

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2019
[Japanese GAAP]**

May 9, 2019

Company name: MIRAIT Holdings Corporation
 Stock exchange listing: TSE
 Code number: 1417
 URL: <https://www.mirait.co.jp/>
 Representative: Masatoshi Suzuki, President and CEO
 Contact: Manabu Kiriya, Director and CFO
 Phone: +81-3-6807-3124
 Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2019
 Scheduled date of commencing dividend payments: June 26, 2019
 Scheduled date of filing annual securities report: June 26, 2019
 Availability of supplementary briefing material on annual results: available
 Schedule of quarterly results briefing session: scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2019	375,911	20.1	20,699	23.8	21,992	23.3	25,711	123.5
Fiscal year ended March 31, 2018	312,967	10.5	16,715	66.1	17,838	68.4	11,504	78.7

(Note) Comprehensive income: Fiscal year ended March 31, 2019: 23,118 million yen (62.3%)
 Fiscal year ended March 31, 2018: 14,241 million yen (118.0%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2019	295.34	259.19	15.4	7.8	5.5
Fiscal year ended March 31, 2018	145.41	126.05	8.8	7.9	5.3

(Reference)

Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: 272 million yen
 Fiscal year ended March 31, 2018: 250 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal Year Ended March 31, 2019	331,462	199,559	59.3	1,933.82
Fiscal Year Ended March 31, 2018	234,489	140,744	58.5	1,733.14

(Reference)

Equity: Fiscal year ended March 31, 2019: 196,435 million yen
 Fiscal year ended March 31, 2018: 137,257 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2019	6,491	(13,523)	(1,928)	35,657
Fiscal year ended March 31, 2018	12,562	(10,021)	(3,686)	32,218

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2018	—	15.00	—	20.00	35.00	2,783	24.1	2.1
Fiscal year ended March 31, 2019	—	20.00	—	20.00	40.00	3,728	13.5	2.2
Fiscal year ending March 31, 2020 (Forecast)	—	20.00	—	20.00	40.00		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	183,000	30.4	4,200	(16.1)	5,000	(12.1)	3,000	(16.7)	29.76
Full year	430,000	14.4	21,500	3.9	23,000	4.6	15,000	(41.7)	149.34

* Notes:

(1) Changes in significant subsidiaries during the period under review : Yes

(Changes in specified subsidiaries associated with changes in the scope of consolidation)

Additions : 2 companies (Name) TTK Co., Ltd , SOLCOM Co., Ltd

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies due to the revision of accounting standards, etc.: No

2) Any changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Corrections of errors: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

March 31, 2019	108,325,329 shares	March 31, 2018	85,381,866 shares
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2) Total number of treasury stock at the end of the period:

March 31, 2019	6,746,565 shares	March 31, 2018	6,185,984 shares
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3) Average number of shares outstanding during the period:

March 31, 2019	87,057,294 shares	March 31, 2018	79,119,019 shares
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(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors and executive officers.

* Status of execution of the audit of financial statements

- This consolidated financial report is not subject to the audit of the financial statements under the Financial Instruments and Exchange Act.

*Explanation for the appropriate use of financial forecasts and other special notes

- The Company plans to hold a briefing session for analysts and institutional investors on Tuesday, May 14, 2019. The briefing material on earnings distributed at this briefing session will be promptly published on the Company's website after the briefing session is held.

- While descriptions in this report regarding financial prospects and other future events are based on the information available at the time this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Assets		
Current assets		
Cash and deposits	33,748	38,206
Notes receivable - trade	1,384	1,462
Accounts receivable from completed construction contracts	89,367	126,666
Accounts receivable - trade	3,358	5,235
Costs on uncompleted construction contracts and other	21,398	28,400
Prepaid expenses	728	1,018
Accounts receivable - other	1,440	1,284
Lease investment assets	101	4,983
Other	3,065	3,886
Allowance for doubtful accounts	(7)	(58)
Total current assets	154,586	211,085
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,564	65,253
Machinery, vehicles, tools, furniture and fixtures	11,580	17,756
Land	20,277	31,707
Leased assets	3,091	6,281
Construction in progress	8,878	699
Accumulated depreciation	(23,515)	(42,857)
Total property, plant and equipment	44,876	78,840
Intangible assets		
Customer related assets	2,274	2,060
Goodwill	3,064	3,220
Software	1,118	1,656
Other	59	121
Total intangible assets	6,516	7,058
Investments and other assets		
Investment securities	21,911	27,123
Retirement benefit asset	2,261	2,433
Deferred tax assets	1,552	1,835
Leasehold and guarantee deposits	1,235	1,337
Other	1,692	1,890
Allowance for doubtful accounts	(143)	(144)
Total investments and other assets	28,509	34,476
Total non-current assets	79,903	120,376
Total assets	234,489	331,462

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Liabilities		
Current liabilities		
Notes payable - trade	508	1,528
Accounts payable for construction contracts	38,891	49,366
Short-term loans payable	124	3,602
Accounts payable - other	3,029	6,768
Income taxes payable	4,725	4,667
Advances received on uncompleted construction contracts	5,610	5,549
Lease obligations	607	2,958
Provision for loss on construction contracts	489	515
Provision for bonuses	4,846	7,035
Provision for bonuses for directors (and other officers)	78	148
Provision for warranties for completed construction	6	9
Other	4,729	6,757
Total current liabilities	63,647	88,908
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	16,560	16,544
Long-term accounts payable - other	377	159
Deferred tax liabilities	2,376	1,285
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	77	180
Provision for share-based compensation	110	194
Retirement benefit liability	8,626	17,213
Asset retirement obligations	96	114
Lease obligations	1,718	6,873
Other	111	385
Total non-current liabilities	30,097	42,994
Total liabilities	93,745	131,903
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	27,563	71,559
Retained earnings	101,789	124,287
Treasury shares	(5,168)	(9,684)
Total shareholders' equity	131,184	193,163
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,836	3,028
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	327	(493)
Remeasurements of defined benefit plans	1,009	836
Total accumulated other comprehensive income	6,073	3,272
Non-controlling interests	3,486	3,123
Total net assets	140,744	199,559
Total liabilities and net assets	234,489	331,462

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales of completed construction contracts	312,967	375,911
Cost of sales of completed construction contracts	273,206	328,923
Gross profit on completed construction contracts	39,761	46,988
Selling, general and administrative expenses	23,046	26,289
Operating profit	16,715	20,699
Non-operating income		
Interest income	107	108
Dividend income	529	629
Insurance premiums refunded cancellation	290	112
Share of profit of entities accounted for using equity method	250	272
Other	215	362
Total non-operating income	1,394	1,485
Non-operating expenses		
Interest expenses	36	17
Foreign exchange losses	171	59
Bad debts expenses	—	25
Other	63	89
Total non-operating expenses	271	192
Ordinary profit	17,838	21,992
Extraordinary income		
Gain on step acquisitions	—	1,058
Gain on sales of non-current assets	3	821
Gain on sales of investment securities	18	1,225
Gain on bargain purchase	—	8,958
Other	0	450
Total extraordinary income	23	12,514
Extraordinary losses		
Compensation for damage	14	24
Loss on sales of non-current assets	65	23
Loss on retirement of non-current assets	41	637
Business restructuring expenses	33	—
Other	135	260
Total extraordinary losses	290	946
Profit before income taxes	17,570	33,560

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Income taxes - current	5,802	7,922
Income taxes - deferred	(103)	(321)
Total income taxes	5,698	7,600
Profit	11,872	25,959
Profit attributable to		
Profit attributable to non-controlling interests	367	248
Profit attributable to owners of parent	11,504	25,711
Other comprehensive income		
Valuation difference on available-for-sale securities	674	(1,832)
Foreign currency translation adjustment	747	(810)
Remeasurements of defined benefit plans, net of tax	953	(172)
Share of other comprehensive income of entities accounted for using equity method	(6)	(25)
Total other comprehensive income	2,369	(2,840)
Comprehensive income	14,241	23,118
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,869	22,886
Comprehensive income attributable to non-controlling interests	372	232

(3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	26,043	92,679	(5,299)	120,423
Changes of items during period					
Dividends of surplus			(2,381)		(2,381)
Profit attributable to owners of parent			11,504		11,504
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				13	13
Increase by merger					—
Decrease by merger		(0)			(0)
Changes by share exchanges		1,275		119	1,394
Change in ownership interest of parent due to transactions with non-controlling interests		244			244
Change of scope of equity method			(11)		(11)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	1,519	9,110	130	10,761
Balance at end of current period	7,000	27,563	101,789	(5,168)	131,184

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,161	(98)	(409)	56	3,709	4,704	128,837
Changes of items during period							
Dividends of surplus							(2,381)
Profit attributable to owners of parent							11,504
Purchase of treasury shares							(3)
Disposal of treasury shares							13
Increase by merger							—
Decrease by merger							(0)
Changes by share exchanges							1,394
Change in ownership interest of parent due to transactions with non-controlling interests							244
Change of scope of equity method							(11)
Net changes of items other than shareholders' equity	674	—	736	953	2,364	(1,218)	1,146
Total changes of items during period	674	—	736	953	2,364	(1,218)	11,907
Balance at end of current period	4,836	(98)	327	1,009	6,073	3,486	140,744

Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	27,563	101,789	(5,168)	131,184
Changes of items during period					
Dividends of surplus			(3,185)		(3,185)
Profit attributable to owners of parent			25,711		25,711
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				18	18
Increase by merger		7			7
Decrease by merger					—
Changes by share exchanges		43,562		(4,701)	38,861
Change in ownership interest of parent due to transactions with non-controlling interests		426	(27)	170	570
Change of scope of equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	43,996	22,498	(4,515)	61,978
Balance at end of current period	7,000	71,559	124,287	(9,684)	193,163

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,836	(98)	327	1,009	6,073	3,486	140,744
Changes of items during period							
Dividends of surplus							(3,185)
Profit attributable to owners of parent							25,711
Purchase of treasury shares							(4)
Disposal of treasury shares							18
Increase by merger							7
Decrease by merger							—
Changes by share exchanges							38,861
Change in ownership interest of parent due to transactions with non-controlling interests							570
Change of scope of equity method							—
Net changes of items other than shareholders' equity	(1,807)	—	(821)	(172)	(2,801)	(362)	(3,164)
Total changes of items during period	(1,807)	—	(821)	(172)	(2,801)	(362)	58,814
Balance at end of current period	3,028	(98)	(493)	836	3,272	3,123	199,559

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	17,570	33,560
Depreciation	3,007	4,085
Gain on bargain purchase	—	(8,958)
Amortization of goodwill	381	399
Share of loss (profit) of entities accounted for using equity method	(250)	(272)
Increase (decrease) in allowance for doubtful accounts	(17)	101
Increase (decrease) in provision for bonuses	617	879
Increase (decrease) in provision for loss on construction contracts	(304)	(20)
Increase (decrease) in other provision	54	90
Remeasurements of defined benefit plans	953	(182)
Increase (decrease) in net defined benefit asset and liability	(1,334)	218
Interest and dividend income	(636)	(738)
Interest expenses	36	17
Foreign exchange losses (gains)	167	61
Loss (gain) on step acquisitions	—	(1,058)
Loss (gain) on sales of investment securities	(4)	(1,218)
Loss (gain) on sales and retirement of non-current assets	103	(210)
Decrease (increase) in notes and accounts receivable - trade	(2,164)	(25,931)
Decrease (increase) in costs on uncompleted construction contracts and other	(3,699)	8,811
Increase (decrease) in notes and accounts payable - trade	(1,603)	3,975
Increase (decrease) in advances received on uncompleted construction contracts	1,747	(1,863)
Increase (decrease) in accrued consumption taxes	38	1,412
Decrease (increase) in consumption taxes refund receivable	(177)	(1,576)
Increase/decrease in other assets/liabilities	(166)	2,504
Other, net	(299)	(231)
Subtotal	14,017	13,856
Interest and dividend income received	670	783
Interest expenses paid	(36)	(17)
Income taxes paid	(2,088)	(8,130)
Net cash provided by (used in) operating activities	12,562	6,491

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Payments into time deposits	(1,075)	(1,185)
Proceeds from withdrawal of time deposits	1,136	1,752
Purchase of property, plant and equipment	(10,014)	(16,153)
Proceeds from sales of property, plant and equipment	57	1,136
Purchase of intangible assets	(377)	(806)
Purchase of investment securities	(5)	(23)
Proceeds from sales of investment securities	200	1,660
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(698)	(398)
Net decrease (increase) in short-term loans receivable	319	6
Proceeds from cancellation of insurance funds	381	309
Other, net	53	179
Net cash provided by (used in) investing activities	(10,021)	(13,523)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(550)	2,890
Repayments of long-term loans payable	(30)	(248)
Purchase of treasury shares	(3)	(4)
Cash dividends paid	(2,382)	(3,182)
Dividends paid to non-controlling interests	(128)	(88)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(10)	(490)
Repayments of finance lease obligations	(573)	(910)
Other, net	(7)	106
Net cash provided by (used in) financing activities	(3,686)	(1,928)
Effect of exchange rate change on cash and cash equivalents	194	(412)
Net increase (decrease) in cash and cash equivalents	(951)	(9,372)
Cash and cash equivalents at beginning of period	33,169	32,218
Increase in cash and cash equivalents from newly consolidated subsidiary	—	12,811
Cash and cash equivalents at end of period	32,218	35,657