Consolidated Financial Results
for the Nine Months Ended December 31, 2019 [Japanese GAAP]

February 4, 2020

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code Number: 1417
URL: https://www.mirait.co.jp/
Representative: Masatoshi Suzuki, President and CEO
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Scheduled date for filing of quarterly report: February 10, 2020
Scheduled date for commencement of dividend payment: —
Supplementary briefing materials on quarterly results: Available
Quarterly results briefing: None

(Amounts are rounded down to the nearest one million)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2019
(April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results (cumulative)

(% indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2019	288,507	25.4	9,064	(8.1)	10,362	(4.5)	6,304	(27.8)
Nine months ended December 31, 2018	230,051	11.4	9,860	13.9	10,850	12.3	8,727	50.5

(Note) Comprehensive income: Nine months ended December 31, 2019 8,597 million yen (22.2%)
Nine months ended December 31, 2018 7,036 million yen (-8.8%)

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2019	63.31	—
Nine months ended December 31, 2018	106.04	92.36

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of December 31, 2019	318,675	201,251	65.0
As of March 31, 2019	331,462	199,559	59.3

(Reference) Equity: As of December 31, 2019 207,122 million yen
As of March 31, 2019 196,435 million yen

2. Dividends

	Annual dividends per share				
	End of 1Q	End of2Q	End of 3Q	Year-end	Total
	yen	yen	yen	yen	Yen
Fiscal year ended March 31, 2019	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2020	—	20.00	—		
Fiscal year ending March 31, 2020 (forecast)				20.00	40.00

(Note) Revision of dividend forecasts from recently announced figures: None

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

(% indicates change from the same period of the previous fiscal year)

	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
Full year ending March 31, 2020	430,000	14.4	21,500	3.9	23,000	4.6	15,000	(41.7)	147.76

(Note) Revision of financial results forecasts from recently announced figures: None

* Notes:

(1) Significant changes in subsidiaries during the period under review: None

(2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes

(3) Changes in accounting principles and changes or restatements of accounting estimates:

1) Changes in accounting principles due to revision of accounting standards: None

2) Changes in accounting principles other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

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

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

December 31, 2019	108,325,329 shares	March 31, 2019	108,325,329 shares

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

December 31, 2019	956,054 shares	March 31, 2019	6,746,565 shares

3) Average number of shares outstanding during the period

December 31, 2019	99,581,911 shares	December 31, 2018	82,304,692 shares

(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.

* Implementation status of quarterly review processes

– This quarterly summary of consolidated financial results is not subject to the quarterly review procedures stipulated under the Financial Instruments and Exchange Act.

* Explanation regarding the appropriate use of performance forecasts, and other items warranting special mention

– The performance forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Accordingly, actual performance may differ materially depending on various factors.

Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2019	Nine Months Ended December 31, 2019
Assets		
Current assets		
Cash and deposits	38,206	33,340
Notes receivable, accounts receivable from completed construction contracts and other	133,364	92,481
Costs on construction contracts in progress	28,400	52,214
Investments in leases	4,983	4,620
Other	6,188	8,500
Allowance for doubtful accounts	(58)	(389)
Total current assets	211,085	190,768
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,079	39,226
Land	31,707	32,806
Construction in progress	699	611
Other, net	8,354	9,644
Total property, plant and equipment	78,840	82,289
Intangible assets		
Customer related assets	2,060	1,900
Goodwill	3,220	2,981
Software	1,656	1,617
Other	121	145
Total intangible assets	7,058	6,644
Investments and other assets		
Investment securities	27,123	31,185
Retirement benefit asset	2,433	2,571
Deferred tax assets	1,835	2,156
Leasehold and guarantee deposits	1,337	1,382
Other	1,890	1,843
Allowance for doubtful accounts	(144)	(166)
Total investments and other assets	34,476	38,972
Total non-current assets	120,376	127,906
Total assets	331,462	318,675

(Millions of yen)

	Fiscal Year Ended March 31, 2019	Nine Months Ended December 31, 2019
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	50,894	47,011
Short-term borrowings	3,602	10,530
Income taxes payable	4,667	733
Lease obligations	2,958	3,129
Advances received on construction contracts in progress	5,549	5,052
Provision for loss on construction contracts	515	1,191
Provision for bonuses	7,035	3,398
Provision for bonuses for directors (and other officers)	148	70
Provision for warranties for completed construction	9	8
Other	13,525	8,805
Total current liabilities	88,908	79,931
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	16,544	—
Long-term accounts payable - other	159	208
Lease obligations	6,873	6,592
Deferred tax liabilities	1,285	2,575
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	180	117
Provision for share based compensation	194	257
Retirement benefit liability	17,213	17,530
Asset retirement obligations	114	171
Other	385	995
Total non-current liabilities	42,994	28,492
Total liabilities	131,903	108,423
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	71,559	69,474
Retained earnings	124,287	126,630
Treasury shares	(9,684)	(1,381)
Total shareholders' equity	193,163	201,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,028	5,858
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(493)	(1,108)
Remeasurements of defined benefit plans	836	747
Total accumulated other comprehensive income	3,272	5,399
Non-controlling interests	3,123	3,128
Total net assets	199,559	210,251
Total liabilities and net assets	331,462	318,675

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Nine Months Ended December 31, 2019

(Millions of yen)

	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019
Net sales of completed construction contracts	230,051	288,507
Cost of sales of completed construction contracts	201,752	257,268
Gross profit on completed construction contracts	28,299	31,239
Selling, general and administrative expenses	18,438	22,175
Operating profit	9,860	9,064
Non-operating income		
Interest income	72	81
Dividend income	599	905
Surrender value of insurance policies	74	87
Share of profit of entities accounted for using equity method	216	69
Other	183	358
Total non-operating income	1,147	1,501
Non-operating expenses		
Interest expenses	7	36
Foreign exchange losses	67	30
Other	82	137
Total non-operating expenses	158	204
Ordinary profit	10,850	10,362
Extraordinary income		
Gain on sales of non-current assets	817	402
Gain on sales of investment securities	615	26
Gain on bargain purchase	812	—
Other	322	—
Total extraordinary income	2,568	429
Extraordinary losses		
Loss on retirement of non-current assets	106	28
Loss on sales of investment securities	7	57
Loss on change in equity	62	—
Other	88	76
Total extraordinary losses	265	162
Profit before income taxes	13,153	10,629
Income taxes	4,331	4,153
Profit	8,822	6,476
Profit attributable to		
Profit attributable to owners of parent	8,727	6,304
Profit attributable to non-controlling interests	94	171

(Millions of yen)

	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2019
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,243)	2,832
Foreign currency translation adjustment	(393)	(618)
Remeasurements of defined benefit plans, net of tax	(122)	(88)
Share of other comprehensive income of entities accounted for using equity method	(26)	(3)
Total other comprehensive income	(1,785)	2,120
Comprehensive income	7,036	8,597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,953	8,431
Comprehensive income attributable to non-controlling interests	83	165