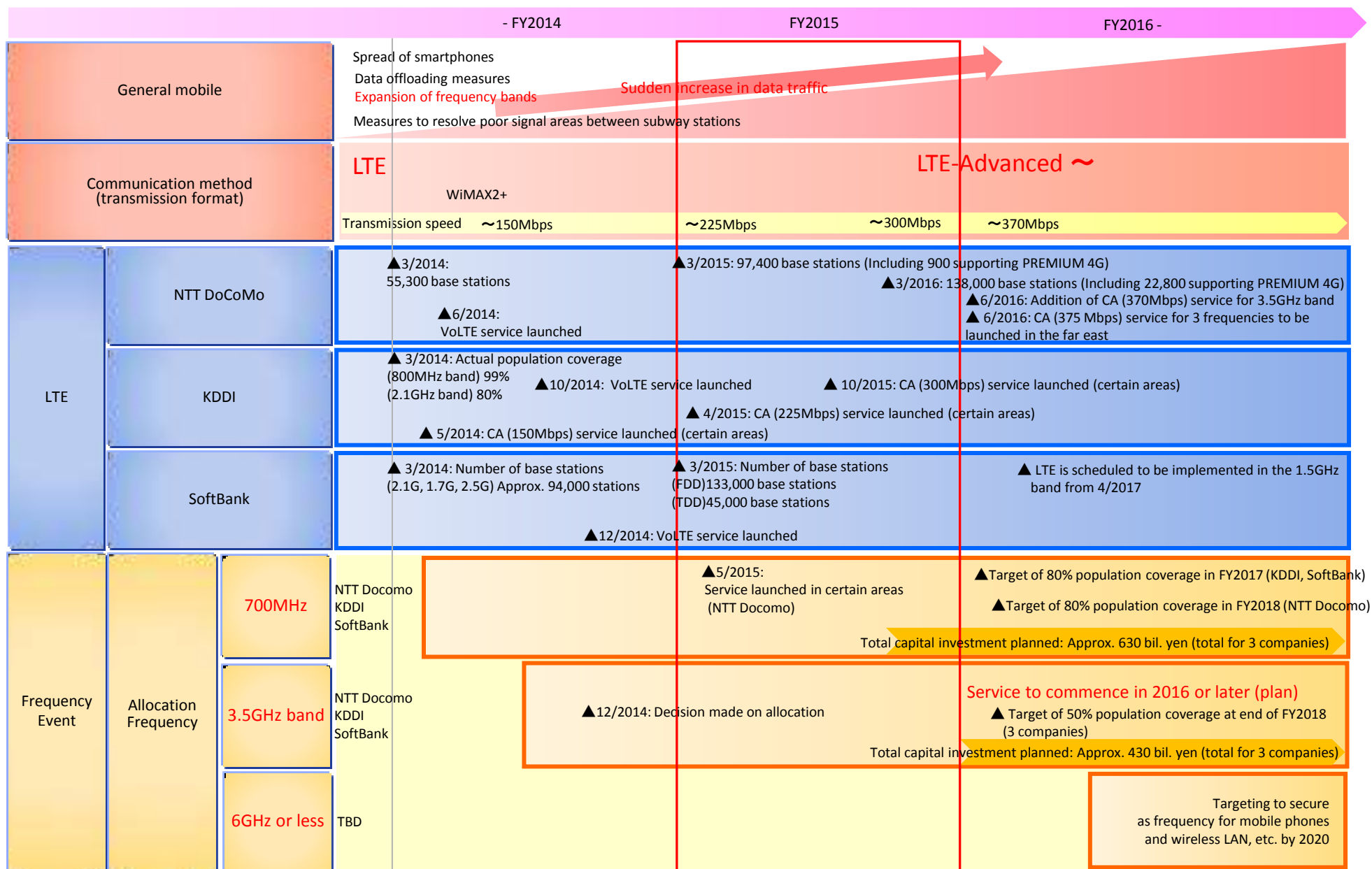
Source: MIRAIT, based on materials published by MM Research Institute

(Domestic) Changes in mobile systems (1G - 5G)



Source: MIRAIT, based on materials published by Ministry of Internal Affairs and Communications

5. Changes in the Market Environment for the Mobile Business



(Note) PREMIUM 4G is a communication service using carrier aggregation technology provided by NTT Docomo.

Source: MIRAIT from publicly available information

6. Supplementary Financial Information

(1) Historical Performance

Unit: bil. yen	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017 (Plan)
Orders received	278.0	282.0	293.6	260.7	310.0
Net sales	271.0	277.7	283.7	269.5	300.0
Gross profit	29.3	29.9	33.1	25.8	37.5
Gross profit margin	10.8%	10.8%	11.7%	9.6%	12.5%
SG&A	18.4	18.5	18.9	19.7	23.5
SG&A ratio	6.8%	6.7%	6.7%	7.3%	7.8%
Operating income	10.8	11.4	14.1	6.1	14.0
Operating income ratio	4.0%	4.1%	5.0%	2.3%	4.7%
Ordinary income	11.7	12.2	14.8	6.7	14.5
Ordinary income ratio	4.3%	4.4%	5.2%	2.5%	4.8%
Net income	4.2	7.1	11.1	3.6	9.3
Net income ratio	1.5%	2.6%	3.9%	1.3%	3.1%

* Figures are rounded down to one decimal place.

(2) Orders Received and Net Sales by Business Category

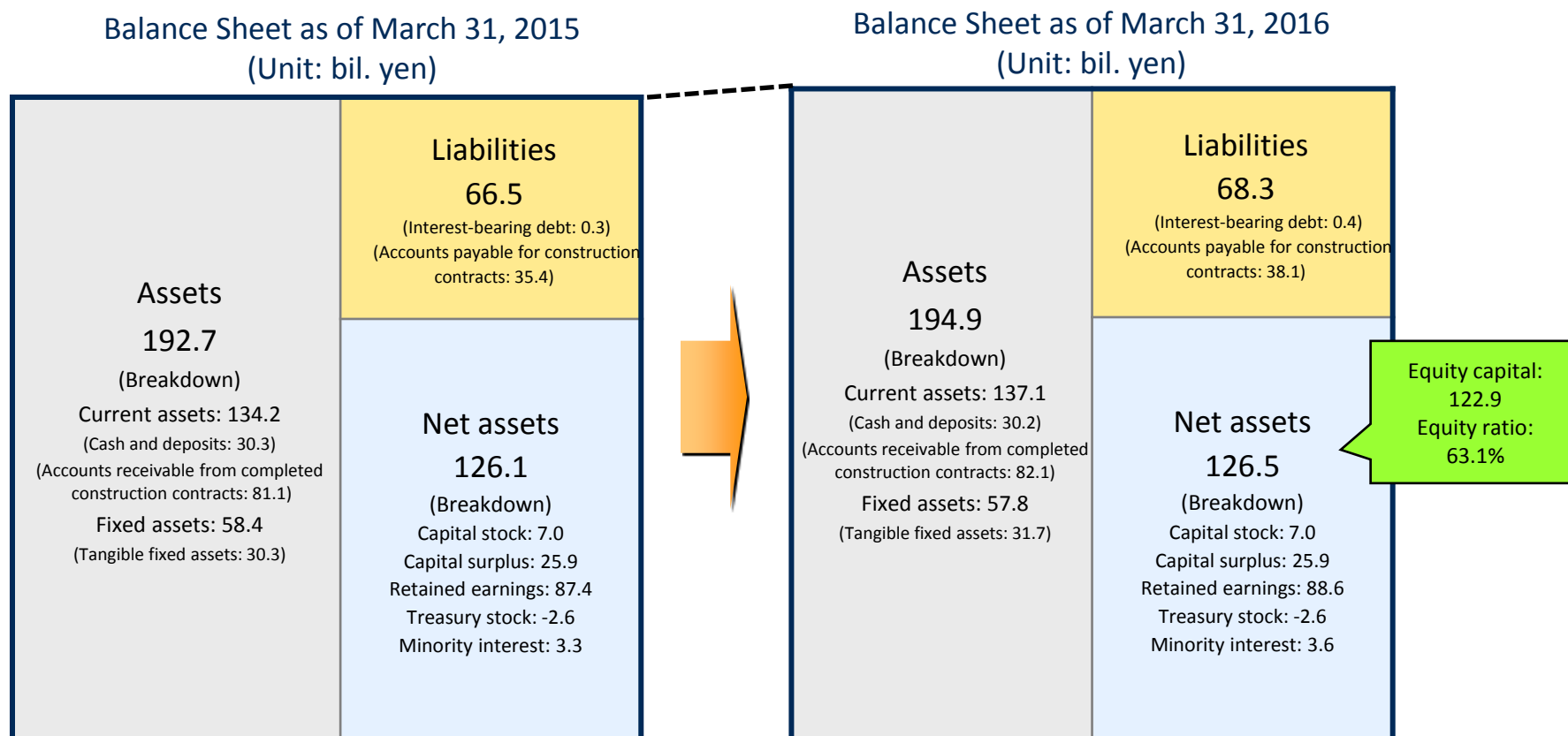
Orders received Unit: bil. yen	FYE March 2015	FYE March 2016	YoY Change (%)	FYE March 2017 (Plan)	YoY Change (%)
	(a)	(b)	(b)-(a)	(c)	(c)-(b)
NTT Business	96.5	95.7	- 0.8 (- 0.8%)	91.5	- 4.2 (- 4.4%)
Multi-carrier Business	94.1	73.1	- 21.0 (- 22.3%)	83.0	+ 9.9 (+ 13.5%)
Environmental and Social Innovation Business	55.2	46.2	- 9.0 (- 16.3%)	67.0	+ 20.8 (+ 45.0%)
ICT Solution Business	47.7	45.5	- 2.2 (- 4.6%)	68.5	+ 23.0 (+ 50.5%)
Total	293.6	260.7	- 32.9 (- 11.2%)	310.0	+ 49.3 (+ 18.9%)

Net sales Unit: bil. yen	FYE March 2015	FYE March 2016	YoY Change (%)	FYE March 2017 (Plan)	YoY Change (%)
	(a)	(b)	(b)-(a)	(d)	(d)-(c)
NTT Business	95.6	95.1	- 0.5 (- 0.5%)	93.5	- 1.6 (- 1.7%)
Multi-carrier Business	96.1	76.1	- 20.0 (- 20.8%)	85.0	+ 8.9 (+ 11.7%)
Environmental and Social Innovation Business	45.8	53.6	+ 7.8 (+ 17.0%)	59.0	+ 5.4 (+ 10.1%)
ICT Solution Business	46.1	44.5	- 1.6 (- 3.5%)	62.5	+ 18.0 (+ 40.4%)
Total	283.7	269.5	- 14.2 (- 5.0%)	300.0	+ 30.5 (+ 11.3%)

* Figures are rounded down to one decimal place.

(3) Assets, Liabilities and Net Assets

- Total assets increased from 192.7 bil. yen to 194.9 bil. yen due to an increase in accounts receivable and the addition of tangible assets, such as buildings.
- Liabilities increased from 66.5 bil. yen to 68.3 bil. yen due to the accounting of provisions on losses related to a software development project and an increase in accounts payable.
- Net assets increased from 126.1 bil. yen to 126.5 bil. yen due to an increase in retained earnings (equity ratio: 63.1%).



*Figures are rounded down to one decimal place.

(4) Key Performance Indicators

Capital-related Indicators

	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017 (Forecast)
Equity ratio	60.0%	63.0%	63.8%	63.1%	64.3%
Return on equity (ROE)	4.1%	6.7%	9.5%	3.0%	7.4%

Shareholder Return Indicators

	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017 (Forecast)
Dividend payout ratio	39.2%	22.9%	22.0%	67.2%	26.2%
Total return ratio	39.2%	36.7%	22.0%	67.2%	26.2%

Capital Expenditure / Depreciation and Amortization

Unit: bil. yen	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017 (Forecast)
Capital expenditure	2.9	3.2	3.2	3.7	8.3
Depreciation and amortization	2.5	2.2	2.4	2.4	2.4

* Figures are rounded down to one decimal place.

Cash Flows

Unit: bil. yen	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016
Operating cash flow	- 1.6	9.0	18.6	6.2
Investment cash flow	- 1.5	- 2.7	- 3.8	- 3.6
Financial cash flow	- 2.4	- 3.5	- 2.2	- 2.6
Free cash flow	- 3.1	6.3	14.8	2.6

Cash and Deposits/ Interest-bearing Debt

Unit: bil. yen	FYE March 2013	FYE March 2014	FYE March 2015	FYE March 2016
Cash and cash equivalents	13.9	16.7	29.2	29.1
Interest-bearing debt	- 1.0	- 0.5	- 0.3	- 0.4
Net cash	12.9	16.2	28.9	28.7

(Notes) 1. Net cash is the amount obtained by deducting interest-bearing debt from cash and cash equivalents.
 2. Cash and cash equivalents exclude deposits and securities not maturing within three months.

* Figures are rounded down to one decimal place.

Statements and quotes relevant to the forecasted values in this handout are the future prospects based on the plans and prospects of the Company at this point in time.

The actual business results could be significantly different from those stated in this handout due to changes in conditions.

As such, please be advised that we will not be able to guarantee the accuracy of the forecasted values, in this handout and the session, over the period of time to come in the future.

MIRAIT Holdings Corporation