



Presentation on the Financial Results for the Fiscal Year Ended March 2017

May 10, 2017



MIRAIT Holdings Corporation

I. Overview of the Financial Results for the Fiscal Year Ended March 2017

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I. Overview of the Financial Results for the Fiscal Year Ended March 2017

1. Financial Results for the Fiscal Year Ended March 2017

| Unit: bil. yen | FYE March 2016 | FYE March 2017 | YoY Change | |
|--|-----------------|-----------------|-------------------|---------|
| | | | Amount | % |
| Orders received | 260.7 | 323.3 | + 62.6 | + 24.0% |
| Net sales | 269.5 (100%) | 283.2 (100%) | + 13.7 | + 5.1% |
| NTT | 95.1 | 98.2 | + 3.1 | + 3.3% |
| Multi-carrier | 76.1 | 76.9 | + 0.8 | + 1.1% |
| Environmental & Social Innovation | 53.6 | 42.0 | - 11.6 | - 21.6% |
| ICT Solution | 44.5 | 65.9 | + 21.4 | + 48.1% |
| Gross profit (Gross profit margin) | 25.8 (9.6%) | 33.5 (11.8%) | + 7.7 (+ 2.2p) | + 29.8% |
| SG&A (SG&A ratio) | 19.7 (7.3%) | 23.4 (8.3%) | + 3.7 (+ 1.0p) | + 18.8% |
| Operating income (Operating income ratio) | 6.1 (2.3%) | 10.0 (3.5%) | + 3.9 (+ 1.2p) | + 63.9% |
| Ordinary income (Ordinary income ratio) | 6.7 (2.5%) | 10.5 (3.7%) | + 3.8 (+ 1.2p) | + 56.7% |
| Net income (Net income ratio) | 3.6 (1.3%) | 6.4 (2.3%) | + 2.8 (+ 1.0p) | + 77.8% |
| Construction account carried forward | 74.7 | 114.8 | + 40.1 | — |

Key Highlights

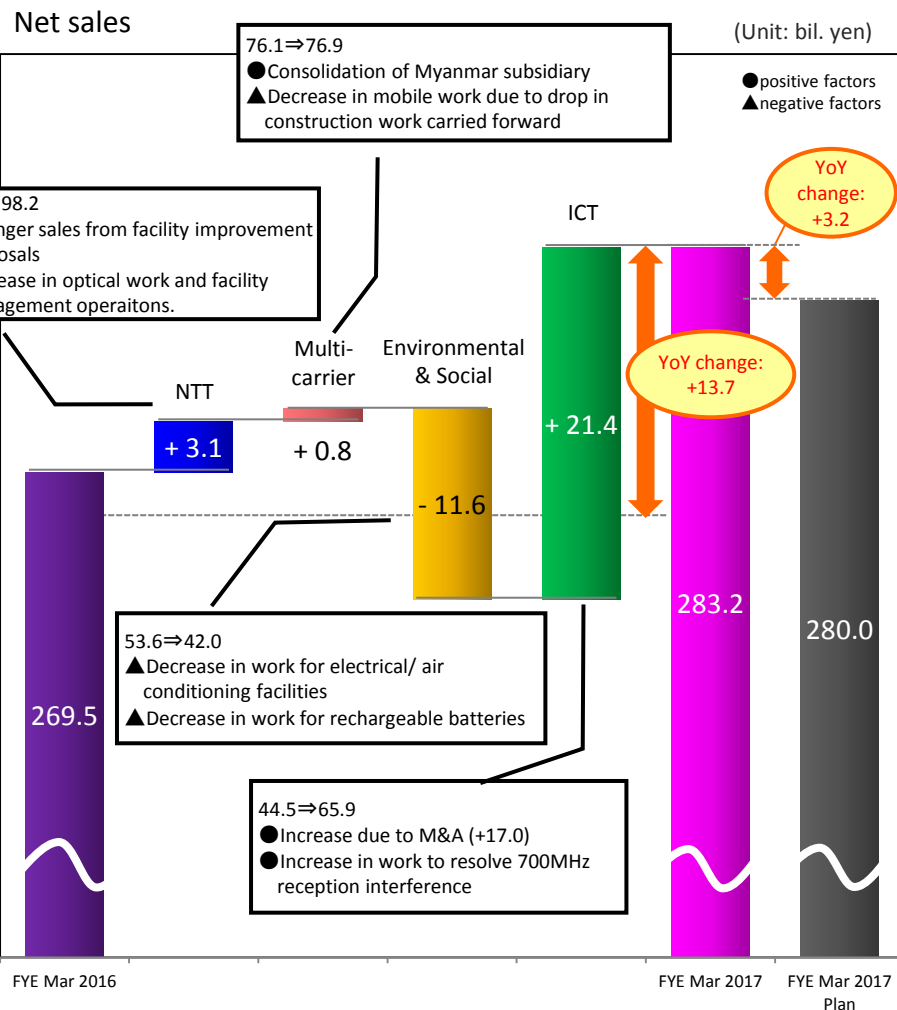
- Orders received : Strong across all businesses, recording a **historical high of 323.3 bil. yen (up by 62.6 bil. yen YoY)**.

| Orders received (Unit: bil. yen) | FYE March 2016 | FYE March 2017 | |
|-------------------------------------|-------------------|-------------------|------------|
| | Full-year Results | Full-year Results | YoY Change |
| NTT | 95.7 | 104.2 | + 8.5 |
| Multi-carrier | 73.1 | 88.6 | + 15.5 |
| Environmental & Social | 46.2 | 59.0 | + 12.8 |
| ICT | 45.5 | 71.4 | + 25.9 |
| Total | 260.7 | 323.3 | + 62.6 |

- Net sales: **Up by 13.7 bil. yen YoY to 283.2 bil. yen** on the back of the growth in the ICT Solutions business through M&A, etc., which off-set the decline in the Environmental & Social Solutions business.
- Gross profit: **Up by 7.7 bil. yen YoY to 33.5 bil. yen due to the absence of software project-related losses , the contribution of newly acquired companies, etc.**
- SG&A: **Up by 3.7 bil. yen YoY to 23.4 bil. yen** due to the increase in SG&A costs and goodwill amortization related to newly acquired companies.
- Operating income: **Up by 3.9 bil. yen YoY to 10.0 bil. yen.**
- Net income: **Up by 2.8 bil. yen YoY to 6.4 bil. yen.**
- Construction account carried forward: Recorded a **historical high of 114.8 bil. yen (up by 40.1 bil. yen YoY)**, reflecting the increase in orders received.

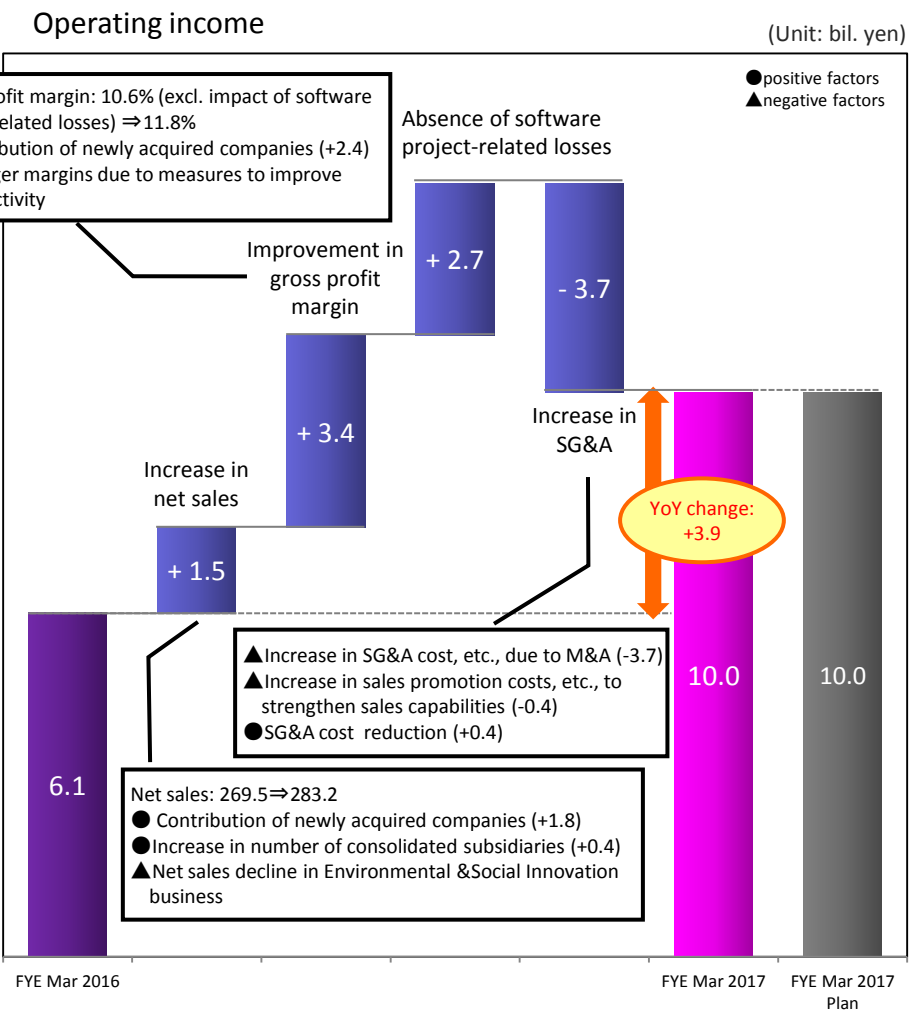
Detailed Analysis of Net Sales [YoY Comparison]

- NTT business: Increase in facility improvement proposals, optical work and facility management operations.
- Multi-carrier business: Up due to the consolidation of the Myanmar subsidiary, despite the decline in mobile work.
- Environmental & Social Innovation business: Decline in work for electrical/ air conditioning facilities, rechargeable batteries, etc.
- ICT Solutions business: Up due to the contribution of newly acquired companies and the increase in work to resolve 700MHz reception interference.









Detailed Analysis of Operating Income [YoY Comparison]





- Impact of increase in net sales due to M&A, etc.: +1.5 bil. yen
- Impact of higher gross profit margin due to the contribution of newly acquired companies: +3.4 bil. yen
- Impact of absence of software project-related losses: +2.7 bil. yen
- Impact of increase in SG&A costs and goodwill amortization for newly acquired companies: -3.7 bil. yen



2. Summary by Business Category

○ positive factors
▲ negative factors

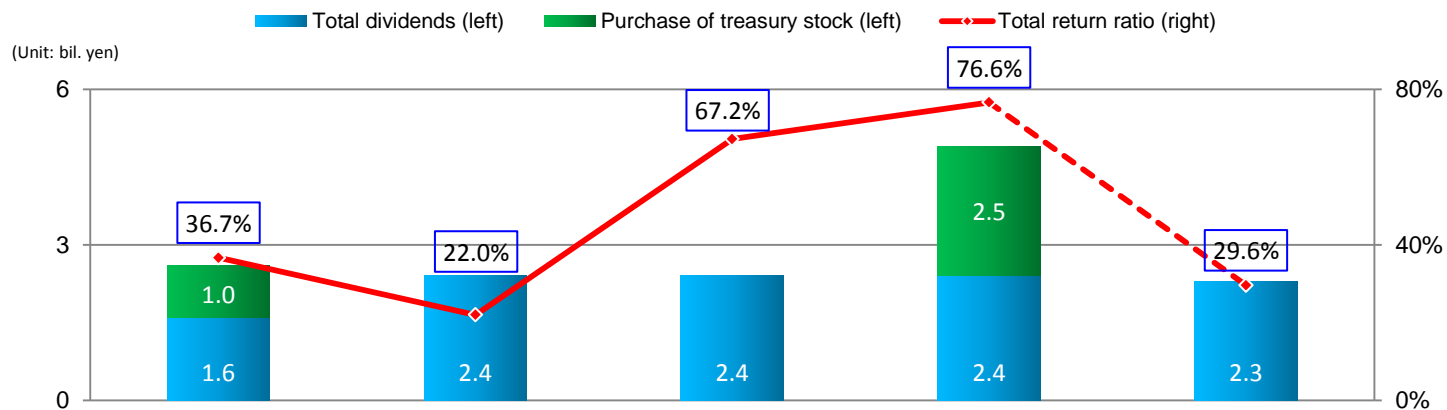
| Item (Unit: billion yen) | Key Highlights | |
|---|---|---|
| <p>NTT Business</p> <p>Orders received: 104.2 (YoY change: +8.5)</p> <p>Net sales: 98.2 (YoY change: +3.1)</p> | <ul style="list-style-type: none"> ○ Sales increased given proactive facility improvement proposals and the increase in optical work and facility management operations. ○ Promoted measures to improve productivity, such as the consolidation of offices. ○ Growth in work for facility improvement proposals (renewal of suspension lines, cables, etc.) ○ Growth in facility management business (net sales: +10% YoY) ○ Growth in civil engineering work (net sales: +7% YoY) ○ Profit growth due to consolidation of offices completed by FY2015: (cost reduction: 0.2 bil. yen/ year) <ul style="list-style-type: none"> ➢ Consolidation of offices in 4 prefectures in the Kanto area (Saitama, Ibaraki, Tochigi, Gunma): (29⇒19 locations) | <div style="display: grid; grid-template-columns: 1fr 1fr; gap: 10px;"> <div style="text-align: center;"> <p>Saitama (Kumagaya) 3⇒1 location (7/2015)</p>  </div> <div style="text-align: center;"> <p>Ibaraki (Tsuchiura) 3⇒1 location (9/2015)</p>  </div> <div style="text-align: center;"> <p>Tochigi 5⇒1 location (2/2016)</p>  </div> <div style="text-align: center;"> <p>Gunma (Takasaki) 3 ⇒1 location (4/2015)</p>  </div> </div> |
| <p>Multi-carrier Business</p> <p>Orders received: 88.6 (YoY change: +15.5)</p> <p>Net sales: 76.9 (YoY change: +0.8)</p> | <ul style="list-style-type: none"> ▲ The mobile business witnessed strong orders for advancements in 4G, but both sales and profits decreased given that the Company failed to smooth capacity utilization. ○ Sales and profits increased in the global business, thanks to the consolidation of MIRAIT Technologies Myanmar. ▲ Sales dropped in the mobile business reflecting the decrease in construction work carried over from the previous fiscal year, as well as delays in project completion due to the concentration of work at fiscal year-end (net sales: -3% YoY). ▲ NCC-related fixed communication equipment installation work remained flat. ○ Consolidated MIRAIT Technologies Myanmar, which is a company that engages in the construction of mobile backbone networks in Myanmar (net sales: 3.4 bil. yen). | <div style="display: flex; flex-direction: column; align-items: center;">  <div style="border: 1px solid black; padding: 5px; margin: 5px;">LTE work</div>  <div style="border: 1px solid black; padding: 5px; margin: 5px;">Construction work in Myanmar</div> </div> |

| Item (Unit: billion yen) | Key Highlights | |
|---|---|--|
| <p>Environmental & Social Innovation Business</p> <p>Orders received: 59.0 (YoY change: +12.8)</p> <p>Net sales: 42.0 (YoY change: -11.6)</p> | <p>▲ Sales and profits decreased due to the drop in work for rechargeable batteries and electrical work.</p> <p>▲ Sales and profits decreased due to absence of special demand for air conditioning work.</p> <p>▲ Work for rechargeable batteries and EV facilities suffered due to the drop-off in subsidies (net sales: -67% YoY).</p> <p>▲ Sales in electrical work were sluggish due to unsuccessful bids for public work in H1, but orders picked up in H2.</p> <p>○ In solar power, large order volumes were achieved for work to install roof-top middle solar facilities, although these projects will be completed in FYE 3/2018.</p> <p>○ O&M business expanded in solar power (12 projects/ 0.3 bil. yen).</p> <p>○ Work to lay power lines underground increased (+62% YoY).</p> |  <p>Laying of power lines underground</p>  <p>Solar power work</p> |
| <p>ICT Solutions Business</p> <p>Orders received: 71.4 (YoY change: +25.9)</p> <p>Net sales: 65.9 (YoY change: +21.4)</p> | <p>○ Sales/ profits increased due to M&A.</p> <p>○ Profits recovered with the absence of software project-related losses.</p> <p>○ Contribution of newly acquired companies ⇒ Net sales: Lantrovision (12.0 bil. yen), Trust-System (4.1 bil. yen), Hopenet (0.9 bil. yen)</p> <p>○ Both orders and sales increased due to the pick-up in demand for work to resolve 700MHz TV reception interference (work completed at approx. 60,000 sites).</p> <p>▲ Network-related work, such as PBX/ LAN, was weak due to lack of large-scale work.</p> |  <p>700MHz TV reception interference work</p>  <p>Lantrovision</p> |
| <p>SG&A</p> <p>23.4 (YoY change: +3.7)</p> | <p>▲ SG&A and goodwill amortization costs increased due to M&A and the growth in the number of consolidated subsidiaries (+3.7 bil. yen YoY).</p> <p>▲ Sales promotion costs increased in line with the Company's efforts to expand into new businesses, etc. (+0.4 bil. yen YoY).</p> <p>○ Reduced SG&A costs in existing businesses (copying, telecommunication, office supplies, etc.) (-0.4 bil. yen YoY).</p> | |
| <p>Financial Strategy/ Governance</p> | <p>◆ Issued convertible bonds (total: 16.5 bil. yen) for active growth investments and to maintain a healthy financial position.</p> <p>◆ Repurchased 2.5 bil. yen of stock to enhance shareholder returns and to deliver on the Company's flexible capital policy.</p> <p>◆ Introduced a performance-linked stock remuneration program for directors / executive officers of Mirait HD, Mirait, and Mirait Technologies.</p> | |

3. Shareholder Returns

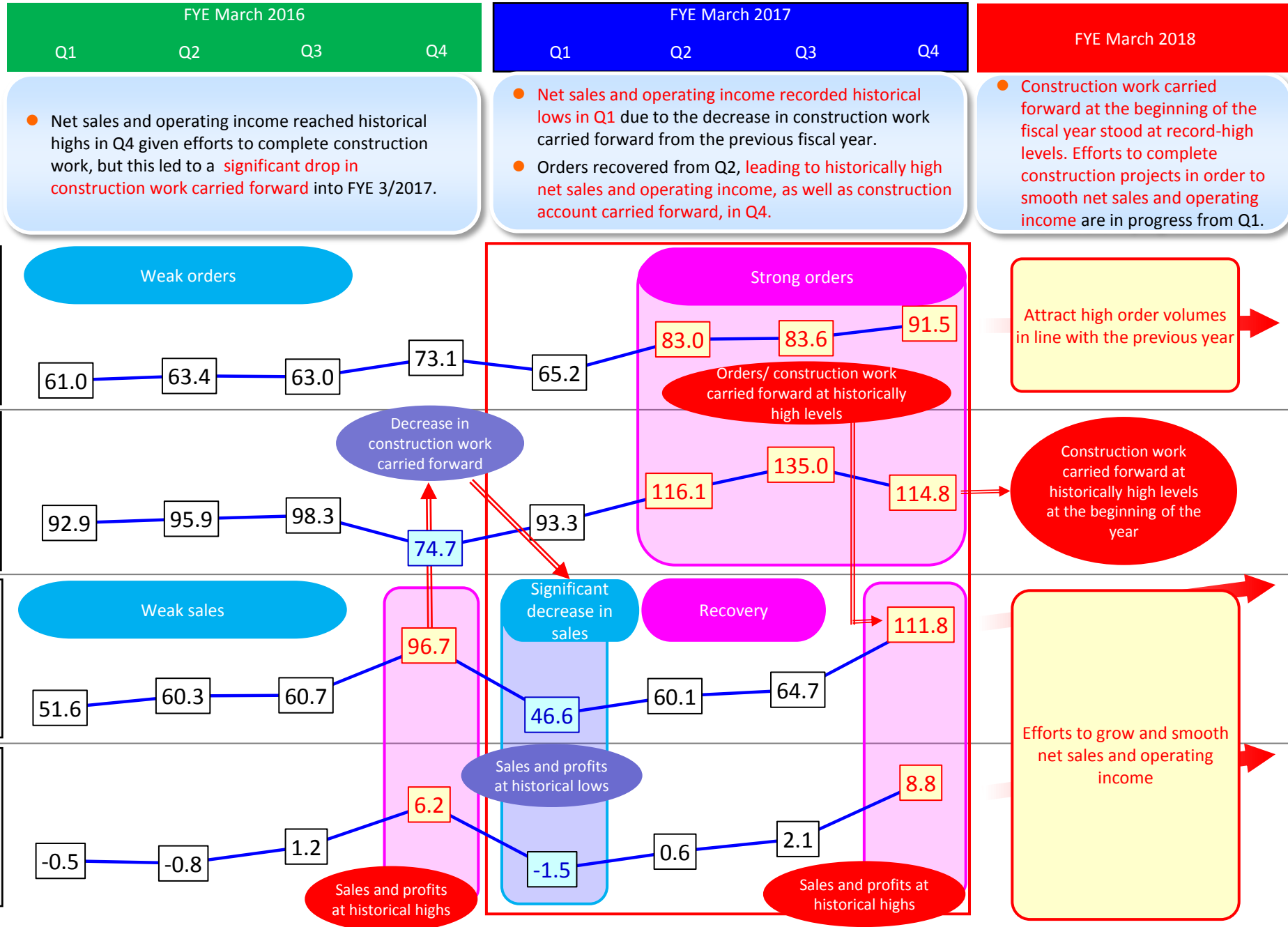
- The Company's basic policy is to pay dividends consistently, while taking the business performance, the dividend payout ratio, and other factors into consideration.
- Dividends in the fiscal year ended March 2017 was maintained at 30 yen per share (interim and year-end dividends of 15 yen each).
- The Company repurchased 2.5 bil. yen of stock in FYE March 2017 to enhance shareholder returns and to deliver on its flexible capital policy.
- 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 2018.

Shareholder Returns



| | | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 | FYE March 2018 (forecast) |
|------------------------------------|----------|----------------|----------------|----------------|----------------|---------------------------|
| Total dividends | | 1.6 bil. yen | 2.4 bil. yen | 2.4 bil. yen | 2.4 bil. yen | 2.3 bil. yen |
| Net income | | 7.1 bil. yen | 11.1 bil. yen | 3.6 bil. yen | 6.4 bil. yen | 8.0 bil. yen |
| Annual dividends per share | Interim | 10 yen | 15 yen | 15 yen | 15 yen | 15 yen |
| | Year-end | 10 yen | 15 yen | 15 yen | 15 yen | 15 yen |
| | Total | 20 yen | 30 yen | 30 yen | 30 yen | 30 yen |
| Purchase of treasury stocks | | 1.0 bil. yen | — | — | 2.5 bil. yen | — |
| Consolidated dividend payout ratio | | 22.9% | 22.0% | 67.2% | 37.6% | 29.6% |
| Consolidated total return ratio | | 36.7% | 22.0% | 67.2% | 76.6% | 29.6% |
| ROE | | 6.7% | 9.5% | 3.0% | 5.2% | 6.3% |

4. Quarterly Financial Results



II. Overview of New Mid-term Plan

1. Overview of New Mid-term Plan

Business Environment

Changes in Social Structure

- Abenomics (departure from deflation, low birthrate and aging society, revitalization of regional economies, etc.)
- Reconstruction of social infrastructure (aging infrastructure, disaster prevention measures)
- Environmental & energy issues
- 2020 Tokyo Olympics and Paralympics



Changes in the Communication Environment

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

Tailwind for the MIRAIT Group

Numerical Targets for FYE March 2021

| | |
|---------------------------|---|
| Net sales | 340.0 bil. yen |
| Operating income | 17.0 bil. yen (Operating income margin: 5.0%) |
| ROE | More than 8% |
| Shareholder return policy | <ul style="list-style-type: none"> ● Stable and consistent payment of dividends. ● Decisions to be made by taking into consideration the Company's business results and cash position, based on a rough total return ratio target of more than 30%. |

Basic Policy

- Expand the Company's business domains to address changes in the social structure and the telecommunications environment.
- Transform the Company's business model to respond to more diverse client needs .
- Promote profit-oriented business operations to enhance the Company's enterprise value and to continue to grow as a "Comprehensive Engineering and Service Company".

Key Initiatives

Expanding the business domains/ reforming the business model

- Expand into "frontier domains" such as environmental and energy, IoT and global business.
- Broaden the line-up of services by quality and price to address client needs.
- Expand businesses by leveraging the Company's strengths, such as diverse technologies, established client base, and nation-wide operational network.
- Enhance sales capabilities through partnerships.

Improving the business base and profitability

- Smooth construction workload and review group formations.
- Achieve better efficiency by generating synergies within the Group.
- Improve profitability by enforcing the account system and through better income/ expense management of individual projects.

Strengthening human resources

- Enhance technological capabilities by promoting qualifications, etc.
- Enhance comprehensive engineering capabilities to respond to client expectations.
- Achieve a vibrant workplace by promoting workstyle reforms.

Changing the corporate culture

- Promote CSR through enhanced governance and environmental initiatives.



II. Business Plan for the Fiscal Year Ending March 2018

1. Business Plan for the Fiscal Year Ending March 2018

| Unit: bil. yen | FYE March 2017 | FYE March 2018 | YoY Change | |
|---|------------------------|------------------------|-------------------|---------|
| | | | Amount | % |
| Net sales | 283.2 (100%) | 310.0 (100%) | + 26.8 | + 9.5% |
| NTT | 98.2 | 95.0 | - 3.2 | - 3.3% |
| Multi-carrier | 76.9 | 79.0 | + 2.1 | + 2.7% |
| Environmental & Social Innovation | 42.0 | 59.0 | + 17.0 | + 40.5% |
| ICT Solutions | 65.9 | 77.0 | + 11.1 | + 16.8% |
| Gross profit (Gross profit margin) | 33.5 (11.8%) | 37.2 (12.0%) | + 3.7 (+ 0.2p) | + 11.0% |
| SG&A (SG&A ratio) | 23.4 (8.3%) | 24.7 (8.0%) | + 1.3 (- 0.3p) | + 5.6% |
| Operating income (Operating income ratio) | 10.0 (3.5%) | 12.5 (4.0%) | + 2.5 (+ 0.5p) | + 25.0% |
| Ordinary income (Ordinary income ratio) | 10.5 (3.7%) | 13.0 (4.2%) | + 2.5 (+ 0.5p) | + 23.8% |
| Net income (Net income ratio) | 6.4 (2.3%) | 8.0 (2.6%) | + 1.6 (+ 0.3p) | + 25.0% |
| ROE | 5.2% | 6.3% | + 1.1p | — |

Key Highlights

- **Net sales: Target of more than 300 bil. yen for the first time. Operating income also set to recover to 12.5 bil. yen**

<Historical performance and forecast>

(Unit: bil. yen)

| Fiscal Year | Net sales (bil. yen) | Operating income (bil. yen) |
|-------------------|----------------------|-----------------------------|
| FYE Mar 2012 | 236.0 | 5.2 |
| FYE Mar 2013 | 271.0 | 10.8 |
| FYE Mar 2014 | 277.7 | 11.4 |
| FYE Mar 2015 | 283.7 | 14.1 |
| FYE Mar 2016 | 269.5 | 6.1 |
| FYE Mar 2017 | 283.2 | 10.0 |
| FYE Mar 2018 Plan | 310.0 | 12.5 |

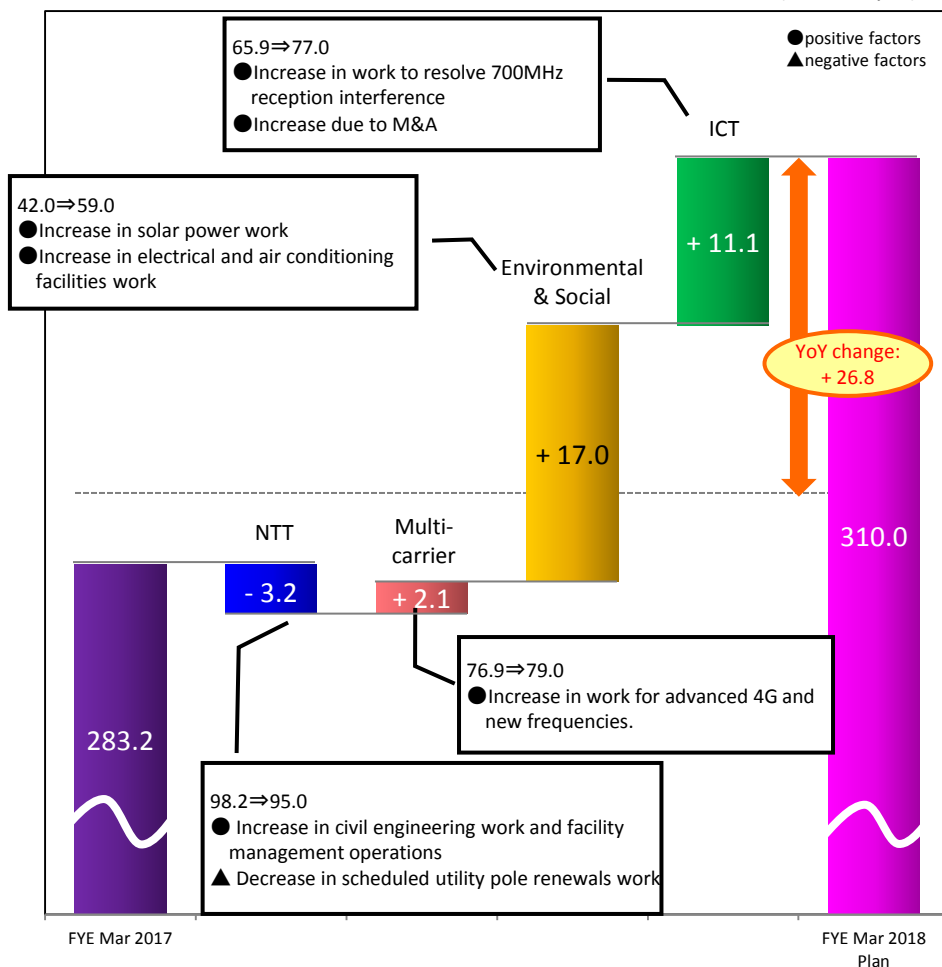
- **Gross profit: 37.2 bil. yen (up by 3.7 bil. yen YoY) given improved margins through efforts to smooth workload.**
- **SG&A: 24.7 bil. yen (up by 1.3 bil. yen YoY) due to the full impact of newly acquired companies, but SG&A ratio should improve given net sales growth.**
- **Operating income: 12.5 bil. yen (up by 2.5 bil. yen, or 25% YoY).**
- **Ordinary income: 13.0 bil. yen (up by 2.5 bil. yen YoY) due to reduction in non-operating expenses, etc.**
- **Net income: 8.0 bil. yen (up by 1.6 bil. yen YoY)**
- **ROE: Up YoY to 6.3%**

Detailed Analysis of Net Sales [YoY Comparison]

- NTT business: Civil engineering and facility management operations should increase, but work for scheduled utility pole renewals is expected to decrease.
- Multi-carrier business: Work for advancements in 4G and new frequencies should increase.
- Environmental & Social innovation: Work for solar power facilities and electrical/ air conditioning facilities should increase.
- ICT Solutions business: Net sales should increase due to the growth in work to resolve 700 MHz reception interference and the full contribution of newly acquired companies.

Net sales

(Unit: bil. yen)

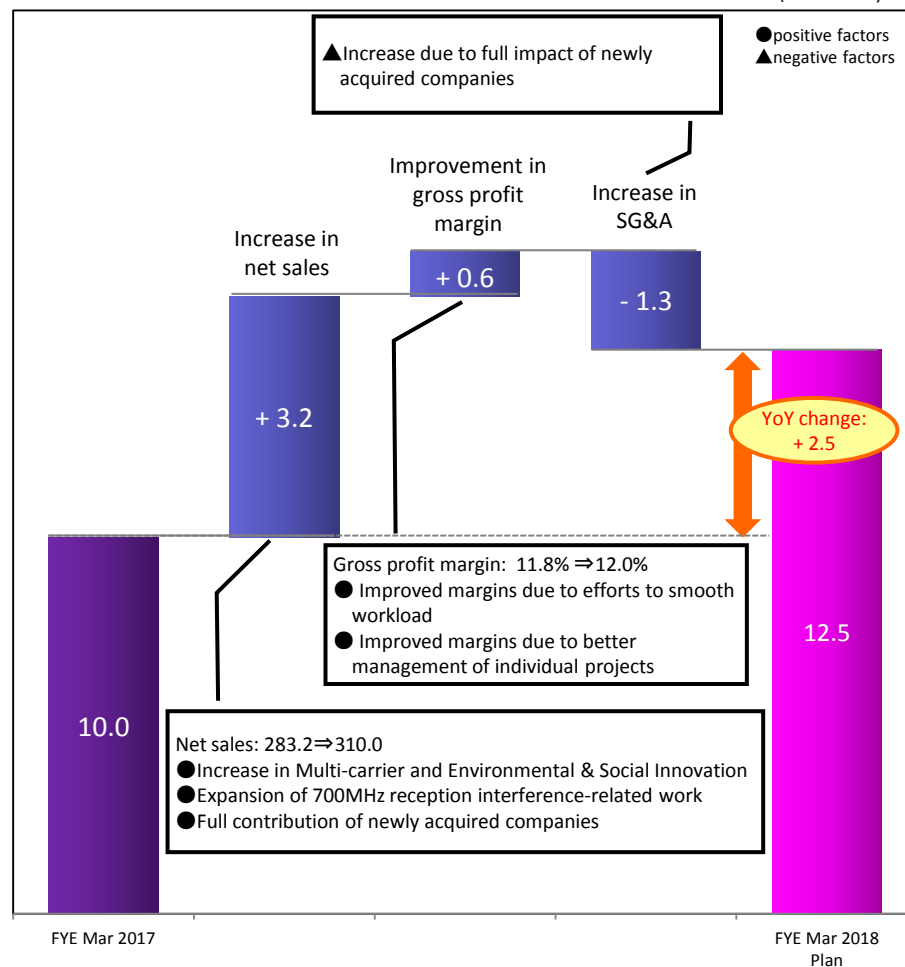


Detailed Analysis of Operating Income [YoY Comparison]

- Impact of net sales growth: +3.2 bil. yen
- Impact of improved gross margin through **measures to smooth workload and to better manage individual projects, etc.:** +0.6 bil. yen
- Impact of increase in SG&A given full impact of newly acquired companies: -1.3 bil. yen

Operating income

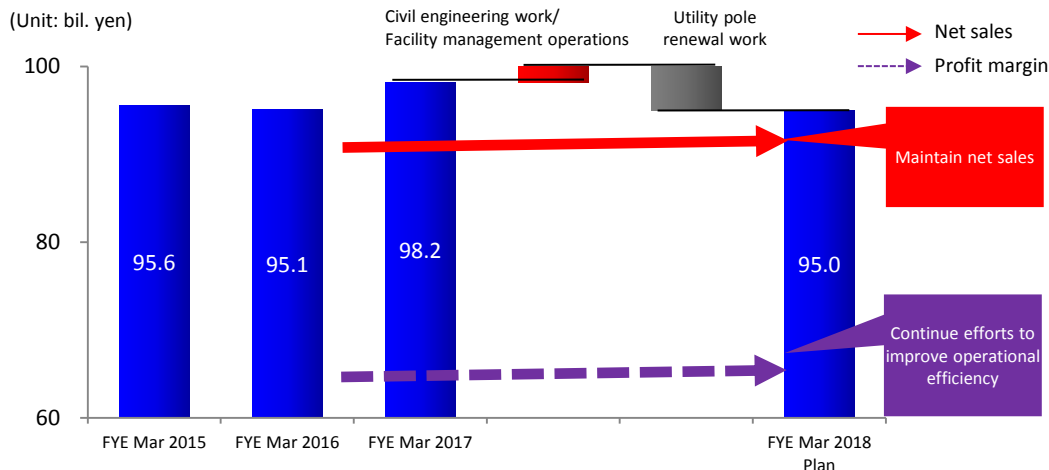
(Unit: bil. yen)



2. Initiatives in the NTT Business

- Respond flexibly to changes in content and volume of optical work on the back of the penetration of Hikari Collaboration※, despite the continued downward trend in NTT's investment activities.
- Civil engineering and facility management operations set to increase, but work for scheduled utility pole renewals is expected to decrease.
- Continue efforts to improve operational efficiency, including the consolidation of office locations.

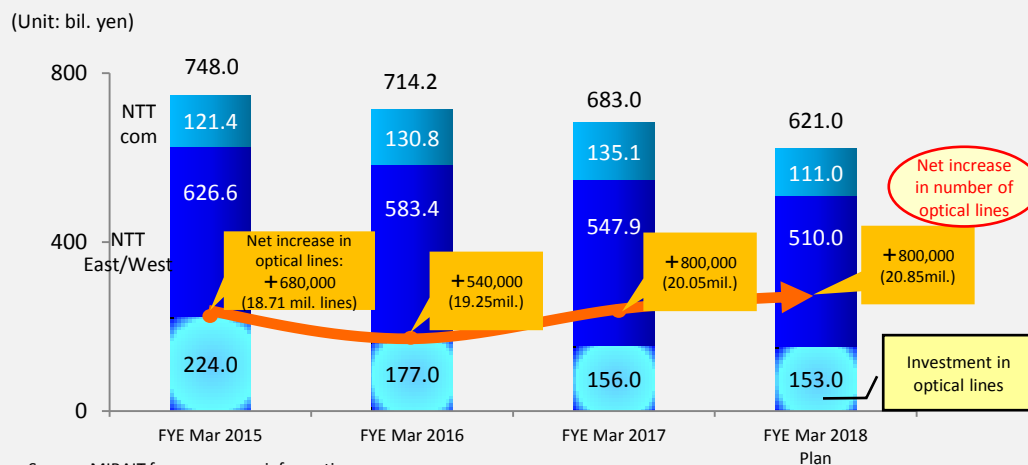
Net sales



Key initiatives for FYE March 2018

| | | Initiatives | |
|---------------------------|--|--|--|
| Sales growth | Strengthen proposal-driven sales efforts | <ul style="list-style-type: none"> • Facility improvement proposals ⇒ removal of leading wires, renewal of cables, repainting of station buildings, etc. | |
| | Civil engineering | <ul style="list-style-type: none"> • Expand civil engineering work ⇒ work to lay power lines underground and to repair conduits | |
| | Facility management | <ul style="list-style-type: none"> • Expand contracted work in West Japan | |
| Improvement of efficiency | Consolidation of office locations | <ul style="list-style-type: none"> • Consolidate office locations to eliminate overlap and to improve operational efficiency ⇒ start construction of Narita (Chiba) office | |
| | Back office operations | <ul style="list-style-type: none"> • Use tablets to improve efficiency of image inspections | |
| | KAIZEN activities | <ul style="list-style-type: none"> • Continue KAIZEN activities to boost productivity ⇒ optimize inventory, develop multi-skilled workers, enhance safety measures, etc. | |

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

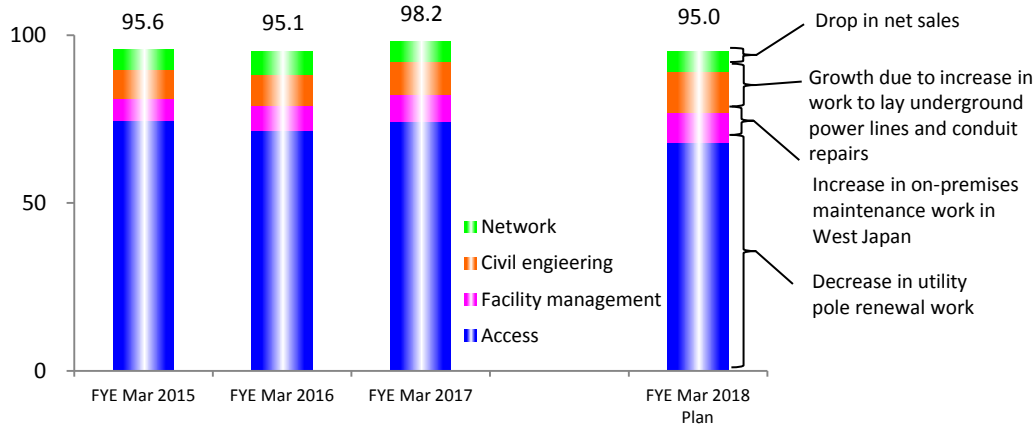


※Under the Hikari Collaboration model, a company borrows NTT's optical lines and offers its own service as a package.

Net sales growth in NTT business

Breakdown of net sales

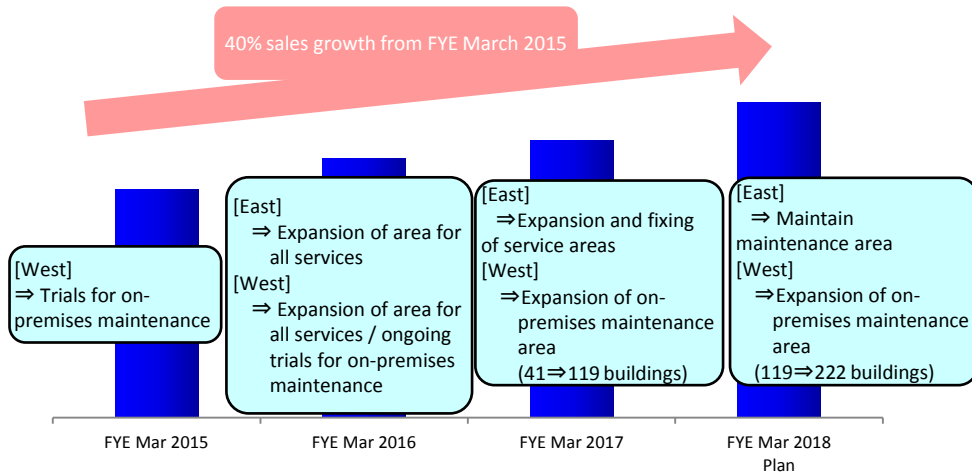
(Unit: bil. yen)



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.

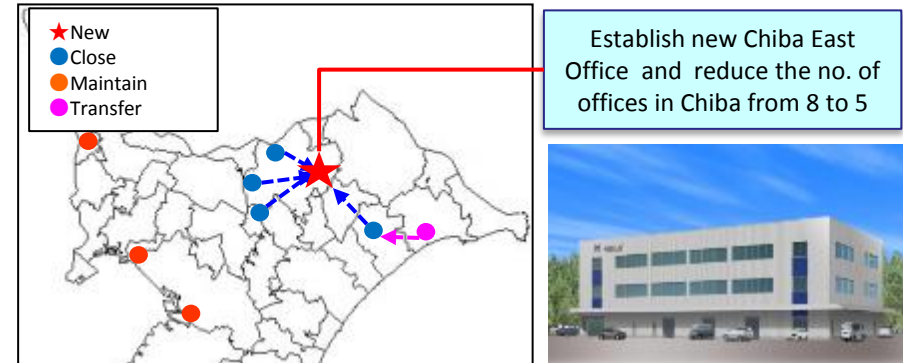
40% sales growth from FYE March 2015



Initiatives to improve productivity

Consolidation of offices

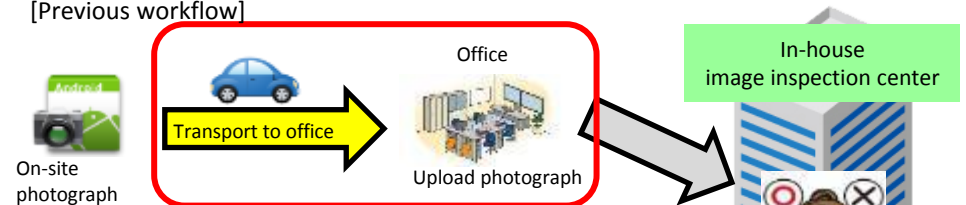
- Progress in efforts to reduce the number of offices by roughly 30% (approx. 70→50 locations), including those already completed in the Kansai area.
- ⇒ Started construction of new office in Chiba area ✕offices to be merged in FYE 3/2020
- ⇒ Certain offices will be merged in FY2017 to achieve efficiency ahead of the above schedule.



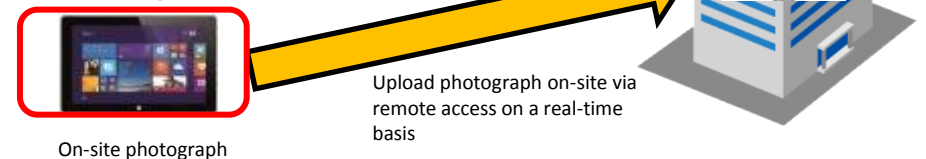
Streamlining back office operations

- Smooth image inspection workload by sending photographs on a real-time basis.
- Prioritize real-time inspection work for construction sites in distant locations to avoid loss of time for re-inspection.
- Operational workflow to be tested in the network business before adopting the workflow in the access business.

[Previous workflow]



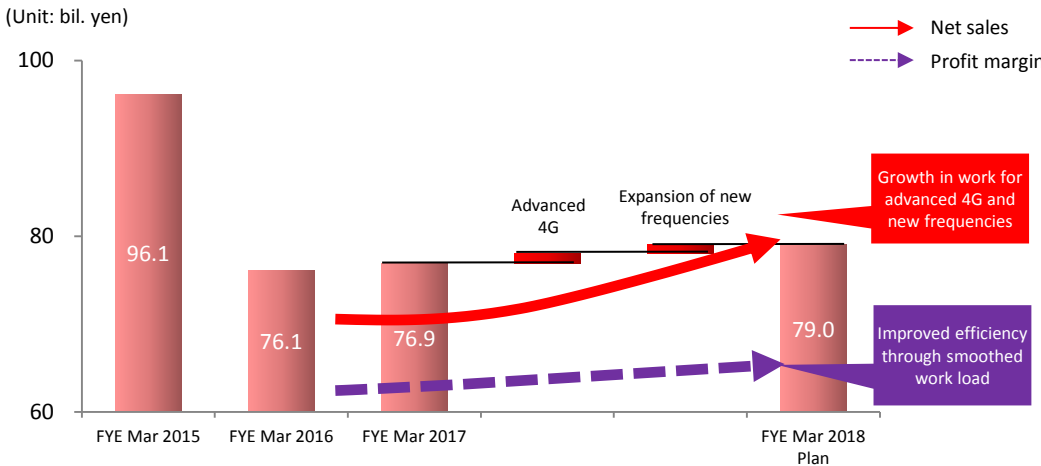
[New workflow]



3. Initiatives in the Multi-carrier Business

- Expand sales by handling the pick-up in work for advancements in 4G and new frequencies, despite the slowdown in mobile carriers' investment activities.
- Achieve sales and profit growth through efforts to complete projects and to smooth workload in the mobile business.
- Achieve profit growth by strengthening the global business base.

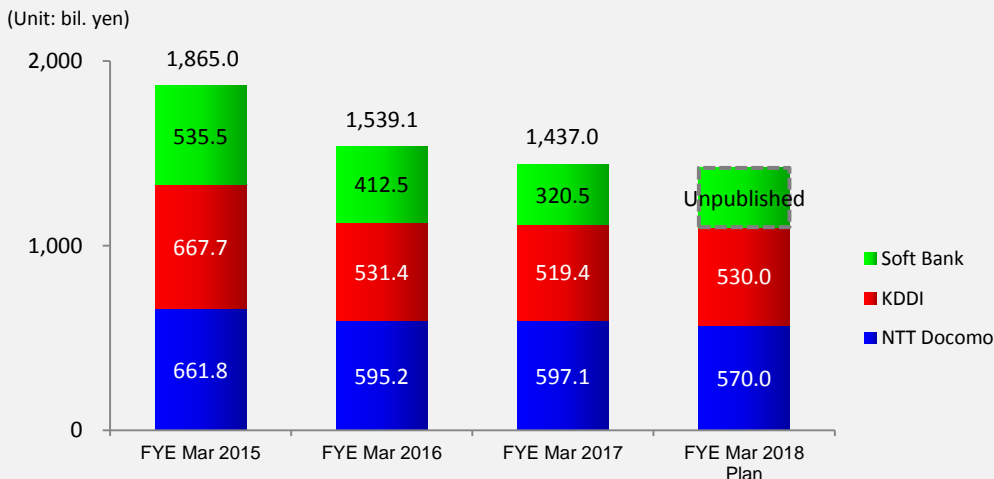
Net sales



Key initiatives for FYE March 2018

| | | Initiatives | |
|---------------------------|---|--|--|
| Sales growth | Growth in work for advancements in 4G and new frequencies | <ul style="list-style-type: none"> Expand work for carrier aggregation, 4X4MIMO, 256QAM, etc. Expand work for new frequencies (700MHz, 3.5GHz) | |
| | Work for better reception quality | <ul style="list-style-type: none"> Work to improve reception quality in railway facilities (subways, private railways), medical facilities and other large facilities | |
| | Global | <ul style="list-style-type: none"> Launch new office in Australia (Sydney) Stabilize management of Myanmar consolidated subsidiary Develop new businesses across the ASEAN region | |
| | Related businesses | <ul style="list-style-type: none"> Expand solutions business (FMC, IoT, etc.) by working with the carrier corporate divisions and through alliances Expand orders from equipment vendors | |
| Improvement of efficiency | Operations | <ul style="list-style-type: none"> Make flexible use of resources to respond appropriately and quickly to changes in workload and project size ⇒ Complete projects by promoting mutual support across offices on a nation-wide basis ⇒ Enhance cooperation with subsidiaries while clarifying their roles | |
| | Better productivity | <ul style="list-style-type: none"> Develop design capabilities internally Revisit processes in order to handle large volumes of small projects | |

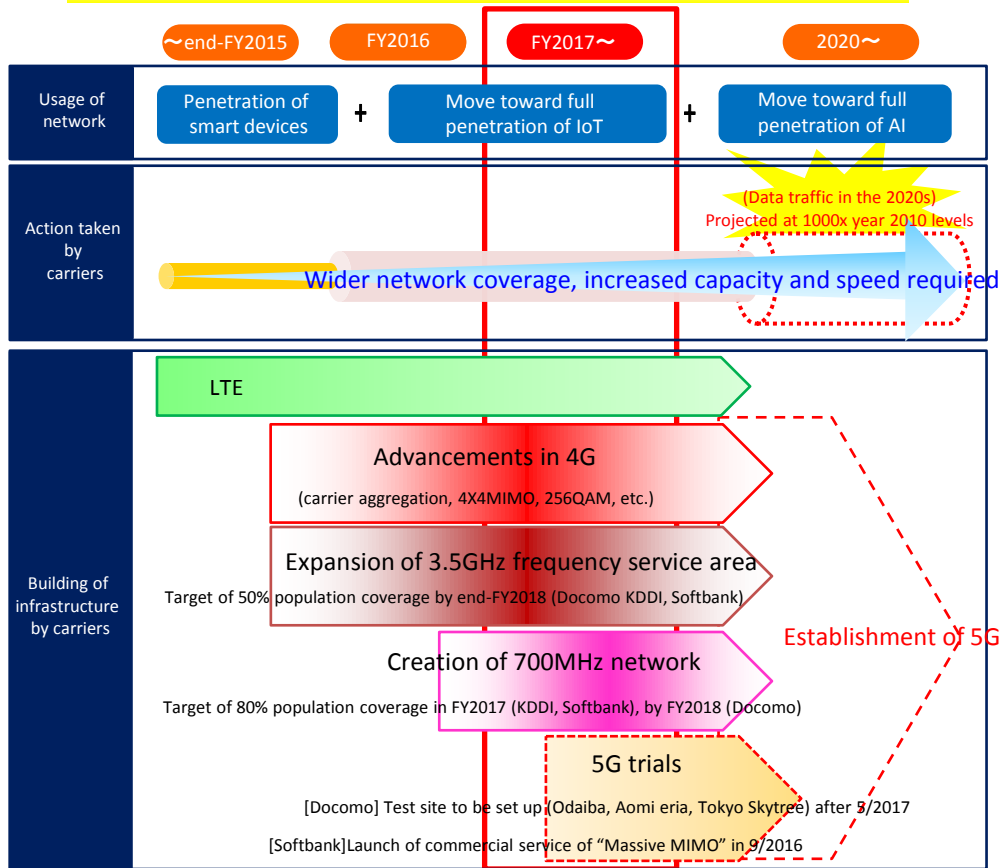
(Reference) Capital investments by the three major mobile carriers



Source: MIRAIT from company information

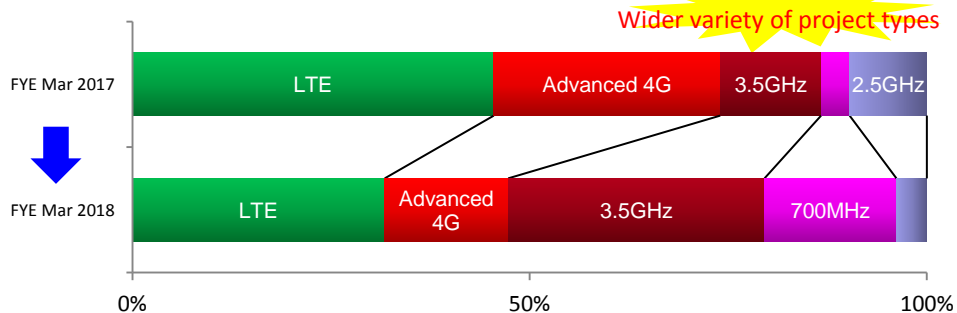
(Notes) The amount shown for Softbank is for domestic telecommunications business only.

Trends in the mobile business



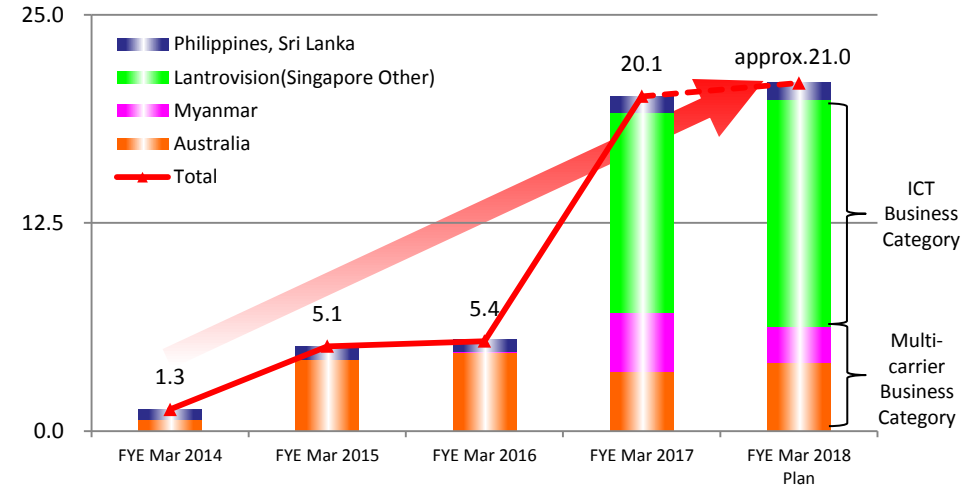
Source: MIRAIT from materials disclosed by the Telecommunications Bureau (MIAC), etc.

Changes in type of work (no. of projects)



Net sales growth in the global business

(Unit: bil. yen)

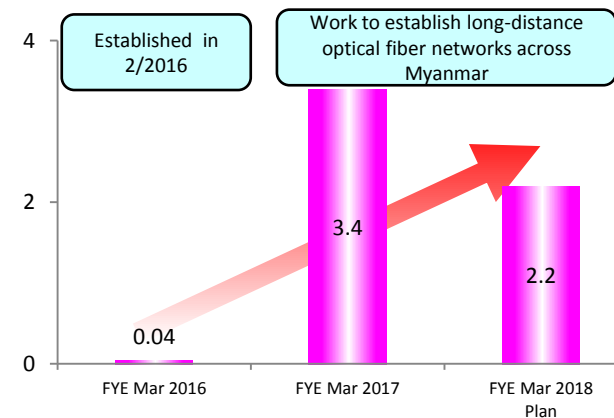


Initiatives in Myanmar

- Consolidated MIRAIT Technologies Myanmar Co., Ltd in Q4 of FYE March 2017.
- Construction of mobile backbone networks across Myanmar.

<Net sales>

(Unit: bil. yen)

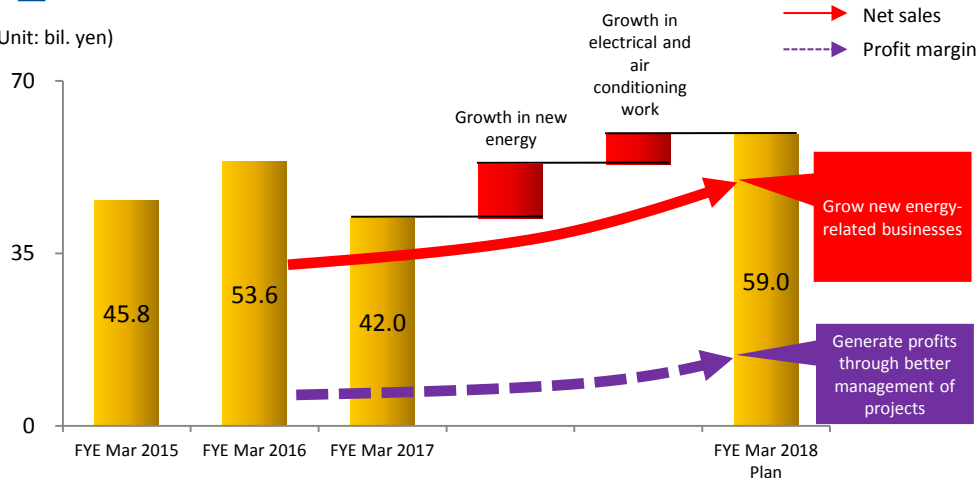


4. Initiatives in the Environmental & Social Innovation Business

- In new energy, **strengthen measures to attract construction work and O&M for roof-top solar power and mega-solar facilities.**
- Focus on growing orders for **infrastructure-related work** (laying power lines underground, installing LEDs and road lighting, etc.) toward 2020.
- Expand building and energy-related work (electrical work, air conditioning, rechargeable batteries, EV, etc.) by strengthening alliances with major construction companies and equipment manufacturers.

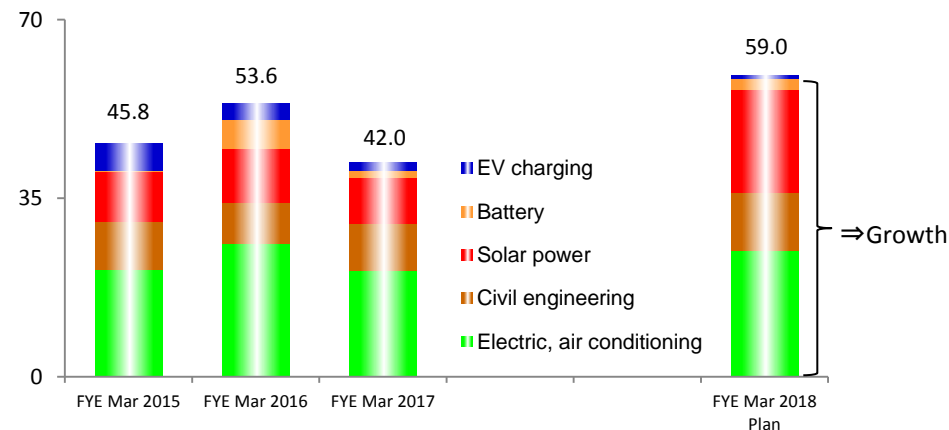
Net sales

(Unit: bil. yen)



Breakdown of net sales

(Unit: bil. yen)



Key initiatives for FYE March 2018

| Initiatives | |
|------------------------------|---|
| New energy | <p>[Solar power]</p> <ul style="list-style-type: none"> • Increase in projects for roof-top facilities at transportation companies, home centers, etc. • Growth in O&M business <ul style="list-style-type: none"> ⇒ Currently engaged in 12 projects (0.3 bil. yen/ year) ⇒ Expecting to receive order for maintenance of roof-top middle solar power facility ⇒ Expand small- and mid-scale (10~50kw) maintenance work <p>[Rechargeable batteries]</p> <ul style="list-style-type: none"> • Established contact center and smart system to accept orders from customers and to schedule work to be handled by subcontractors, etc. (Mirait X) ⇒ Expand to middle solar business to improve efficiency/ reduce costs |
| Civil engineering, etc. | <ul style="list-style-type: none"> • Increase in CCTBOX work for Tokyo, including work to lay power lines underground • Sewage pipeline work for Tokyo |
| Electrical/ air conditioning | <ul style="list-style-type: none"> • LED installation work (roads, safety lights) for municipalities • Grow air conditioning work by expanding Nissetsu's services nation-wide • Win new projects through alliances with major construction companies |



Solar power work



Rechargeable batteries



Laying of power lines underground



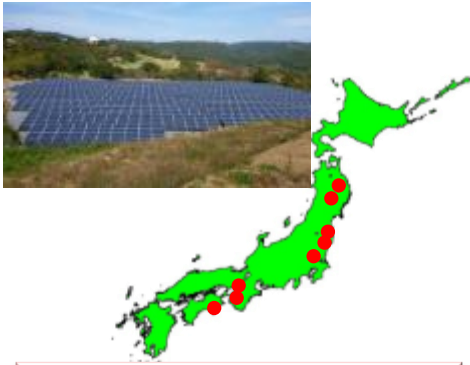
Basement air conditioning facilities

New energy-related initiatives

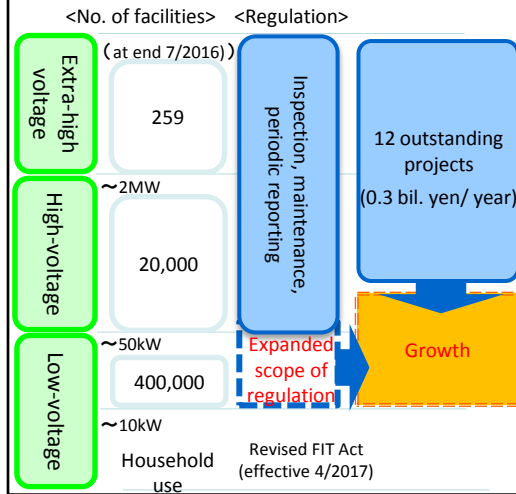
Status of work for solar power

- Targeting to install middle-solar facilities in 1,000 locations across Japan.
- Installing mega-solar facilities in 8 locations across Japan.
- Efforts going forward will focus on expanding the O&M business.

<Construction of mega solar facilities>

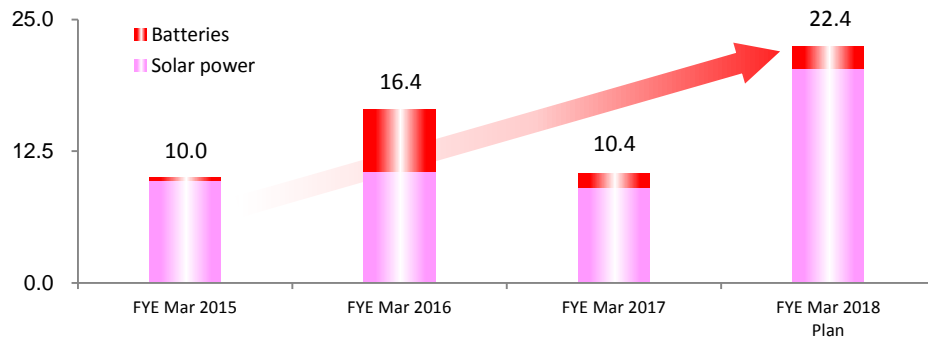


<Growth in O&M business>



Net sales growth in solar power + rechargeable batteries business

(Unit: bil. yen)

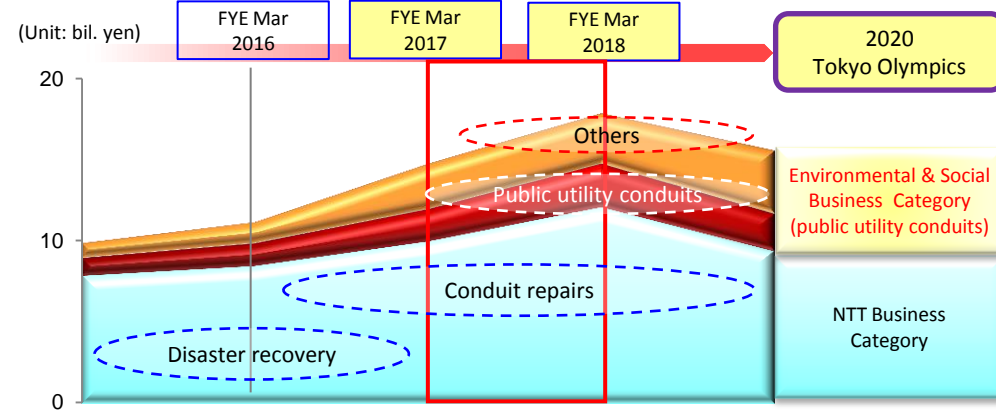


Initiatives in civil engineering

Status of work to lay power lines underground

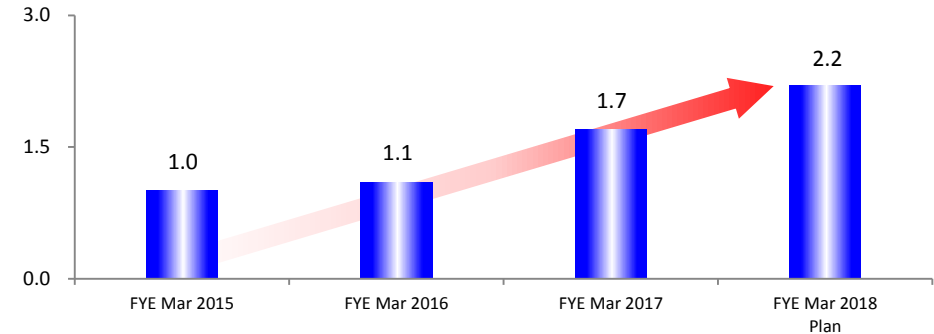
- Tokyo is behind other major cities in the world in laying power lines underground.
 - ⇒ London/ Paris/ Hong Kong : 100%, Singapore: 93%, Tokyo 23 wards: 7%
- Demand for work to lay power lines underground is expected to grow in major cities such as Tokyo toward 2020.
 - ⇒ Tokyo Metropolitan Government's budget for FY2017 is 25.1 bil. yen (up from 24.9 bil. yen in the previous year)
 - ⇒ Initiatives for the Tokyo Olympic/ Paralympic Games (ratio of underground power lines in the center core area: 100% by 2019 from 85%)
 - ⇒ 50% of emergency transport roads by end of FY2024

Trends in civil engineering work



Net sales of work to lay power lines underground

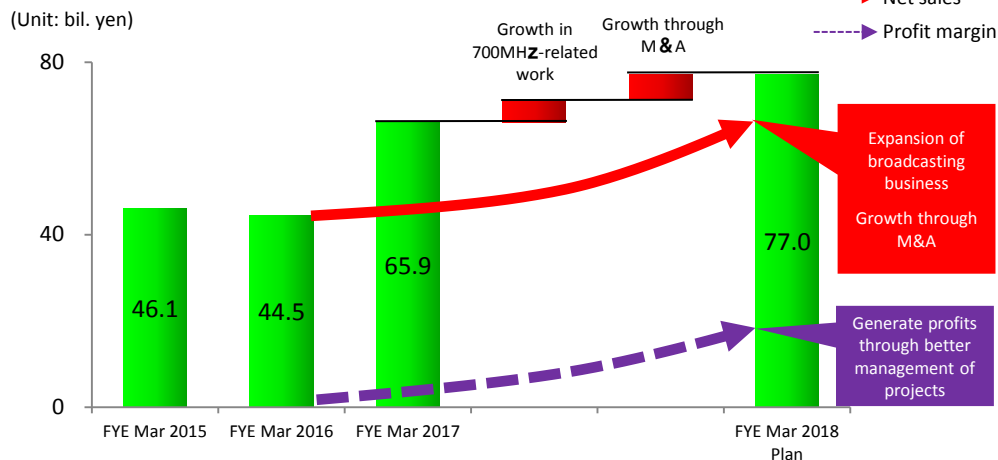
(Unit: bil. yen)



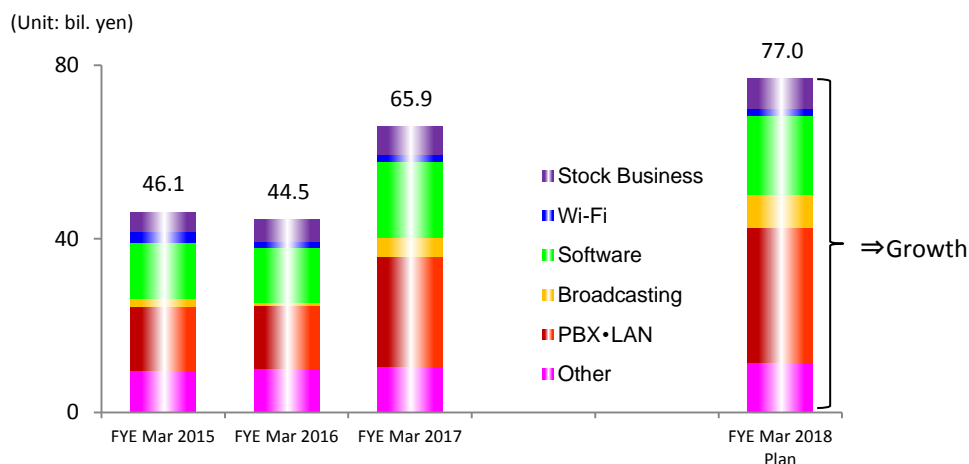
5. Initiatives in the ICT Solution Business

- Significant increase in work to resolve TV reception interference with the commencement of services in the 700MHz band.
- Net sales growth due to the full contribution of Lantrovision.
- Net sales growth in the software business on the back of M&A activities and large orders.


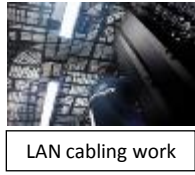


Net sales



Breakdown of net sales



Key initiatives for FYE March 2018

| Initiatives | |
|----------------------------|--|
| 700MHz | <ul style="list-style-type: none"> • Work to resolve TV reception interference ⇒ Handling 1/3 of all projects nationwide ⇒ Targeting 300,000 sites for TV reception-related work (5 times more than the previous year)  |
| LAN/PBX/Telecommunications | <ul style="list-style-type: none"> • Full contribution of Lantrovision • Datacenter LAN cabling work (domestic and overseas) • Expand work to upgrade networks at educational facilities, etc.  |
| Software | <ul style="list-style-type: none"> • Grow business as the "best partner" of major Sler ⇒ Order received for large system development project • Enhance cooperation among the Group's software companies to win business in the financial, securities and ERP areas • Expand contact center solutions ⇒ Promote WFM systems (currently adopted in 239 locations at 66 companies) |
| Wi-Fi/Wireless | <ul style="list-style-type: none"> • Expand Wi-Fi work in stadiums ⇒ J-League soccer stadiums, baseball stadiums • Targeting multiple-store owners and schools • Expand work for local government disaster radio facilities  |
| IoT, etc. | <ul style="list-style-type: none"> • Apply existing solutions to IoT (cameras, Wi-Fi, etc.) • Develop new businesses through alliances (water supply networks, etc.)  |

Work to resolve 700MHz TV reception interference

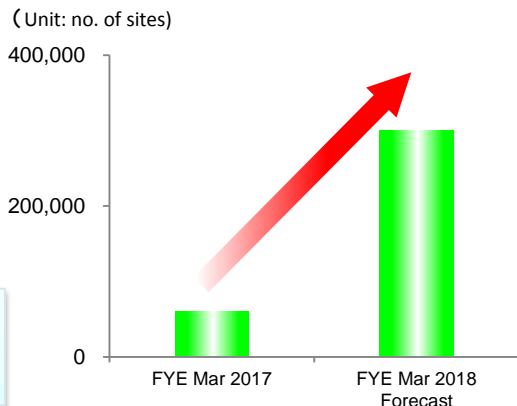
- On-going demand for work to resolve TV reception problems on the back of the launch of mobile services in the 700MHz band.
- Handled approx. 60,000 sites in FYE 3/2017. Target for FYE 3/2018 is 300,000 sites.

<Work site area>



Mirait is responsible for work in Hokkaido, Tohoku, Tokai, and Hokuriku

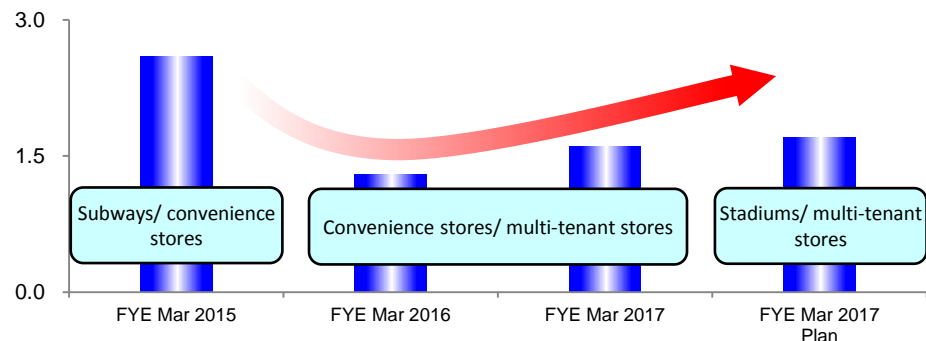
<Growth in no. of work sites>



Net sales in Wi-Fi work

- Strong track record in work to install Wi-Fi equipment primarily in subways, convenience stores, and educational/ public facilities.
- Plan to take advantage of the growth in demand to establish Wi-Fi in public facilities, etc. toward 2020.

(Unit: bil. yen)



Lantrovision's strategy and performance

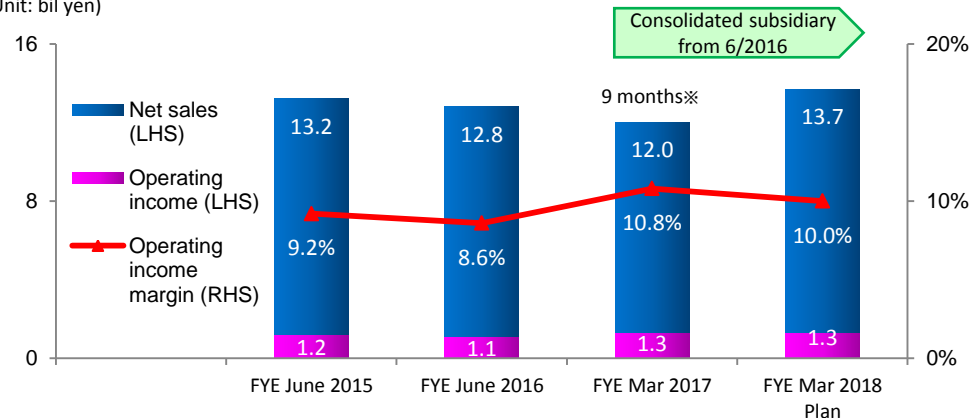
- Asia's largest company engaged in **design, construction and maintenance of LAN cabling, etc.**, based in Singapore.
⇒ **Global network of offices in 28 cities across 13 countries/regions.**
- Customer base mainly comprises multinationals ranked in the Fortune 500 and banks that rank high in global rankings.
- **Net sales is expected to increase from 12.0 bil. yen to 13.7 bil. yen given full contribution from FYE 3/2018.**
- **Profit margin to improve given lower M&A costs and through the merger with Mirait Singapore.**

Future strategies

| | |
|----------------------------|--|
| Synergies in sales efforts | <ul style="list-style-type: none"> • Cooperation in sales efforts targeting Japanese companies entering Asian markets. • Cooperation in sales efforts targeting Japanese offices of multinational companies. |
| Business growth | <ul style="list-style-type: none"> • New subsidiary (Innovative Energy Systems) to be established. ⇒ Expand business in the public sector, including subways and power utilities. |
| Efficiency | <ul style="list-style-type: none"> • Mirait Singapore to be merged in 6/2017 to improve efficiency and to reduce administrative costs. |

Performance trends

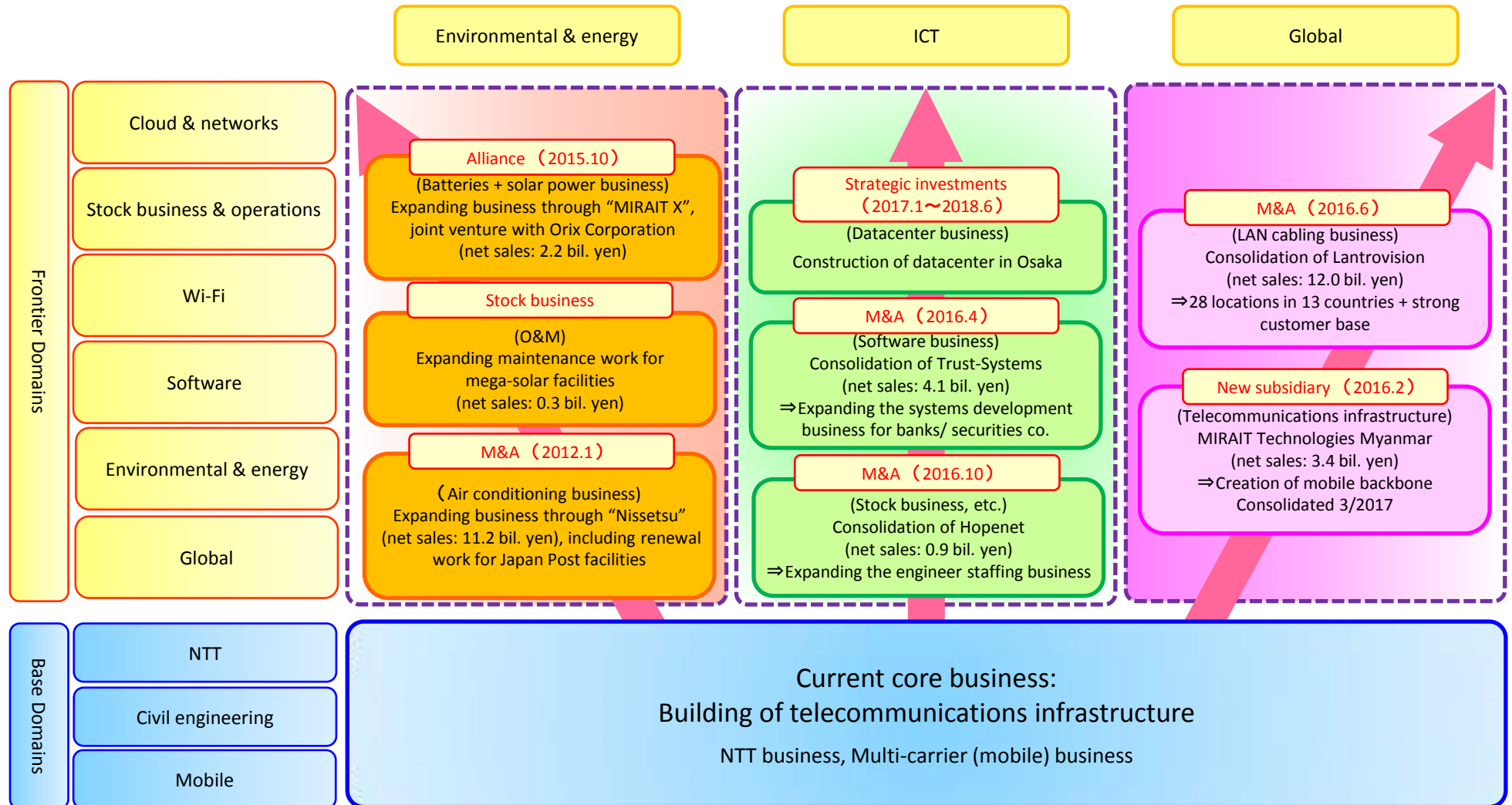
(Unit: bil yen)



※Lantrovision's business results for the 9-month period was reflected in the consolidated financial statement for FYE 3/2017 as per the accounting method for business combinations.

6. Recent Initiatives for Business Expansion

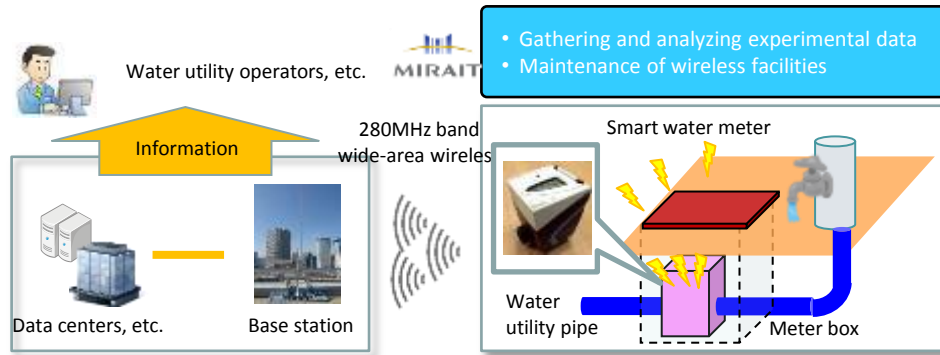
- Expanding the “frontier domains” by actively engaging in strategic investments that leverage the technologies accumulated through the building of telecommunications infrastructure, which is MIRAIT’s core business at present.
- Actively engaging in alliances and M&A to expand businesses.



7. Initiatives in New Solutions

IoT business (wide-area wireless sensor network)

- **Conducting verification test with Sensus Japan for a wide-area wireless sensor network** that connects smart water meters using 280 MHz band wireless.
 - ⇒ Preparing for next steps (tests using multiple base stations and user tests) following the completing of the verification test with Kobe City Water Bureau and NTT West.
 - ⇒ Providing technical support (remote smart metering) for verification test by JFE Engineering.
- **Planning to launch business when the regulatory framework is established for sensor networks in the 280MHz band.**



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.**
 - ⇒ Operations to commence in FY2018 Q1 (Investment amount: 18.0 bil. yen)
- The aim is to accumulate know-how to **expand the operations business.**

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 |
| Floor load | All server floors: 1,500kg/m ² |
| Number of racks | 2,500 racks |
| Incoming power | 25,000 kw (2 systems) |

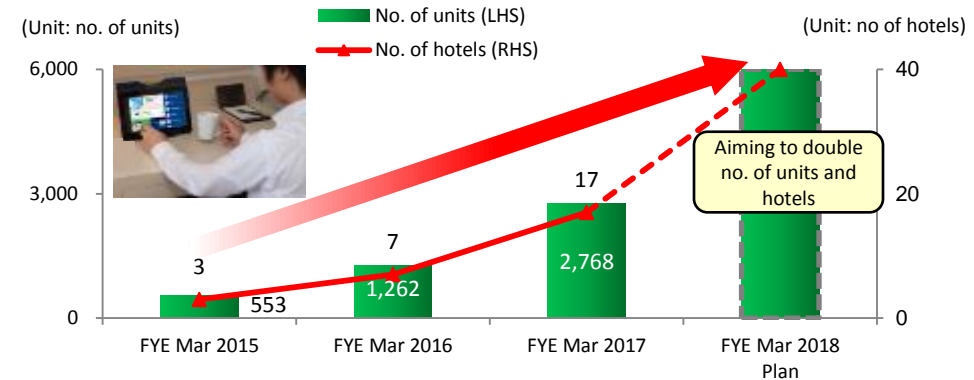


(image)

Wi-Fi solutions

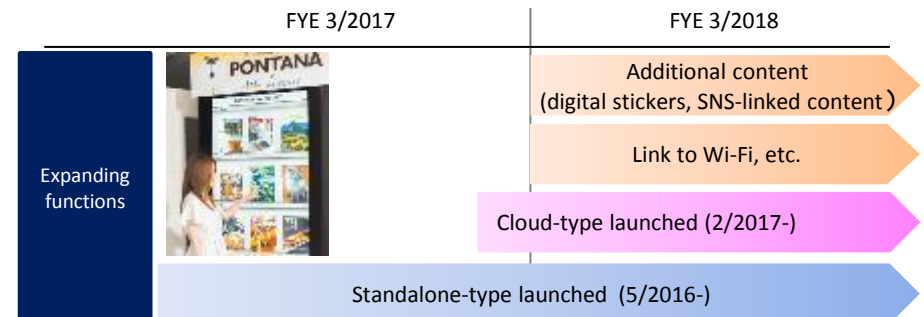
ee-TaB*

- Delivery of multilingual content through tablets installed in hotel rooms
 - **Approx. 3,000 units installed in 17 hotels in Japan** including Keio Plaza Hotel as of the end 3/2017.
- <No. of units installed and hotels (cumulative)>



PONTANA

- Service that allows users to download digital content displayed on a screen to their smart devices
 - ⇒ Catalogs and tourist information can be offered in multiple languages
- **Launched cloud-type product in 2/2017**
 - ⇒ Targeting customers that operate multiple stores/ locations through expanded offerings of digital stickers, SNS-linked content, etc.
- 11 units sold as of 4/2017
 - ⇒ Target for FYE 3/2018: **400 units**



8. Initiatives to Build a Stronger Business Base

Changing the safety/ work environment and workstyles

① Efforts to improve safety management

- Establish “hard” and “soft” frameworks to ensure safety of workers
 - ⇒ Enhance safety work procedures, safety equipment (elevating work cars, safety devices) and safety patrol efforts
 - ⇒ Clarify the cost burden for safety measures
- Ensure execution of work cycle for safety
 - ⇒ morning meeting/ pre-work inspection, site patrol, wrap-up meeting

② Collaborative efforts with subcontractors to improve the work environment

- Mandatory social insurance coverage (fully implemented as of end 3/2017)
- Indicate (visualize) social insurance costs in standard quote sheet

③ Workstyle reforms

- Proper calculation of overtime work
- Introduction of flexible/ irregular work hours



Morning meeting

Overhead cost reduction

- ① Cost reduction efforts (switch telecommunication service to Hikari Collaboration, internal systems cost reduction, etc.)
- ② Reduction of rental expenses by growing own assets
 - ⇒ new housing for unmarried employees (2 locations in Tokyo)
- ③ Lower interest payments with the issuance of convertible bonds
- ④ Reduction of one-off M&A costs
- ⑤ Cost efficiency through merger of MIRAIT Singapore
- ⑥ Consolidation of offices in Chiba prefecture (in NTT business)

【Total effective cost reduction】

FYE 3/2017: -0.4 bil. yen



FYE 3/2018: -1.0 bil. yen



Housing for unmarried employees

Strengthening human resources

① Growing the number of qualified staff

- Identify candidates for qualification exams
 - ⇒ Plan for the candidates to build hands-on experience
- Expand the number of mid-career hires



“Eruboshi” certification logo

② Develop and utilize a large variety of talents

- Strengthen the base of engineers
 - ⇒ Enhance the collective capabilities of the Group to better understand and respond to customers’ needs
- Promote the participation of women in the workplace
 - ⇒ Mirait and Mirait Technologies received the highest “Eruboshi” certification (3rd level) in recognition of the companies’ excellent efforts in response to the Act of Promotion of Women’s Participation and Advancement in the Workplace.
 - ⇒ Promote the hiring and promotion of women in managerial positions

KAIZEN

① Roll-out of KAZEN activities to enhance productivity, by promoting awareness through training courses and other events within the Group

- FY 2016: **approx. 13,000 proposals/ cost reduction of 0.3 bil. yen**
 - ⇒ Streamlining process to prepare application forms, introduction of construction work completion management system, etc.

② “Fellow” system (currently 56 KAIZEN Fellows)

- Promoting further awareness toward KAIZEN across the Group through activities initiated by “KAIZEN Fellows”
 - ⇒ Achieve flexible reforms in a vertically divided organization by deploying measures horizontally across the Group



KAIZEN event

IV. Reference Materials

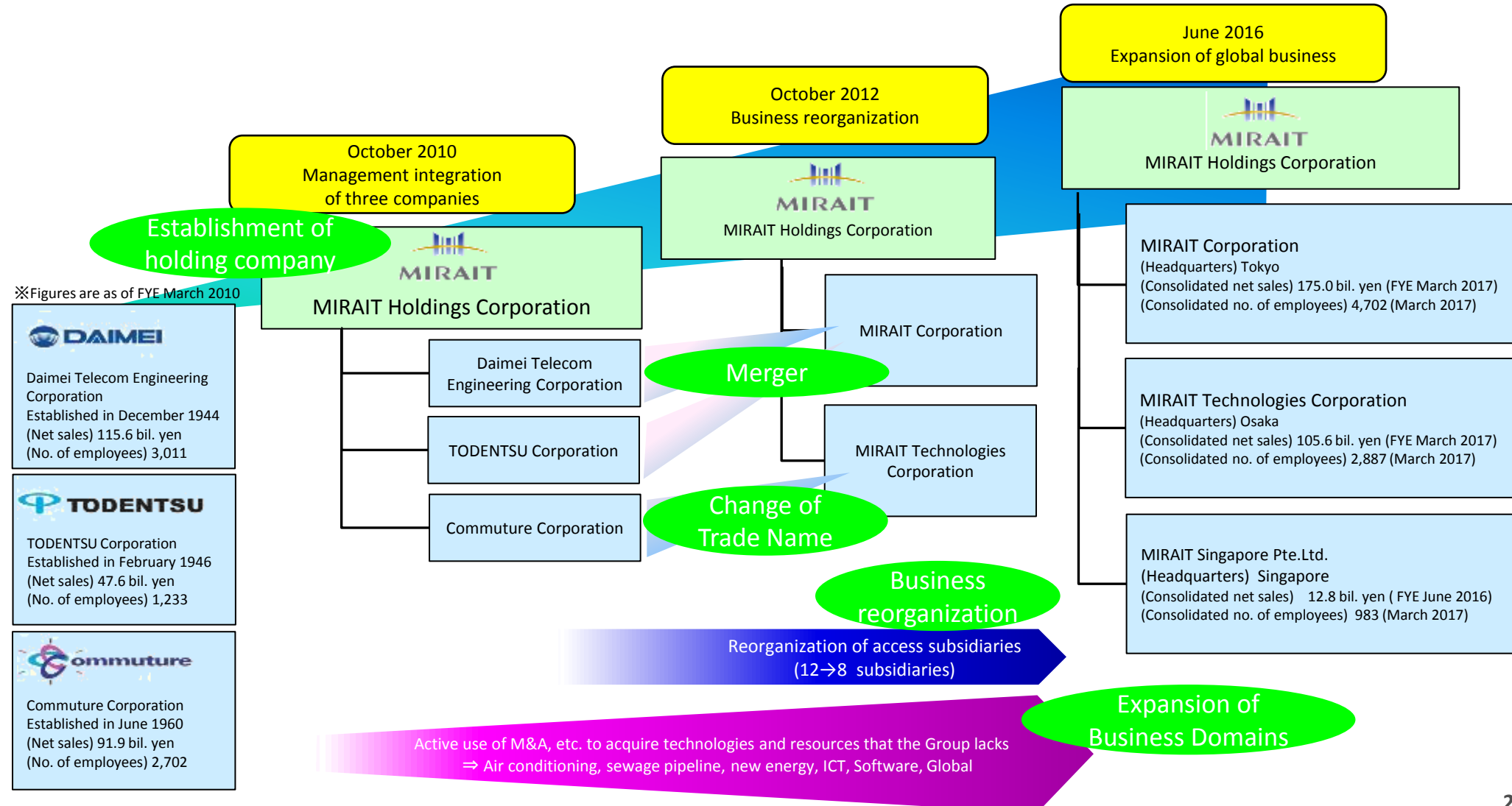
1. Overview of MIRAIT Holdings

(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】 32 locations (Singapore, Sri Lanka, Australia, Philippines, Myanmar ,etc.) |
| Number of consolidated subsidiaries (as of March 31, 2017) | 53 |
| Number of employees (as of March 31, 2017) | 【Consolidated】 8,675 (MIRAIT Holdings: 103) (MIRAIT: Consolidated 4,702) (MIRAIT Technologies: Consolidated 2,887) (MIRAIT Singapore: Consolidated 983) |
| 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).
- Since the management integration, the MIRAIT Group has pressed forward with the structural shift to become a “Comprehensive Engineering and Service Company” through M&A and other efforts.



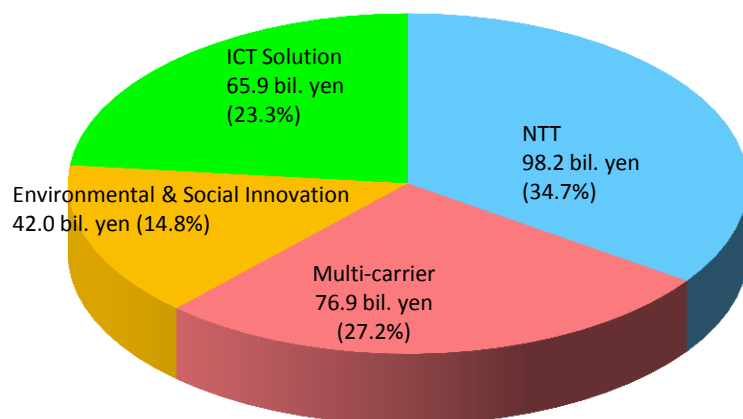
(3) Business Categories

- 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

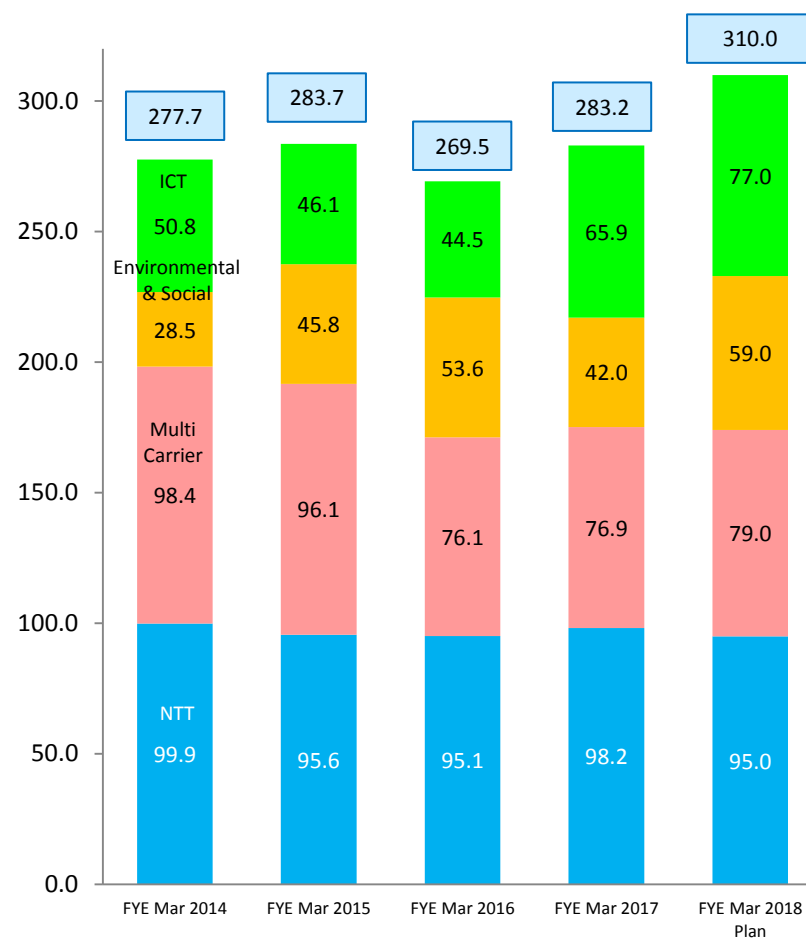
| Business Category | |
|--|---|
| (1) NTT Business | <ul style="list-style-type: none"> ■ Construction, maintenance and operation of fixed communication facilities for NTT |
| (2) Multi-carrier Business | <ul style="list-style-type: none"> ■ Construction, maintenance and operation of mobile communication 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, 2017)



Net sales by business category

(Unit: bil. yen)

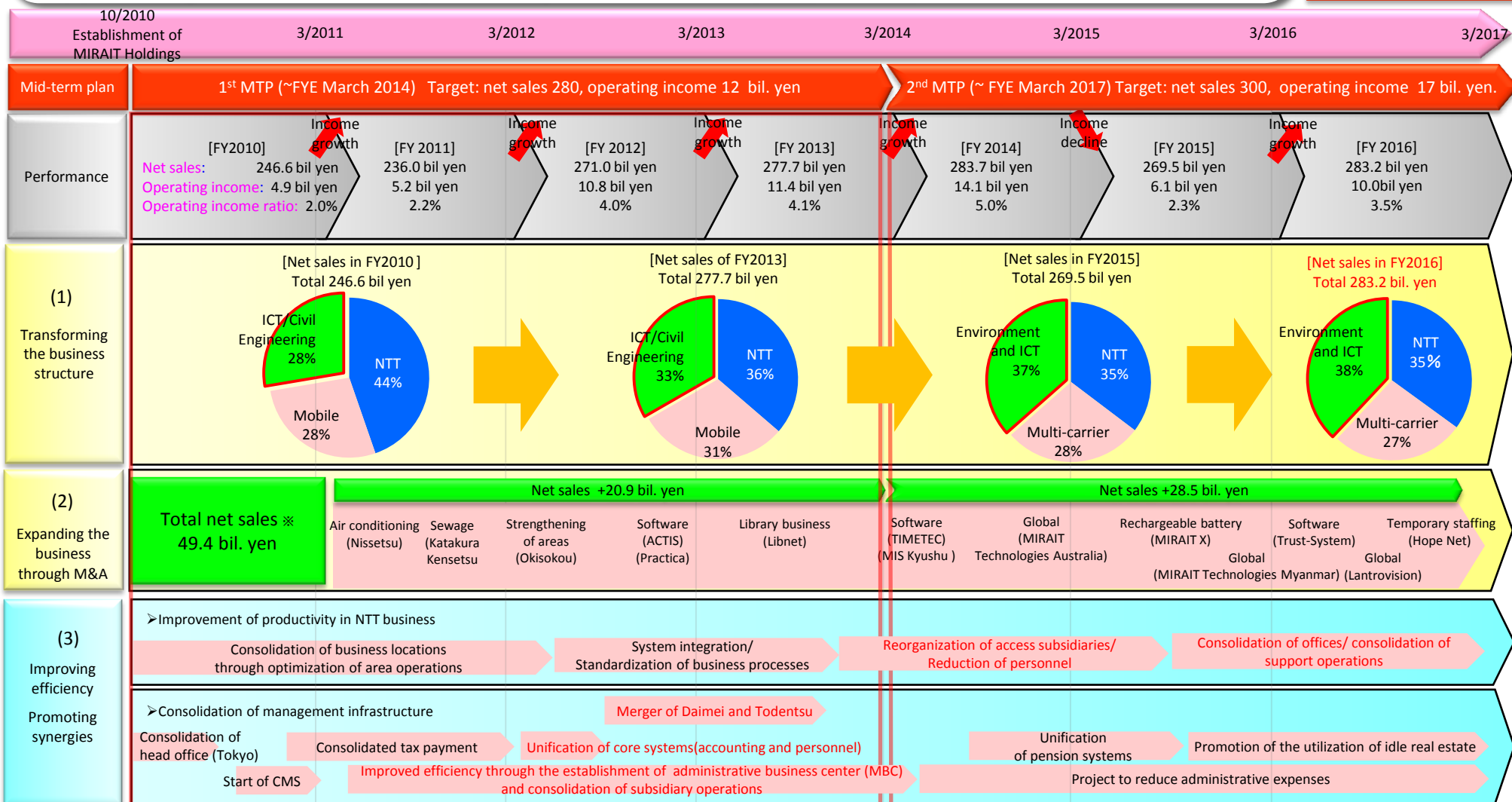


(4) The Company's Initiatives Since Establishment

- 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 or more.
- 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**.

5/2017
 Launch of 3rd Mid-term Plan
 Target for FYE 3/2021
 Net sales: 340.0 bil. yen
 Op. income: 17.0 bil. yen
 ROE More than 8.0%

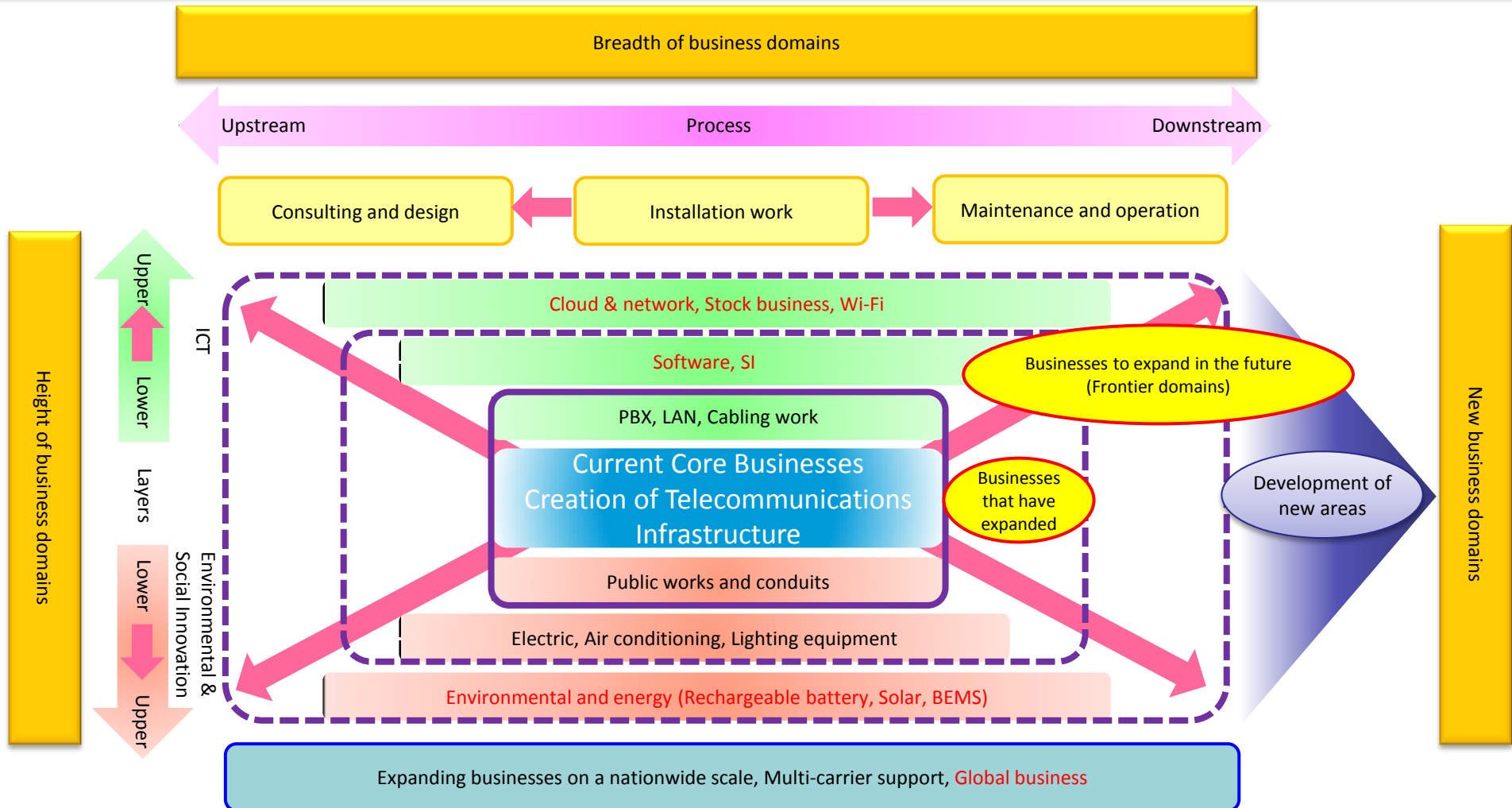


※ Total of net sales reported for the most recent fiscal year by each of the acquired companies.

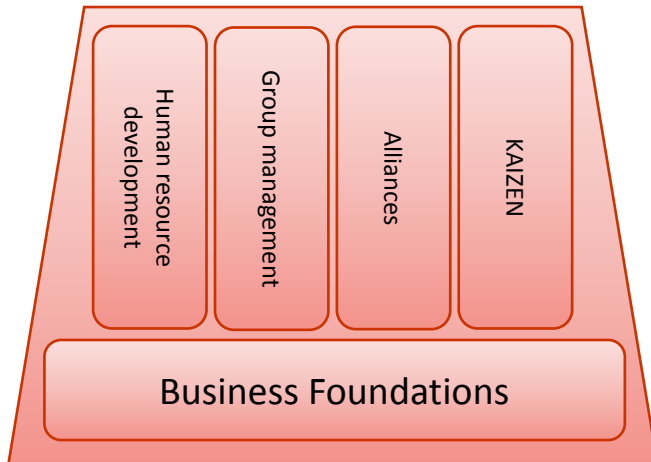
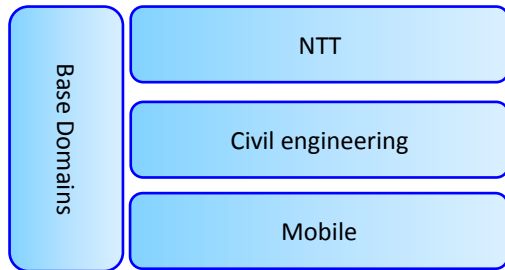
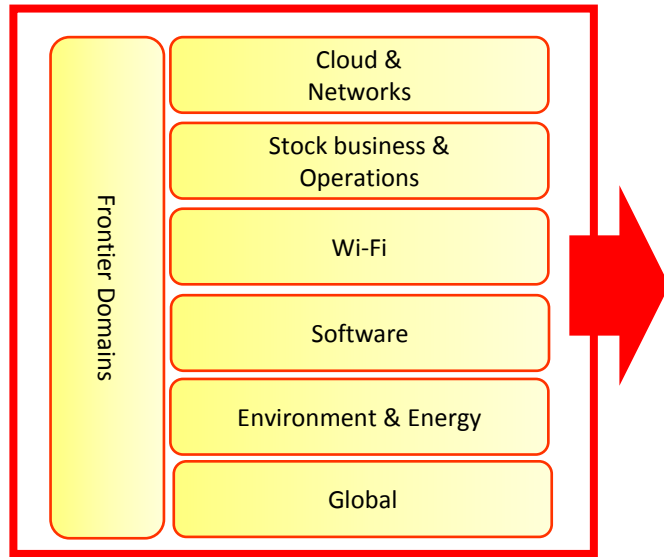
2. Transformation into a "Comprehensive Engineering and Service Company"

(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) | <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"> • Stadium Wi-Fi • Local government Wi-Fi • Subway Wi-Fi • Convenience store 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) | |

3. Changes in the Business Environment through 2020

Japan's Structural Problems

- Abenomics (departure from deflation, low birthrate and aging society, revitalization of regional economies, etc.)
- 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

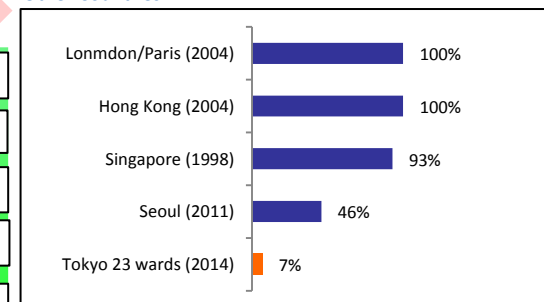
Tailwind for the MIRAIT Group

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

Changes in Social Structure

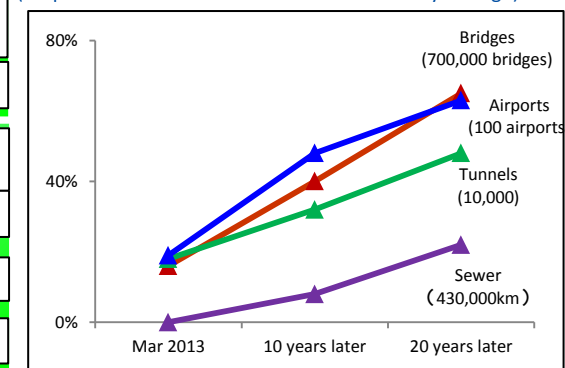
| | | - 2015 | 2016 | 2017 | 2020~ |
|------------------------|------------------------|--|--|--|---|
| Social Infrastructure | Tokyo Olympics | Inbound business | Free Wi-Fi | Digital signage | Security |
| | | Elimination of Utility Poles/CCBOX | | NEW Olympic-related facilities | |
| | Redevelopment business | Redevelopment within Tokyo (Shinjuku, Shibuya, Otemachi, Toyosu) | | Establishment of transportation network (subway, BRT, new roads, etc.) | |
| | Aging infrastructure | Concentrated reconstruction of Tohoku | Reconstruction and recreation of the Tohoku area | | |
| | Transportation system | Measures to address the aging of expressways, bridges and sewage | | | |
| Environment and energy | | EV and PHV/EV charging stations | | ITS(Intelligent Transport Systems) | |
| | | BEMS/HEMS | Deregulation of power retail | NEW Revised FIT Act(effective) | Separation of generation and transmission |
| | | Solar power | Batteries, intake of electrical power for entire apartment buildings | | NEW Year 2019 issue (note) |
| | | | | | |
| ICT-related technology | Broadcasting | Smart TV | 4K/8K broadcasting | | Merging of communication and broadcasting |
| | ICT | Cloud | M2M | Big Data | NEW IoT |
| | Security | Cyber security/Sensor networks | | | |
| | Government | My Number system | | | |

Comparison of Rate of Elimination of Power Poles with Other Countries



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

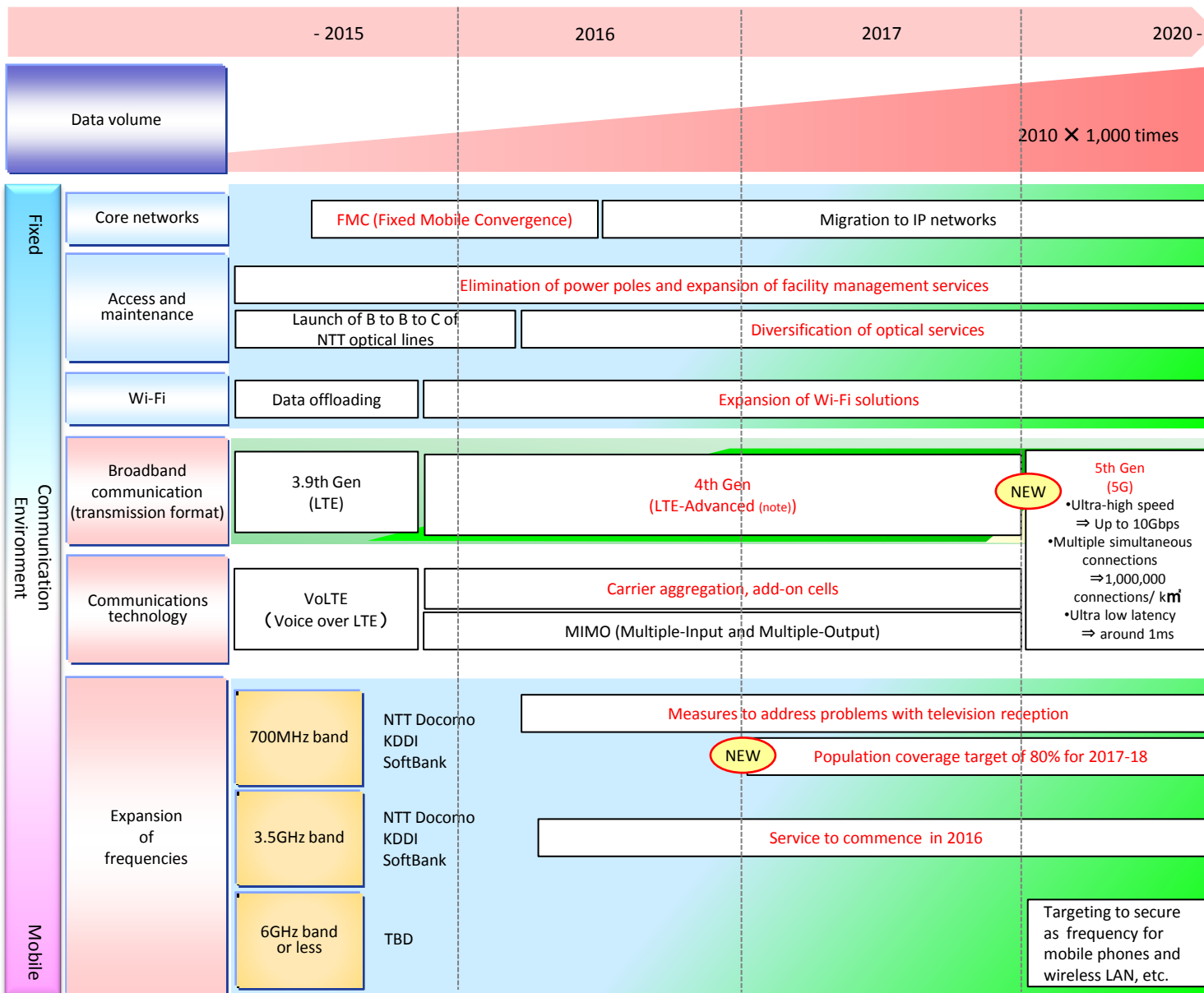
(Domestic) Ratio and number of obsolete facilities (Proportion of facilities constructed 50 or more years ago)



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

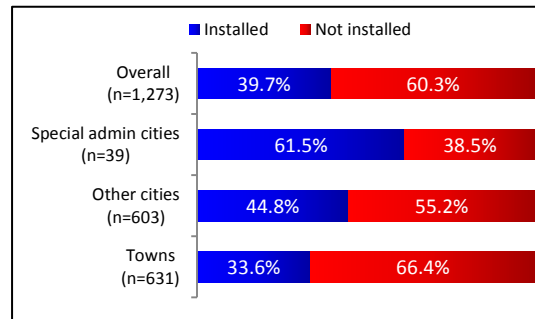
(Note)End of term of purchase contract for households selling solar power to electricity companies under the feed-in-tariff scheme.

Changes in the Communications Environment



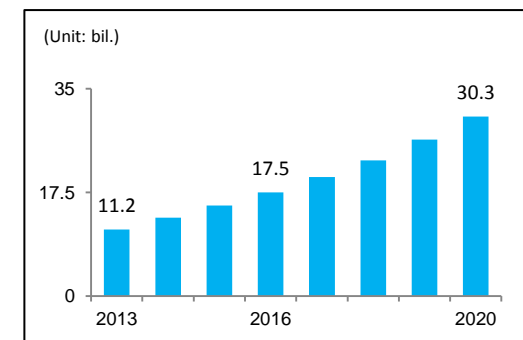
(Note) LTE-Advanced is a mobile phone standard positioned as being 4th generation (4G). It enables high capacity and high speed communication by combining technologies such as carrier aggregation.

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



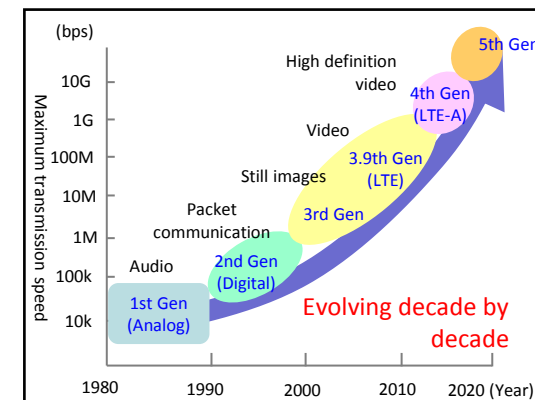
Source: MIRAIT, based on materials published by the Association for Promotion of Public Local Information and Communication

(Global) Trends and forecast for number of IoT devices



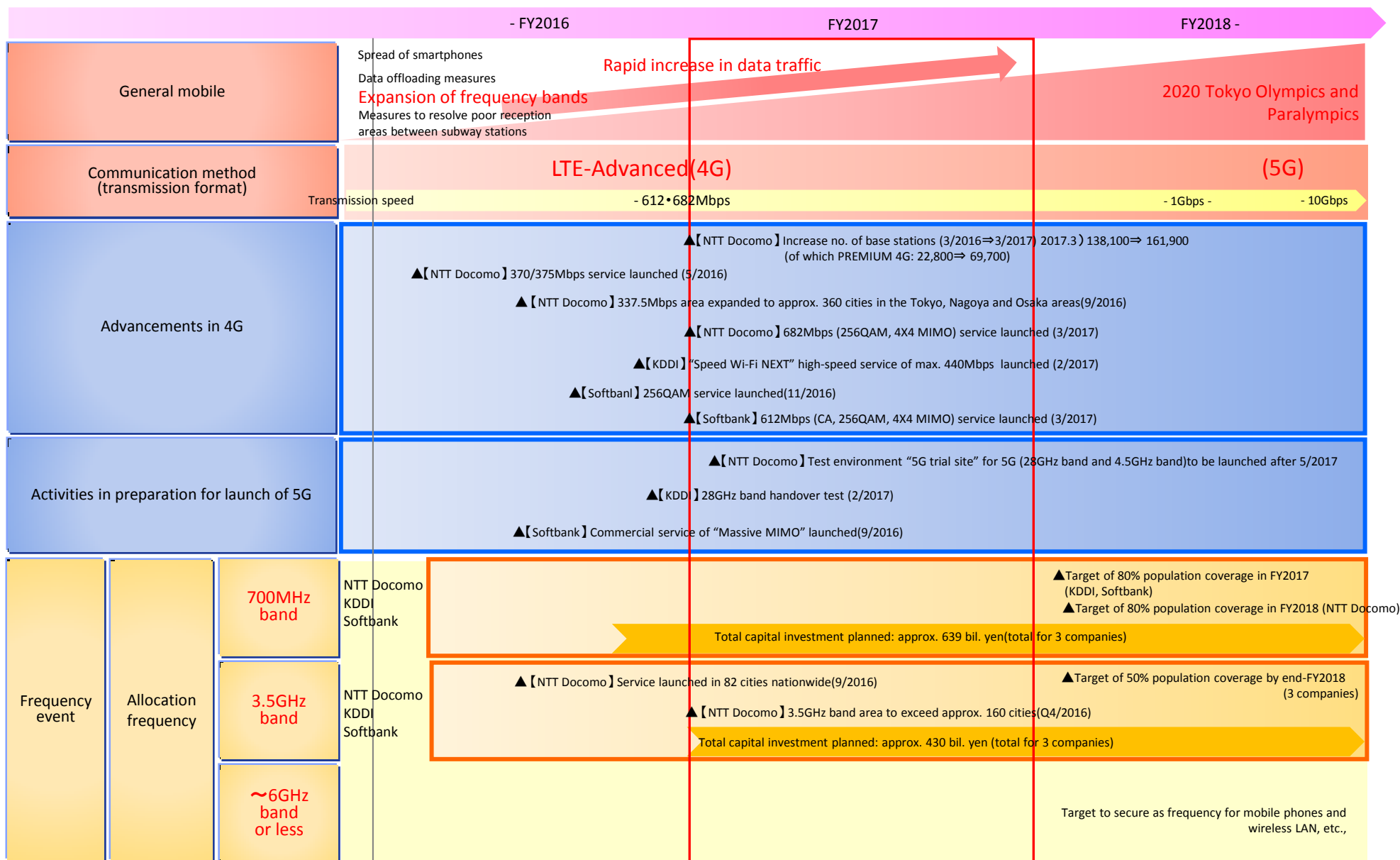
Source: MIRAIT, based on materials published by the Ministry of Internal Affairs and Communications

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



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

4. Changes in the Market Environment for the Mobile Business



(Note)1. PREMIUM 4G is a communication service using carrier aggregation technology provided by NTT Docomo.

2. 256QAM is a technology that increases the density of information to increase the volume of data that can be transmitted at once.

3. 4X4 MIMO is a technology that increases data volume and transmission speed by using four antennas embedded in each of the terminals as well as base stations.

4. Massive MIMO is a technology that increases the capacity at the base stations to enhance the volume of data that can be transmitted at once and transmission speed.

Source: MIRAIT from publicly available information

5. Supplementary Financial Information

(1) Historical Performance

| Unit: bil. yen | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 | FYE March 2018 (Plan) |
|------------------------|----------------|----------------|----------------|----------------|-----------------------|
| Orders received | 282.0 | 293.6 | 260.7 | 323.3 | 310.0 |
| Net sales | 277.7 | 283.7 | 269.5 | 283.2 | 310.0 |
| Gross profit | 29.9 | 33.1 | 25.8 | 33.5 | 37.2 |
| Gross profit margin | 10.8% | 11.7% | 9.6% | 11.8% | 12.0% |
| SG&A | 18.5 | 18.9 | 19.7 | 23.4 | 24.7 |
| SG&A ratio | 6.7% | 6.7% | 7.3% | 8.3% | 8.0% |
| Operating income | 11.4 | 14.1 | 6.1 | 10.0 | 12.5 |
| Operating income ratio | 4.1% | 5.0% | 2.3% | 3.5% | 4.0% |
| Ordinary income | 12.2 | 14.8 | 6.7 | 10.5 | 13.0 |
| Ordinary income ratio | 4.4% | 5.2% | 2.5% | 3.7% | 4.2% |
| Net income | 7.1 | 11.1 | 3.6 | 6.4 | 8.0 |
| Net income ratio | 2.6% | 3.9% | 1.3% | 2.3% | 2.6% |

* Figures are rounded down to one decimal place.

(2) Orders Received and Net Sales by Business Category

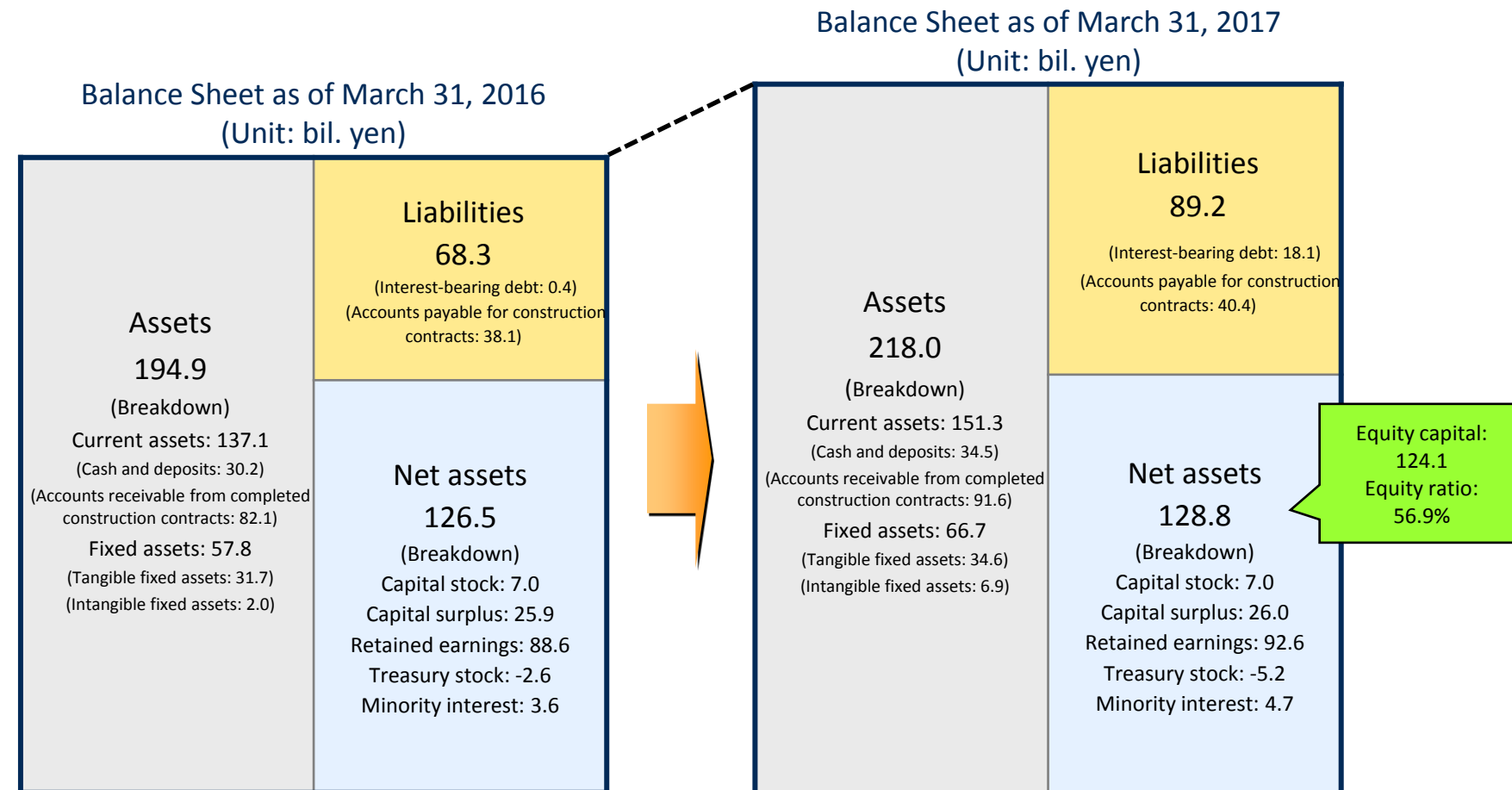
| Orders received Unit: bil. yen | FYE March 2016 | FYE March 2017 | YoY Change (%) | FYE March 2018 (Plan) | YoY Change (%) |
|--|----------------|----------------|-----------------------------|-----------------------|----------------------------|
| | (a) | (b) | (b)-(a) | (c) | (c)-(b) |
| NTT Business | 95.7 | 104.2 | + 8.5 (+ 8.9%) | 92.0 | - 12.2 (- 11.7%) |
| Multi-carrier Business | 73.1 | 88.6 | + 15.5 (+ 21.2%) | 84.5 | - 4.1 (- 4.6%) |
| Environmental and Social Innovation Business | 46.2 | 59.0 | + 12.8 (+ 27.7%) | 56.0 | - 3.0 (- 5.1%) |
| ICT Solution Business | 45.5 | 71.4 | + 25.9 (+ 56.9%) | 77.5 | + 6.1 (+ 8.5%) |
| Total | 260.7 | 323.3 | + 62.6 (+ 24.0%) | 310.0 | - 13.3 (- 4.1%) |

| Net sales Unit: bil. yen | FYE March 2016 | FYE March 2017 | YoY Change (%) | FYE March 2018 (Plan) | YoY Change (%) |
|--|----------------|----------------|----------------------------|-----------------------|----------------------------|
| | (a) | (b) | (b)-(a) | (c) | (c)-(b) |
| NTT Business | 95.1 | 98.2 | + 3.1 (+ 3.3%) | 95.0 | - 3.2 (- 3.3%) |
| Multi-carrier Business | 76.1 | 76.9 | + 0.8 (+ 1.1%) | 79.0 | + 2.1 (+ 2.7%) |
| Environmental and Social Innovation Business | 53.6 | 42.0 | - 11.6 (- 21.6%) | 59.0 | + 17.0 (+ 40.5%) |
| ICT Solution Business | 44.5 | 65.9 | + 21.4 (+ 48.1%) | 77.0 | + 11.1 (+ 16.8%) |
| Total | 269.5 | 283.2 | + 13.7 (+ 5.1%) | 310.0 | + 26.8 (+ 9.5%) |

* Figures are rounded down to one decimal place.

(3) Assets, Liabilities and Net Assets

- Total assets increased from 194.9 bil. yen to 218.0 bil. yen due to an increase in accounts receivable and goodwill, among others.
- Liabilities increased from 68.3 bil. yen to 89.2 bil. yen due to the issuance of convertible bonds (16.5 bil. yen), among other factors.
- Net assets increased from 126.5 bil. yen to 128.8 bil. yen as a result of an increase in retained earnings and the share repurchase of 2.5 bil. yen (equity ratio: 56.9%) .



*Figures are rounded down to one decimal place.

(4) Key Performance Indicators

Capital-related Indicators

| | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 | FYE March 2018 (Forecast) |
|------------------------|----------------|----------------|----------------|----------------|---------------------------|
| Equity ratio | 63.0% | 63.8% | 63.1% | 56.9% | 58.0% |
| Return on equity (ROE) | 6.7% | 9.5% | 3.0% | 5.2% | 6.3% |

Shareholder Return Indicators

| | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 | FYE March 2018 (Forecast) |
|-----------------------|----------------|----------------|----------------|----------------|---------------------------|
| Dividend payout ratio | 22.9% | 22.0% | 67.2% | 37.6% | 29.6% |
| Total return ratio | 36.7% | 22.0% | 67.2% | 76.6% | 29.6% |

Capital Expenditure / Depreciation and Amortization

| Unit: bil. yen | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 | FYE March 2018 (Forecast) |
|-------------------------------|----------------|----------------|----------------|----------------|---------------------------|
| Capital expenditure | 3.2 | 3.2 | 3.7 | 4.6 | 9.2 |
| Depreciation and amortization | 2.2 | 2.4 | 2.4 | 2.8 | 2.7 |

* Figures are rounded down to one decimal place.

Cash Flows

| Unit: bil. yen | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 |
|----------------------|----------------|----------------|----------------|----------------|
| Operating cash flow | 9.0 | 18.6 | 6.2 | 4.7 |
| Investment cash flow | - 2.7 | - 3.8 | - 3.6 | - 11.1 |
| Financial cash flow | - 3.5 | - 2.2 | - 2.6 | 10.4 |
| Free cash flow | 6.3 | 14.8 | 2.6 | - 6.4 |

(Note) Free cash flow = operating cash flow + investment cash flow

Cash and Deposits/ Interest-bearing Debt

| Unit: bil. yen | FYE March 2014 | FYE March 2015 | FYE March 2016 | FYE March 2017 |
|---------------------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents | 16.7 | 29.2 | 29.1 | 33.1 |
| Interest-bearing debt | - 0.5 | - 0.3 | - 0.4 | - 18.1 |
| Net cash | 16.2 | 28.9 | 28.7 | 15.0 |

(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