

Financial Results Presentation for Q2 FYE 3/2021

November 16, 2020



MIRAIT

MIRAIT Holdings Corporation

Today's Agenda

I

Financial Results for FYE 3/2021

1

Q2 Financial Results

2

Revised Forecast

3

Topics

II

Management Initiatives for the Future

Presenters

Main
Speaker

Toshiki Nakayama (President and CEO)

Masakazu Tsukamoto (Director and CFO)

Koji Aoyama (Director and General Manager of Strategy)

Akio Kaji (Project Leader of NTT-Business)

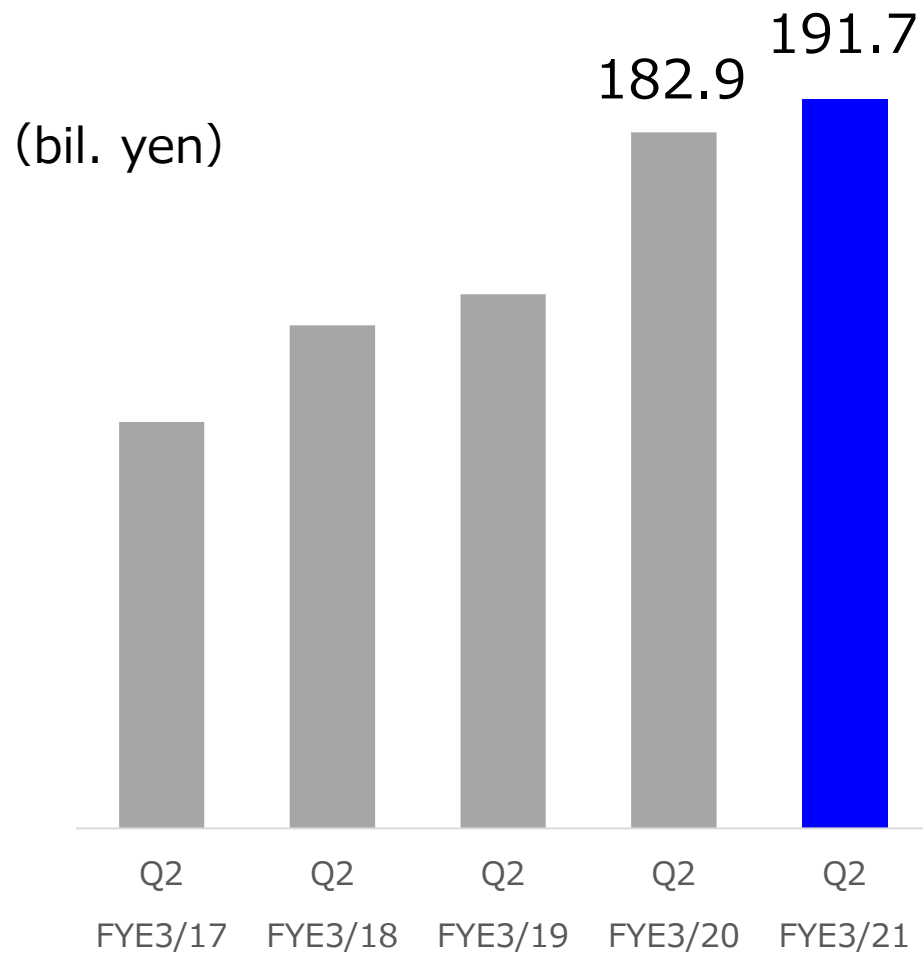
Noriyuki Nagamatsu (Project Leader of Mobile-Business)

Yoichiro Takaya (Project Leader of Solutions-Business)

A worker in a white uniform and hard hat is using a screwdriver to work on a metal structure. The worker is wearing a white hard hat with a headlamp and a white uniform with blue stripes on the sleeves. A name tag is visible on the worker's chest. The background is a bright, overcast sky. The text "Financial Results" is overlaid on the image in a large, bold, black font.

Financial Results

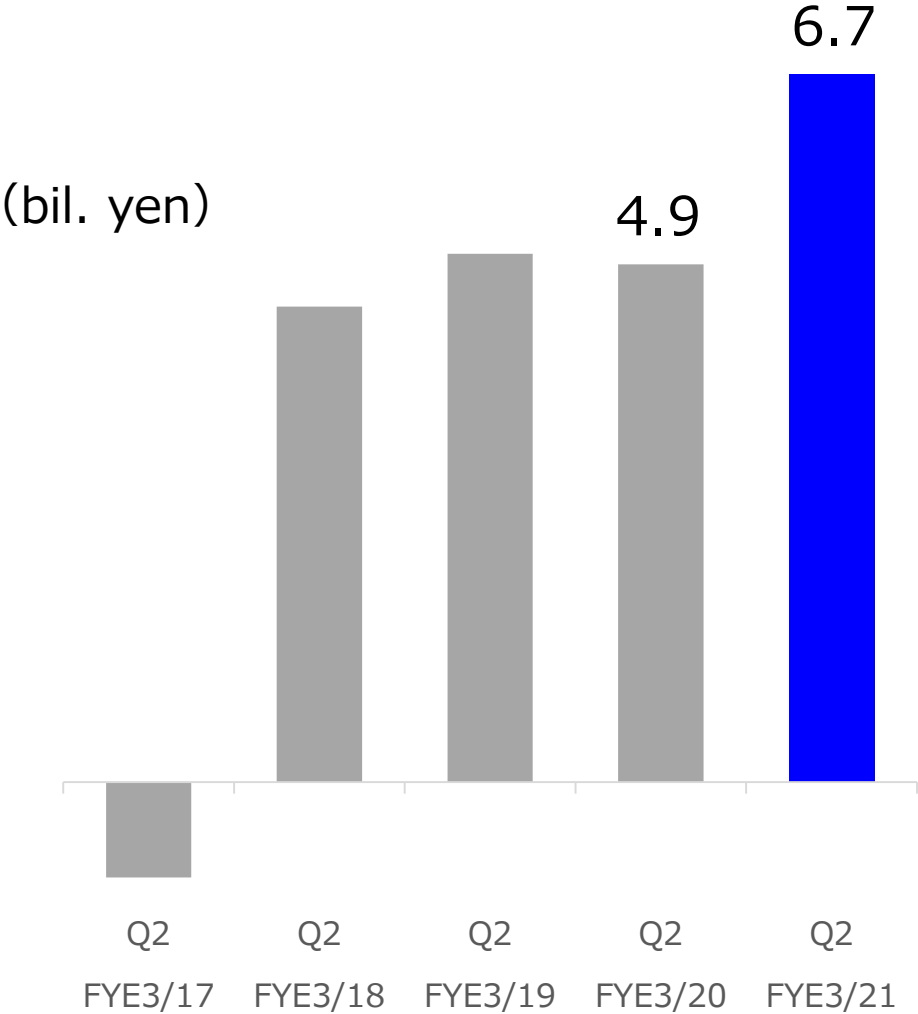
Net sales



Increase for **5**
consecutive years
(+8.8 bil. yen yoy)

Record-high sales

Operating income

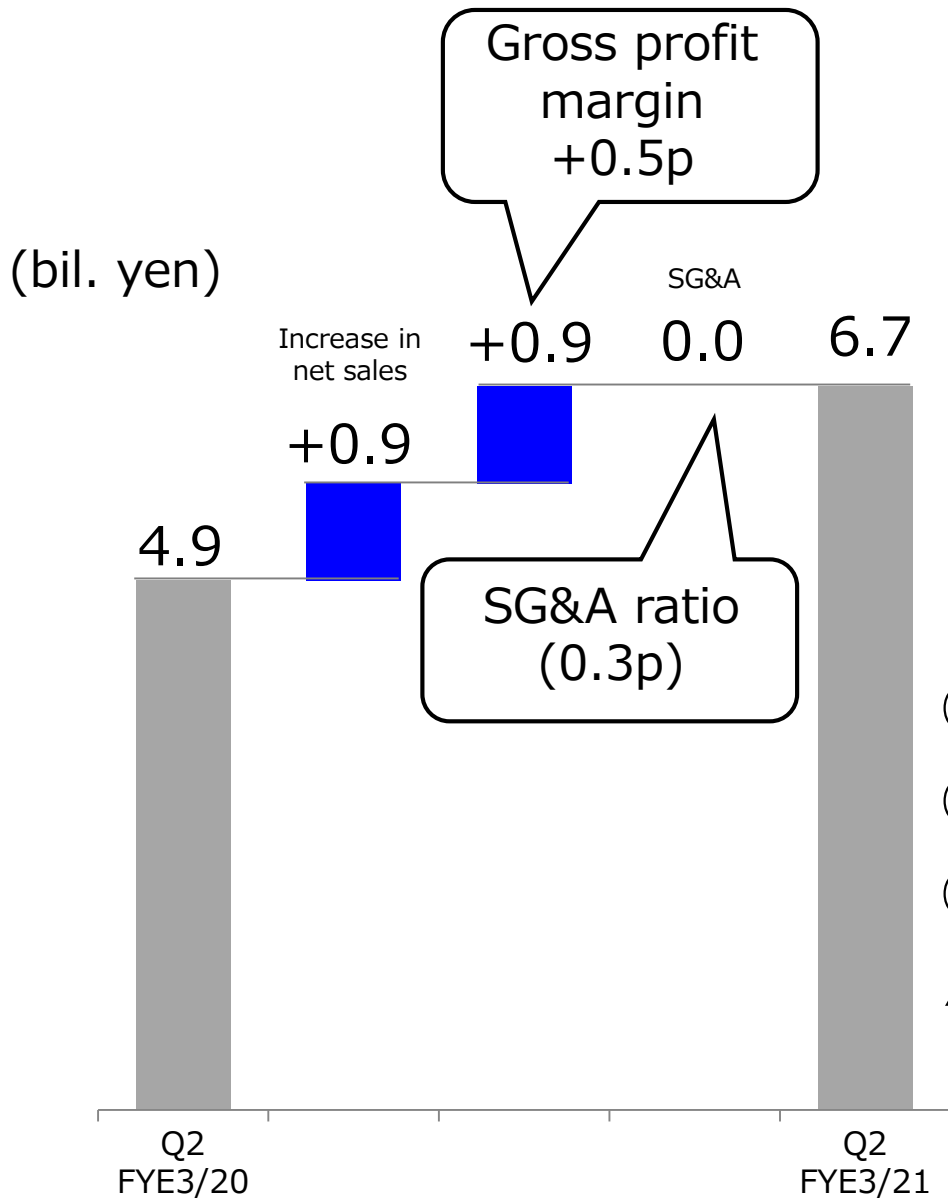


+ 1.8 bil. yen



Record-high profits

Operating income



6.7 bil. yen
 (+1.8 bil. yen yoy)

- Merger synergies
- Improved profitability
- Further operational efficiency
- ▲ Delays in projects

○ Positive factor
 ▲ Negative factor



Net sales
68.3 bil. yen
(+2.6 bil. yen yoy)



- Facility management
- Access work

○ Positive factor
▲ Negative factor

Multi-carrier Business



Net sales
39.8 bil. yen
(+1.1 bil. yen yoy)



- Work for Rakuten across Japan
- CATV work
- ▲ Delays in projects

○ Positive factor
▲ Negative factor

Environmental & Social Innovation Business



Net sales
25.8 bil. yen
(-0.7 bil yen yoy)



- Air conditioning/
water utility work
- ▲ Mega-solar

○ Positive factor
▲ Negative factor

ICT Solutions Business



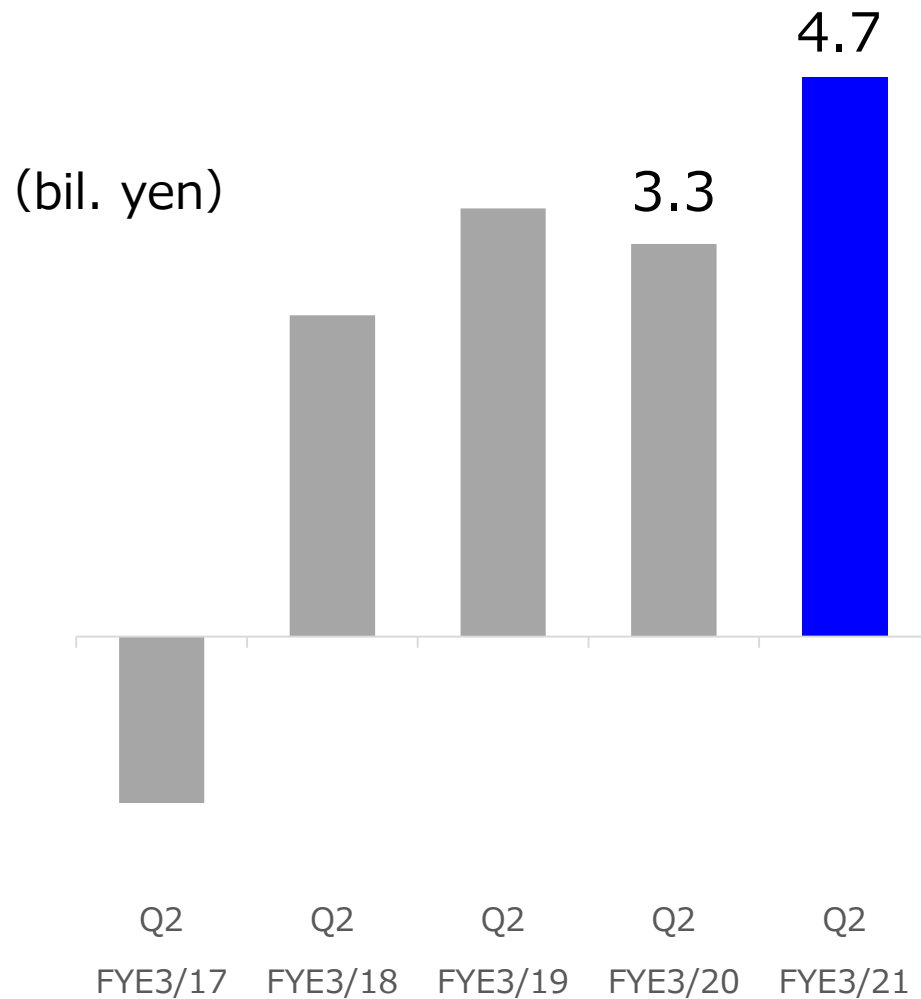
Net sales
57.7 bil. yen
(+5.8 bil. yen yoy)



- Domestic LAN/ Wi-Fi
- Goods sales
- Software
- ▲ Lantrovision

○ Positive factor
▲ Negative factor

Net income



+ 1.4 bil. yen



Record-high profits
also at the net
income level



**Revised Forecast for
FYE 3/2021**

Revised forecast (FYE 3/2021)

Orders received	430.0 bil. yen
Net sales	435.0 bil. yen
Operating income	22.0 bil. yen
Net income	15.5 bil. yen

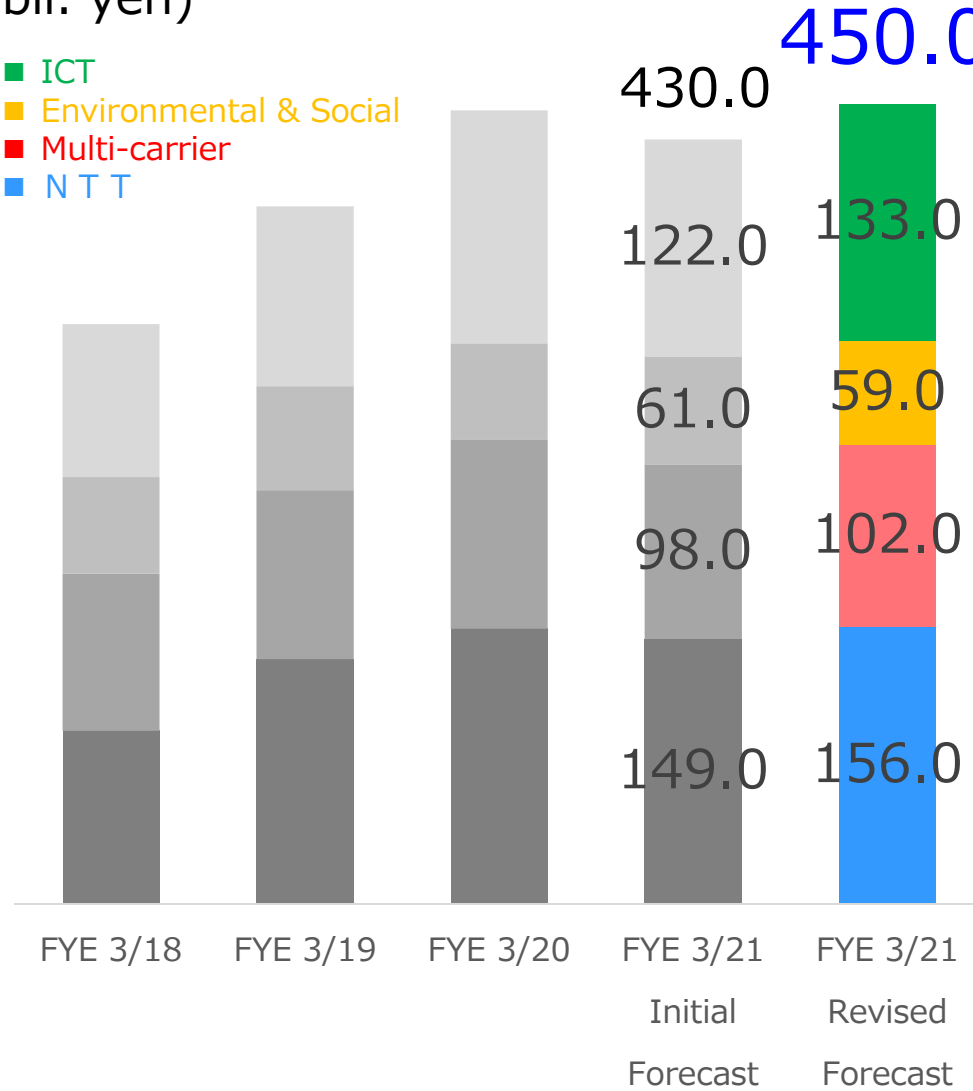


Orders received	450.0 bil. yen (+20.0 bil. yen)
Net sales	445.0 bil. yen (+10.0 bil. yen)
Operating income	23.0 bil. yen (+1.0 bil. yen)
Net income	16.0 bil. yen (+0.5 bil. yen)

Orders received

(bil. yen)

- ICT
- Environmental & Social
- Multi-carrier
- NTT



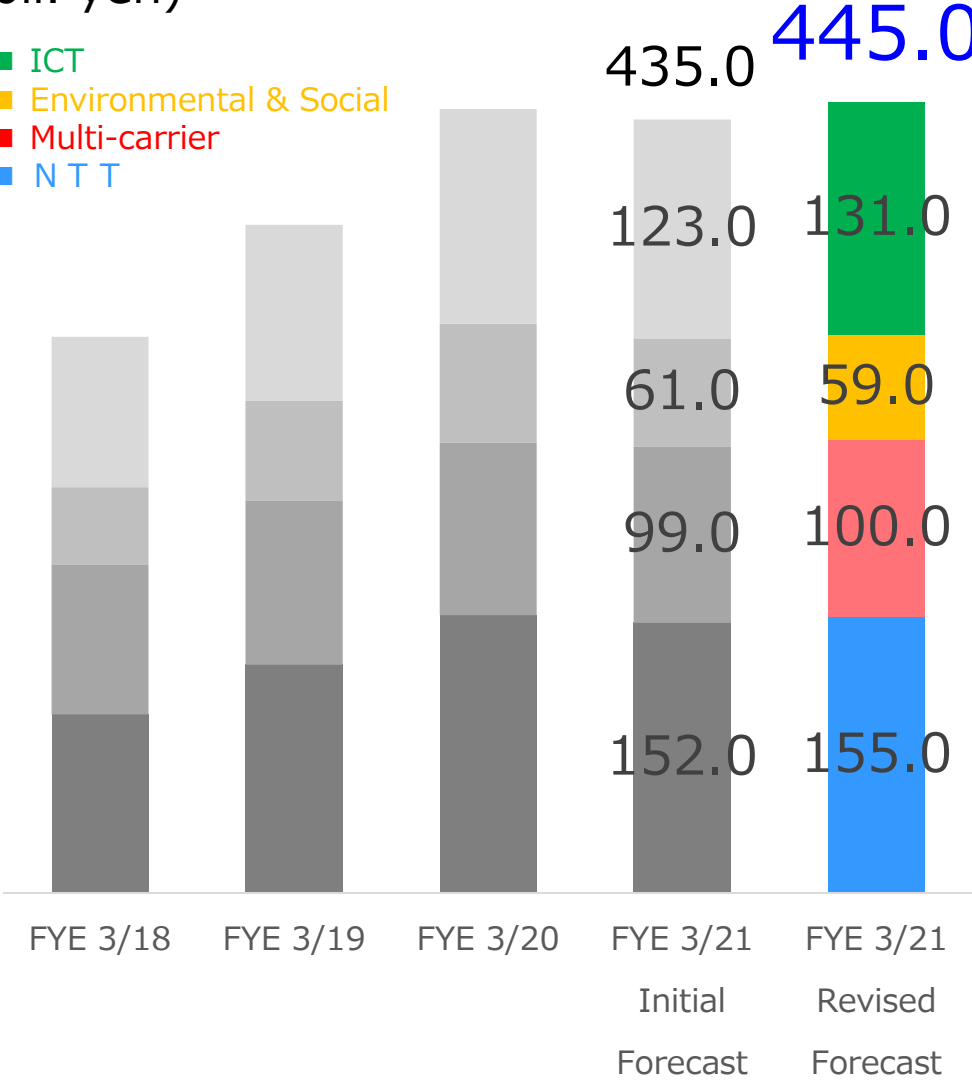
vs.
initial forecast

+ 20.0 bil.yen

Net sales

(bil. yen)

- ICT
- Environmental & Social
- Multi-carrier
- NTT



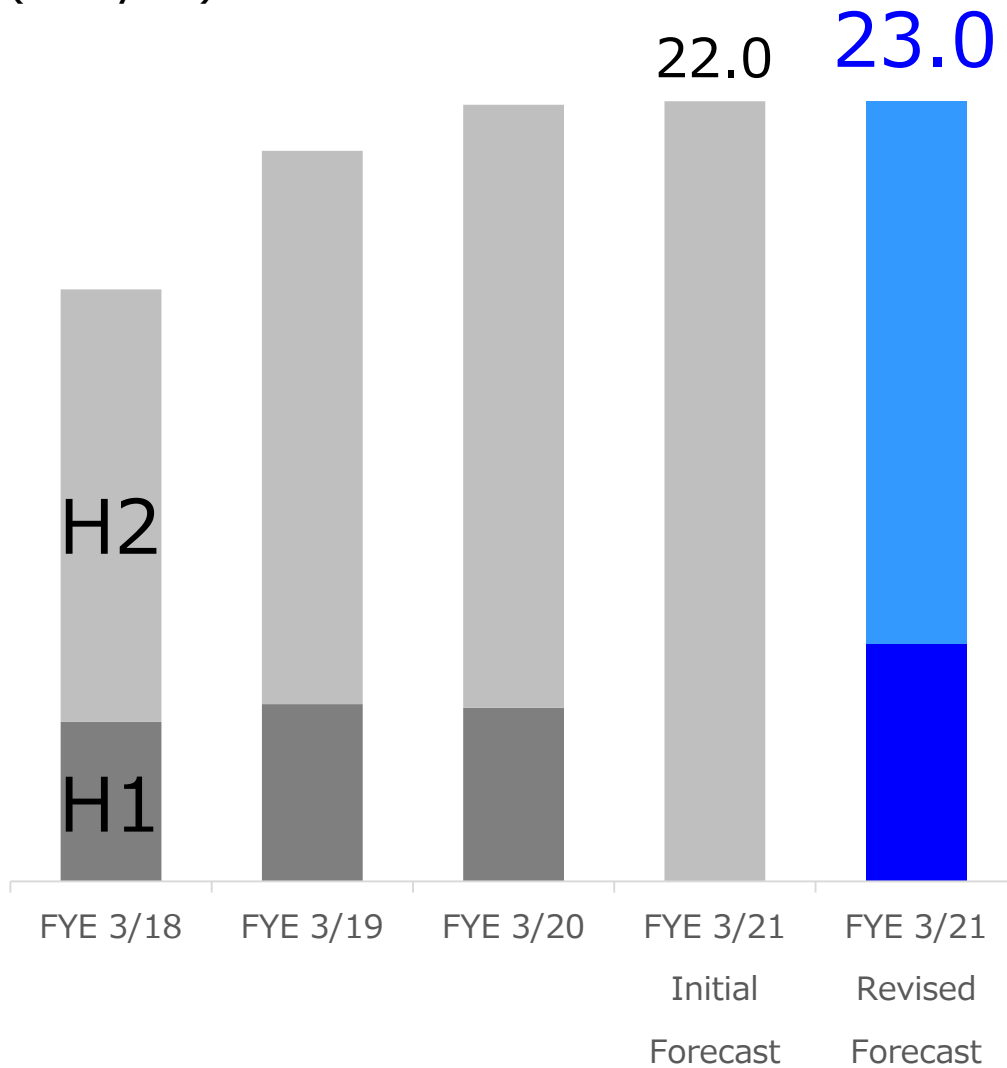
vs.
initial forecast



+ 10.0 bil.yen

Operating income

(bil. yen)

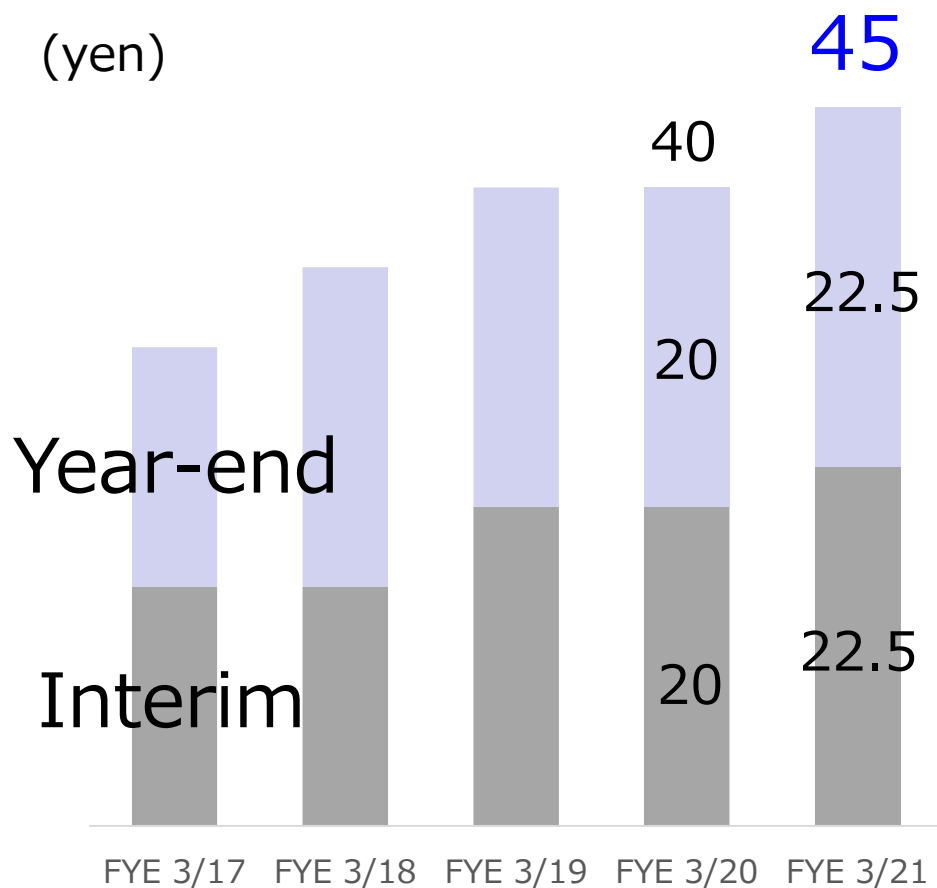


vs.
initial forecast

+ 1.0 bil.yen

Dividend

(yen)



Dividend per share
40 yen



45 yen
(+5 yen)

Forecast

Dividend payout ratio	37.6%	24.1%	※ 23.6%	26.7%	30.3%
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※Total shareholder return for FYE 3/2019 excludes impact of negative goodwill from mergers.

<Reference>

Share repurchase	2.5 bil.yen	—	—	10.4 bil.yen	undecided
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Topics

Developing multi-skilled engineers

Combining Fixed and Mobile Communication Work



Kobe "Hyper Techno Port"



Height training



Installing antennas

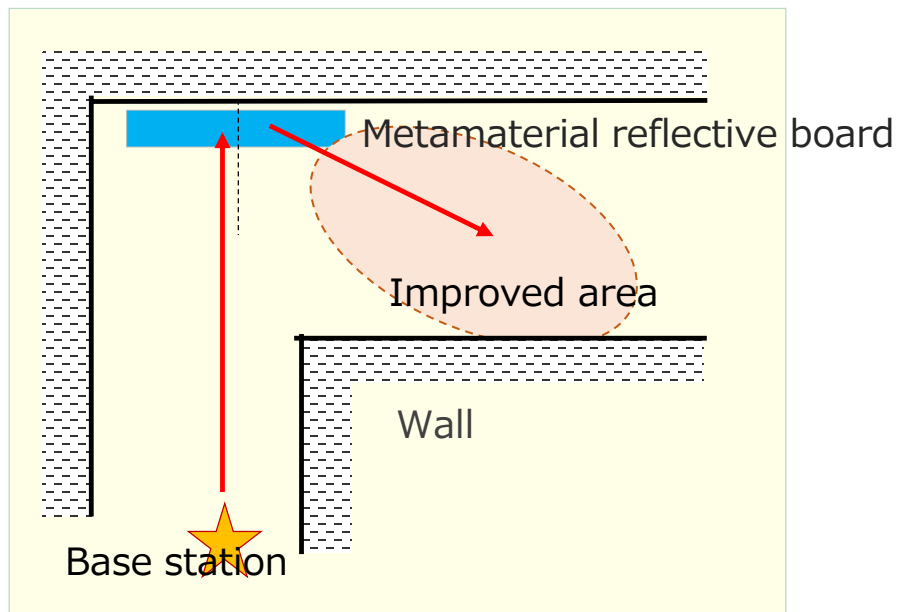


Ichikawa Training Center

Local 5G (1) : Solution to build wireless areas

Comprehensive support to companies adopting local 5G

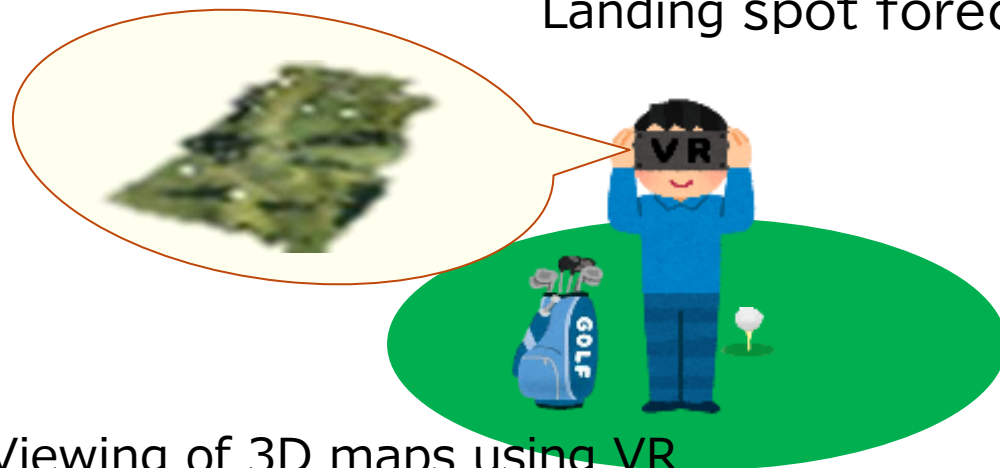
○Area improvement solutions using reflective boards.



Scheduled launch of "5G Labo"
(MIRAIT Shin-Kiba Building)

Local 5G (2) : 5G Golf

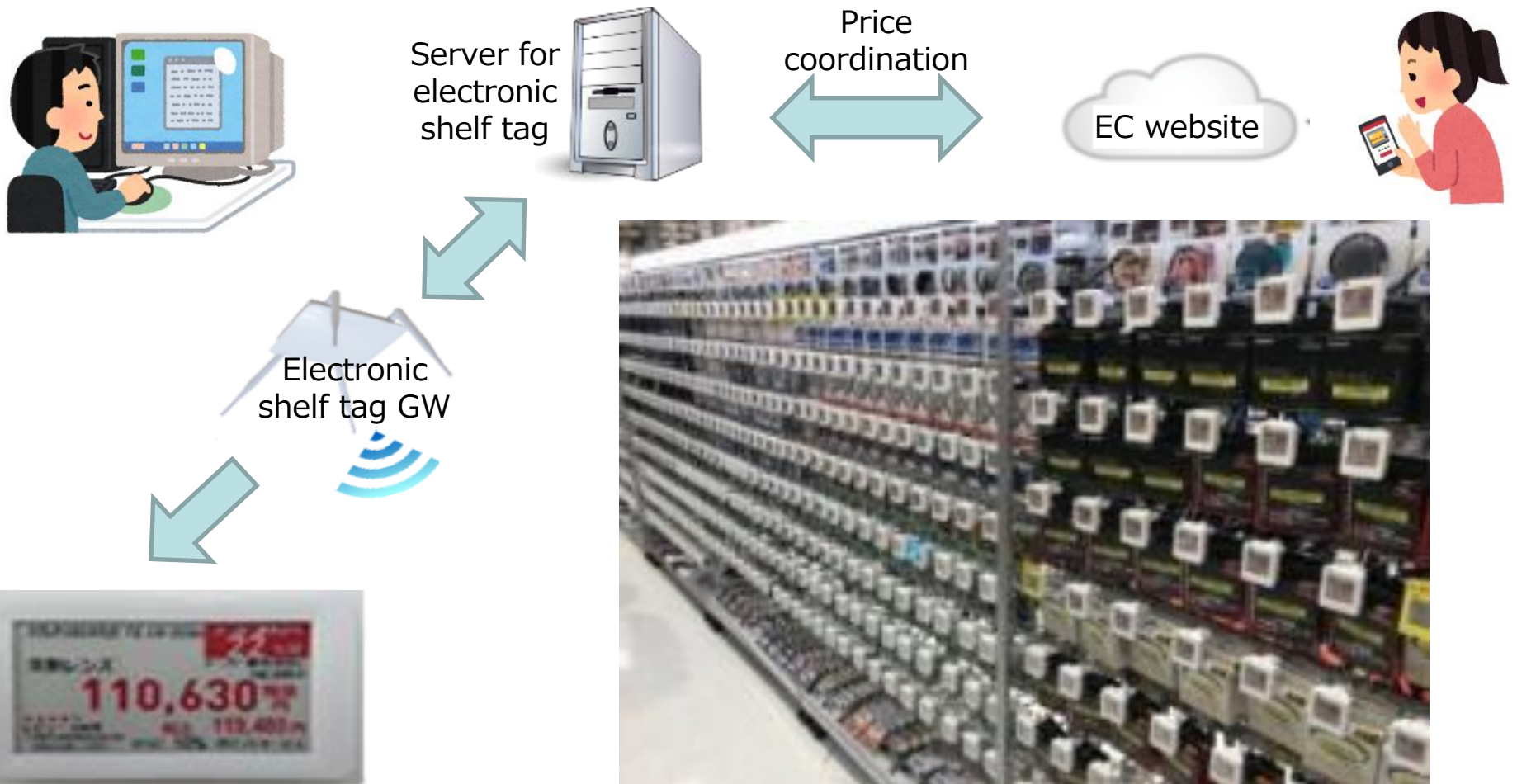
Hosted next-generation 5G golf event



Viewing of 3D maps using VR

DX : Electronic Shelf Tag System

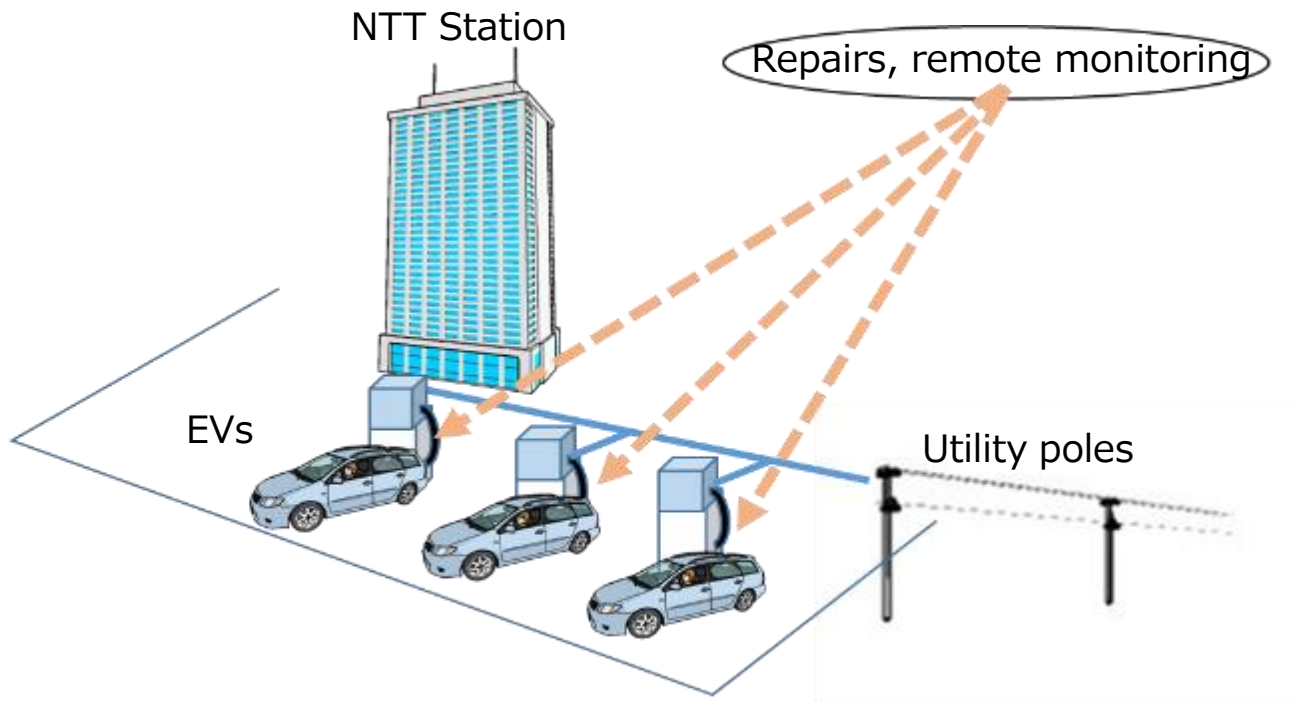
More than 100,000 tags can be updated simultaneously



EV Charger Installment

One of top Japanese companies in terms of track record for EV charger installment work

○EV charger installation in NTT station parking lots



Operation check



After installation

Precautionary Statement

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.

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MIRAIT Holdings Corporation

Management Initiatives for the Future



History of the MIRAITS Group

10 years ago...

10/2010: Integration of 3 companies

FY2010

No. of Employees

7,200

Sales

246.6 bil. yen

Operating Income (ratio)

4.9 bil. yen (2.0%)

10/2012: Business restructuring

FY2012

7,400

271.0 bil. yen

10.8 bil. yen (4.0%)

6/2016: Expansion of global business

FY2016

8,700

283.2 bil. yen

10.0 bil. yen (3.5%)

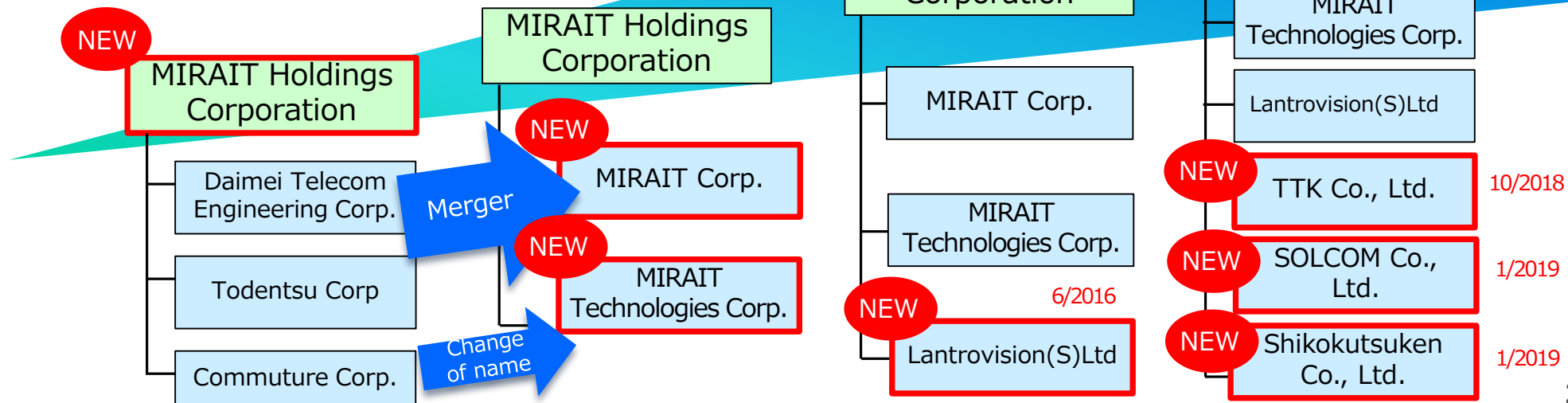
10/2018, 1/2019: Integration of 3 companies

FY2019

12,600

441.1 bil. yen

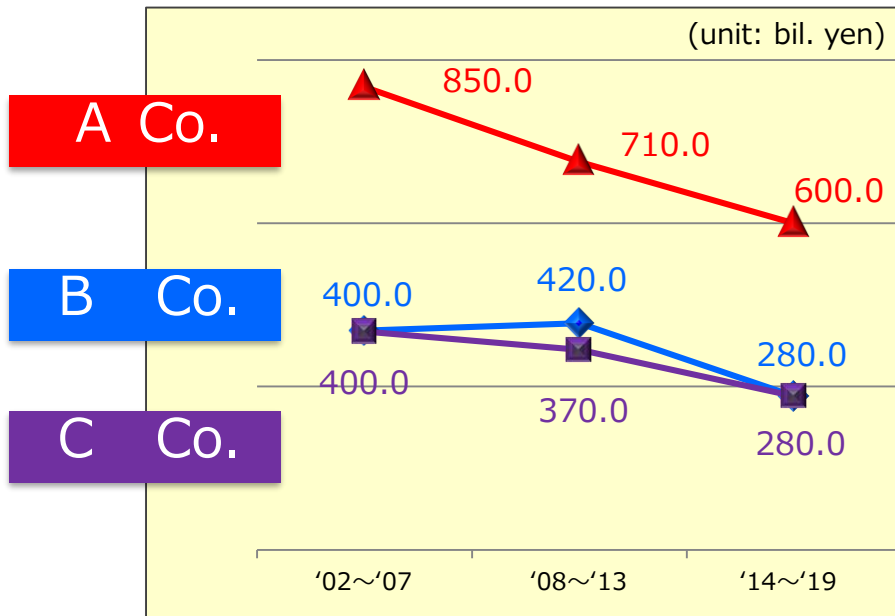
21.9 bil. yen (5.0%)



Business Environment

■ Decrease in carriers' capex

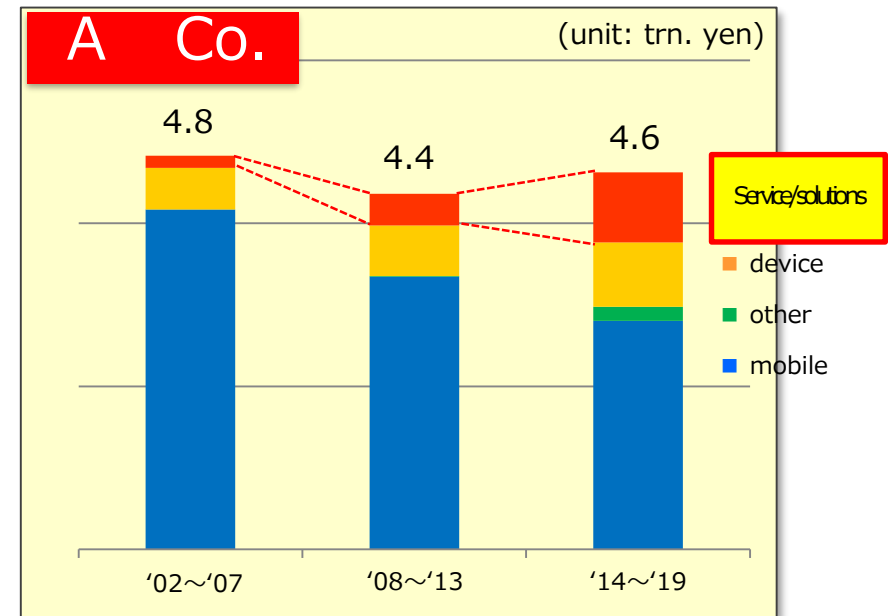
(Capital investments by telecom carriers)



※rounded to the nearest 10 bil. yen

■ Carriers' shift to service solutions business

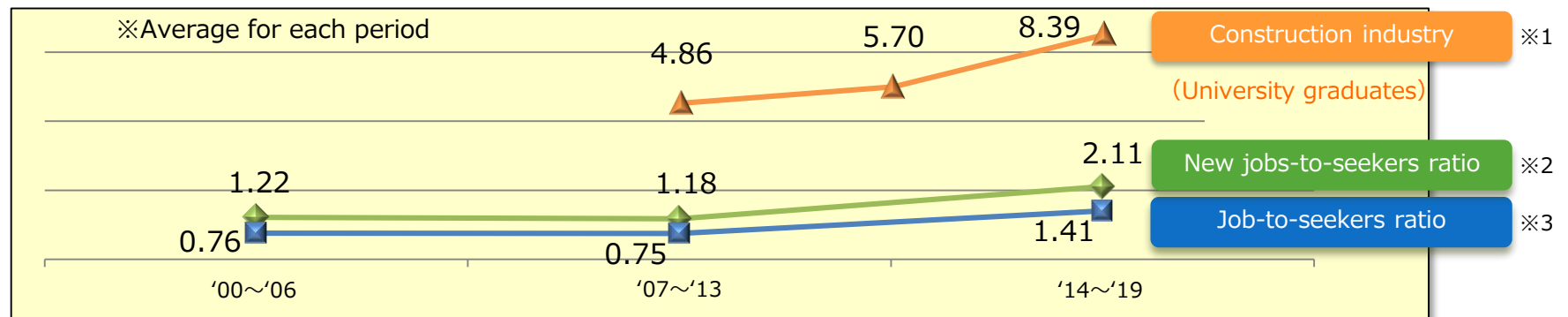
(Operating income structure at telecom carriers)



※rounded to the nearest 100 bil. yen

■ Lack of labor in construction industry

(Job-to-seekers ratio)



<Source> ※1 Recruit Co. 36th WORKS survey on job-to-seekers ratio for new graduates (2020) (referred 7/6/20) <https://www.works-i.com/surveys/adoption/graduate.html>
 ※2※3 MHLW General occupational data (employment security statistics) (referred 7/6/2020) <https://www.mhlw.go.jp/toukei/list/114-1.html>

Transforming the Business Structure

A

Solutions and other new domains as core businesses

B

Improving profitability of existing business with carriers



"With COVID-19"

C

Strengthening the management base

- Group management
- Brand
- HR
- IT systems
- Safety/quality

Transforming the Business Structure

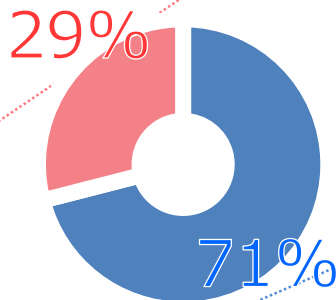
"Super Telecommunications Construction Company"

Solutions/ new(frontier) businesses

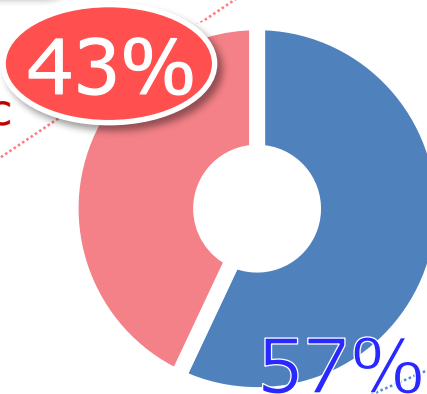


➔ B Market
Private and public sector entities

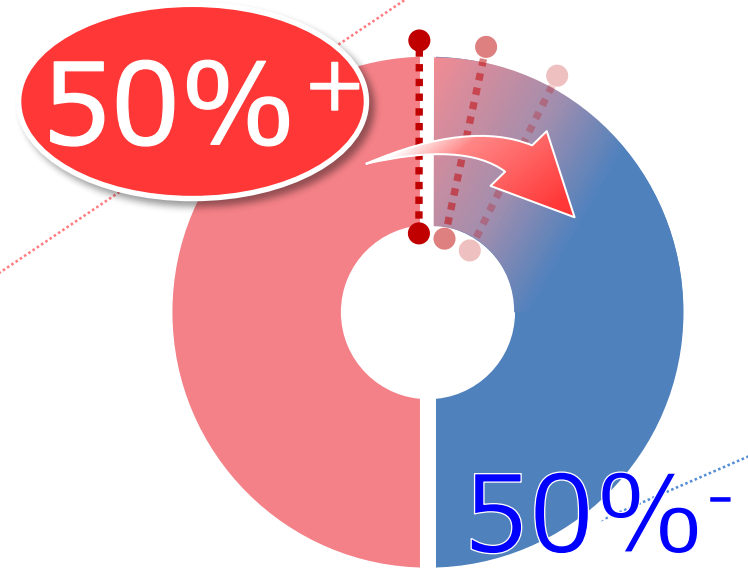
Direct/ channel sales



FY2013



FY2019



Telecom carrier business



Telecom carriers

FY2022~

Transforming the Business Structure

Expanding into New Business Domains (Frontier Businesses)

IoT/5G

Strengths of the
MIRAIT Group

“Front line capabilities”
“Established telecom/ electrical
construction company”

“X”s unique to
the MIRAIT Group

Energy
Management
(EMS)

Smart
Cities

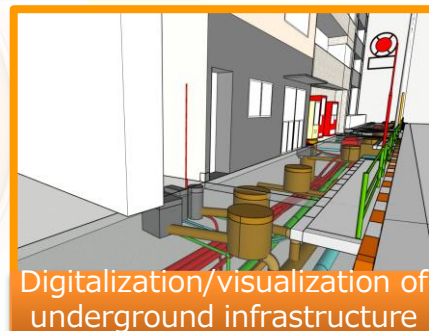
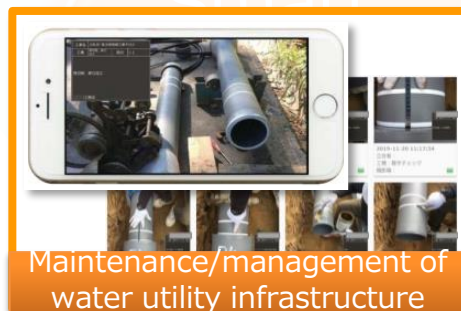
(Civil Engineering)

Global
Engineering



Transforming the Business Structure

Expanding into New Business Domains (Frontier Businesses)



Asia: 13 countries
28 cities

Datacenter business
(cabling, etc.)

Telecommunication tower sharing service





MIRAIT
GROUP

Strive to remain a trusted Group that creates and protects social (telecommunication and energy) infrastructure into the future

SDGs

Sustainable
Development
Goals

ESG

Environment
Social
Governance

Quality Company

Quality Work

Business



Company with
growth
momentum

Employees



Company with
outstanding work
environment

Partners



Partner company of
choice

MIRAIT HD/ MIRAIT/ MIRAIT Technologies

Proposed Restructuring/ Merger of Three Companies

– Accelerating the transformation of the business structure –



Restructuring

STEP 1

FY2021

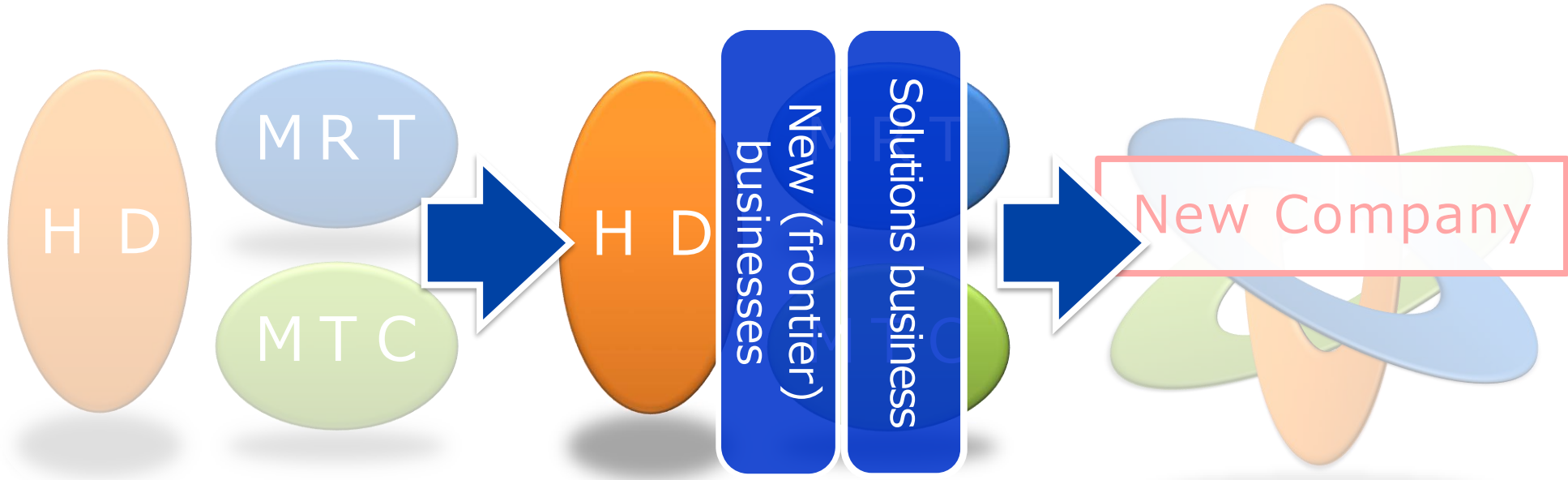
▶▶▶ Solutions/new(frontier) businesses

Launch "ONE TEAM" structure



"ONE TEAM"

Merger



Restructuring

STEP 2

FY2022

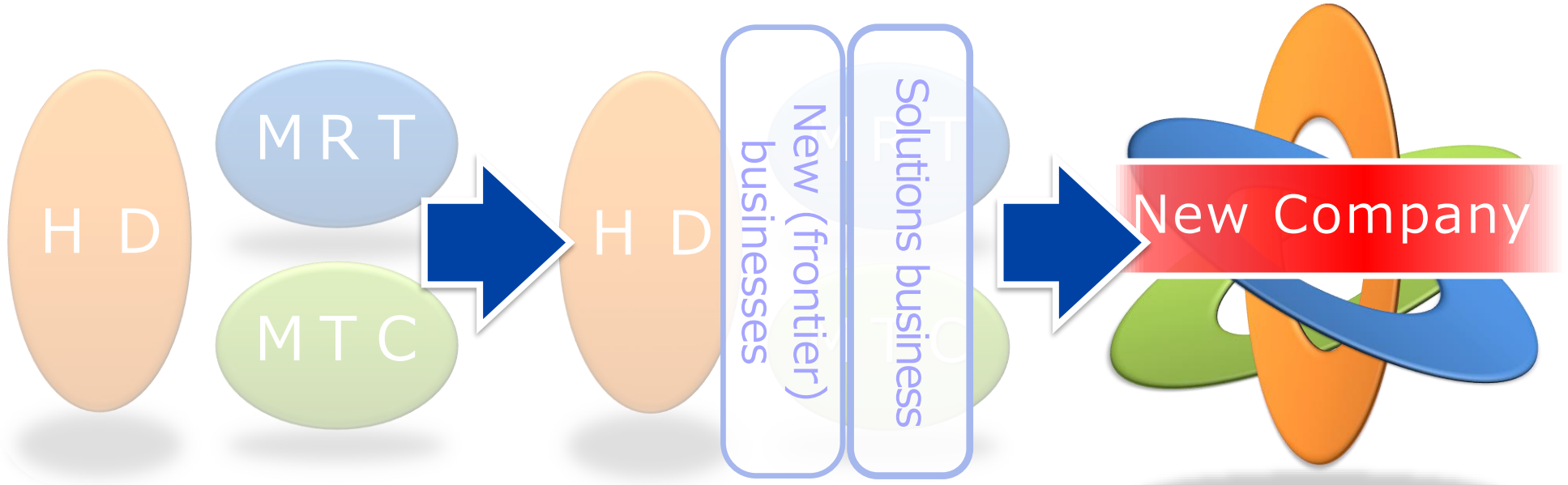
MIRAIT HD/ MIRAIT/ MIRAIT Technologies

Merger of three companies



"ONE TEAM"

Merger



STEP 2

Outline of Merger of Three Companies

Timing

- ▶ Early FY2022

Scheme

- ▶ Absorption-type merger with MIRAIT HD as surviving company

Resolution of a shareholders' meeting needed, as this will be subject to a revision to the Articles of Incorporation

Objective of Restructuring/ Merger of Three Companies

Accelerating the transformation of the business structure

Building the solutions/ new (frontier) businesses as core businesses

- ▶ Launch “ONE TEAM” structure (FY2021)

Strengthen profitability of existing businesses
(fixed/mobile communication work)

- ▶ Thorough efforts to achieve efficiency/ maximize profits

Strengthen management base

- ▶ Consolidate back office/ administrative functions to cut costs

Building and Maintaining a Bridge to the Future



**MIRAIT
GROUP**

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