

# Presentation Materials

December, 2020



**MIRAIT**

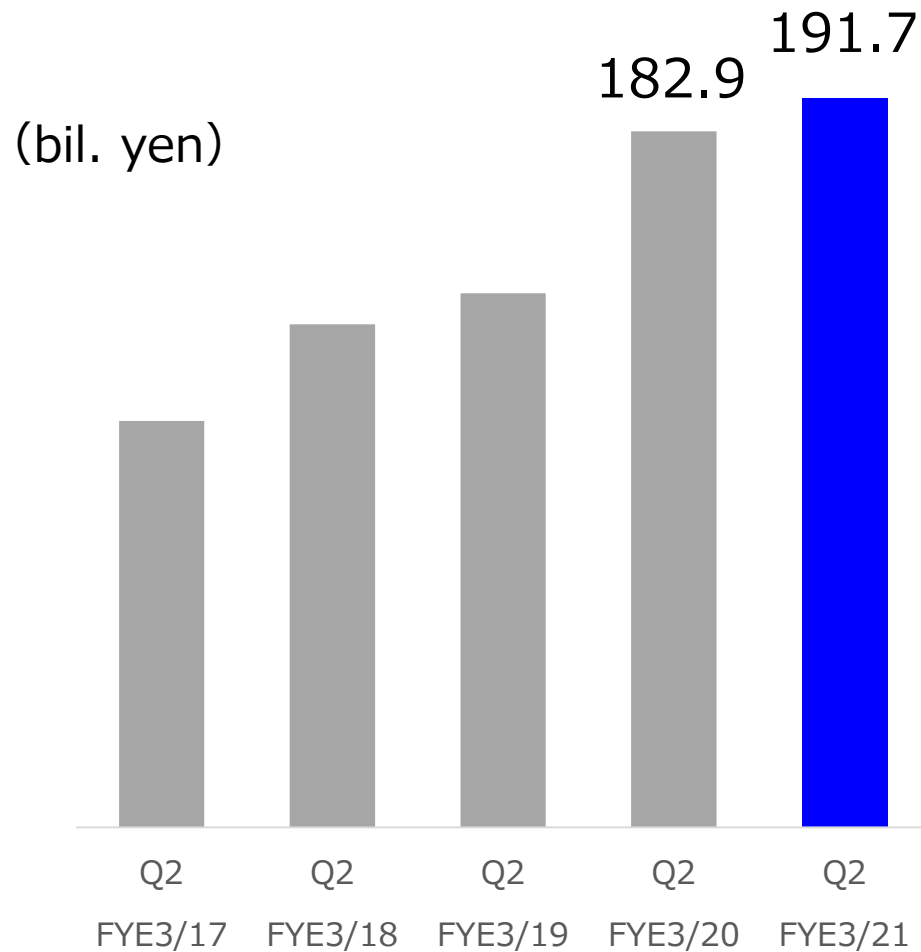
MIRAIT Holdings Corporation

A worker wearing a white hard hat and a light-colored uniform with a blue and white striped tie is using a red-handled screwdriver to work on a metal structure. The worker is looking towards the camera. The background is a bright, overcast sky. The text "Financial Results" is overlaid in the center of the image.

# Financial Results

(Note) "Net income attributable to owners of parent" is referred to as "net income" in this presentation.

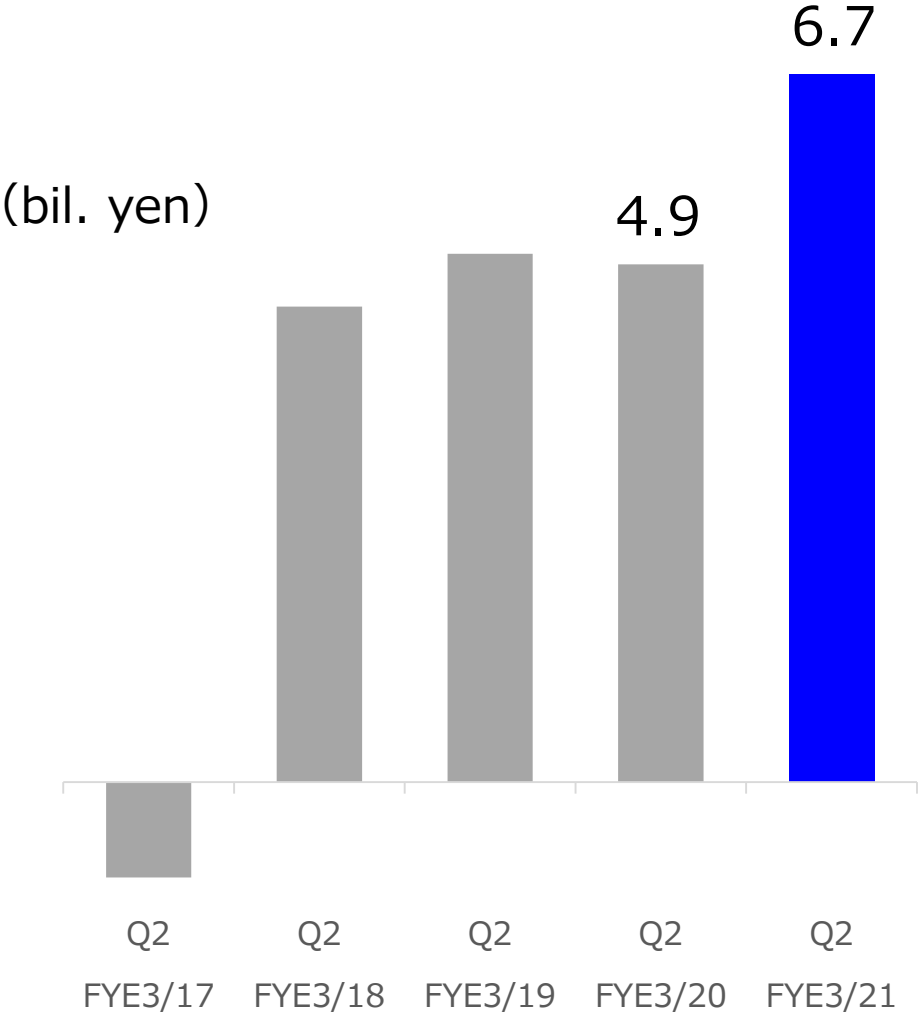
# Net sales



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

Record-high sales

# Operating income

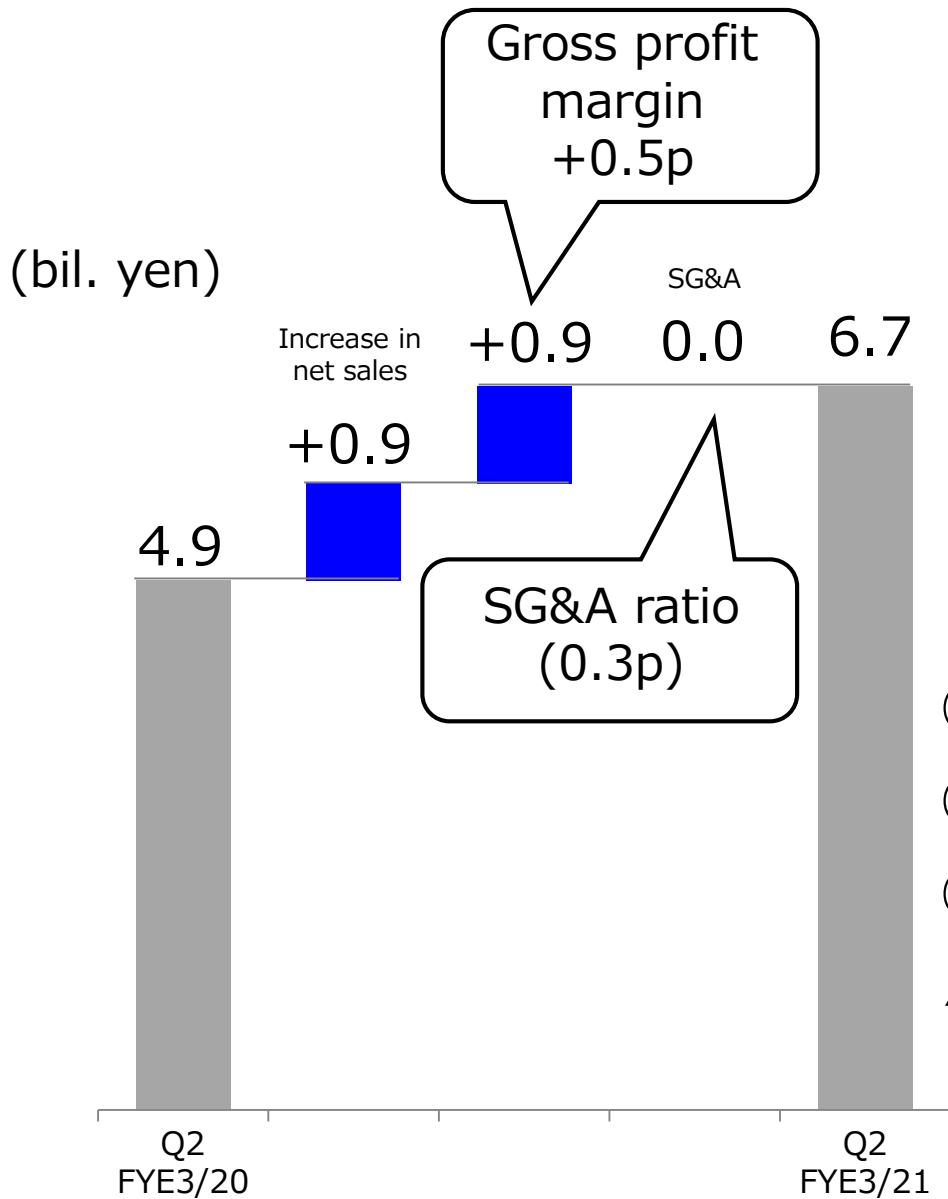


+ 1.8 bil. yen



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



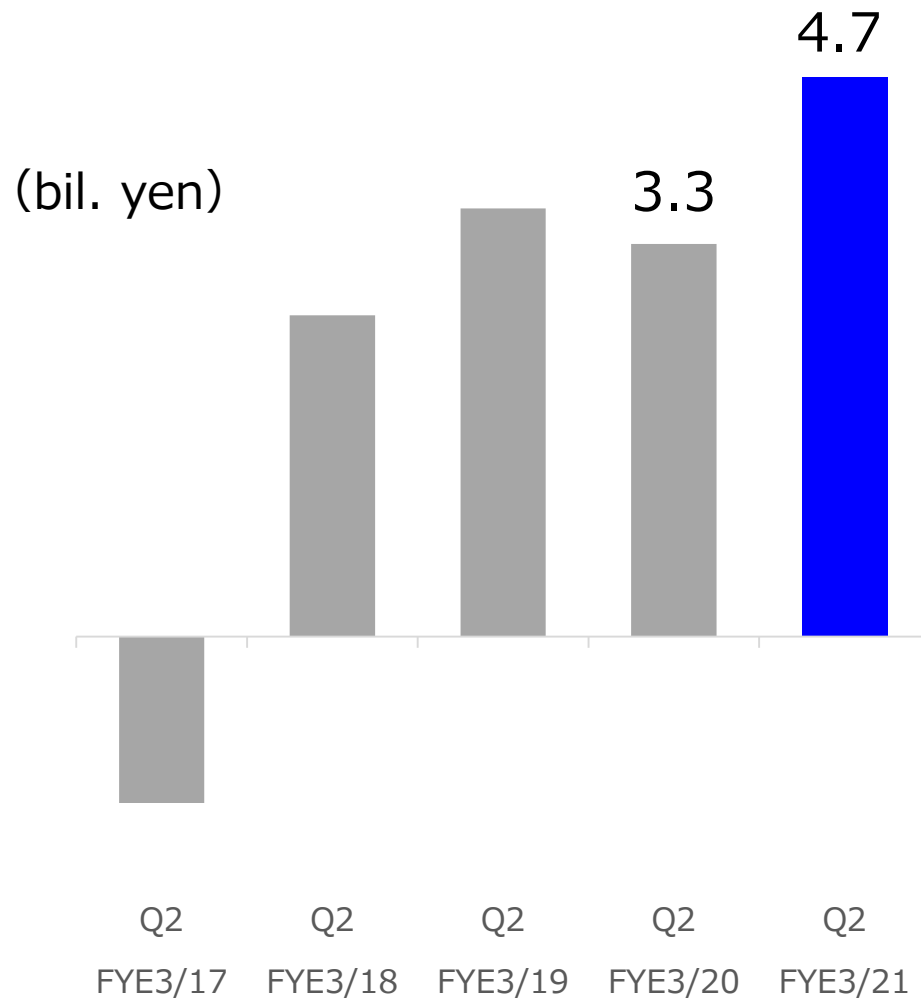
Net sales  
**57.7 bil. yen**  
(+5.8 bil. yen yoy)



- 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

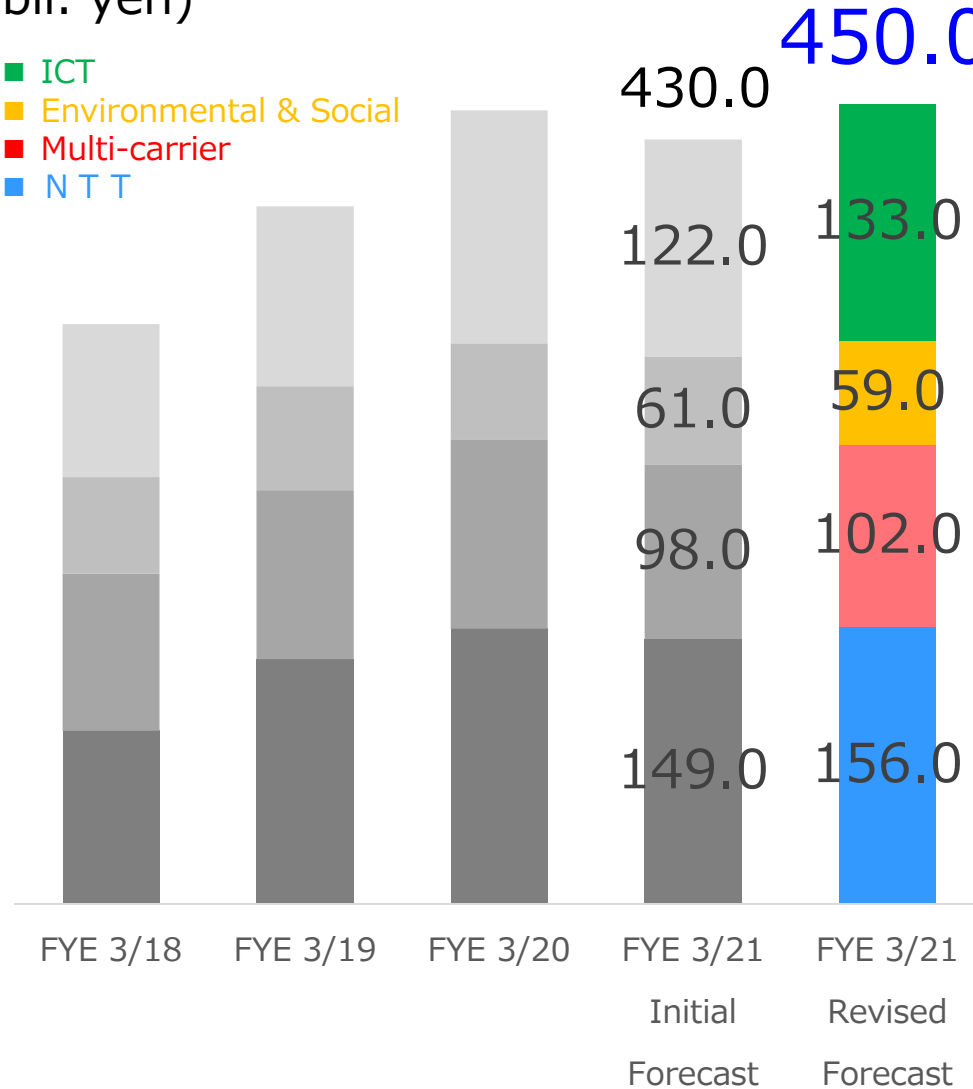


Orders received	<b>450.0 bil. yen</b> (+20.0 bil. yen)
Net sales	<b>445.0 bil. yen</b> (+10.0 bil. yen)
Operating income	<b>23.0 bil. yen</b> (+1.0 bil. yen)
Net income	<b>16.0 bil. yen</b> (+0.5 bil. yen)

# Orders received

(bil. yen)

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



vs.  
initial forecast

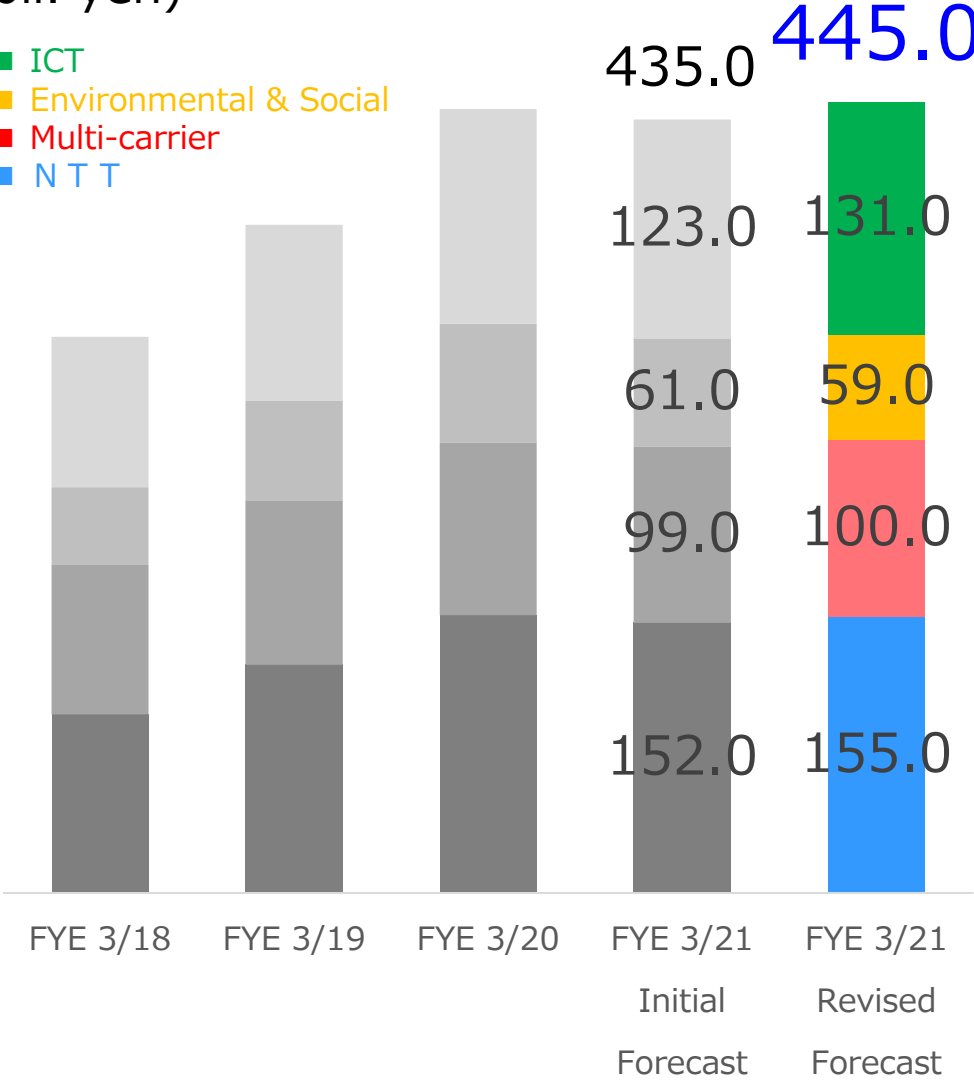
+ 20.0 bil.yen



# Net sales

(bil. yen)

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



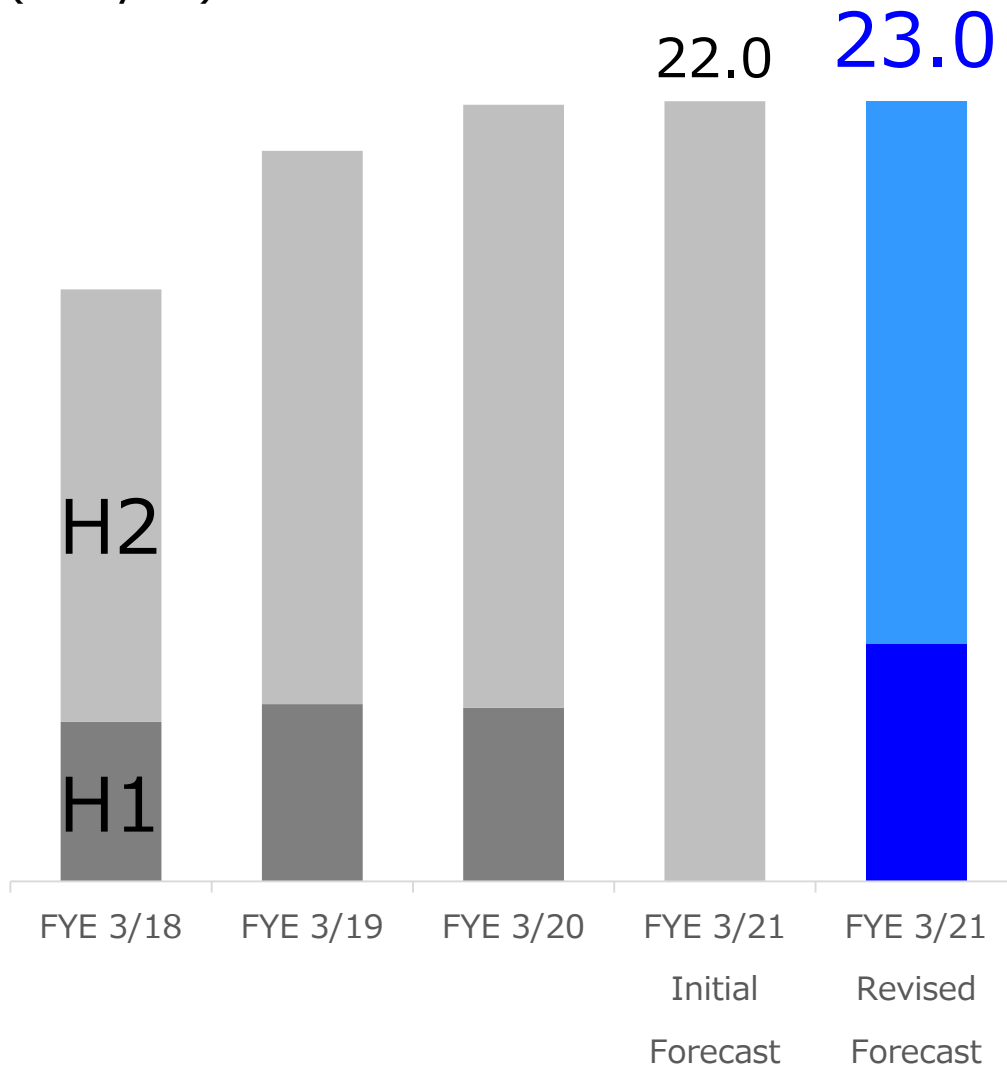
vs.  
initial forecast



+ 10.0 bil.yen

# Operating income

(bil. yen)

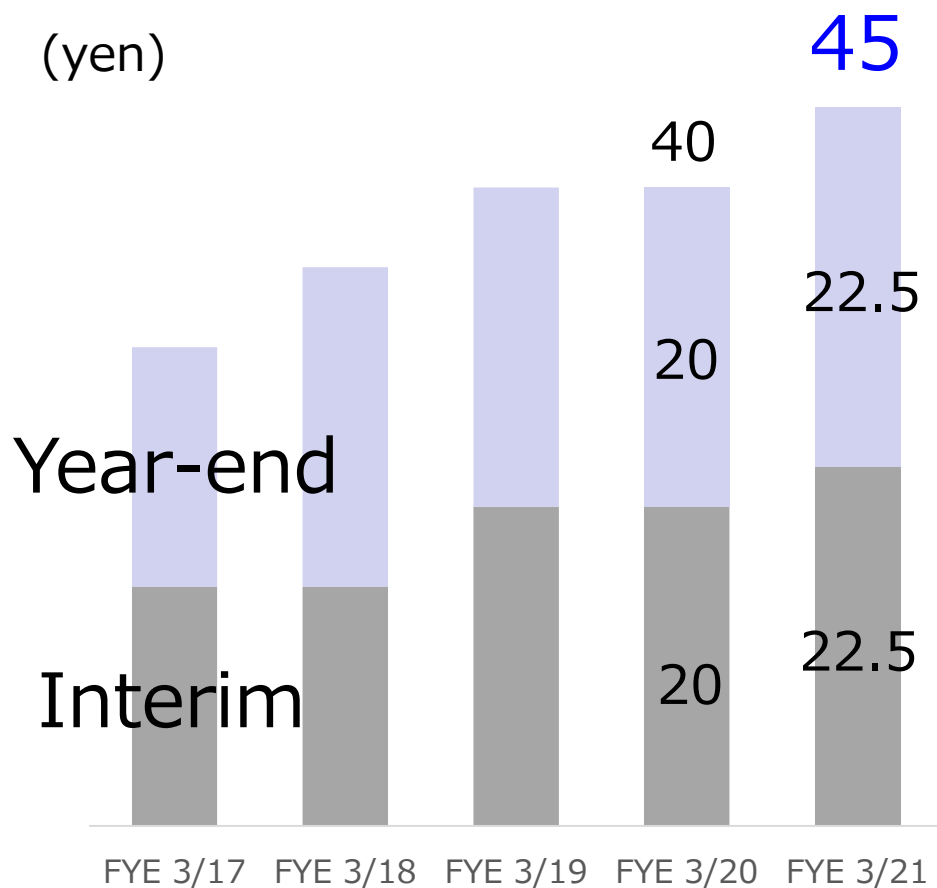


vs.  
initial forecast

+ 1.0 bil.yen

# Dividend

(yen)



Dividend per share  
**40 yen**



**45 yen**  
(+5 yen)

Dividend payout ratio	37.6%	24.1%	※ 23.6%	26.7%	29.5%
-----------------------	-------	-------	---------	-------	-------

※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	9.5 bil.yen
------------------	-------------	---	---	--------------	-------------



# Topics

# Developing Multi-skilled Engineers

Combining fixed and mobile communication work



Kobe “Hyper Techno Port”



Height training



Installing antennas



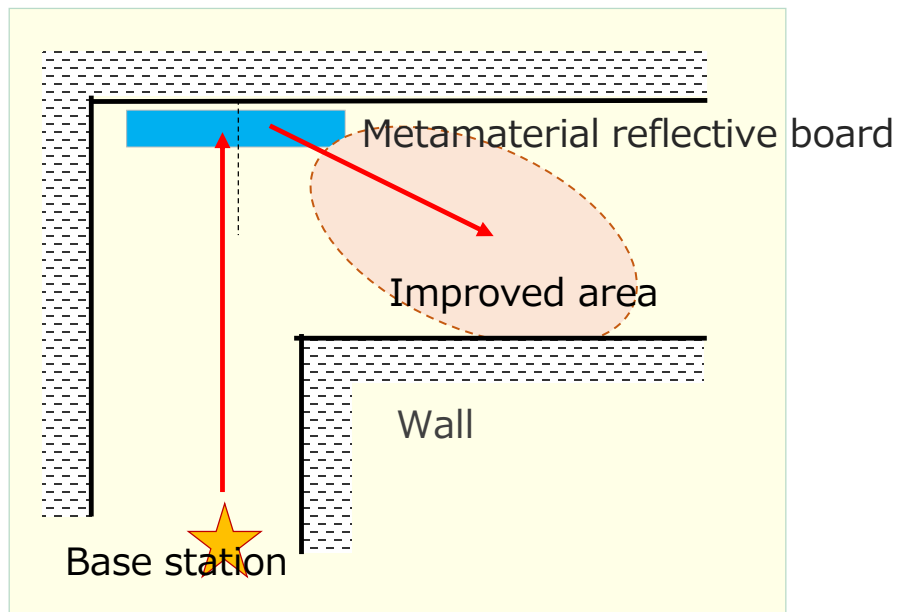
Ichikawa Training Center



# Local 5G (1) : Solution to Build Wireless Areas

Comprehensive support to companies adopting local 5G

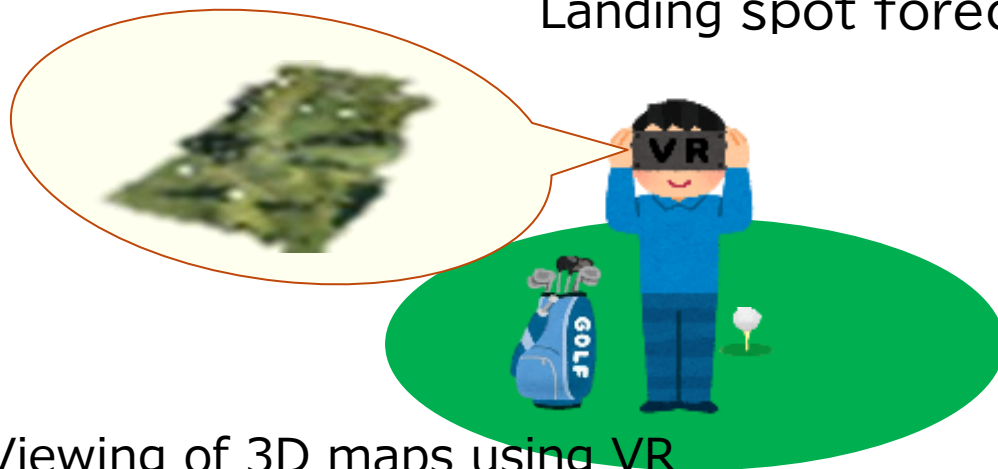
○Area improvement solutions using reflective boards.



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

# Local 5G (2) : 5G Golf

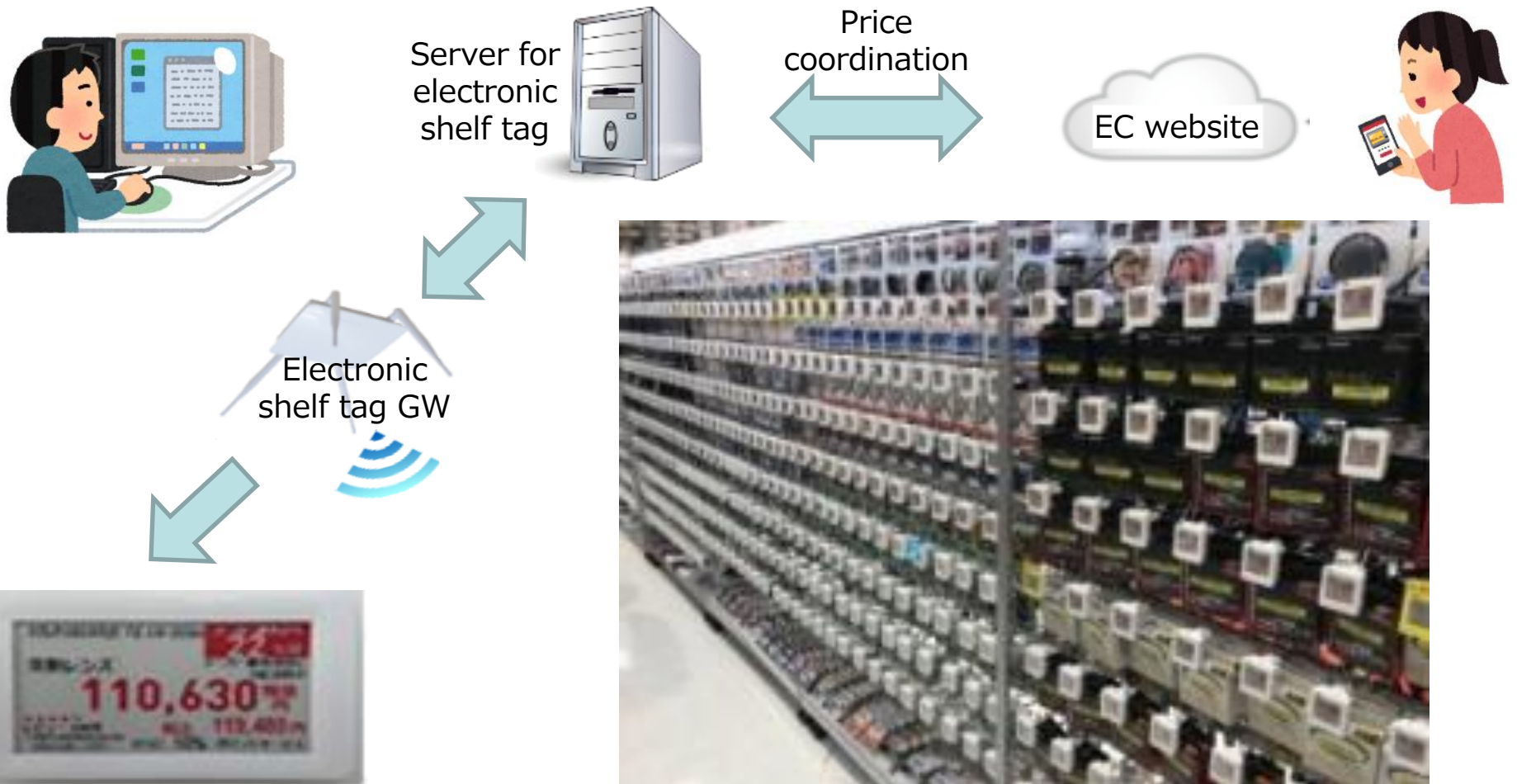
Hosted next-generation 5G golf event



Viewing of 3D maps using VR

# DX : Electronic Shelf Tag System

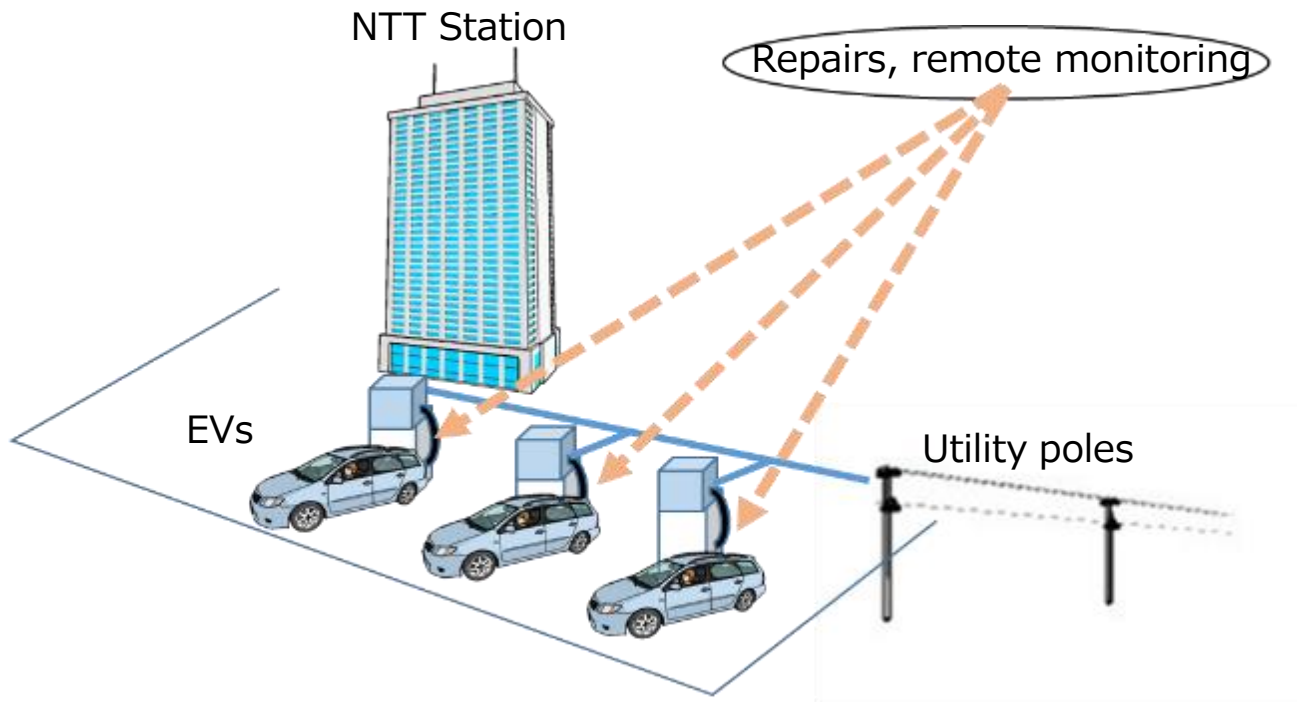
More than 100,000 tags can be updated simultaneously



# 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.

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



# 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%)

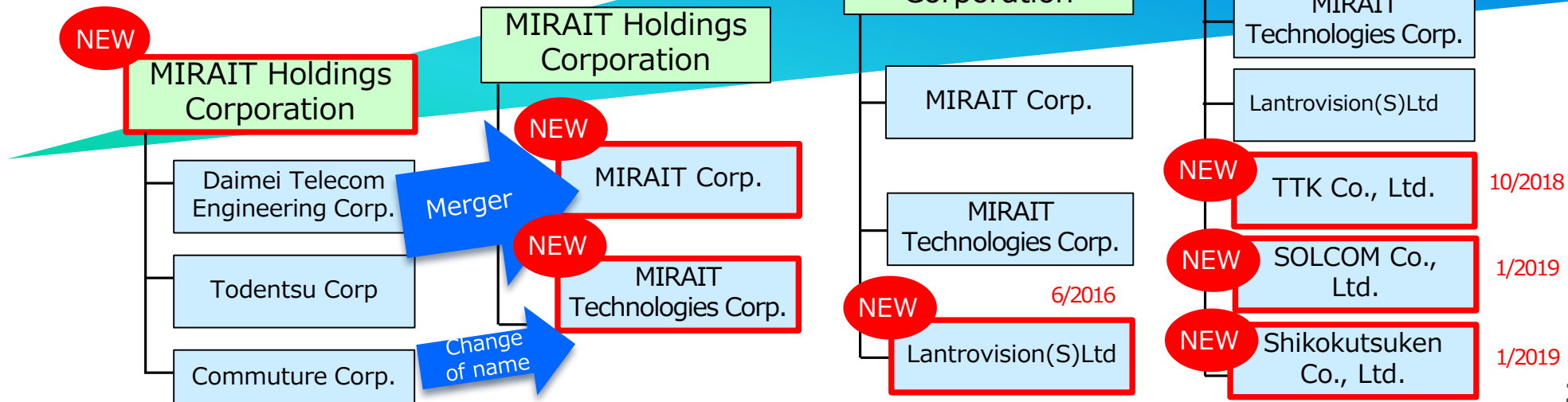
10/2018, 1/2019: Integration of 3 companies

FY2019

12,600

441.1 bil. yen

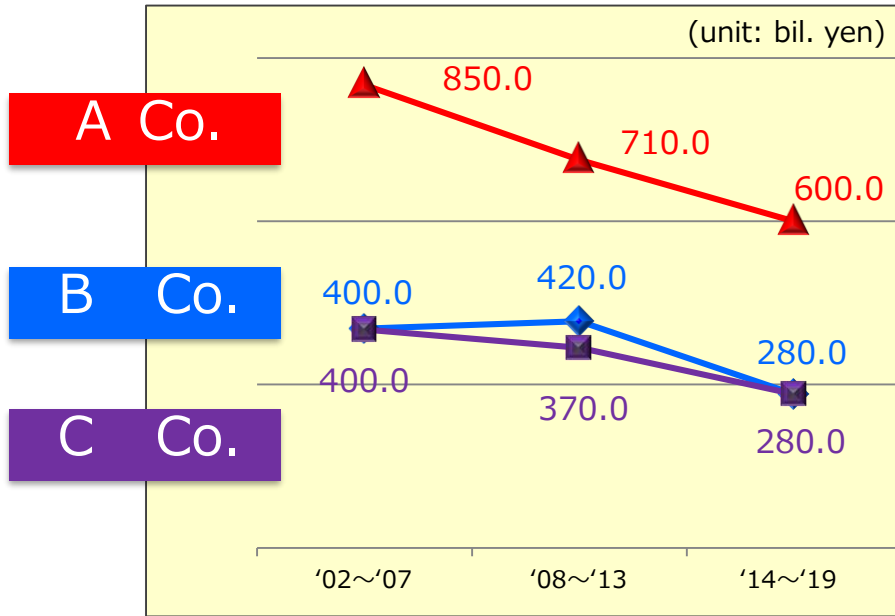
21.9 bil. yen (5.0%)



# Business Environment

## ■ Decrease in carriers' capex

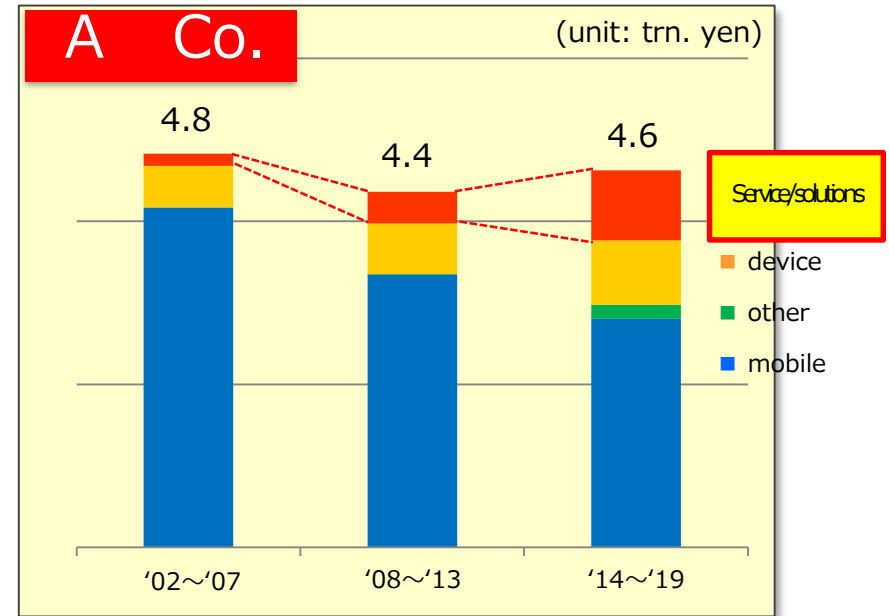
(Capital investments by telecom carriers)



※rounded to the nearest 10 bil. yen

## ■ Carriers' shift to service solutions business

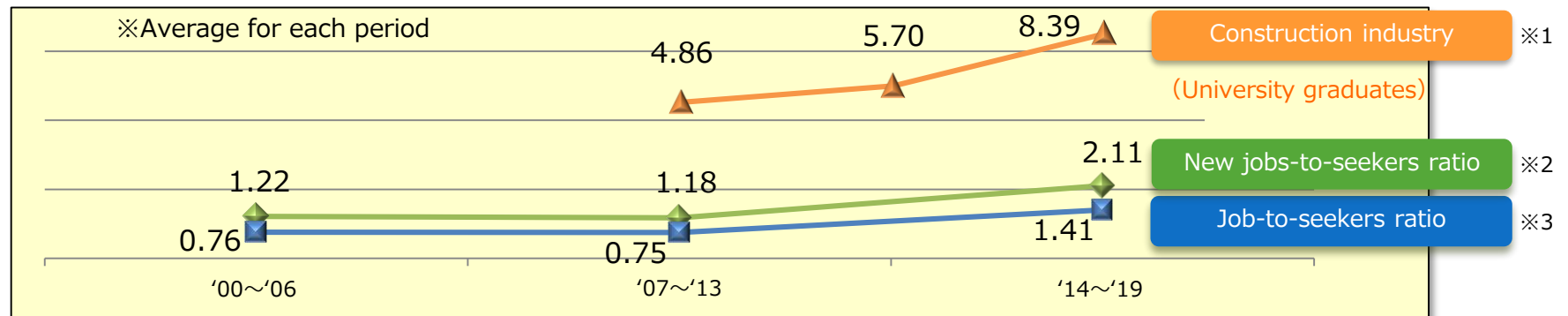
(Operating income structure at telecom carriers)



※rounded to the nearest 100 bil. yen

## ■ Lack of labor in construction industry

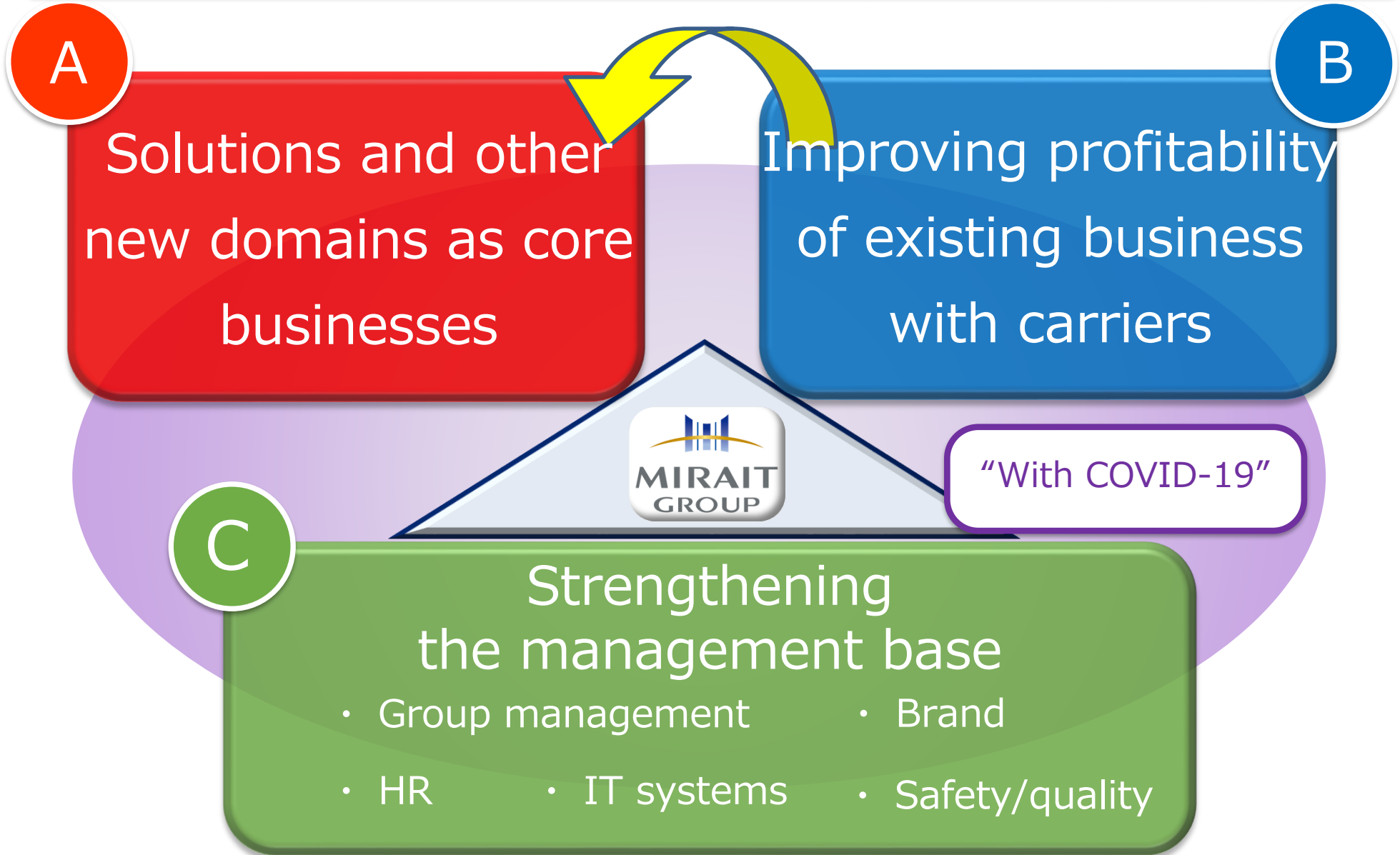
(Job-to-seekers ratio)



※Average for each period

<Source> ※1 Recruit Co. 36<sup>th</sup> 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



# Transforming the Business Structure

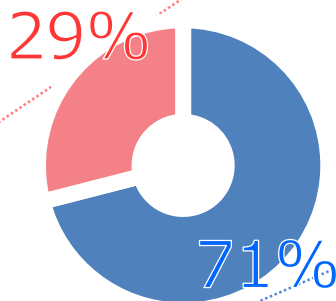
## "Super Telecommunications Construction Company"

Solutions/ new(frontier) businesses

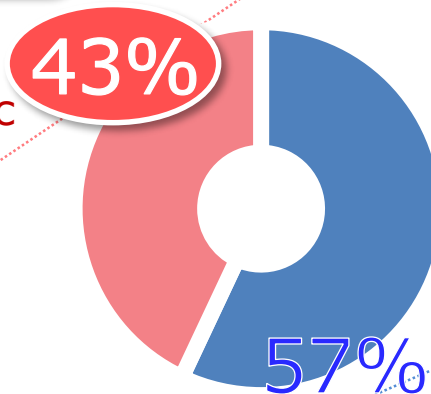


➔ B Market  
Private and public sector entities

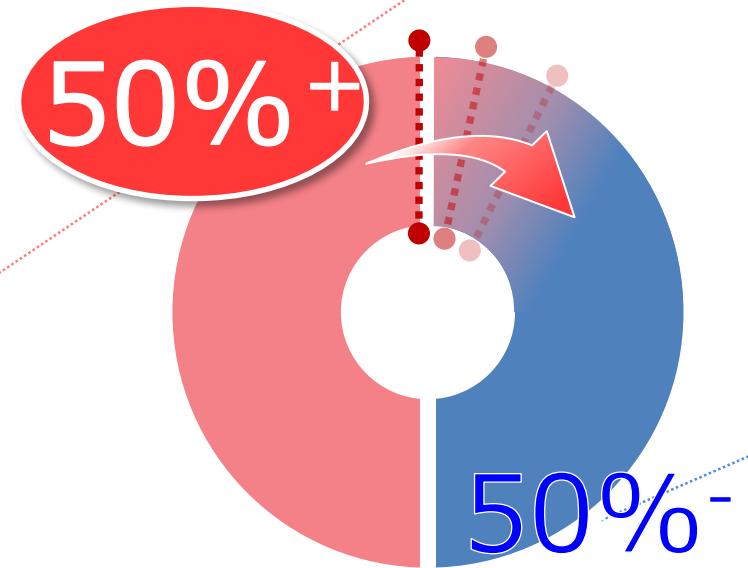
Direct/ channel sales



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

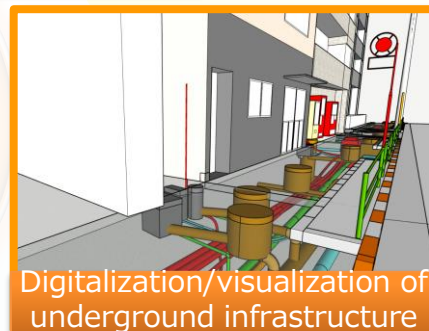
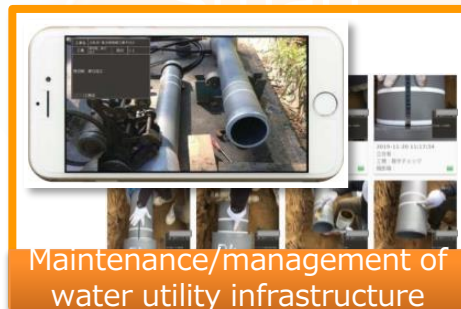
(Civil Engineering)

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

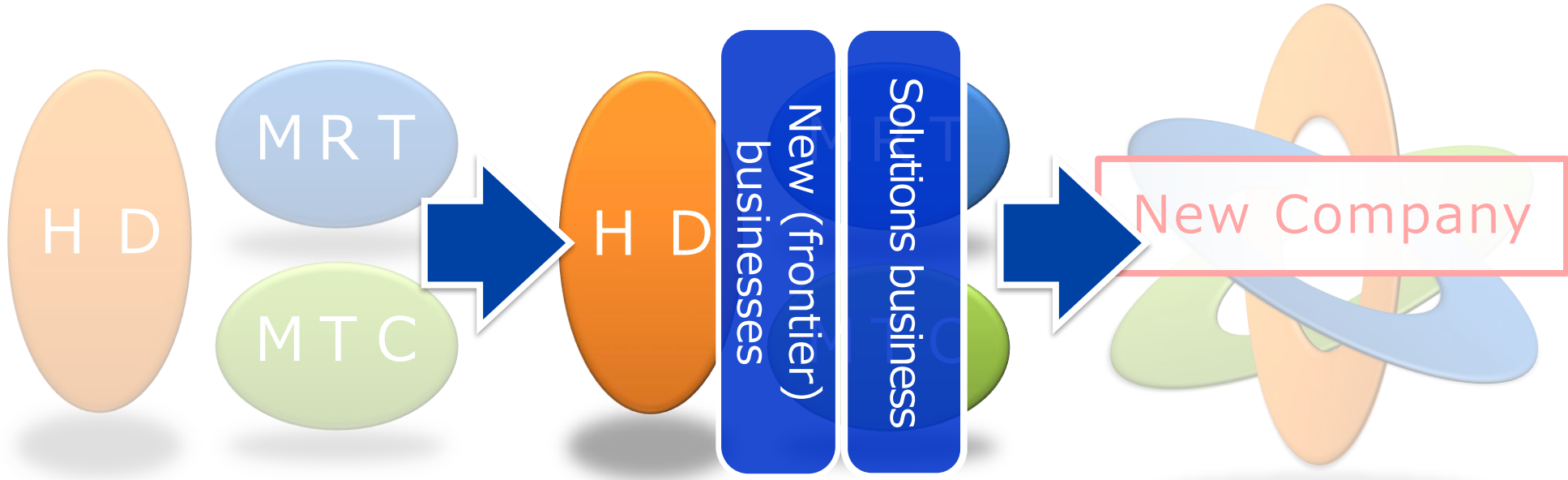
▶▶▶ Solutions/new(frontier) businesses

## Launch "ONE TEAM" structure



"ONE TEAM"

Merger



# Restructuring

## STEP 2

FY2022

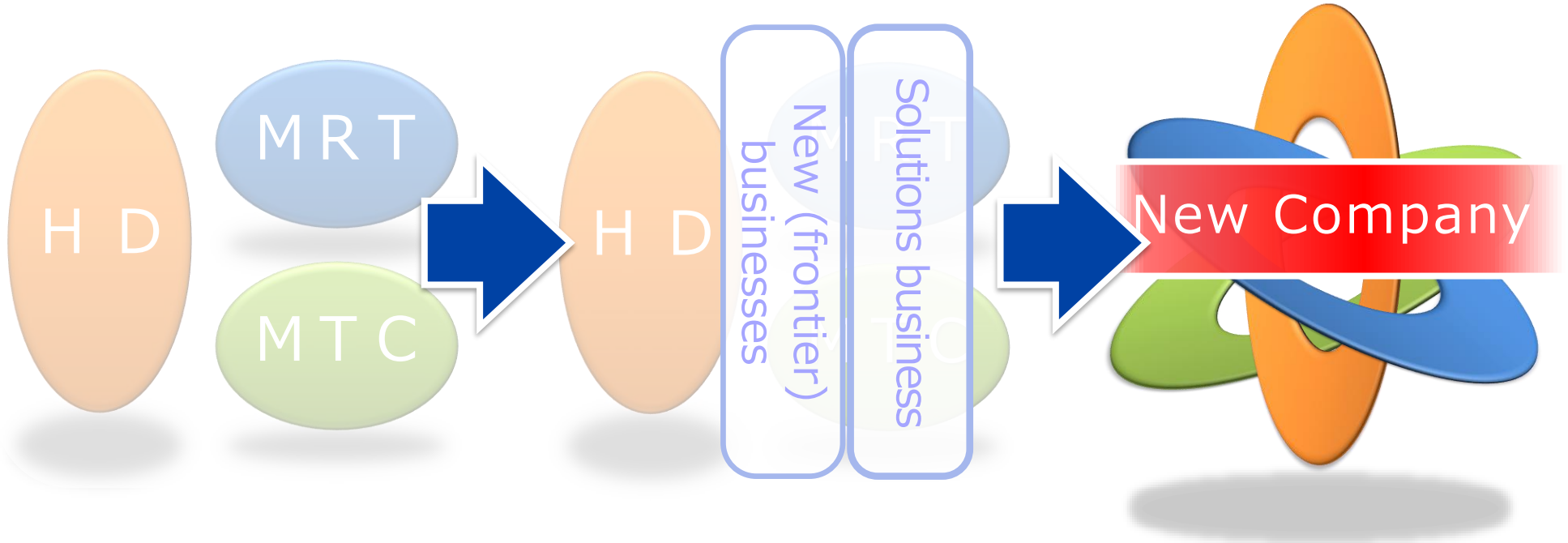
MIRAIT HD/ MIRAIT/ MIRAIT Technologies

## 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**

# 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.

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