# Consolidated Financial Results
# for the Three Months Ended June 30, 2020 [Japanese GAAP]

August 7, 2020

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code Number: 1417
URL: https://www.mirait.co.jp/
Representative: Toshiki Nakayama, President and CEO
Contact: Masakazu Tsukamoto, Director and CFO
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Scheduled date for filing of quarterly report: August 11, 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 Three Months Ended June 30, 2020
(April 1, 2020 to June 30, 2020)

(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 | % |
| Three months ended June 30, 2020 | 89,546 | 7.4 | 1,740 | 48.4 | 2,560 | 49.8 | 1,279 | 40.5 |
| Three months ended June 30, 2019 | 83,344 | 26.2 | 1,173 | (40.8) | 1,709 | (27.2) | 910 | (31.9) |

(Note) Comprehensive income: Three months ended June 30, 2020 (67) million yen (—%)
Three months ended June 30, 2019 1,715 million yen (-13.9%)

| | Net income per share | Diluted net income per share |
|---|---|---|
| | yen | yen |
| Three months ended June 30, 2020 | 11.92 | — |
| Three months ended June 30, 2019 | 8.99 | 8.00 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | million yen | million yen | % |
| As of June 30, 2020 | 316,000 | 216,597 | 67.5 |
| As of March 31, 2020 | 352,134 | 218,710 | 61.2 |

(Reference) Equity: As of June 30, 2020 213,224 million yen
As of March 31, 2020 215,423 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, 2020 | — | 20.00 | — | 20.00 | 40.00 |
| Fiscal year ending March 31, 2021 | — | | | | |
| Fiscal year ending March 31, 2021 (forecast) | | 20.00 | — | 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, 2021
(April 1, 2020 to March 31, 2021)

(% 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, 2021 | 435,000 | (1.4) | 22,000 | 0.0 | 23,300 | 0.4 | 15,500 | 1.8 | 144.36 |

(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):

| | | | |
|---|---|---|---|
| June 30, 2020 | 108,325,329 shares | March 31, 2020 | 108,325,329 shares |

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

| | | | |
|---|---|---|---|
| June 30, 2020 | 959,393 shares | March 31, 2020 | 958,390 shares |

3) Average number of shares outstanding during the period

| | | | |
|---|---|---|---|
| June 30, 2020 | 107,366,385 shares | June 30, 2019 | 101,326,371 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, 2020 | Three Months Ended June 30, 2020 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 33,543 | 44,978 |
| Notes receivable, accounts receivable from completed construction contracts and other | 147,584 | 95,161 |
| Costs on construction contracts in progress | 32,758 | 40,610 |
| Investments in leases | 6,123 | 5,783 |
| Other | 5,798 | 5,276 |
| Allowance for doubtful accounts | (96) | (77) |
| Total current assets | 225,712 | 191,733 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 38,948 | 38,795 |
| Land | 32,806 | 32,807 |
| Construction in progress | 1,383 | 2,295 |
| Other, net | 9,457 | 9,383 |
| Total property, plant and equipment | 82,596 | 83,282 |
| Intangible assets | | |
| Customer related assets | 1,943 | 1,802 |
| Goodwill | 2,921 | 2,776 |
| Software | 1,729 | 1,692 |
| Other | 118 | 117 |
| Total intangible assets | 6,711 | 6,389 |
| Investments and other assets | | |
| Investment securities | 30,139 | 27,482 |
| Retirement benefit asset | 1,967 | 2,016 |
| Deferred tax assets | 2,081 | 2,070 |
| Leasehold and guarantee deposits | 1,385 | 1,418 |
| Other | 1,687 | 1,753 |
| Allowance for doubtful accounts | (147) | (144) |
| Total investments and other assets | 37,114 | 34,596 |
| Total non-current assets | 126,422 | 124,267 |
| Total assets | 352,134 | 316,000 |

(Millions of yen)

| | Fiscal Year Ended March 31, 2020 | Three Months Ended June 30, 2020 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 58,738 | 43,721 |
| Short-term borrowings | 16,789 | 217 |
| Income taxes payable | 3,281 | 900 |
| Lease obligations | 3,371 | 3,338 |
| Advances received on construction contracts in progress | 4,670 | 5,813 |
| Provision for loss on construction contracts | 959 | 890 |
| Provision for bonuses | 7,515 | 4,106 |
| Provision for bonuses for directors (and other officers) | 120 | 53 |
| Provision for warranties for completed construction | 7 | 7 |
| Other | 9,284 | 12,508 |
| Total current liabilities | 104,738 | 71,558 |
| Non-current liabilities | | |
| Long-term accounts payable - other | 213 | 170 |
| Lease obligations | 7,607 | 7,171 |
| Deferred tax liabilities | 1,650 | 1,318 |
| Deferred tax liabilities for land revaluation | 41 | 41 |
| Provision for retirement benefits for directors (and other officers) | 128 | 131 |
| Provision for share-based compensation | 282 | 312 |
| Retirement benefit liability | 17,635 | 17,638 |
| Asset retirement obligations | 172 | 172 |
| Other | 953 | 885 |
| Total non-current liabilities | 28,685 | 27,844 |
| Total liabilities | 133,424 | 99,402 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,000 | 7,000 |
| Capital surplus | 69,399 | 69,399 |
| Retained earnings | 135,546 | 134,740 |
| Treasury shares | (1,386) | (1,387) |
| Total shareholders' equity | 210,559 | 209,752 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,967 | 4,768 |
| Revaluation reserve for land | (98) | (98) |
| Foreign currency translation adjustment | (281) | (1,450) |
| Remeasurements of defined benefit plans | 276 | 252 |
| Total accumulated other comprehensive income | 4,863 | 3,471 |
| Non-controlling interests | 3,287 | 3,373 |
| Total net assets | 218,710 | 216,597 |
| Total liabilities and net assets | 352,134 | 316,000 |

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Three Months Ended June 30, 2020

(Millions of yen)

| | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2020 |
|---|---|---|
| Net sales of completed construction contracts | 83,344 | 89,546 |
| Cost of sales of completed construction contracts | 74,690 | 80,260 |
| Gross profit on completed construction contracts | 8,654 | 9,286 |
| Selling, general and administrative expenses | 7,481 | 7,546 |
| Operating profit | 1,173 | 1,740 |
| Non-operating income | | |
| Interest income | 29 | 21 |
| Dividend income | 466 | 556 |
| Foreign exchange gains | — | 198 |
| Surrender value of insurance policies | 7 | 16 |
| Share of profit of entities accounted for using equity method | 14 | — |
| Other | 103 | 125 |
| Total non-operating income | 621 | 917 |
| Non-operating expenses | | |
| Interest expenses | 9 | 11 |
| Share of loss of entities accounted for using equity method | — | 60 |
| Foreign exchange losses | 54 | — |
| Other | 20 | 25 |
| Total non-operating expenses | 84 | 97 |
| Ordinary profit | 1,709 | 2,560 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 394 | 2 |
| Gain on sales of investment securities | — | 473 |
| Total extraordinary income | 394 | 476 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 21 | 54 |
| Loss on sales of investment securities | 31 | 5 |
| Other | 4 | 17 |
| Total extraordinary losses | 57 | 77 |
| Profit before income taxes | 2,046 | 2,959 |
| Income taxes | 1,133 | 1,622 |
| Profit | 913 | 1,337 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 910 | 1,279 |
| Profit attributable to non-controlling interests | 2 | 57 |

(Millions of yen)

| | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2020 |
|---|---|---|
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 610 | (197) |
| Foreign currency translation adjustment | 223 | (1,183) |
| Remeasurements of defined benefit plans, net of tax | (29) | (23) |
| Share of other comprehensive income of entities accounted for using equity method | (1) | (0) |
| Total other comprehensive income | 802 | (1,405) |
| Comprehensive income | 1,715 | (67) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,711 | (111) |
| Comprehensive income attributable to non-controlling interests | 3 | 43 |