



# Presentation Materials

December, 2017



MIRAIT Holdings Corporation

## I. Profile of the MIRAIT Group

1. Message from the President	3
2. Overview of MIRAIT Holdings	4
3. Establishment of the MIRAIT Group	5
4. The Company's Initiatives Since Establishment	6

## II. Medium-term Management Plan

1. Overview of New Mid-term Plan	8
2. Transformation into a "Comprehensive Engineering and Service Company"	9 - 10

## III. Performance and Financial Overview

1. Historical Performance	12
2. Financial Overview for the Six Months Ended September 30, 2017	13 - 14
3. Shareholder Returns	15

## IV. Trends in Each Business

1. Trends in the NTT Business	17 - 18
2. Trends in the Multi-carrier Business	19 - 20
3. Trends in the Environmental & Social Innovation Business	21 - 22
4. Trends in the ICT Solution Business	23 - 24
5. Initiatives in New Solutions	25 - 26
6. Recent Initiatives for Business Expansion	27
7. Initiatives to Build a Stronger Business Base	28

## V. Reference Materials

1. Business Overview	30 - 33
2. Expansion of Business Areas Utilizing Technologies	34
3. Changes in the Business Environment through 2020	35 - 36
4. Changes in the Market Environment for the Mobile Business	37
5. Current Industry Conditions	38

## VI. Supplementary Financial Information

1. Supplementary Financial Information	40 - 44
2. Major Shareholders	45
3. Share Price	46

---

Precautionary Statement	47
-------------------------	----



# I. Profile of the MIRAIT Group

# 1. Message from the President

In Japan today, new growing markets have been created along with the **social innovation** which has been accelerated by promoting a growth strategy with the government and the private sector working and by developing ICT technology. At the same time, Japan is now facing the task of **rebuilding social infrastructure**, including communication networks, due to reconstruction after the 2011 Earthquake, measures to address aging infrastructure, environmental and energy issues, as well as the 2020 Olympics in Tokyo.

In such a period of transition, as its name "**MIRAI (Future) + IT**" suggests, the MIRAIT Group will actively face the challenge of expanding its business domains to resolve new issues for a new era with customers based on the reliable technology.

MIRAIT would also like to maximize shareholder value as a "**Comprehensive Engineering and Service Company**" that lives up to customers' expectations.

## Origin of the Company Name

Combining the words MIRAI, which means **future in Japanese, and IT (information technology)**, this corporate name is a simple expression of the resolve to become a comprehensive engineering & services company.

<Two keywords>

"MIRAIT" ..... "Future"

"MIRAIT" ..... "Information Technology"

## Logo

**Three ideas** are represented by the three thick lines. These are depicting high quality businesses spanning the globe to create an overall M image. It represents our aspiration to move into the future.



## Three Ideas

1. Expand the **"breadth" of our business domains**  
→ Expansion from upstream to downstream processes (from planning & designing to, maintenance & operation, etc.)
2. Increase the **"height" of our business domains**  
→ Total solutions incorporating NI + upper layer + lower layer
3. Work to **expand into new business domains**  
→ Contribute to the creation of social infrastructure of electric power, the environment and energy



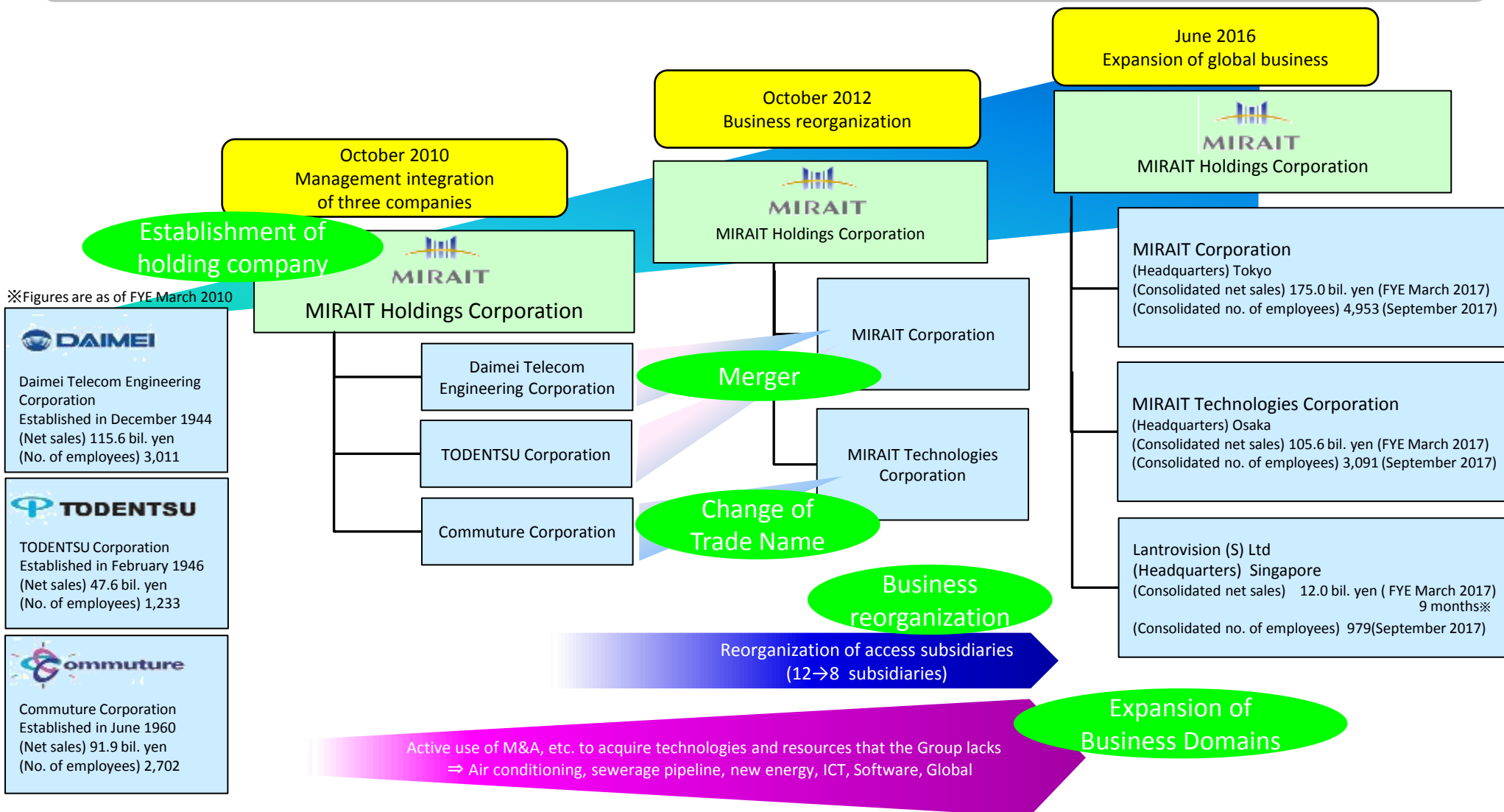
President and Chief Executive Officer  
Masatoshi Suzuki

## 2. Overview of MIRAIT Holdings (As of September 30, 2017)

Established	October 1, 2010
Paid-in capital	7 billion yen
President (CEO)	Masatoshi Suzuki
Shares	【Total outstanding shares】 85,381,866 shares
Stock listing	1 <sup>st</sup> 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 September 30, 2017)	53
Number of employees ( as of September 30, 2017)	【Consolidated】9,128 (MIRAIT Holdings: 105, MIRAIT: Consolidated 4,953, MIRAIT Technologies: Consolidated 3,091, Lantrovision: Consolidated 979)
Fiscal year-end	March 31 <sup>st</sup> of each year
Business description	Telecommunications engineering work, electrical work, civil engineering work and building construction work; management of subsidiaries and Group companies

### 3. Establishment of the MIRAITS Group

- MIRAITS 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 (MIRAITS and MIRAITS Technologies).
- Since the management integration, the MIRAITS Group has pressed forward with the structural shift to become a “Comprehensive Engineering and Service Company” through M&A and other efforts.

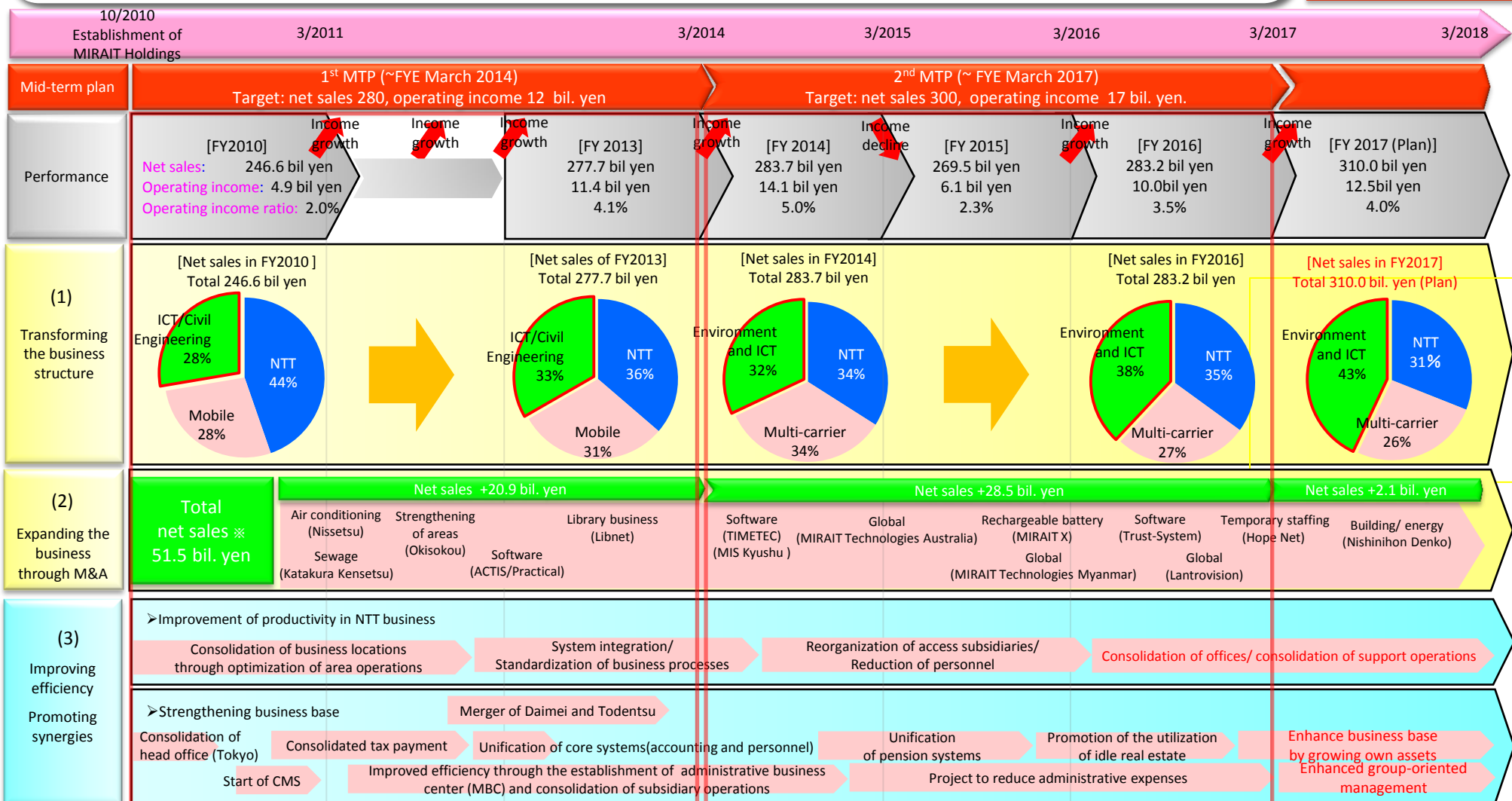


## 4. The Company's Initiatives Since Establishment

- 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 business, raising the sales ratio from 28% to 38%.**  
(In FYE Mar 2021, expand into the environmental & Social and ICT business to more than 50% of total sales.)
- 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 3<sup>rd</sup> 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.



## II. Medium-term Management Plan

(FY2017-2020)



# 1. Overview of New Mid-term Plan

## Business Environment

### Changes in Social Structure

- Growth strategies of the Japanese Government (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

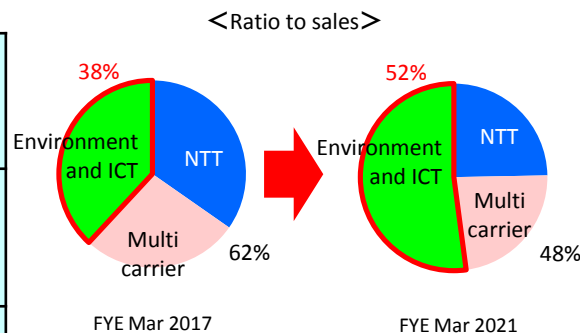
Tailwind for the MIRAIT Group

## Key Initiatives

- Expanding the business domains and transform the business model  
⇒ Expand into "frontier domains".  
(Environmental and energy, Stock business and global business)  
⇒ Enhance sales capabilities through partnerships.  
⇒ Broaden the line-up of services by quality and price.
- Profit-oriented business operations  
⇒ Smooth construction workload and Initiatives to improve productivity  
⇒ Achieve better efficiency by review group formations.  
⇒ Enforcing the better income / expense management of individual projects.
- Strengthening human resources / Changing the corporate culture  
⇒ Enhance comprehensive engineering capabilities.  
⇒ Promoting CSR. (Enhanced governance and environmental initiatives)  
⇒ Promoting workstyle reforms.

## Numerical Targets for FYE March 2021

Net sales	340.0 bil. yen
Operating income (Operating income ratio)	17.0 bil. yen (5.0%)
ROE	More than 8%

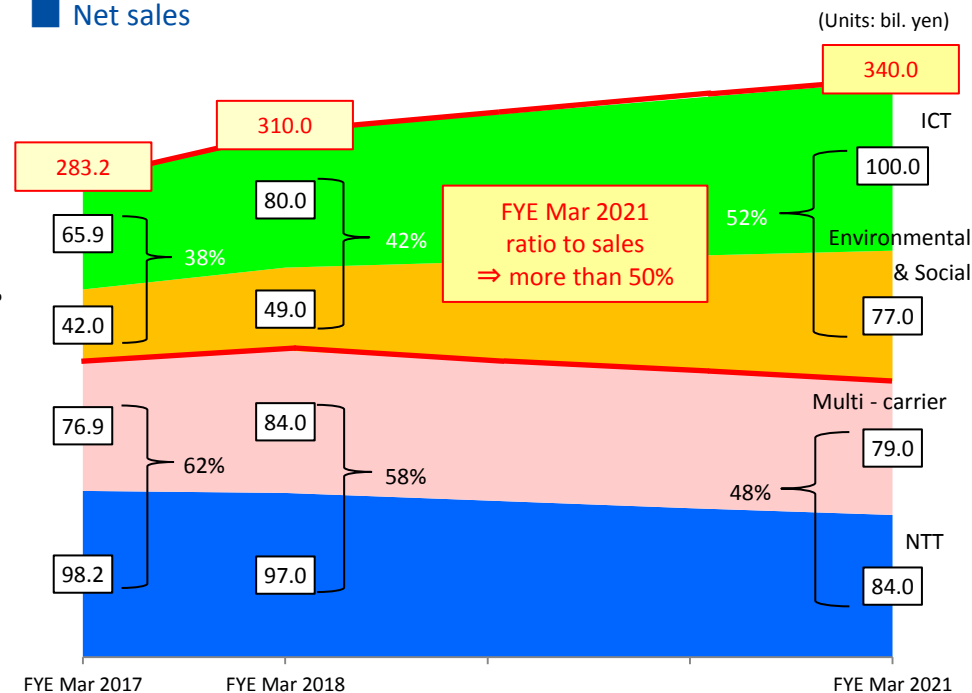


Expand into the Environmental & Social and ICT business to **more than 50% of total sales.**

### Shareholder return policy

- 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%.

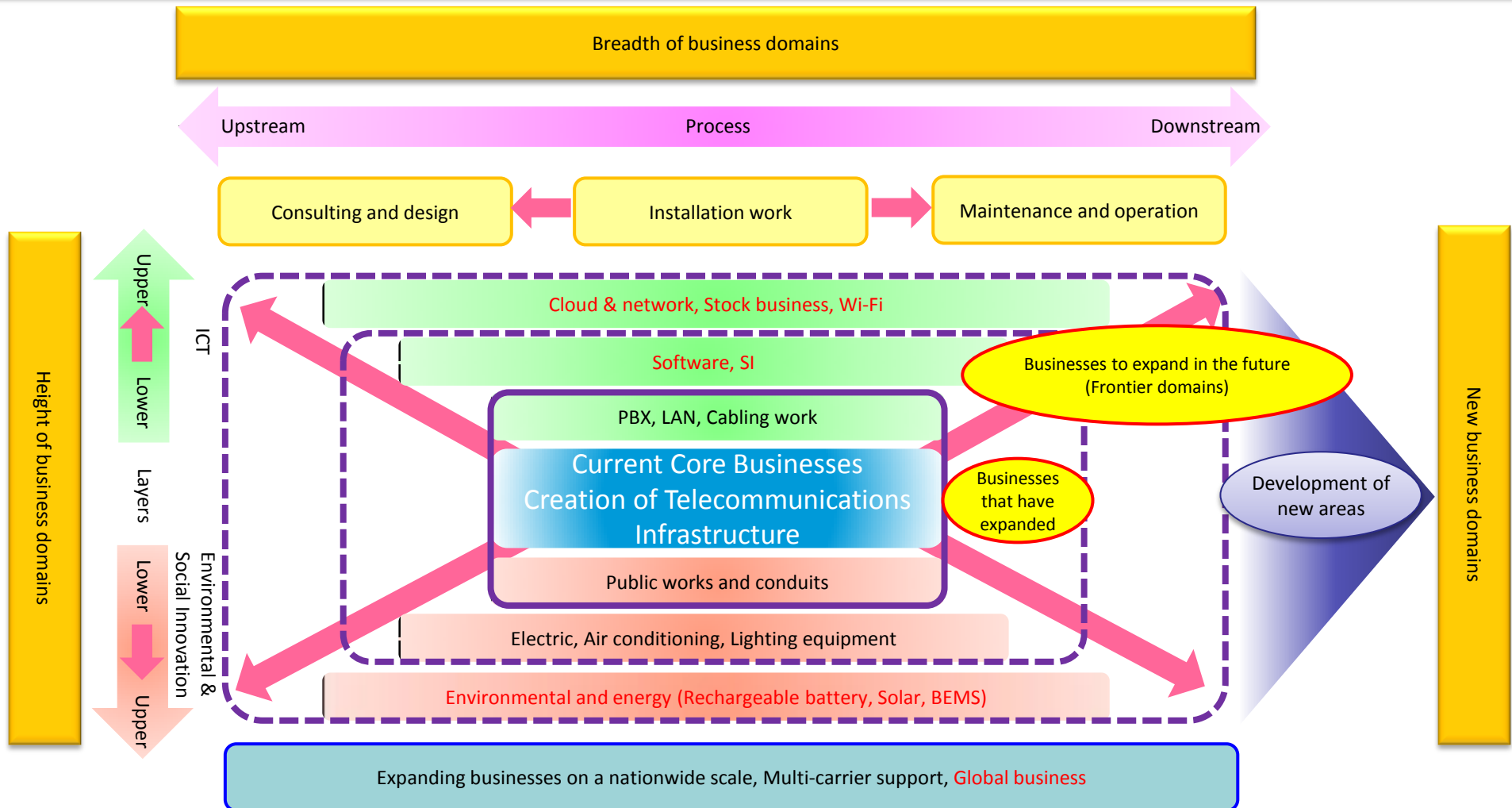
## Net sales



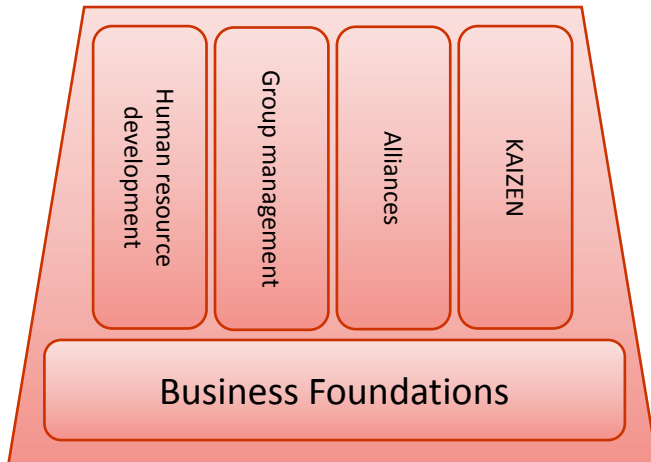
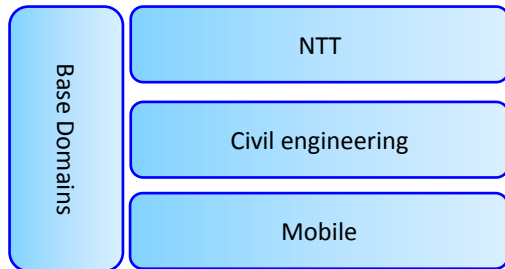
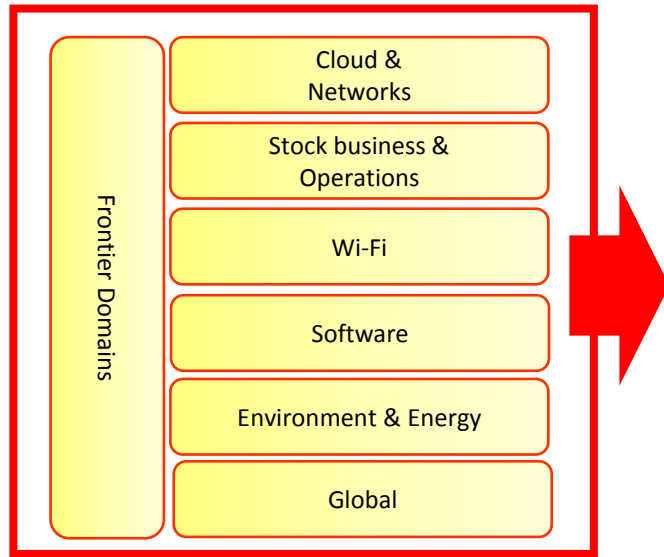
## 2. Transformation into a "Comprehensive Engineering and Service Company"

### (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 → 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"



## (2) Future Focus Areas (Frontier Domains)



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



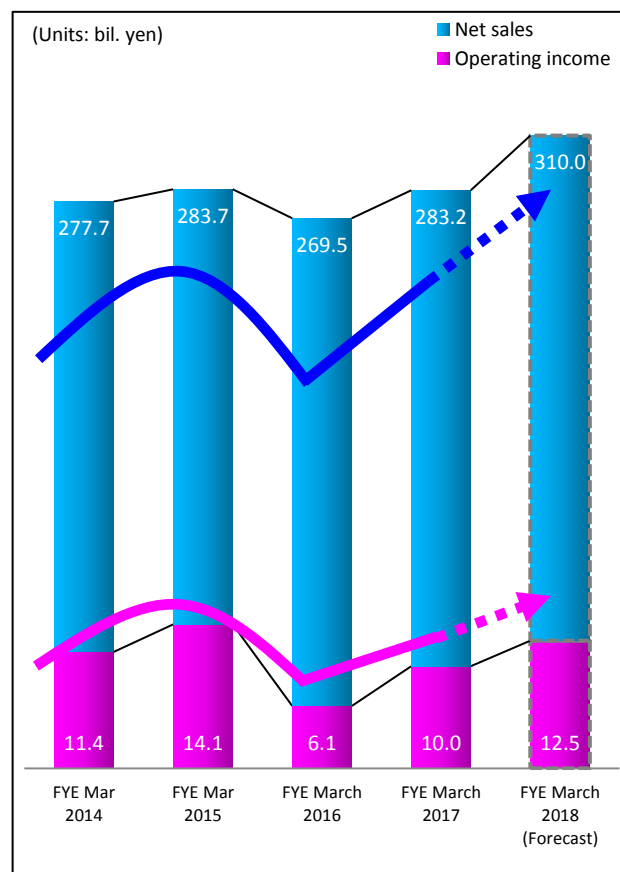
## III. Performance and Financial Overview

# 1. Historical Performance

- ~FYE 3/2015: Synergies through management integration and transformation of business structure led to increased revenue and income for three consecutive years.
- FYE 3/2016: Substantial decrease in revenue and income due to decreased in the multi-carrier business and the impact of unprofitable software projects.
- FYE 3/2017: Improved financial results given the absence of unprofitable software projects and the contribution of newly acquired companies, etc.
- FYE 3/2018: Net sales projected to exceed 300 billion yen for the first time, and operating income is projected to recover to 12.5 billion yen.

Unit: bil. yen	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2018 (Plan)
<b>Net sales</b>	277.7	283.7	269.5	283.2	310.0
NTT	99.9	95.6	95.1	98.2	97.0
Multi-carrier	98.4	96.1	76.1	76.9	84.0
Environmental & Social Innovation	28.5	45.8	53.6	42.0	49.0
ICT Solutions	50.8	46.1	44.5	65.9	80.0
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%
<b>Operating income</b>	11.4	14.1	6.1	10.0	12.5
Operating income ratio	4.1%	5.0%	2.3%	3.5%	4.0%

## Net Sales and Operating Income



## 2. Financial Overview for the Six Months Ended September 30, 2017

Units: bil. yen	FYE March 2017 Q2	FYE March 2018 Q2	YoY Change	
			Amount	%
Orders received	148.2	156.9	+ 8.7	+ 5.9%
Net sales	106.8	132.2	+ 25.4	+ 23.8%
NTT	38.8	44.1	+ 5.3	+ 13.7%
Multi-carrier	28.7	35.8	+ 7.1	+ 24.7%
Environmental & Social Innovation	14.8	15.6	+ 0.8	+ 5.4%
ICT Solution	24.4	36.5	+ 12.1	+ 49.6%
Gross profit (Gross profit margin)	10.3 (9.6%)	16.2 (12.3%)	+ 5.9 (+ 2.7p)	+ 57.3%
SG&A (SG&A ratio)	11.2 (10.5%)	11.7 (8.9%)	+ 0.5 (- 1.6p)	+ 4.5%
Operating income (Operating income ratio)	- 0.9 (-)	4.5 (3.4%)	+ 5.4 (-)	-
Ordinary income (Ordinary income ratio)	- 1.1 (-)	5.1 (3.9%)	+ 6.2 (-)	-
Net income (Net income ratio)	- 1.4 (-)	2.7 (2.0%)	+ 4.1 (-)	-
Construction account carried forward	116.1	139.5	+ 23.4	-

### Key Highlights for Q2

#### Significant year-on-year growth in sales and profits

- Orders received: Steady across all businesses, totaling 156.9 bil. yen (+8.7 bil. yen yoy), despite the cancellation of an order in the Environmental & Social Innovation business.

Orders received (Unit: bil. yen)	FYE March 2017	FYE March 2018	
	Q2 Actual	Q2 Actual	YoY Change
NTT	48.4	46.5	- 1.9
Multi-carrier	37.8	47.3	+ 9.5
Environmental & Social	29.3	20.5	- 8.8
ICT	32.7	42.4	+ 9.7
Total	148.2	156.9	+ 8.7

- Net sales: Record high for Q2 of 132.2 bil. yen (+25.4 bil. yen yoy) thanks to the increase in optical-related work and smoothing of workload for mobile work.
- Gross profit: Up by 5.9 bil. yen yoy to 16.2 bil. yen, reflecting the increase in net sales, improved margins across all businesses, and the absence of unprofitable projects.
- SG&A: Up by 0.5 bil. yen yoy to 11.7 bil. yen due to the increase in SG&A for companies acquired in the previous year, but SG&A ratio improved.
- Operating income: Significant increase to 4.5 bil. yen (+5.4 bil. yen yoy).
- Construction account carried forward: Remains high at 139.5 bil. yen (+23.4 bil. yen yoy).

Note: In this presentation material, “quarterly net income” refers to “profit attributable to owners of parent for the quarter”.

## Detailed Analysis of Net Sales [YoY Comparison]

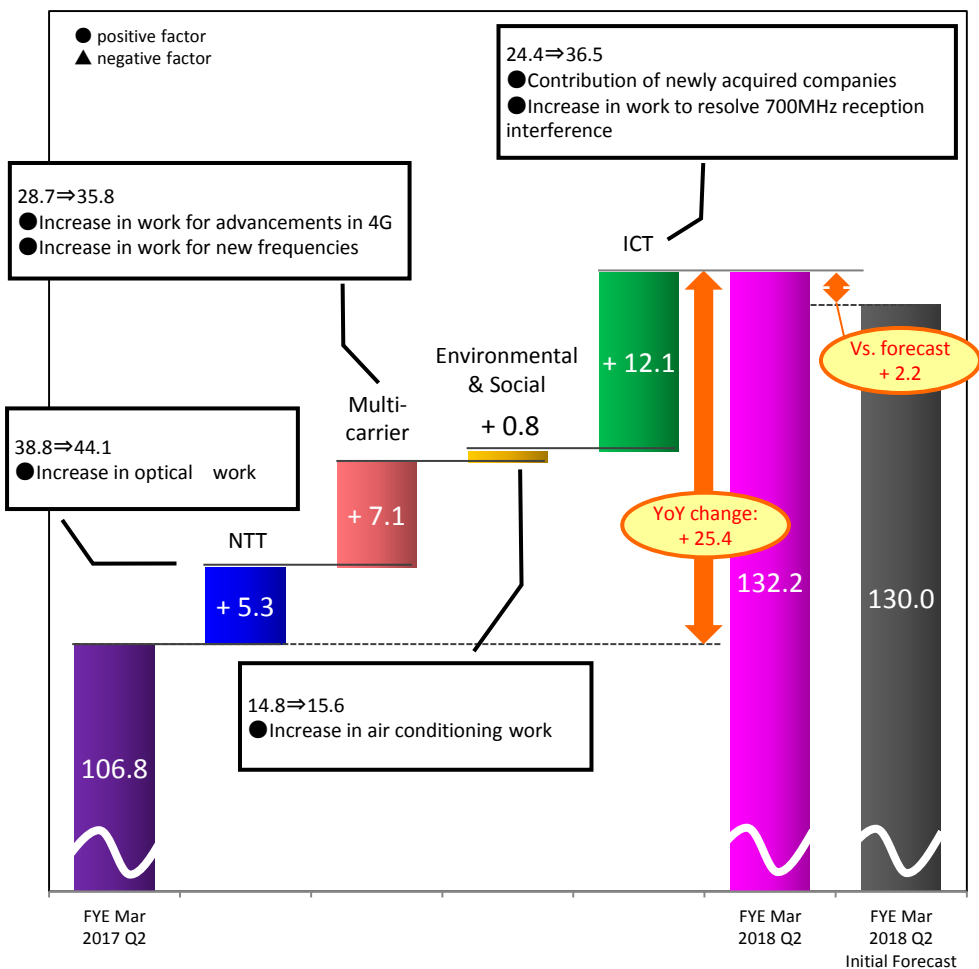
- NTT: **increase in optical work**
- Multi-carrier: **increase in work for advancements in 4G and new frequencies**
- Environmental & Social Innovation: **increase in air conditioning work**
- ICT Solutions: **contribution of newly acquired companies and increase in work to resolve 700MHz reception interference**

## Detailed Analysis of Operating Income [YoY Comparison]

- Impact of **increase in net sales**: +2.4 bil. yen
- Impact of **improved margins across all businesses and absence of unprofitable projects**: +3.5 bil. yen
- Impact of increase in SG&A due to M&A: -0.5 bil. yen

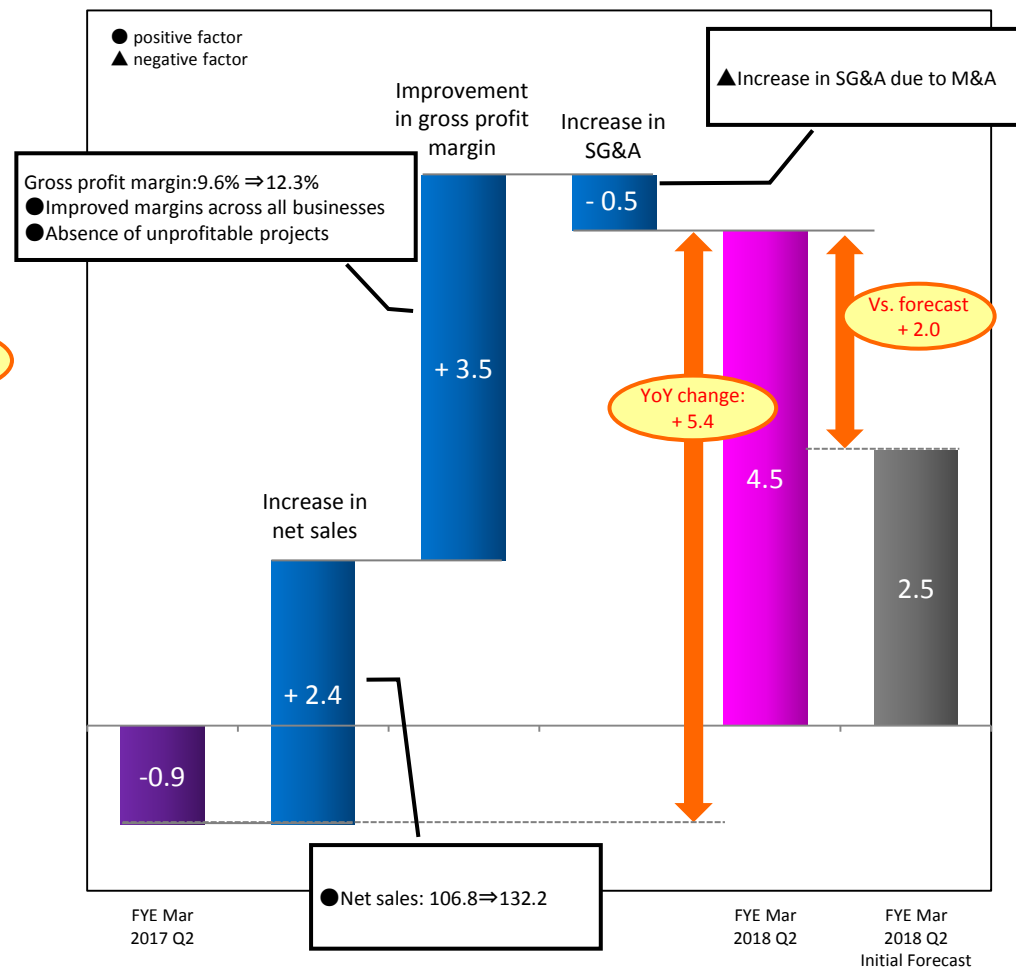
### Net sales

(Unit: bil. yen)



### Operating income

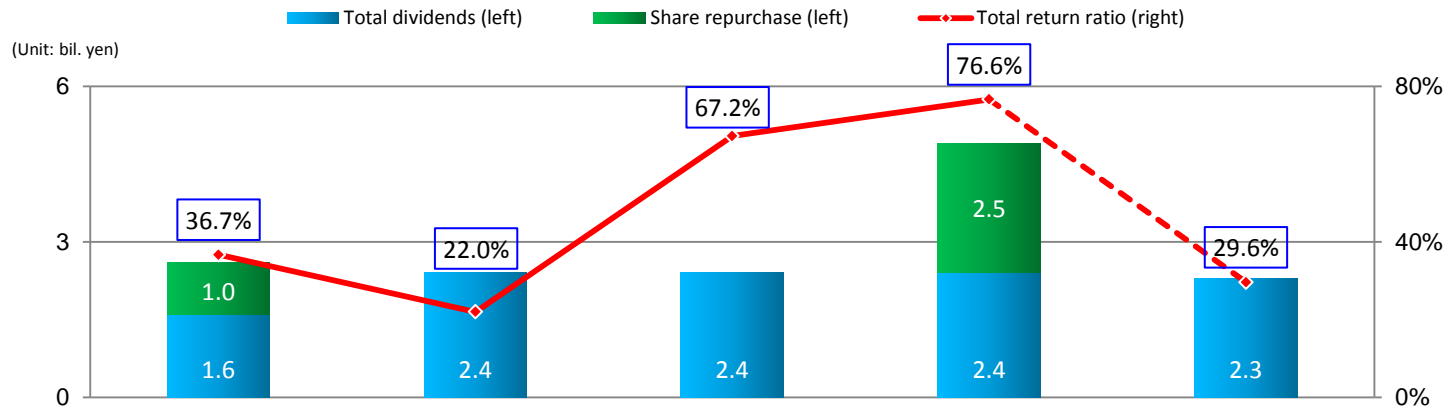
(Unit: bil. yen)



### 3. Shareholder Returns

- Comprehensive decisions on shareholder returns will be made based on the Company's basic policy to pay dividends consistently and its total shareholder return target of more than 30%, while also taking into consideration the Company's business results and cash position, among other factors.
- The dividend forecast for FYE 3/2018 is flat over the previous year, at 30 yen (interim dividend: 15 yen, year-end dividend: 15 yen).

#### 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
Share repurchase		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%



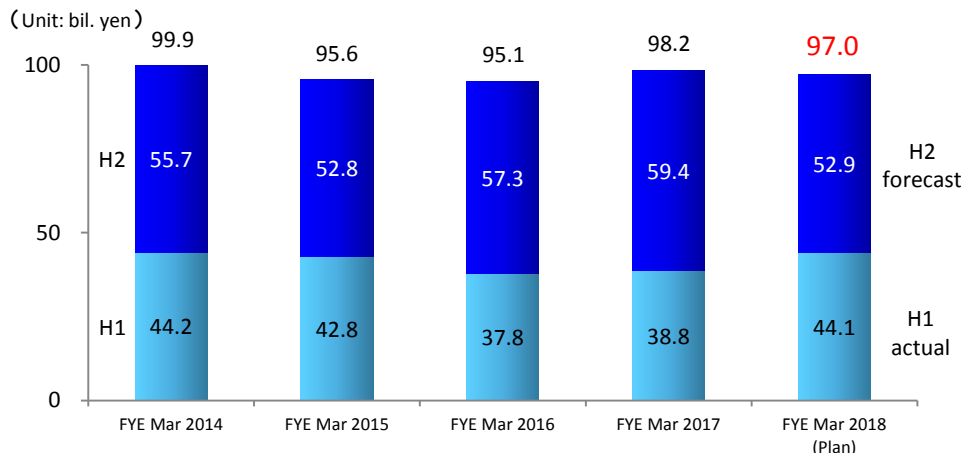


## IV. Trends in Each Business

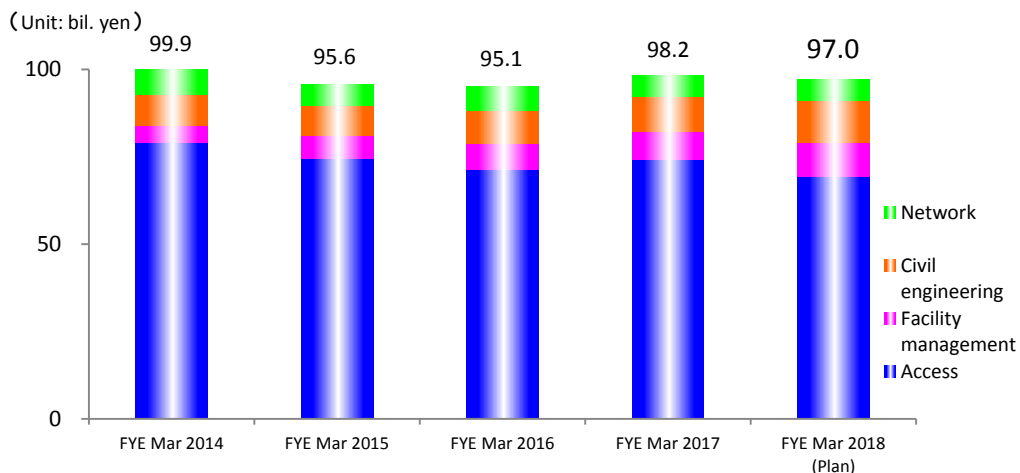
# 1. Trends in the NTT Business

- Optical work is increasing in line with the penetration of NTT optical lines, despite the downward trend in NTT's investment activities.
- Civil engineering work and facility management operations are increasing, but work for scheduled utility pole renewals are decreasing.
- Continue efforts to improve operational efficiency, including the consolidation of office locations.

## Net sales



## Breakdown of net sales



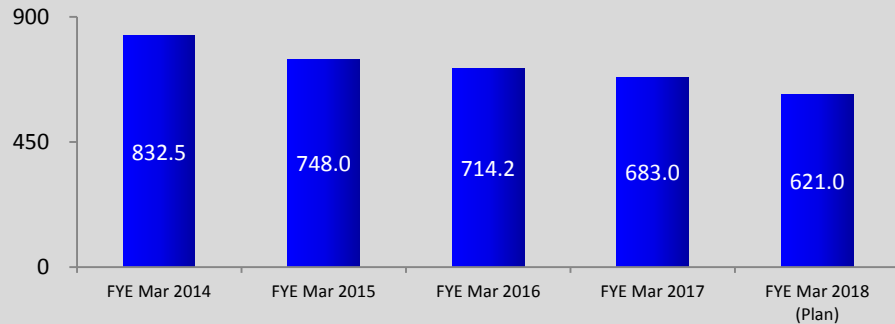
※Under the Hikari Collaboration model, a company borrows NTT's optical lines and offers its own service as a package.

## Update on key initiatives

		Initiatives
Sales growth	Optical work	<ul style="list-style-type: none"> <li>Increase optical work in line with the penetration of Hikari Collaboration ※ (net sales: +7% yoy)</li> </ul>
	Civil engineering	<ul style="list-style-type: none"> <li>Expand civil engineering business ⇒ work to lay power lines underground and to repair conduits (net sales: +0.8 bil. yen yoy)</li> </ul>
	Facility management	<ul style="list-style-type: none"> <li>Expand contracted work in West Japan ⇒ 119 buildings in FYE 3/2017 → 222 buildings in FYE 3/2018</li> </ul>
Enhancing efficiency/capabilities	Establishing an efficient operation system	<ul style="list-style-type: none"> <li>Consolidate office locations to reduce back office operations and improve efficiency ⇒ Chiba east area: planning started in 4/2017 (Scheduled to be completed in 6/2019) ⇒ consolidation of offices in Tokyo and Kanagawa being considered</li> </ul>
	Promoting use of IT	<ul style="list-style-type: none"> <li>Improve efficiency of operational processes ⇒ real-time photo inspection using smartphones and tablet devices (from 10/2017) ⇒ use of GPS data</li> </ul>
	Enhancing work capabilities	<ul style="list-style-type: none"> <li>Enhance in-house capabilities at subsidiaries</li> <li>Support subcontractors to expand their capabilities (develop "multi-skilled" subcontractors)</li> </ul>

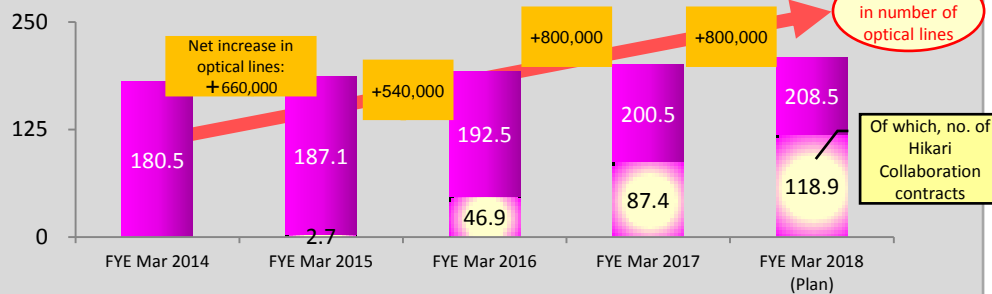
## Capital investments by NTT East, NTT West and NTT Communications

(Unit: bil. yen)



## (Reference) No. of NTT optical line contracts

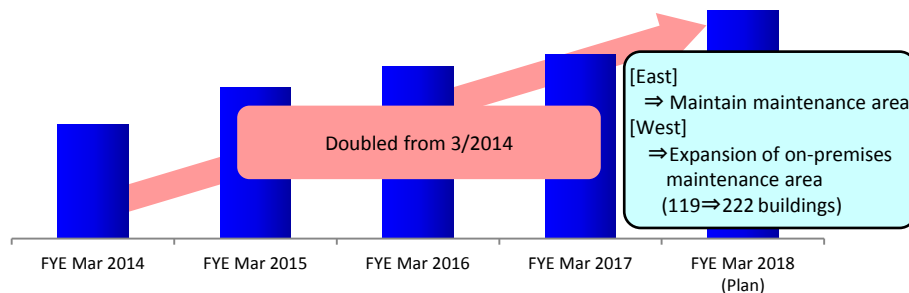
(Units: million subscribers)



Source: MIRAIT from company information

## Growth in facility management operations

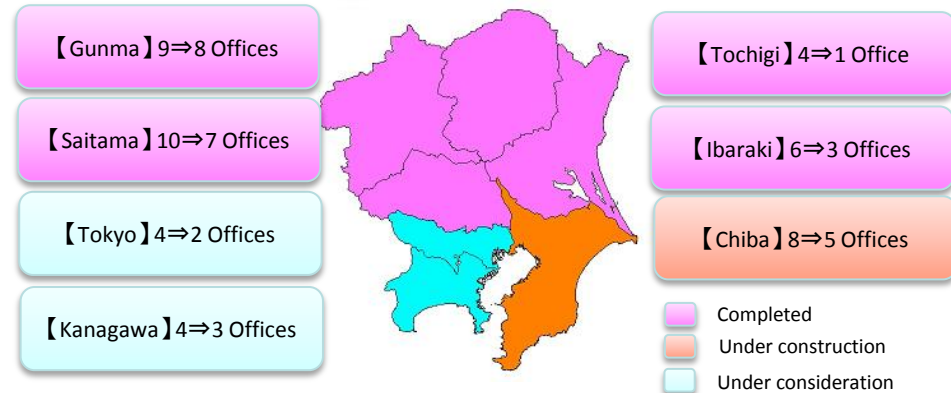
- Repairs and management of facilities in certain work areas are now fully outsourced from NTT to MIRAIT.



## 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.
- ⇒ Planning started for the construction work office in Chiba east area (Scheduled to be completed in 6/2019).
- ⇒ Consolidation of offices in Tokyo and Kanagawa being considered.



## Initiatives to improve skills

The “Competition on Optical Work Skills” is held every year with 17 participating telecommunications construction companies, for the purpose of improving engineers’ skills in the area of telecommunications work. **Mirait group companies** came in 1<sup>st</sup> place twice and 2<sup>nd</sup> place twice in the past 5 years. The 2017 competition was held at Kyoto Pulse Plaza on 7/28, and Mirait took 1<sup>st</sup> place.

### <Results>

Year	Result	Company
2013	2 <sup>nd</sup> place	Mirait Technologies
2014	1 <sup>st</sup> place	Mirait Technologies
2016	2 <sup>nd</sup> place	Mirait Technologies
2017	1 <sup>st</sup> place	Mirait

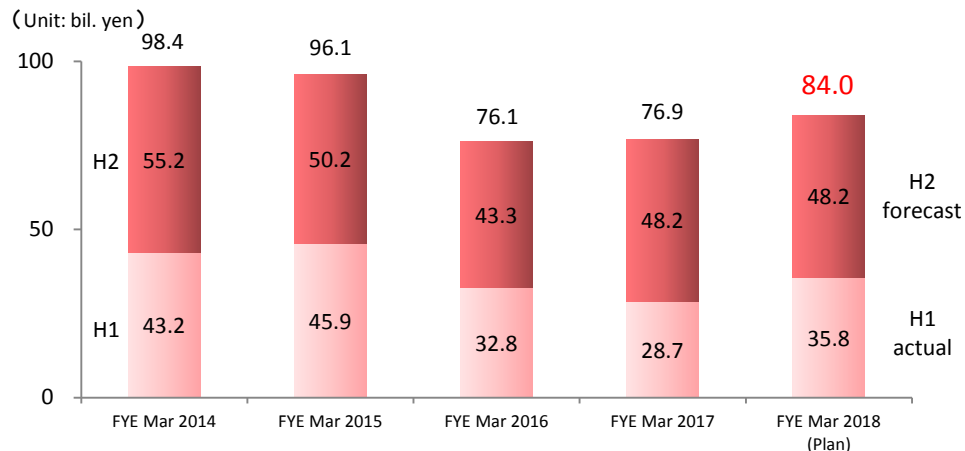
### <Awards ceremony in 2017>



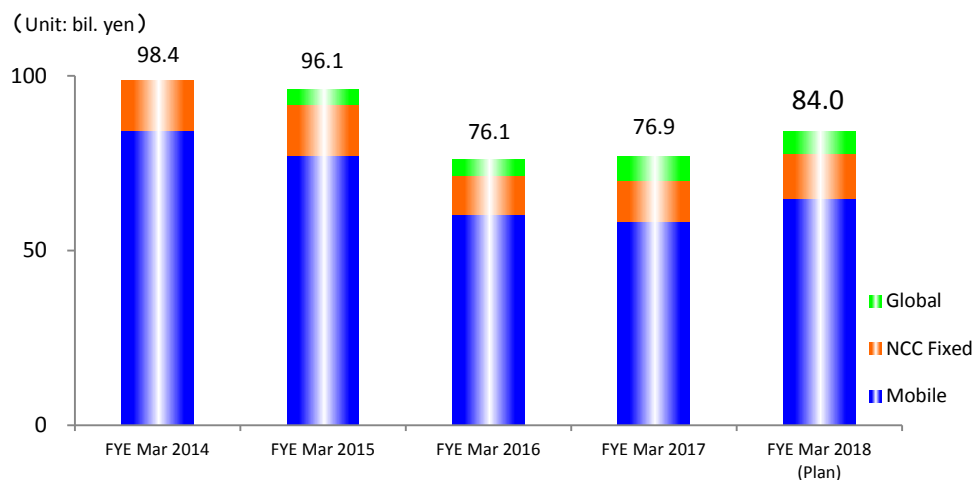
## 2. Trends in the Multi-carrier Business

- Pick-up in mobile carriers 's investment activities in work for advancements in 4G and new frequencies (700MHz, 3.5GHz).
- Achieve sales and profit growth through efforts to complete projects and improve margins in the mobile business.
- Improve gross margins and stabilize operations at subsidiaries in the global business.

### Net sales



### Breakdown of net sales

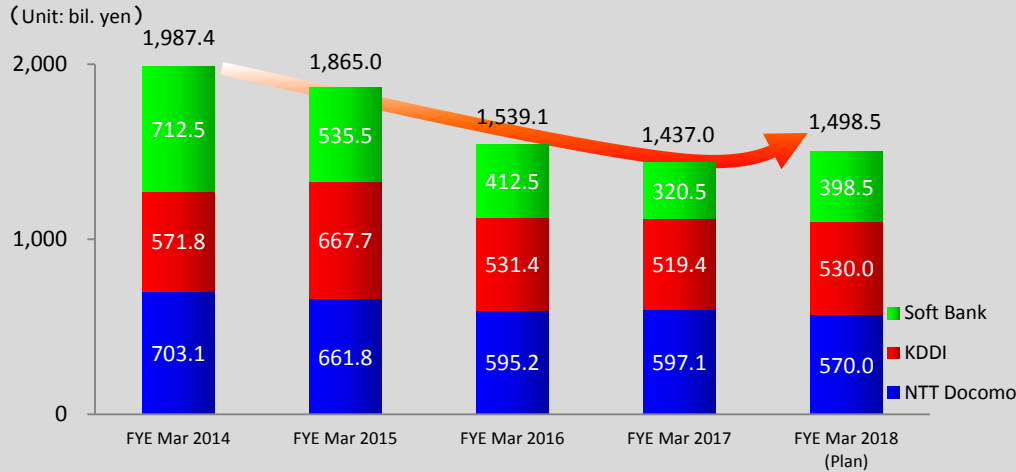


### Update on key initiatives

		Initiatives
Sales growth	Growth in work for advancements in 4G/ new frequencies	<ul style="list-style-type: none"> <li>• Net sales increase in mobile work: +27% yoy</li> <li>⇒ expand work for advancements in 4G (carrier aggregation, MIMO, etc.)</li> <li>⇒ expand work for new frequencies</li> </ul>
	Work to improve reception quality	<ul style="list-style-type: none"> <li>• Work for railway facilities in major metropolitan areas, work to improve reception quality in large facilities</li> <li>⇒ orders received for 7 projects (2.6 bil. yen) in H1</li> </ul>
	Related businesses	<ul style="list-style-type: none"> <li>• Expand contracted design/ order placement services</li> <li>• Expand contracted maintenance/ repair work</li> </ul>
Enhancing efficiency/ capabilities	Promoting integrated operations	<ul style="list-style-type: none"> <li>• Strengthen operations at subsidiaries</li> <li>⇒ eliminate overlaps</li> <li>⇒ enhance in-house capabilities at subsidiaries</li> <li>⇒ expand operations at subsidiaries, provide human resources</li> <li>(addition of Nisshin Tsuko as wholly-owned subsidiary)</li> </ul>
	Improving operational tools	<ul style="list-style-type: none"> <li>• Adopt mobile tools for on-site operations (processing photos, compiling completion drawings, remote desktops, etc.)</li> <li>• Improve operational systems (outsourcing procedures)</li> <li>• Adopt cloud-based management tools for sales</li> </ul>
	Global	<ul style="list-style-type: none"> <li>• Improve gross margins, reduce fixed costs (Australia)</li> <li>• Take measures to stabilize operations following the decline in sales (Myanmar)</li> </ul>

## Capital investments by the three major mobile carriers

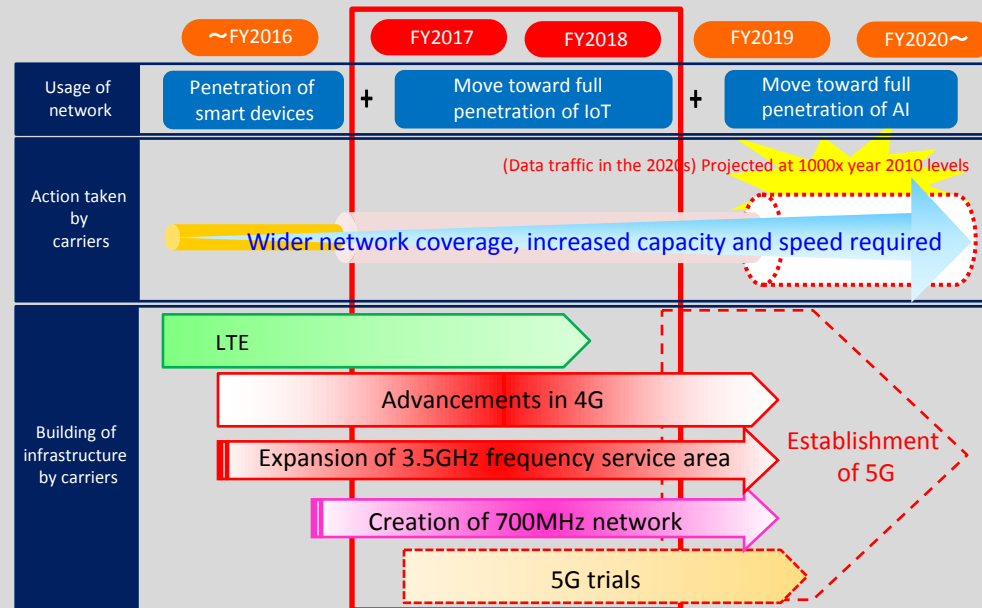
- Increase in capital investments with the pick up in work for advancements in 4G and new frequencies



Source: MIRATI from company information

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

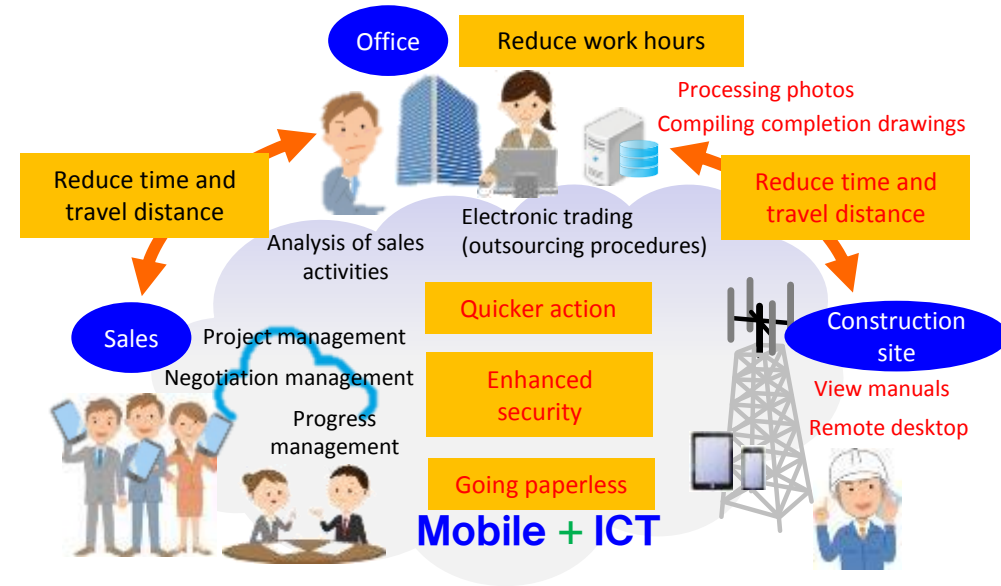
## Trends in the mobile business



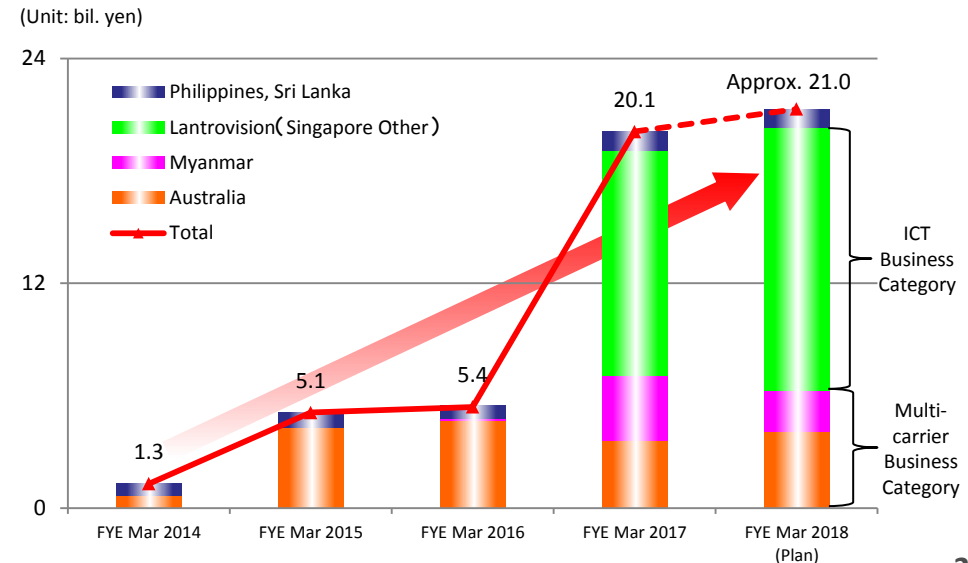
Source: MIRAIT from materials disclosed by the Telecommunications Bureau (MIAC), etc.

## Enhancing efficiency using advanced operational tools

- Promoting efficiency by adopting mobile and cloud-based management tools



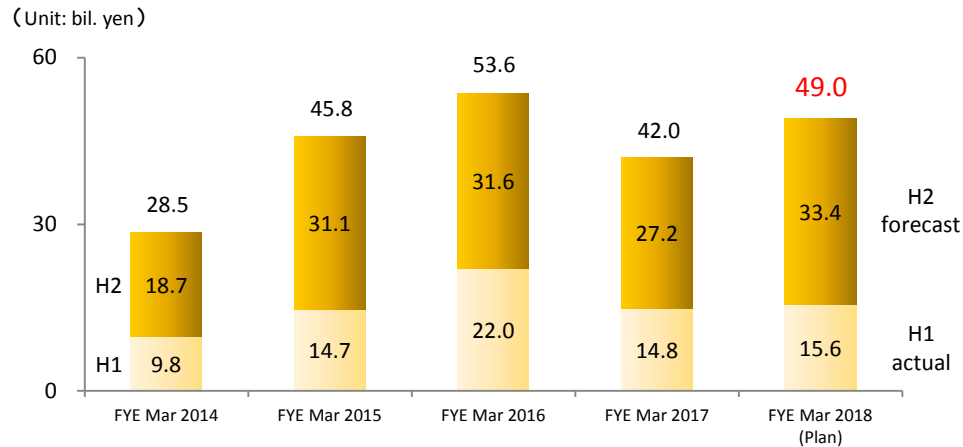
## Net sales growth in the global business



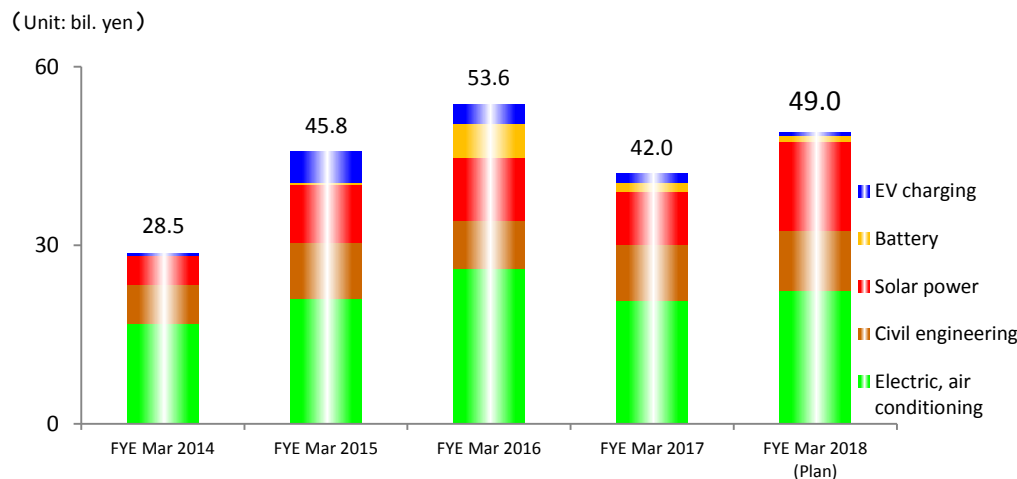
### 3. Trends in the Environmental & Social Innovation Business

- **Generation of future business** in new energy, such as work for EV chargers and rechargeable batteries, etc., in addition to solar power.
- **Growth in air conditioning work in the current fiscal year**, thanks to the increase in construction carried forward from the previous year.
- Focus on growing orders for **infrastructure-related work** (laying power lines underground, installing LEDs and road lighting, etc.) toward 2020.





#### Net sales



#### Breakdown of net sales



#### Update on key initiatives

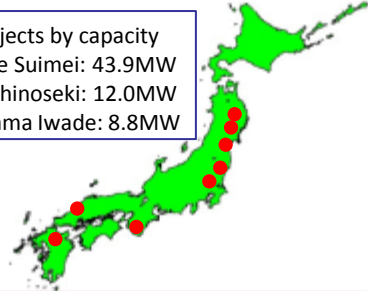
Initiatives	
New Energy	<p><b>【Solar power】</b></p> <ul style="list-style-type: none"> <li>• <b>Mega-solar construction projects</b> ⇒ 8 projects/ 79.2 MW nationwide (end-9/2017)</li> <li>• <b>Roof-top middle solar facilities</b> (home centers, transport co., drug stores, etc.) ⇒ plan to install facilities at 300 locations</li> <li>• Cultivate new businesses outside of solar power (small-scale wind power, biomass, etc.)</li> </ul>  <p>Solar power work</p> <p><b>【EV chargers】</b></p> <ul style="list-style-type: none"> <li>• <b>Expand business through alliance with EV automakers and charger manufacturers</b> (total of 1,300 facilities to be installed nationwide) ⇒ plan to install facilities in 100 locations during the current fiscal year</li> </ul>  <p>EV charging</p> <p><b>【Rechargeable batteries】</b></p> <ul style="list-style-type: none"> <li>• Expand work to install rechargeable batteries for both home and industrial use</li> </ul>
Civil engineering, etc.	<ul style="list-style-type: none"> <li>• <b>Increase in CCBOX work for Tokyo, including work to lay power lines underground</b> (net sales: +0.5 bil. yen over H1 last year)</li> <li>• Sewage pipeline work for Tokyo</li> </ul>  <p>Laying of power lines underground</p>
Electrical/ air conditioning	<ul style="list-style-type: none"> <li>• <b>Grow air conditioning work by expanding Nissetsu's services nationwide</b> ⇒ net sales target for FYE 3/2018: 12.5 bil. yen</li> <li>• <b>LED installation work (road and safety lights) for municipalities</b> ⇒ orders for 5 projects/ 0.5 bil. yen in FYE 3/2018</li> <li>• <b>Increase in electrical work with the acquisition of Nishinihon Denko</b> ⇒ net sales target for FYE 3/2018: 0.9 bil. yen (9-month contribution)</li> </ul>  <p>Basement air conditioning facilities</p>

## New energy-related initiatives

- Installing mega-solar facilities in **8 locations** (Total :79.2MW) across Japan.
- Strengthening efforts to expand work for EV chargers and rechargeable batteries.

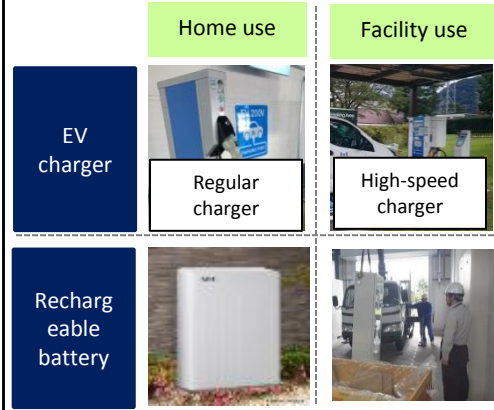
### <Construction of mega solar facilities>

- Top projects by capacity
- 1.Shimane Suimei: 43.9MW
  - 2.Iwate ichinoseki: 12.0MW
  - 3.Wakayama Iwade: 8.8MW



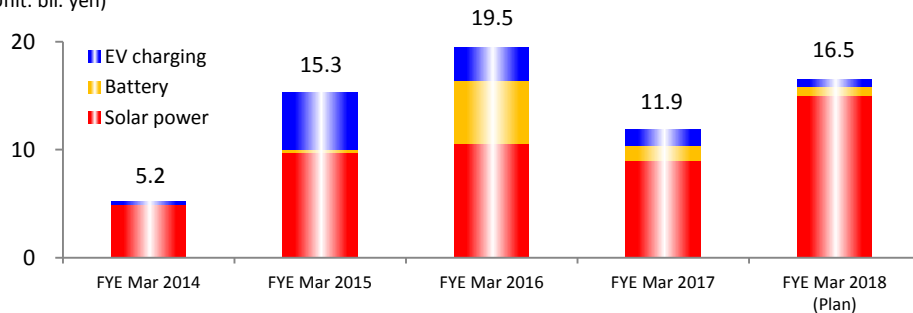
Construction in progress in 8 locations across Japan (Total: 79.2MW)

### <Work for EV and rechargeable batteries>



## Net sales in new energy (solar power, rechargeable batteries, EV chargers)

(Unit: bil. yen)



## Initiatives in LED installment work

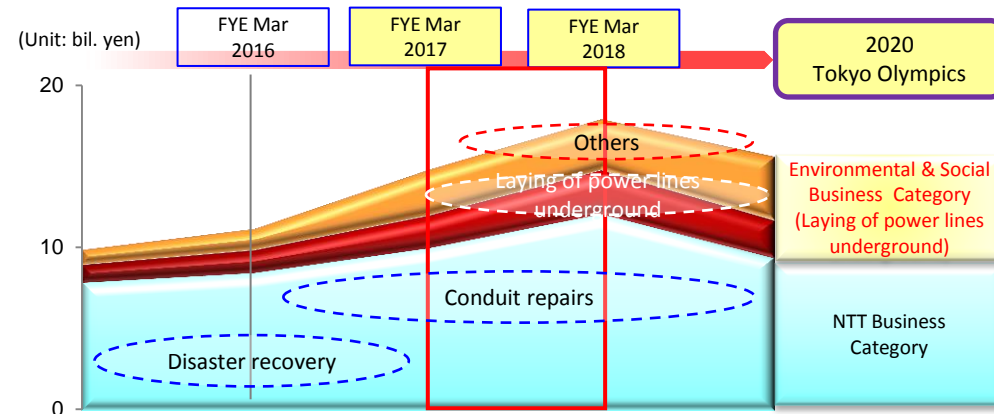
- Orders from municipalities for LED lighting installment work is increasing for purposes of energy-saving and crime-prevention.
  - ⇒ track record in 15 cities (130,000 units/ 2.58 bil. yen)
- Orders for 5 projects/ 0.5 bil. yen to be received in FYE 3/2018



## Initiatives in civil engineering

- Expanding work to lay power lines underground toward 2020, primarily in the metropolitan areas.

### Trends in civil engineering work

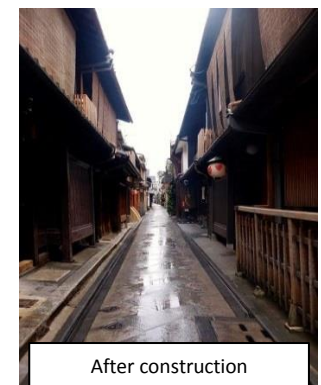


### 【Example of project to lay power lines underground】

#### ◆ Project in Ponto-cho, Kyoto (Construction period: 5/2017-10/2018)

- ⇒ special construction method applied to lay power lines under narrow streets and locations with existing underground facilities **with local support**
- ⇒ no space for heavy construction machinery (street width 2-3m, no vehicle traffic); construction work to be done by hand
- ⇒ **first project in Japan to apply low-cost method using small BOX utility conduits (MLIT model project)**

### <Image of project site after construction>



※Photos: Kyoto City Office

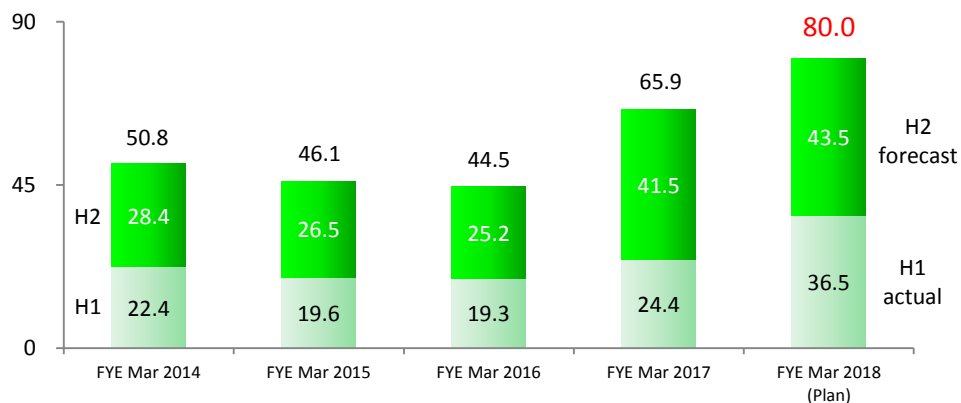


## 4. Trends in the ICT Solution Business

- Lantrovision to **fully contribute to Group earnings**, and should continue to grow on the back of collaborative efforts across the Group, but profits is expected to drop due to impact of unprofitable projects.
- **Increase in sales and profits in the software business** given the absence of unprofitable projects and new large-scale orders.
- **Significant increase in work to resolve TV reception interference** with the commencement of services in the 700MHz band.

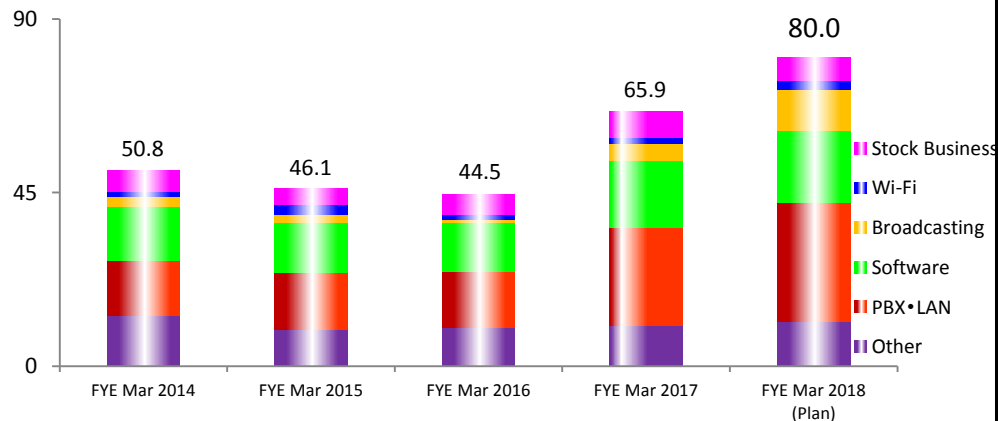
### Net sales

(Unit: bil. yen)



### Breakdown of net sales

(Unit: bil. yen)



### Update on key initiatives

Initiatives	
LAN/PBX/telecommunications equipment	<ul style="list-style-type: none"> <li>● <b>Strengthen collaborative sales efforts with Lantrovision</b> (domestic/ overseas)</li> <li>● Expand work to enhance security for municipalities, etc.</li> <li>● Expand work for medical-related server networks</li> <li>● ICT work for Olympics/ Paralympics facilities</li> </ul>  <p>LAN cabling work</p>
Software	<ul style="list-style-type: none"> <li>● <b>Grow business as the best partner to Slers</b> ⇒ orders for large systems projects</li> <li>● Enhance cooperation among the Group's software companies to win business in the financial, securities and ERP areas</li> </ul>
700MHz-related work	<ul style="list-style-type: none"> <li>● <b>Work to resolve TV reception interference</b> ⇒ Handling 1/3 of all projects nationwide ⇒ Targeting 300,000 sites for TV reception-related work (5 times more than the previous year)</li> </ul>  <p>TV reception-related work</p>
Wi-Fi/ wireless	<ul style="list-style-type: none"> <li>● <b>Promote Wi-Fi installation targeting multiple-store operators and schools</b></li> <li>● Promote Wi-Fi installation in hotels ⇒ propose package with NW equipment and surveillance cameras</li> <li>● Expand work for local disaster radio facilities</li> </ul>  <p>Disaster radio facilities</p>
IoT, etc.	<ul style="list-style-type: none"> <li>● <b>Drones as "moving sensors" for new business</b> ⇒ training and dispatching of pilots, etc.</li> <li>● Install surveillance cameras along school routes and in factories, etc.</li> </ul>  <p>Drone</p>

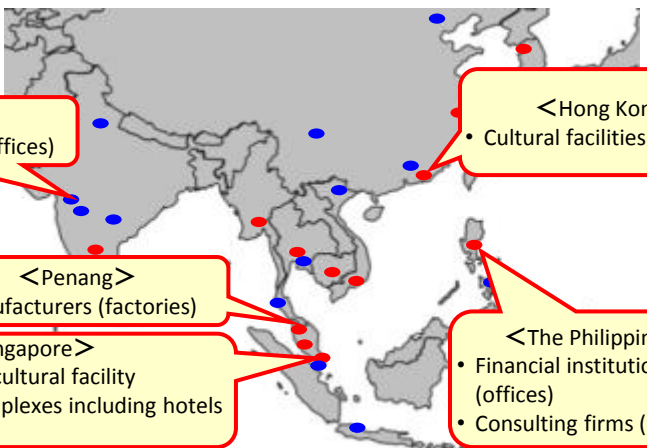


## Lantrovision's overseas business strategy

- 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.**
- Strengthening cooperation between Mirait and Lantrovision to expand businesses in Japan and overseas and to improve operational efficiency.

### Lantrovision's activities in H1

- Subsidiary/ affiliate
- Branch/ office



<India>  
• Financial institutions (offices)

<Hong Kong>  
• Cultural facilities

<Penang>  
• Manufacturers (factories)

<Singapore>  
• Wireless AP in cultural facility  
• Commercial complexes including hotels and malls

<The Philippines>  
• Financial institutions (offices)  
• Consulting firms (offices)

### Cooperation between Mirait and Lantrovision

Inbound	<ul style="list-style-type: none"> <li>• Collaborative sales efforts targeting Japanese offices of multinational companies.</li> <li>⇒ orders received: 0.8 bil. yen (as of end 9/2017)</li> </ul>
Outbound	<ul style="list-style-type: none"> <li>• Cooperation in sales efforts targeting Japanese companies entering Asian markets.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• Merged Mirait Singapore to improve operational efficiency</li> <li>⇒ annual cost reduction: approx. 0.1 bil. yen</li> </ul>

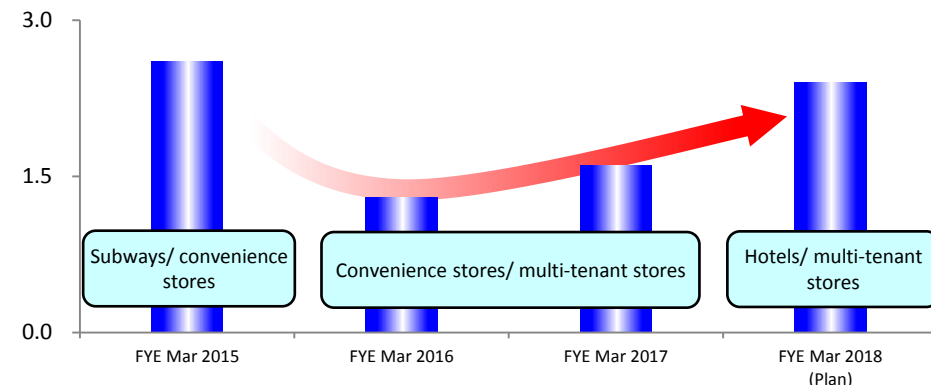


## Net sales in Wi-Fi work

- 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.

### <Net sales projection>

(Unit: bil. yen)



## 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.

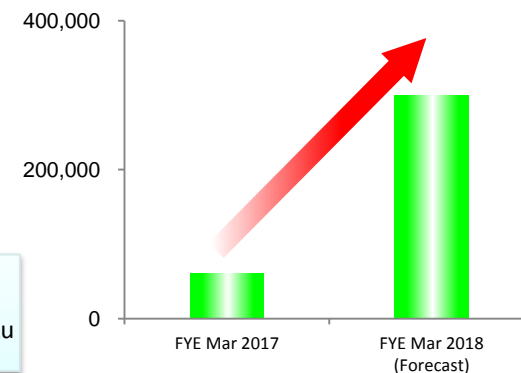
### <Work site area>



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

### <Growth in no. of work sites>

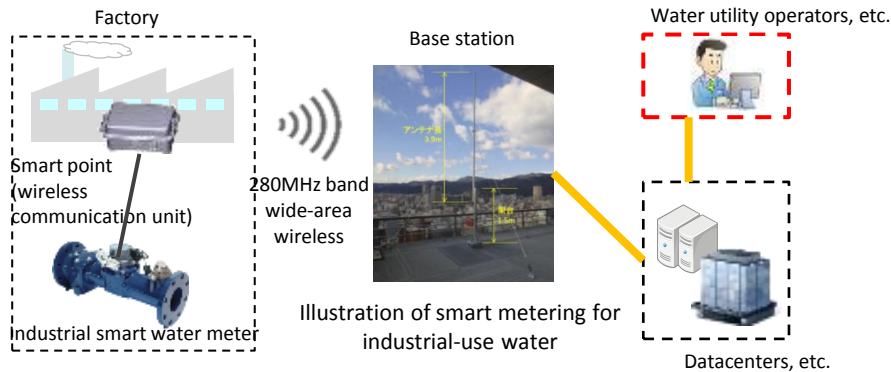
(Unit: no. of sites)



## 5. Initiatives in New Solutions (Initiatives in IoT = Sensors + Network + AI/DC)

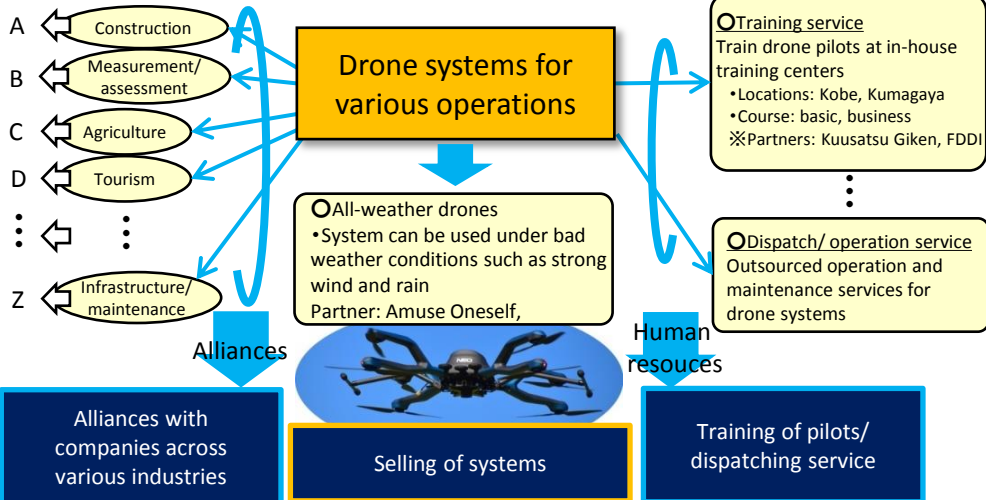
### 【Fixed sensors】Initiatives in smart water meters and sensor networks

- **Conducting verification test with Sensus Japan for wide-area wireless sensor network** that connects smart water meters using 280 MHz band wireless.
  - ⇒ providing technical support (remote smart metering) for verification test
  - ⇒ **conducting verification test for industrial smart water metering (first to be conducted in Japan)** with Kobe City and NTT West
- **Planning to launch business when the regulatory framework is established for sensor networks in the 280MHz band.**



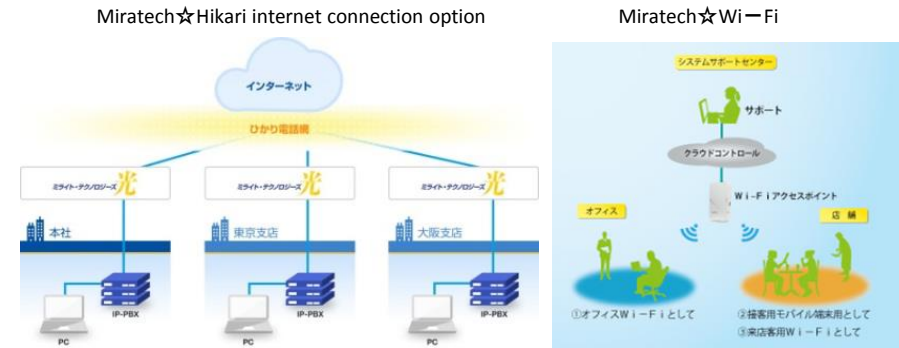
### 【Mobile sensors】Initiatives in drone business

- **Significant business opportunities created by combining sensors and drones**
- **Widen service offerings through alliances**



### 【Network】Initiatives in Hikari Collaboration

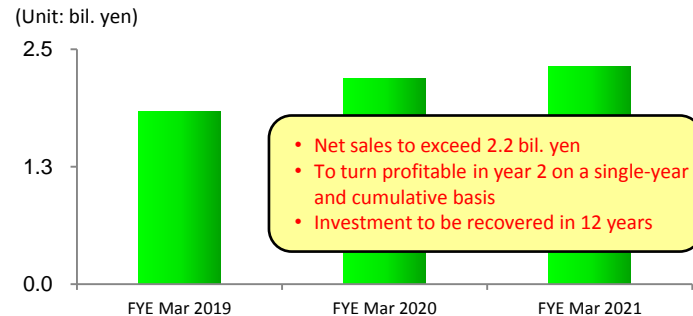
- “Mirait Technologies Hikari” services launched in 10/2016 based on the “Hikari Collaboration Model” by NTT East/ West. (Oct - Nov. 2017)
  - launched “**Miratech★Hikari Internet Connection Option**” (internet connection service for corporates)
  - launched “**Miratech★Wi-Fi**” (managed Wi-Fi service for corporates)
  - launched “**Miratech★Mobile**” (SIM for specialized data telecommunication operators)



### 【AI/DC】Initiatives in data center business

- **Osaka No. 1 Data Center under construction** in response to the increase in demand for data centers in the Kansai region.
  - ⇒ operations to commence in 6/2018 (**investment amount: 18.0 bil. yen**)
- Located in urban area near Dojima, a telecommunications hub
- Aim to accumulate know-how and to expand operations business
- Redundancy by unique power source/ telecommunication line, substation, exchange and multi-carrier.

#### <Net sales projection>



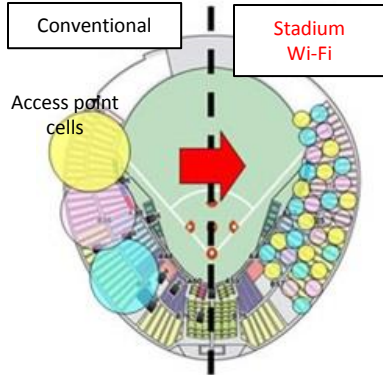
(Drawing of datacenter)

# Initiatives in New Solutions (Wi-Fi Solution)

## Stadium Wi-Fi

- **Expected increase in work to set up Wi-Fi networks in public areas toward 2020.**  
⇒ Establish high-quality network environment in stadiums, where heavy access is expected.

### 【Features of stadium Wi-Fi】



- Each wireless LAN access point has a smaller coverage area; **full coverage of stadium area is achieved by installing a larger number of access points.**
- ⇒ The number of users for each access point is limited; **sufficient communication capacity and coverage to provide smooth access for tens of thousands of visitors is achieved.**

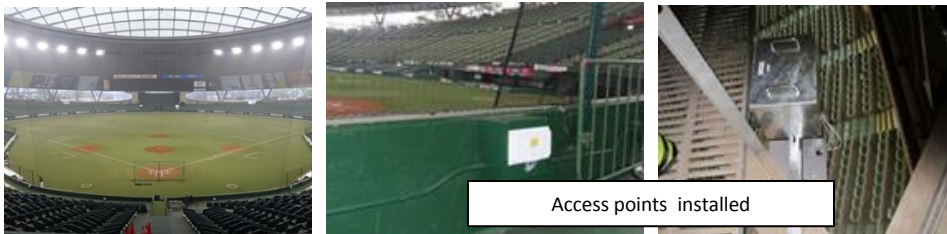
### 【Project example】

- ◆ **(First in Japan) Construction of network and operation support for Seibu Dome (current: Metlife Dome)※**

⇒ Established large capacity stadium Wi-Fi network to support “Lions Wi-Fi” offering various unique content.

#### Content offered by Lions Wi-Fi

- ① Live and re-play videos
- ② Multi-vision images that allow fans to check the expressions and actions of the baseball players that cannot be seen from their seats
- ③ Real-time data on win-loss records between the pitcher and batter



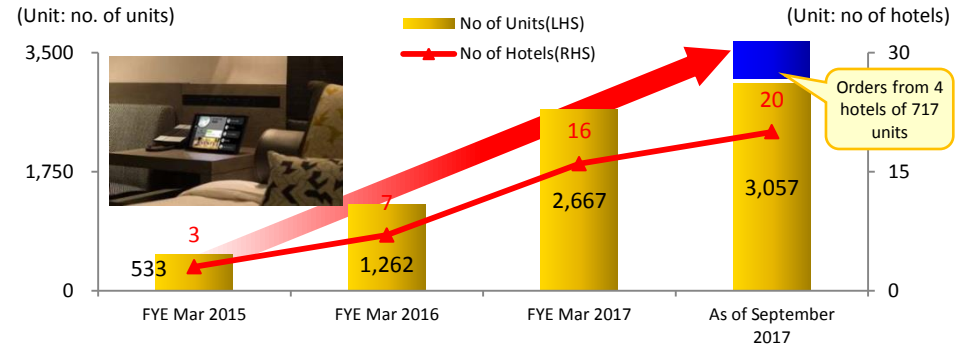
Access points installed

※Joint project with Seibu Lions Inc., Seibu Railway Co. Ltd., NTT Broadband Platform Inc., and Cisco Systems.

## ee-TaB\* (Wi-Fi Solution)

- Delivery of multilingual content using tablets installed in hotel rooms
- **3,057 units installed in 20 hotels in Japan (as of 9/2017)**  
⇒ **Hotel New Otani adopted 238 units in 10/2017**
- Expanding use by providing customized services for each hotel  
⇒ management of room cleaning services and in-room orders, settlement (Amazon Pay, LINE Pay), viewing of VR content, etc.

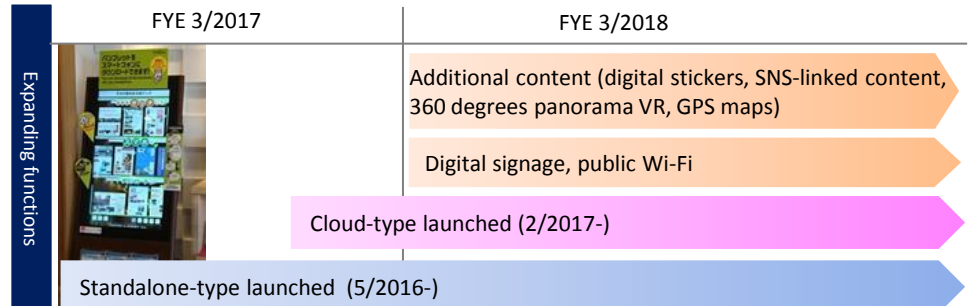
### <No. of units installed and hotels (cumulative)>



## PONTANA (Wi-Fi Solution)

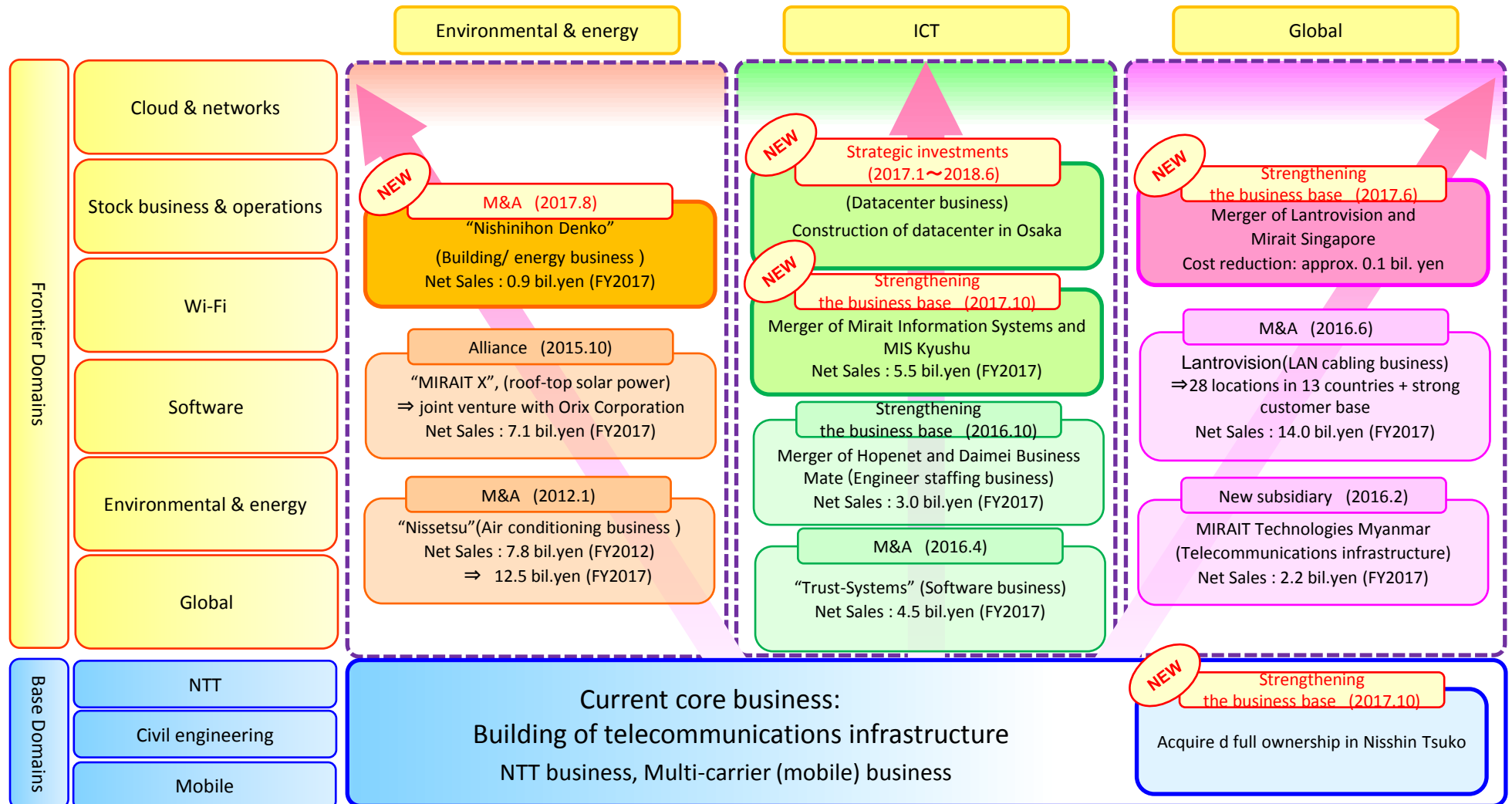
- Service that allows users to select and download digital content displayed on a large touch panel screen to their smart devices. Expanding the scope of use by adding functions such as SNS-linked digital signage, digital stickers, etc.
- Cloud-type service added to respond to diverse user needs and applications.
- Collaborating with a wide range of business partners in various business domains.

### <Expanding functions of PONTANA>



## 6. Recent Initiatives for Business Expansion

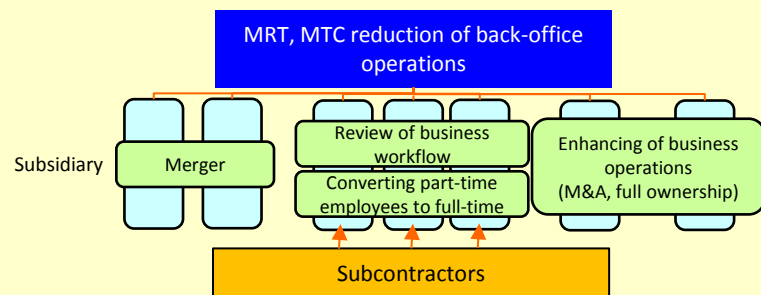
- Expanding the “frontier domains” by actively engaging in strategic investments that leverage the technologies accumulated through the building of telecommunications infrastructure, which is MIRAIT’s core business at present.
- Actively engaging in alliances and M&A to expand businesses.
- Promoting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



## 7. Initiatives to Build a Stronger Business Base

### Strengthening the group's business operations

- ① **Enhance sales/ work capabilities in the regions**
  - Acquisition of **Nishinihon Denko**  
(to strengthen electrical work capabilities in Kyushu)
  - Acquired full ownership in **Nisshin Tsuko**  
(to strengthen mobile work capabilities in Hokkaido, Tohoku regions)
- ② **Strengthen subsidiaries for the NTT and Multi-carrier businesses**
  - Human resources and operational support  
⇒ reduce back-office operations by revisiting business workflow  
⇒ enhance in-house capabilities at subsidiaries
- ③ **Enhance business base through the merger of subsidiaries**
  - Lantrovision and Mirait Singapore (global business)
  - Mirait Information Systems and MIS Kyushu (software business)



### Initiatives to achieve profit growth

- ① **SG&A cost reduction (target of -1.3 bil. yen in FYE3/2018, flat from previous year)**
  - Consolidation of offices (in NTT business)
  - Reduction of rental expenses by growing own assets  
⇒ new housing for unmarried employees (2 locations in Tokyo)
- ② **Focus on improving profitability**
  - Tighter control on profitability and provision for construction losses for individual projects
- ③ **Promoting awareness toward reforms through KAIZEN activities**
  - KAIZEN fellow activities (5,953 proposals in H1)  
⇒ Safety panel for work using heavy machinery  
⇒ Color cone adapters with flashing LED lights, etc.



### 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
- 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 group companies received the **highest "Eruboshi" certification** 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



"Eruboshi"  
certification logo

### Changing the safety/ work environment and workstyles

- ① **Establish "hard" and "soft" frameworks to ensure safety of workers**
  - Enhance safety work procedures, safety equipment (addition of 200 to the bucket work car fleet, safety equipment)
  - 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
  - Considering possibility of mobile-based workstyle





## V. Reference Materials

# 1. Business Overview

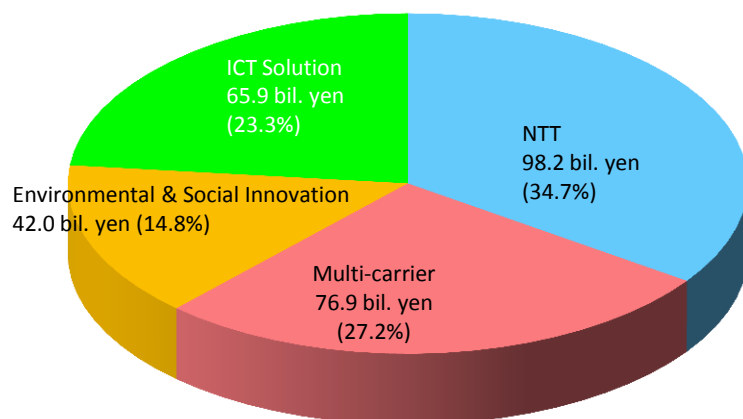
## (1) Business Categories

- 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

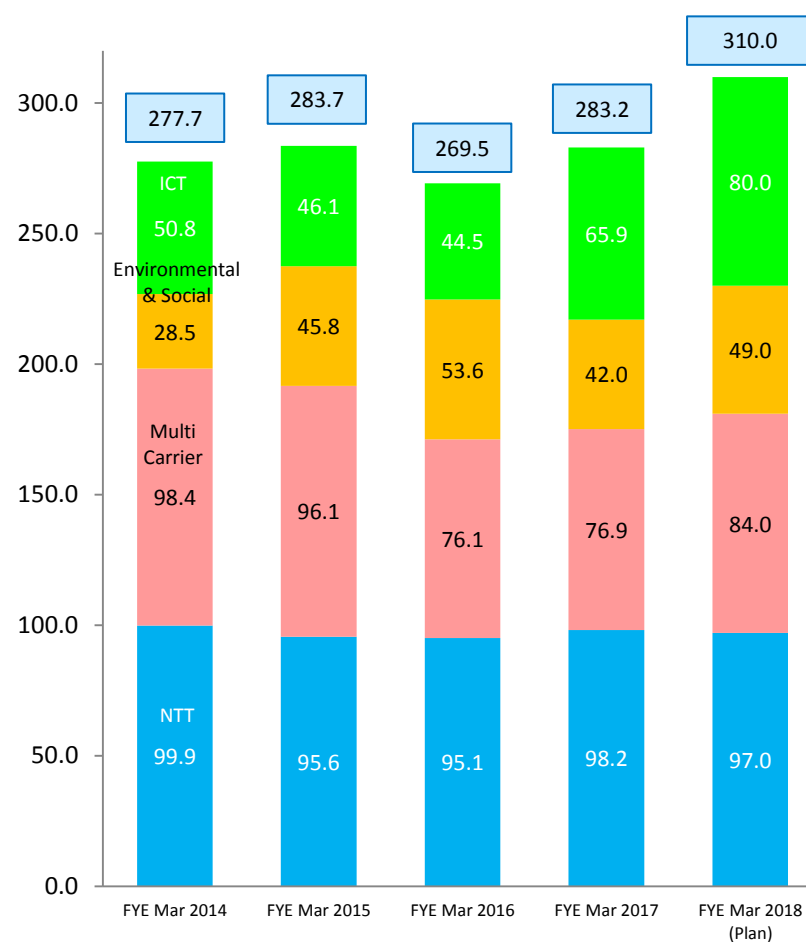
Business Category	
(1) NTT Business	<ul style="list-style-type: none"> <li>Construction, maintenance and operation of fixed communication facilities for NTT</li> </ul>
(2) Multi-carrier Business	<ul style="list-style-type: none"> <li>Construction, maintenance and operation of mobile communication facilities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

### Sales breakdown by business category (fiscal year ended March 31, 2017)



### Net sales by business category

(Unit: bil. yen)



## (2) Business Overview

### (1) NTT Business

- Construction, maintenance and operation of fixed communication facilities of NTT. Centered on the Greater Tokyo and Kansai regions.



Cable connection work



Pole renewal



Civil engineering work  
(conduits)



Upgrading of switching  
programs

### (2) Multi-carrier Business

- Nationwide works on construction, maintenance and operation of communications facilities of all mobile carriers.
- Fixed communication equipment for NCCs, CATV work, global business.



Wireless base station  
construction work



LTE work



Work to resolve reception  
quality



Global



### (3) Environmental & Social Innovation Business

- Offering comprehensive solutions for the construction and maintenance of environmental/ new energy-related facilities, social infrastructure, electrical/ air conditioning facilities, etc.



Solar power work



Laying of power lines underground



Air conditioning facilities



Repairing lighting equipment of highways

### (4) ICT Solution Business

- Support to create ICT infrastructure such as cloud, office solutions, Wi-Fi and broadcasting networks.



PBX renewal work



Work to install Wi-Fi (baseball stadium)



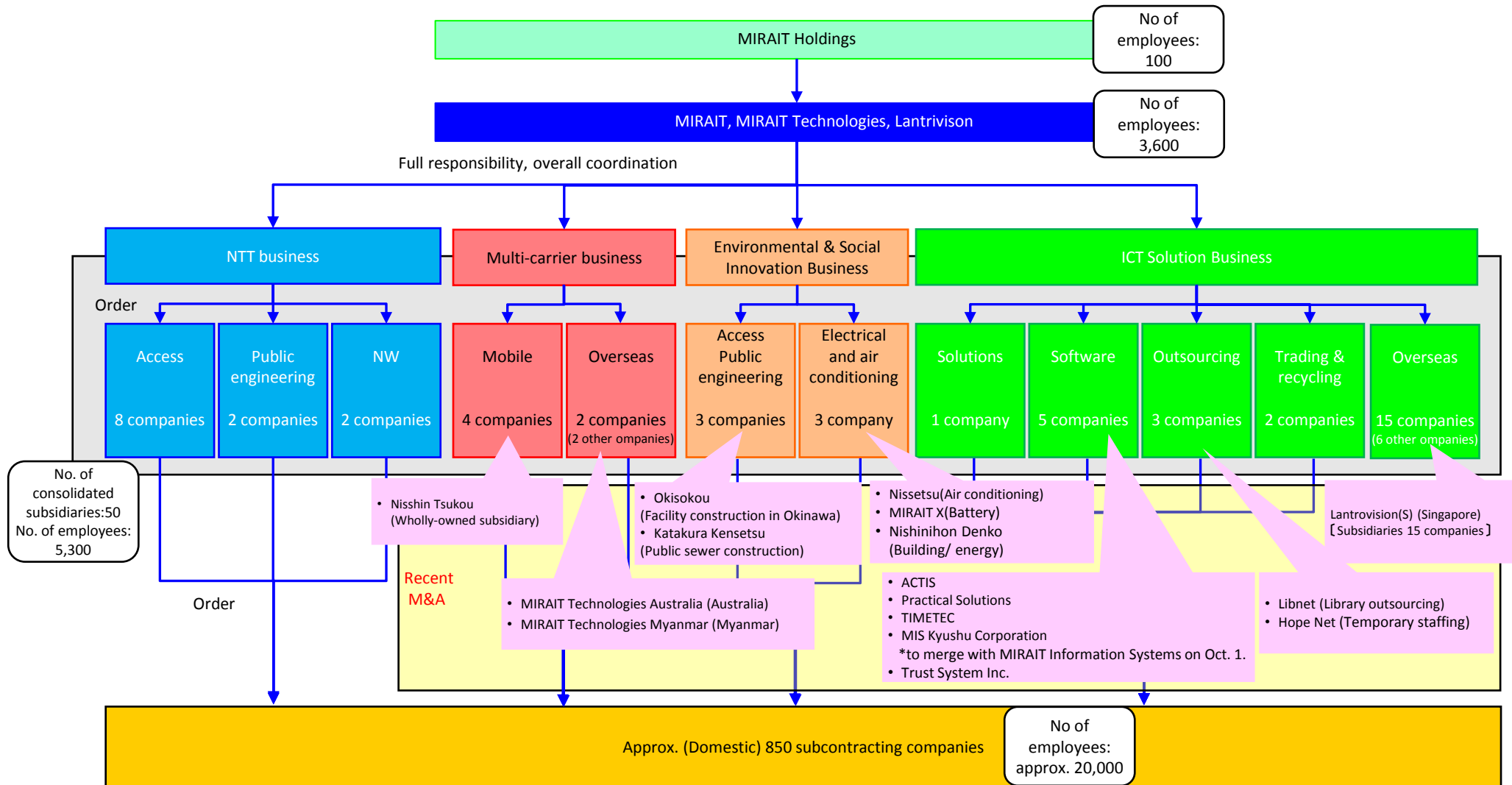
Operation center



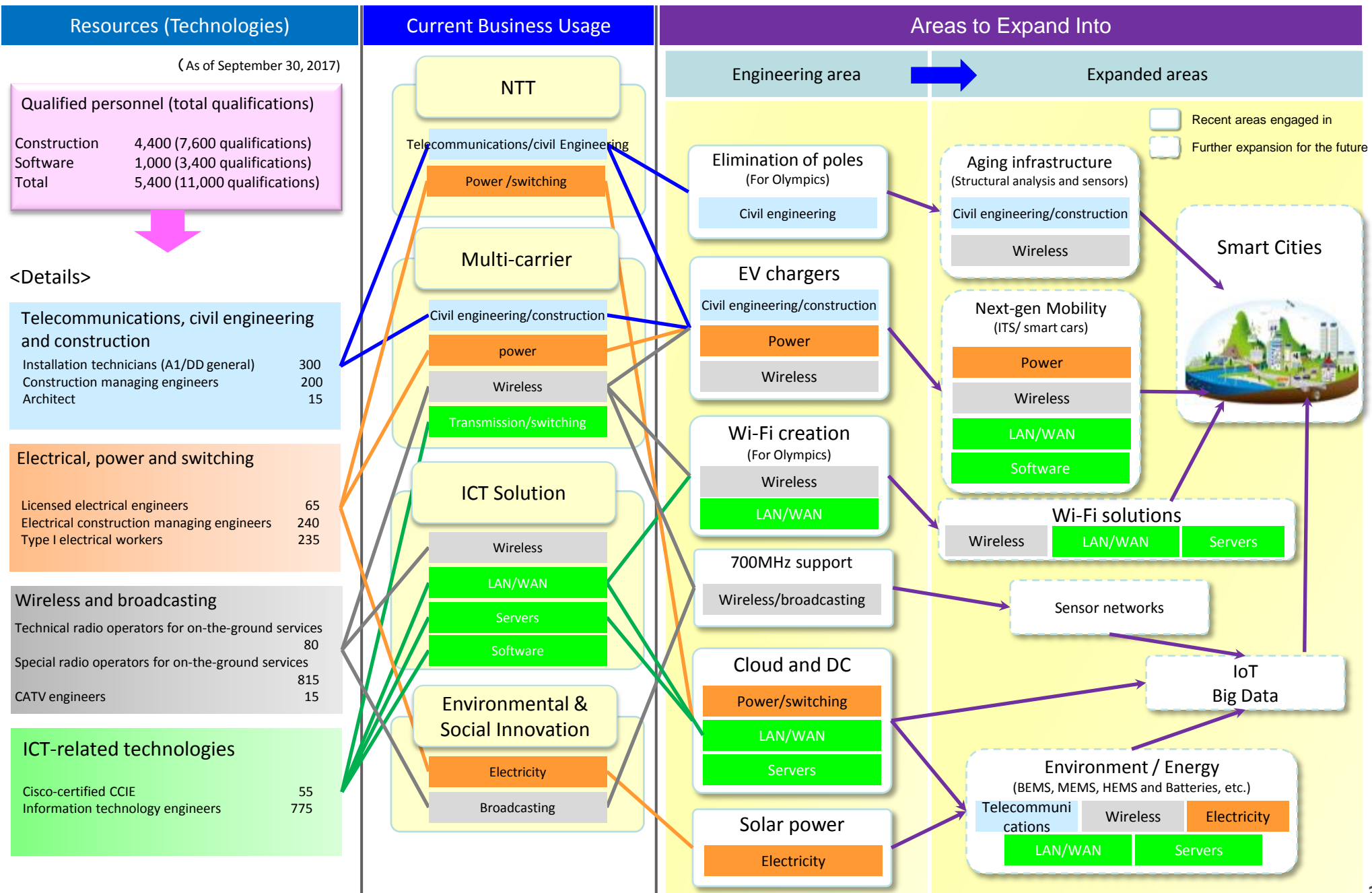
LAN cabling work (Lantrovision)

### (3) Group Formation

- In the NTT and Multi-carrier (mobile) businesses, MIRAIT and MIRAIT Technologies are fully responsible for the project design, quantity surveys and site management, while the construction work is undertaken by subsidiaries and subcontractors.
- The MIRAIT group boasts a nationwide network of 850 subcontractors / 20,000 staff.
- The MIRAIT group companies deploy various services as shown below, and pursuing further expansion of business areas through M&A .



## 2. Expansion of Business Areas Utilizing Technologies



# 3. Changes in the Business Environment through 2020

## Japan's Structural Problems

- Growth strategies of the Japanese Government (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

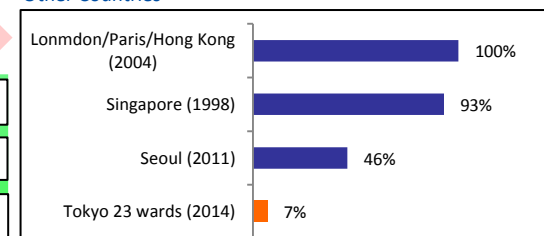
Tailwind for the MIRAIT Group

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

## Changes in Social Structure

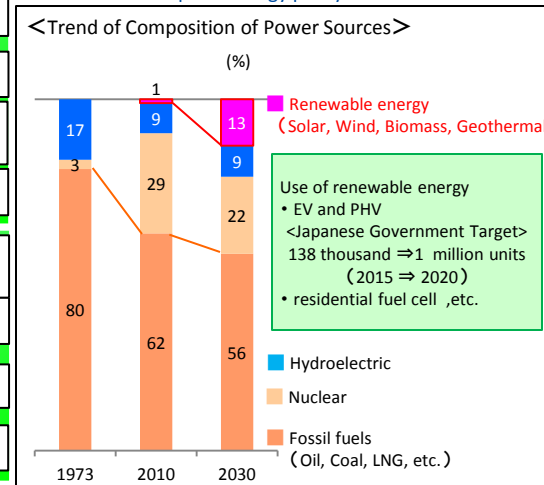
		- 2015	2016	2017	2020~	
Social Infrastructure	Tokyo Olympics	Inbound business (Free Wi-Fi/Digital signage/Security(Surveillance cameras, etc.))				
		Elimination of Utility Poles/CCBOX		NEW Olympic-related facilities		
	Redevelopment business	Redevelopment within Tokyo (Shinjuku, Shibuya, Otemachi, Toyosu)	Establishment of transportation network (subway, BRT, new roads, etc.)			
		Concentrated reconstruction of Tohoku	Reconstruction and recreation of the Tohoku area			
	Aging infrastructure	Measures to address the aging of expressways, bridges and sewage				
	Transportation system	EV and PHV/EV charging stations/ITS				
	Environment and energy		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

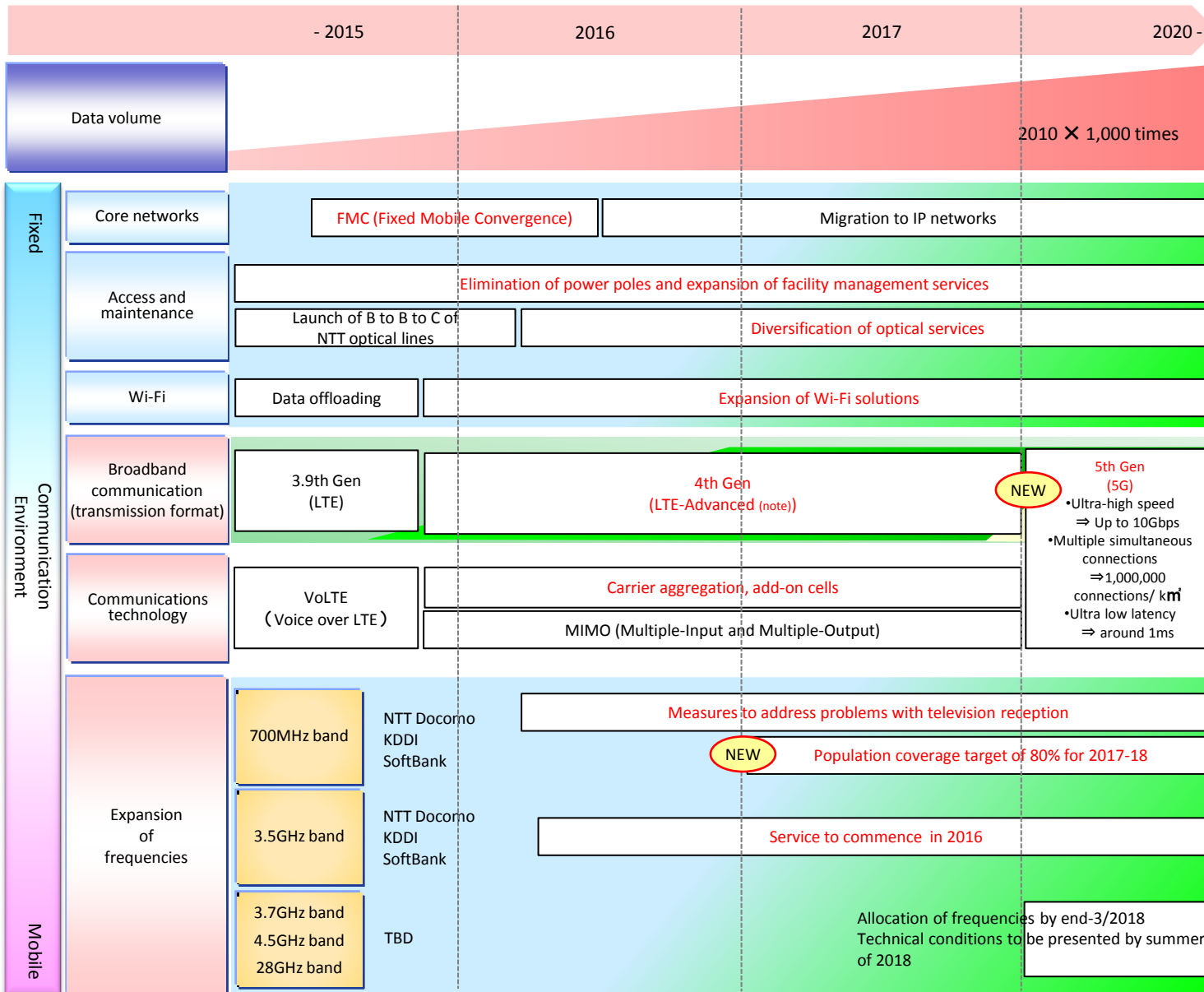
Conversion of Japan's energy policy



Source: MIRAIT from publicly available information

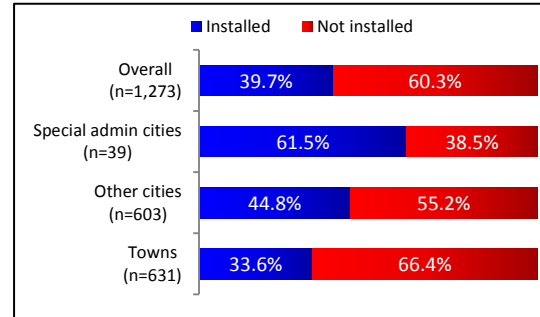
(Note)End of term of purchase contract for households selling solar power to electricity companies under the feed-in-tariff scheme.

# Changes in the Communications Environment



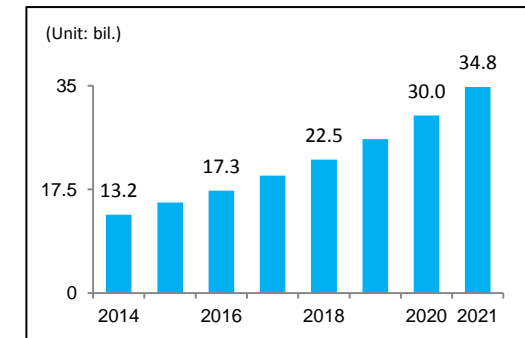
(Note) LTE-Advanced is a mobile phone standard positioned as being 4th generation (4G). It enables high capacity and high speed communication by combining technologies such as carrier aggregation.

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



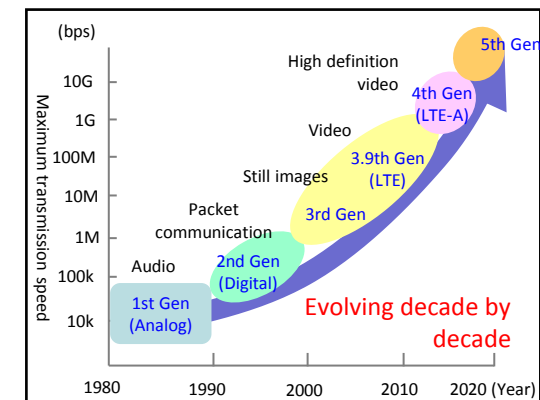
Source: MIRAIT, based on materials published by the Association for Promotion of Public Local Information and Communication

(Global) Trends and forecast for number of IoT devices



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

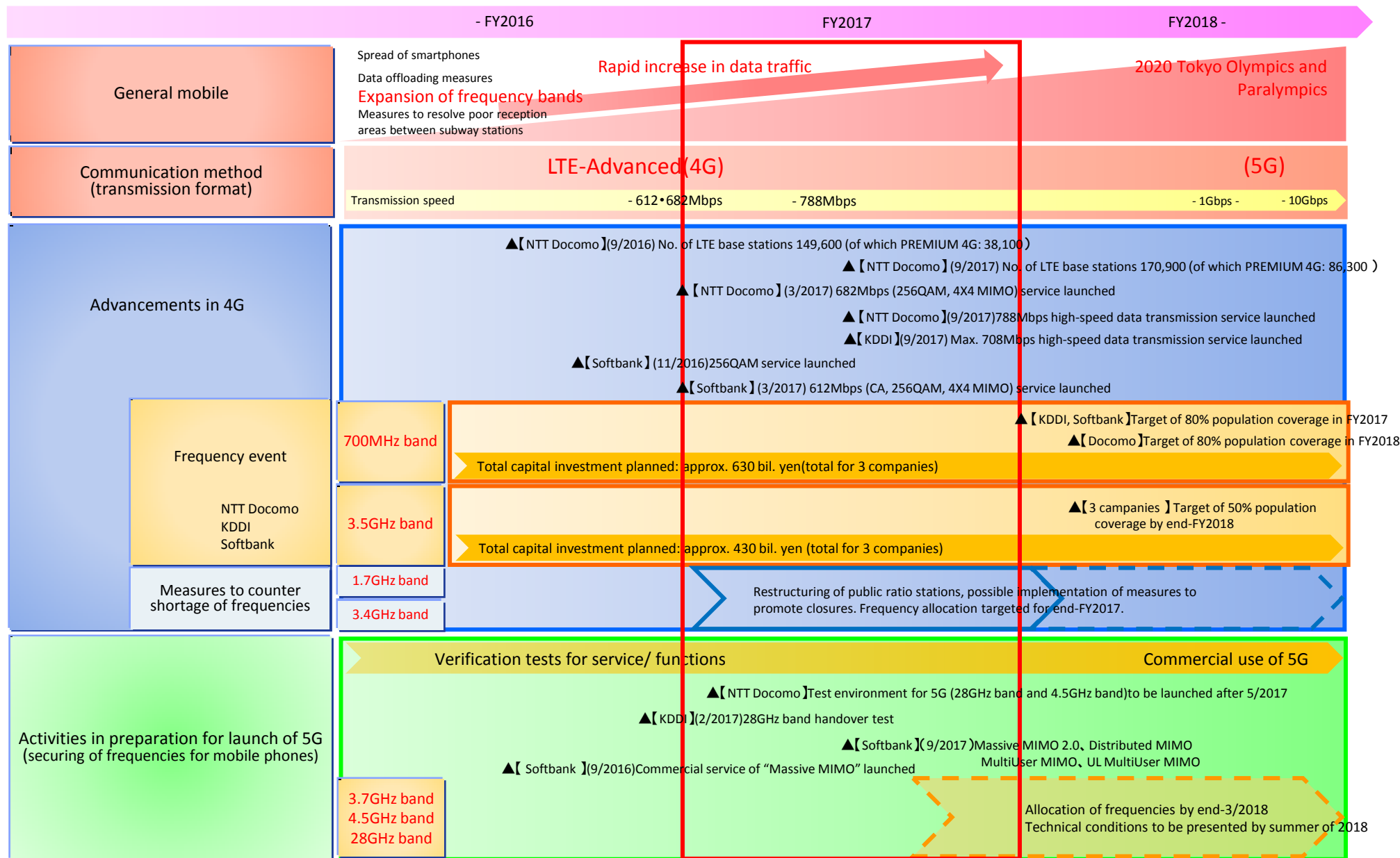
(Domestic) Changes in mobile systems (1G - 5G)



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.

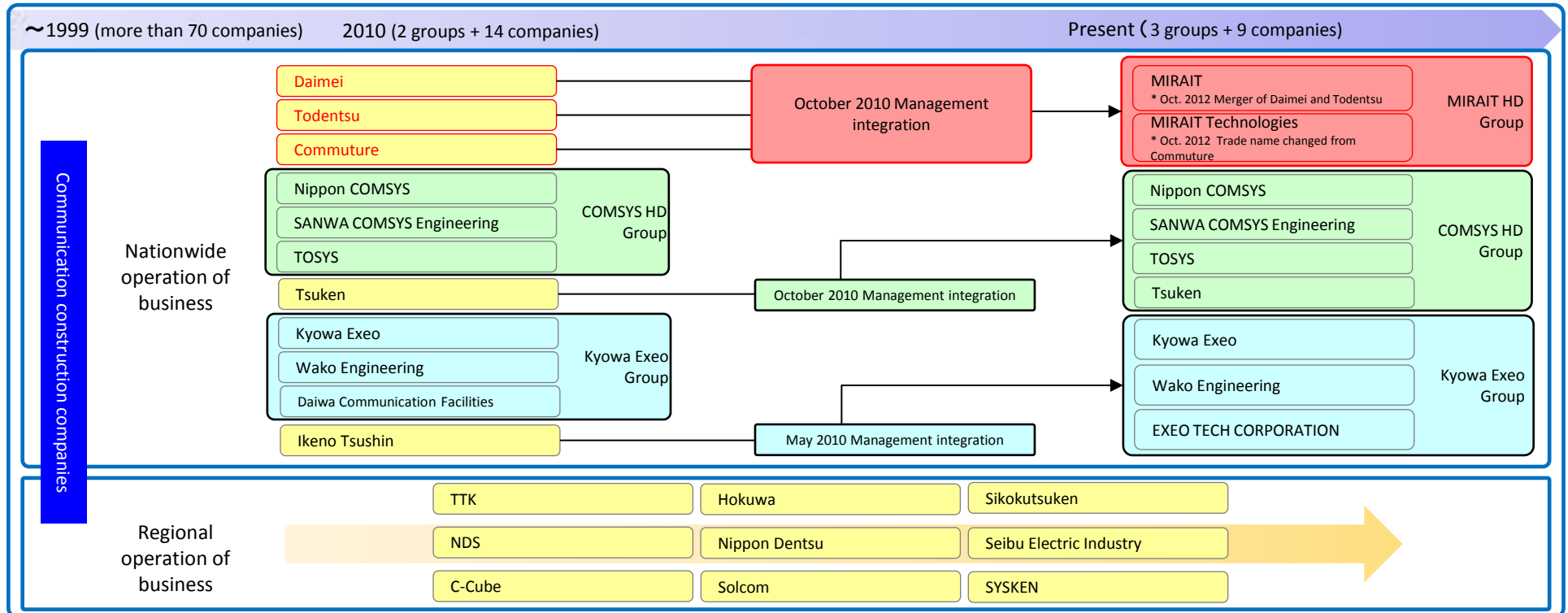
3. 4X4 MIMO is a technology that increases data volume and transmission speed by using four antennas embedded in each of the terminals as well as base stations.

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. Current Industry Conditions (As of September 2017)

- Communications construction companies are made up of three nationwide groups (MIRAIT, COMSYS, Kyowa Exeo), and nine regional companies.
- Electrical construction and railway construction companies are also operating communications construction businesses, and some are competitors.



### Electrical construction companies

Kinden

Kandenko

etc.

### IT construction companies

NEC Networks & System Integration

Net One Systems

ITOCHU Techno Solutions

etc.

### Railway construction companies

Nippon Densetsu Kogyo

etc.



## VI. Supplementary Financial Information



# 1. 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 Units: bil. Yen	FYE March 2017 Q2 actual results	FYE March 2018 Q2 actual results	YoY Change (Percentage change)	FYE March 2017 Full-year Results	Progress	FYE March 2018 Full-year Plan	Progress
	(a)	(b)	(b) - (a)	(c)	(a) / (c)	(d)	(b) / (d)
NTT Business	48.4	46.5	- 1.9 (- 3.9%)	104.2	46.4%	92.0	50.5%
Multi-carrier business	37.8	47.3	+ 9.5 (+ 25.1%)	88.6	42.7%	84.5	56.0%
Environmental & social innovation business	29.3	20.5	- 8.8 (- 30.0%)	59.0	49.7%	56.0	36.6%
ICT solution business	32.7	42.4	+ 9.7 (+ 29.7%)	71.4	45.8%	77.5	54.7%
<b>Total</b>	<b>148.2</b>	<b>156.9</b>	<b>+ 8.7 (+ 5.9%)</b>	<b>323.3</b>	<b>45.8%</b>	<b>310.0</b>	<b>50.6%</b>

Net sales Units: bil. Yen	FYE March 2017 Q2 actual results	FYE March 2018 Q2 actual results	YoY Change (Percentage change)	FYE March 2017 Full-year Results	Progress	FYE March 2018 Full-year Plan	Progress
	(a)	(b)	(b) - (a)	(c)	(a) / (c)	(d)	(b) / (d)
NTT Business	38.8	44.1	+ 5.3 (+ 13.7%)	98.2	39.5%	97.0	45.5%
Multi-carrier business	28.7	35.8	+ 7.1 (+ 24.7%)	76.9	37.3%	84.0	42.6%
Environmental & social innovation business	14.8	15.6	+ 0.8 (+ 5.4%)	42.0	35.2%	49.0	31.8%
ICT solution business	24.4	36.5	+ 12.1 (+ 49.6%)	65.9	37.0%	80.0	45.6%
<b>Total</b>	<b>106.8</b>	<b>132.2</b>	<b>+ 25.4 (+ 23.8%)</b>	<b>283.2</b>	<b>37.7%</b>	<b>310.0</b>	<b>42.6%</b>

\* Figures are rounded down to one decimal place (bil. yen).

### (3) Assets, Liabilities and Net Assets

- The Company's equity ratio stood at 59.6% as of September 30, 2017.
- 70% of assets are current assets, which are primarily cash and deposits, accounts receivable from completed construction contracts, and costs on uncompleted construction contracts.

(Unit: bil. yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
Current assets	143.4	Current liabilities	50.0
Cash and deposits	44.6	Accounts payable for construction contracts and others	29.8
Accounts receivable from completed construction contracts and others	61.4	Short-term loans payable and others	0.0
Costs on uncompleted construction contracts and others	28.3	Others	20.1
Others	8.9	Non-current liabilities	30.8
Non-current assets	69.0	Convertible bonds	16.5
Property, plant and equipment	35.5	Others	14.2
Intangible assets	6.6	<b>Total liabilities</b>	<b>80.8</b>
Investments and other assets	26.7	<b>Net assets</b>	
<b>Total assets</b>	<b>212.4</b>	Shareholders' equity	121.9
		Capital stock	7.0
		Capital surplus	26.0
		Retained earnings	94.1
		Treasury stock	-5.2
		Total accumulated other comprehensive income	4.7
		Minority interests	4.8
		<b>Total net assets</b>	<b>131.5</b>
		<b>Total liabilities and net assets</b>	<b>212.4</b>

Ratio of current assets  
67.5%

Equity  
126.7 bil. yen  
Equity ratio  
59.6%

Total assets  
212.4 bil. yen

## (4) Key Performance Indicators

### Capital-related Indicators

	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2018 (Plan)
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 (Plan)
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 (Plan)
Capital expenditure	3.2	3.2	3.7	4.6	12.0
Depreciation and amortization	2.2	2.4	2.4	2.8	2.7

\* Figures are rounded down to one decimal place.

## Cash Flows

Units: bil. yen	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2017 Q2 actual results	FYE March 2018 Q2 actual results
Operating cash flow	9.0	18.6	6.2	4.7	11.7	13.5
Investment cash flow	- 2.7	- 3.8	- 3.6	- 11.1	- 10.5	- 1.4
Financial cash flow	- 3.5	- 2.2	- 2.6	10.4	11.1	- 2.1
Free cash flow	6.3	14.8	2.6	- 6.4	1.2	12.1

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

## Cash and Deposits/ Interest-bearing Debt

Units: bil. yen	FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2017 Q2 actual results	FYE March 2018 Q2 actual results
Cash and cash equivalents	16.7	29.2	29.1	33.1	40.6	43.0
Interest-bearing debt	- 0.5	- 0.3	- 0.4	- 18.1	- 14.4	- 17.6
Net cash	16.2	28.9	28.7	15.0	26.2	25.4

(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 3 months.

## 2. Major Shareholders (As of September 30, 2017)

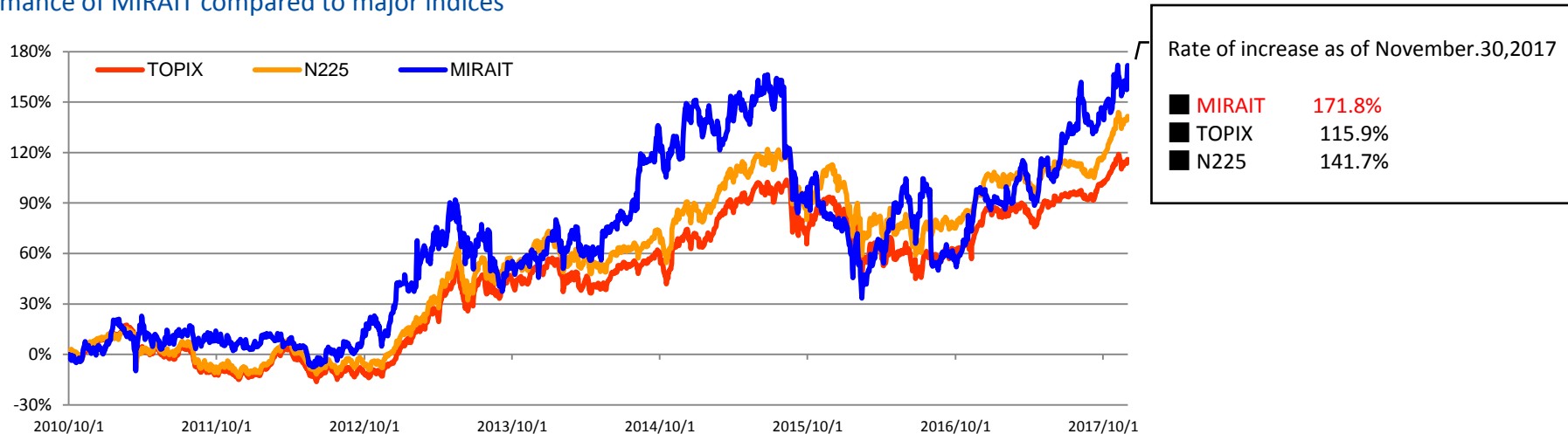
Shareholder	Number of Shares Held (thousands)	Shareholding Ratio (%)	Shareholder Composition
Sumitomo Electric Industries, Ltd.	16,236	19.0%	<p>A 3D pie chart illustrating the composition of shareholders. The largest segment is Japanese corporations at 28.6%, followed by Financial institutions at 25.0%, Foreign corporations at 23.2%, Individuals at 16.4%, and Treasury stock at 6.8%.</p>
MIRAIT Holdings Corporation (Treasury Stock)	5,839	6.8%	
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,274	5.0%	
Japan Trustee Services Bank, Ltd. (Trust Account)	2,653	3.1%	
Sumitomo Densetsu Co., Ltd.	2,488	2.9%	
State Street Bank and Trust Company 505001	1,577	1.8%	
The Bank of New York, Treaty JASDEC Account	1,355	1.6%	
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,301	1.5%	
Mizuho Bank, Ltd.	1,229	1.4%	
MIRAIT Holdings Employees's Stock Option Plan	1,205	1.4%	
DFA INTL SMALL CAP VALUE PORTFOLIO	1,159	1.4%	
Shares	85,381		

### 3. Share Price (Since establishment of MIRAIT Holdings on October 1, 2010)

#### Share price and trading volume (Closing price)



#### Performance of MIRAIT compared to major indices





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