Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 [Japanese GAAP]

April 28, 2016

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
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Scheduled date of Ordinary General Meeting of Shareholders: June 28, 2016
Scheduled date of commencing dividend payments: June 29, 2016
Scheduled date of filing annual securities report: June 29, 2016
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, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2016	269,537	(5.0)	6,127	(56.7)	6,735	(54.6)	3,631	(67.3)
Fiscal year ended March 31, 2015	283,747	2.2	14,139	23.4	14,834	20.9	11,108	54.6

(Note) Comprehensive income: Fiscal year ended March 31, 2016: 2,905 million yen (-77.4%)
Fiscal year ended March 31, 2015:12,835 million yen (48.1%)

	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, 2016	44.65	—	3.0	3.5	2.3
Fiscal year ended March 31, 2015	136.58	—	9.5	8.0	5.0

(Reference)
Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2016: 105 million yen
Fiscal year ended March 31, 2015: 52 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, 2016	194,978	126,599	63.1	1,511.74
Fiscal Year Ended March 31, 2015	192,700	126,184	63.8	1,510.59

(Reference)
Equity: Fiscal year ended March 31, 2016: 122,949 million yen
Fiscal year ended March 31, 2015: 122,860 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, 2016	6,239	(3,680)	(2,690)	29,121
Fiscal year ended March 31, 2015	18,683	(3,870)	(2,247)	29,260

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2015	—	15.00	—	15.00	30.00	2,440	22.0	2.1
Fiscal year ended March 31, 2016	—	15.00	—	15.00	30.00	2,439	67.2	2.0
Fiscal year ending March 31, 2017 (Forecast)	—	15.00	—	15.00	30.00		26.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	120,000	7.1	3,000	—	3,200	—	1,900	—	23.36
Full year	300,000	11.3	14,000	128.5	14,500	115.3	9,300	156.1	114.35

* Notes:

(1) Changes in significant subsidiaries during the period under review : No
(changes in specified subsidiaries resulting in changes in scope of consolidation):

(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.: Yes

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, 2016	85,381,866 shares	March 31, 2015	85,381,866 shares

2) Total number of treasury stock at the end of the period:

March 31, 2016	4,051,769 shares	March 31, 2015	4,049,000 shares

3) Average number of shares outstanding during the period:

March 31, 2016	81,331,394 shares	March 31, 2015	81,334,347 shares

* 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. The procedures for said audit have been executed at the time of disclosing this report.

*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 Wednesday, May 11, 2016. 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, 2015	Fiscal year ended March 31, 2016
Assets		
Current assets		
Cash and deposits	30,303	30,284
Notes receivable - trade	1,069	2,140
Accounts receivable from completed construction contracts	76,941	77,033
Accounts receivable - trade	3,123	2,984
Costs on uncompleted construction contracts and other	17,444	17,281
Deferred tax assets	2,696	3,451
Prepaid expenses	429	525
Accounts receivable - other	1,134	1,347
Other	1,156	2,107
Allowance for doubtful accounts	(17)	(43)
Total current assets	134,283	137,112
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,664	22,611
Machinery, vehicles, tools, furniture and fixtures	9,407	9,762
Land	18,452	18,397
Leased assets	515	690
Construction in progress	541	322
Accumulated depreciation	(19,265)	(20,053)
Total property, plant and equipment	30,314	31,730
Intangible assets		
Goodwill	381	159
Software	2,272	1,841
Other	123	96
Total intangible assets	2,777	2,097
Investments and other assets		
Investment securities	18,886	19,927
Long-term loans receivable	11	8
Net defined benefit asset	2,904	984
Deferred tax assets	1,040	785
Lease and guarantee deposits	1,154	1,139
Other	1,549	1,304
Allowance for doubtful accounts	(221)	(113)
Total investments and other assets	25,325	24,036
Total non-current assets	58,417	57,865
Total assets	192,700	194,978

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Liabilities		
Current liabilities		
Notes payable - trade	481	516
Accounts payable for construction contracts	35,448	38,154
Current portion of long-term loans payable	24	20
Accounts payable - other	2,897	2,284
Income taxes payable	2,059	1,028
Advances received on uncompleted construction contracts	1,702	2,225
Provision for loss on construction contracts	323	3,330
Provision for bonuses	4,106	4,164
Provision for directors' bonuses	72	71
Provision for warranties for completed construction	16	11
Other	5,509	3,703
Total current liabilities	52,643	55,511
Non-current liabilities		
Long-term loans payable	36	15
Deferred tax liabilities	3,317	2,810
Deferred tax liabilities for land revaluation	42	41
Provision for directors' retirement benefits	125	59
Net defined benefit liability	7,943	8,508
Asset retirement obligations	86	78
Long-term accounts payable - other	1,860	939
Other	459	413
Total non-current liabilities	13,872	12,866
Total liabilities	66,515	68,378
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,947	25,936
Retained earnings	87,471	88,691
Treasury shares	(2,626)	(2,630)
Total shareholders' equity	117,791	118,997
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,109	3,786
Deferred gains or losses on hedges	—	65
Revaluation reserve for land	(100)	(98)
Foreign currency translation adjustment	1	3
Remeasurements of defined benefit plans	2,057	195
Total accumulated other comprehensive income	5,068	3,952
Non-controlling interests	3,324	3,649
Total net assets	126,184	126,599
Total liabilities and net assets	192,700	194,978

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales of completed construction contracts	283,747	269,537
Cost of sales of completed construction contracts	250,633	243,648
Gross profit on completed construction contracts	33,113	25,889
Selling, general and administrative expenses	18,973	19,761
Operating income	14,139	6,127
Non-operating income		
Interest income	21	42
Dividend income	275	408
Amortization of negative goodwill	265	—
Insurance premiums refunded cancellation	101	146
Share of profit of entities accounted for using equity method	52	105
Miscellaneous income	176	178
Total non-operating income	894	881
Non-operating expenses		
Interest expenses	13	3
Commission fee	—	35
Foreign exchange losses	63	171
Provision of allowance for doubtful accounts	—	27
Miscellaneous expenses	122	34
Total non-operating expenses	199	273
Ordinary income	14,834	6,735
Extraordinary income		
Gain on sales of non-current assets	0	2
Gain on sales of investment securities	132	65
Gain on bargain purchase	33	—
Gain on revision of retirement benefit plan	516	—
Gain on return of assets from retirement benefits trust	2,791	—
Other	88	0
Total extraordinary income	3,563	68
Extraordinary losses		
Loss on sales of non-current assets	0	23
Loss on retirement of non-current assets	90	110
Impairment loss	322	—
Loss on sales of investment securities	15	2
Loss on valuation of investment securities	6	—
Loss on valuation of shares of subsidiaries and associates	—	47
Other	219	95
Total extraordinary losses	656	279
Profit before income taxes	17,742	6,524

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Income taxes - current	4,582	2,884
Income taxes - deferred	1,670	(388)
Total income taxes	6,253	2,495
Profit	11,488	4,029
Profit attributable to		
Profit attributable to non-controlling interests	380	397
Profit attributable to owners of parent	11,108	3,631
Other comprehensive income		
Valuation difference on available-for-sale securities	1,144	681
Deferred gains or losses on hedges	—	65
Revaluation reserve for land	1	1
Foreign currency translation adjustment	1	1
Remeasurements of defined benefit plans, net of tax	254	(1,862)
Share of other comprehensive income of entities accounted for using equity method	(55)	(12)
Total other comprehensive income	1,346	(1,123)
Comprehensive income	12,835	2,905
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,447	2,515
Comprehensive income attributable to non-controlling interests	387	389

(3) Consolidated Statement of Changes in Net Assets

Previous fiscal year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	25,947	76,775	(2,623)	107,098
Cumulative effects of changes in accounting policies			1,620		1,620
Restated balance	7,000	25,947	78,396	(2,623)	108,719
Changes of items during period					
Dividends of surplus			(2,033)		(2,033)
Profit attributable to owners of parent			11,108		11,108
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Change of scope of equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	9,075	(3)	9,072
Balance at end of current period	7,000	25,947	87,471	(2,626)	117,791

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,971	—	(101)	56	1,802	3,729	3,345	114,173
Cumulative effects of changes in accounting policies								1,620
Restated balance	1,971	—	(101)	56	1,802	3,729	3,345	115,794
Changes of items during period								
Dividends of surplus								(2,033)
Profit attributable to owners of parent								11,108
Purchase of treasury shares								(3)
Disposal of treasury shares								0
Change in treasury shares of parent arising from transactions with non-controlling shareholders								—
Change of scope of equity method								—
Net changes of items other than shareholders' equity	1,137	—	1	(54)	254	1,339	(21)	1,318
Total changes of items during period	1,137	—	1	(54)	254	1,339	(21)	10,390
Balance at end of current period	3,109	—	(100)	1	2,057	5,068	3,324	126,184

Previous fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	25,947	87,471	(2,626)	117,791
Cumulative effects of changes in accounting policies					
Restated balance	7,000	25,947	87,471	(2,626)	117,791
Changes of items during period					
Dividends of surplus			(2,439)		(2,439)
Profit attributable to owners of parent			3,631		3,631
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares					—
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(11)			(11)
Change of scope of equity method			28		28
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(11)	1,219	(3)	1,205
Balance at end of current period	7,000	25,936	88,691	(2,630)	118,997

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,109	—	(100)	1	2,057	5,068	3,324	126,184
Cumulative effects of changes in accounting policies								
Restated balance	3,109	—	(100)	1	2,057	5,068	3,324	126,184
Changes of items during period								
Dividends of surplus								(2,439)
Profit attributable to owners of parent								3,631
Purchase of treasury shares								(3)
Disposal of treasury shares								—
Change in treasury shares of parent arising from transactions with non-controlling shareholders							79	68
Change of scope of equity method								28
Net changes of items other than shareholders' equity	677	65	1	1	(1,862)	(1,115)	246	(869)
Total changes of items during period	677	65	1	1	(1,862)	(1,115)	325	415
Balance at end of current period	3,786	65	(98)	3	195	3,952	3,649	126,599

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	17,742	6,524
Depreciation	2,429	2,417
Amortization of goodwill and amortization of negative goodwill	(55)	193
Impairment loss	322	—
Gain on bargain purchase	(33)	—
Share of (profit) loss of entities accounted for using equity method	(52)	(105)
Increase (decrease) in allowance for doubtful accounts	(51)	22
Increase (decrease) in provision for bonuses	(56)	58
Increase (decrease) in provision for loss on construction contracts	(126)	3,007
Increase (decrease) in other provision	(224)	(69)
Remeasurements of defined benefit plans	254	(1,862)
Increase(decrease) in net defined benefit asset and liability	24	2,484
Increase in investment securities due to the reversion to retirement benefit trust	(7,381)	—
Interest and dividend income	(297)	(450)
Interest expenses	13	3
Foreign exchange losses (gains)	65	193
Loss (gain) on sales of investment securities	(117)	(63)
Loss (gain) on valuation of investment securities	6	—
Loss (gain) on sales and retirement of non-current assets	90	131
Decrease (increase) in notes and accounts receivable - trade	1,941	(1,212)
Decrease (increase) in costs on uncompleted construction contracts and other	2,076	(456)
Increase (decrease) in notes and accounts payable - trade	1,309	2,786
Increase (decrease) in advances received on uncompleted construction contracts	288	529
Increase/decrease in other assets/liabilities	3,785	(1,404)
Increase (decrease) in accrued consumption taxes	1,469	(1,637)
Decrease (increase) in consumption taxes refund receivable	(37)	(227)
Other, net	948	(928)
Subtotal	24,337	9,936
Interest and dividend income received	302	495
Interest expenses paid	(20)	(3)
Income taxes paid	(5,934)	(4,188)
Net cash provided by (used in) operating activities	18,683	6,239

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Payments into time deposits	(733)	(748)
Proceeds from withdrawal of time deposits	569	628
Purchase of property, plant and equipment	(2,730)	(3,433)
Proceeds from sales of property, plant and equipment	18	157
Purchase of intangible assets	(705)	(574)
Purchase of investment securities	(351)	(1)
Proceeds from sales of investment securities	228	82
Purchase of shares of subsidiaries	(8)	(109)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(186)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	36	—
Net decrease (increase) in short-term loans receivable	(226)	70
Payments of loans receivable	(1)	(2)
Collection of loans receivable	137	4
Proceeds from cancellation of insurance funds	195	239
Other, net	(112)	6
Net cash provided by (used in) investing activities	(3,870)	(3,680)
Cash flows from financing activities		
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(85)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	90
Repayments of long-term loans payable	(64)	(24)
Purchase of treasury shares	(10)	(3)
Proceeds from sales of treasury shares	0	—
Commision fee paid	—	(35)
Cash dividends paid	(2,033)	(2,457)
Dividends paid to non-controlling interests	(58)	(75)
Repayments of finance lease obligations	(80)	(99)
Net cash provided by (used in) financing activities	(2,247)	(2,690)
Effect of exchange rate change on cash and cash equivalents	(120)	(6)
Net increase (decrease) in cash and cash equivalents	12,445	(138)
Cash and cash equivalents at beginning of period	16,788	29,260
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	26	—
Cash and cash equivalents at end of period	29,260	29,121