



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

(% 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, 2017	280,000	3.9	10,000	63.2	10,500	55.9	6,800	87.3	83.61

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

\* Notes:

(1) Significant changes in subsidiaries during the period under review: Yes

(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

Additions: 2 companies (Names) Mirait Singapore Pte.Ltd., Lantrovision(S)Ltd

(Note) Please refer to details on page 3 of the attached document under "Changes in Important Subsidiaries during the period under review".

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

(Note) Please refer to details on page 3 of the attached document under "Application of specific accounting treatments for preparing consolidated quarterly financial statements."

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

- 1) Changes in accounting principles due to revision of accounting standards: Yes
- 2) Changes in accounting principles other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(Note) Please refer to details on page 3 of the attached document under "Changes in accounting principles and changes or restatements of accounting estimates".

(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, 2016	85,381,866 shares	March 31, 2016	85,381,866 shares
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2) Total number of treasury stock at the end of the period

December 31, 2016	6,336,422 shares	March 31, 2016	4,051,769 shares
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3) Average number of shares outstanding during the period

December 31, 2016	81,180,054 shares	December 31, 2015	81,331,762 shares
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\* 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. The quarterly review procedures are still in progress at the time of disclosure of this quarterly summary of consolidated financial results.

\* 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. Please refer to "Qualitative information on consolidated performance forecasts" on page 3 of the attached document for the assumptions behind the performance forecasts and precautions regarding the use of performance forecasts.

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## 1. Qualitative Information on Consolidated Financial Results for the Period under Review

### (1) Qualitative Information on Consolidated Operating Results

During the first nine months of the current consolidated fiscal period (from April 1, 2016 to December 31, 2016), the Japanese economy continued to recover moderately on the back of the improvement in labor market conditions and other developments. However, the impact of Brexit (UK's decision to leave the EU) and the political transition in the US on the global economy, among other factors, remain sources of concern.

Turning to the information and telecommunications sector, however, the “Hikari Collaboration Model” has made progress in the fixed communications area. Furthermore, in the mobile communications area, new technologies such as carrier aggregation and add-on cells have achieved faster transmission speeds, and services for new frequency bands have been launched.

The business environment for the MIRAIT Group has also changed significantly given the developments in the area of new energy, including photovoltaic power and rechargeable batteries, and the rebuilding of social infrastructure in light of the upcoming 2020 Tokyo Olympic and Paralympic Games, among other developments.

Against this backdrop, the MIRAIT Group is reinforcing its medium- to long-term initiatives to promote the restructuring of the business portfolio and to strengthen the management base as a “Comprehensive Engineering & Service Company”.

In the first nine months, the MIRAIT Group made strong progress in completing construction projects. More specifically, work for facility improvement proposals and underground power lines in the NTT business, LTE-Advanced in the multicarrier business, roof-top middle solar power facilities in the environmental & social innovation business, and work to resolve 700MHz TV reception problems in the ICT solutions business, among others, gained momentum. The Group also strived to expand its business fields, by acquiring Lantrovision(S)Ltd to grow the overseas business, and by merging Daimei Business Mate Inc. (consolidated subsidiary) with Hope Net Co., Ltd. (effective date: October 1, 2016, surviving company: Hope Net Co., Ltd.).

Also during this period, the MIRAIT Group issued convertible bonds (total issuance amount: 16.5 billion yen) to maintain a healthy financial position, and repurchased 2.28 million shares (2,499 million yen) in an effort to enhance shareholder returns.

As for the consolidated financial results for the first nine months, orders received increased by 23.6% year-on-year to 231,888 million yen, net sales decreased by 0.7% year-on-year to 171,584 million yen, operating income came in at 1,250 million yen (operating loss was 75 million yen in the same period of the previous year), ordinary income increased by 198.4% year-on-year to 1,497 million yen, and net loss attributable to owners of the parent came in at 298 million yen (net loss attributable to owners of the parent was 188 million yen in the same period of the previous year).

### (2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the third quarter of the current consolidated fiscal year amounted to 193,608 million yen, a decrease of 1,369 million yen from the end of the previous fiscal year. This was mainly due to the decline in accounts receivables, including those from completed construction contracts and others, which offset the increase in costs on uncompleted construction contracts and the goodwill accounted for with the acquisition of new subsidiaries.

Total liabilities increased by 3,997 million yen from the end of the previous fiscal year, to 72,375 million yen. This was mainly due to the issuance of bonds and the increase in advances received on uncompleted construction contracts, which offset the decline in accounts payable for construction contracts, deferred taxes, and provision for loss on construction contracts.

Owing to factors such as the dividend payout in the first quarter and the share repurchase executed during the third quarter, net assets decreased by 5,366 million yen, to 121,233 million yen.

As a result of the above, the equity ratio at the end of the third quarter stood at 60.4% (compared to 63.1% at the end of the previous fiscal year).

### (3) Qualitative Information on Consolidated Financial Results Forecast

The consolidated financial results forecast for the fiscal year ending March 31, 2017, as announced on October 27, 2016, remain unchanged.

## 2. Notes to Summary Information (Explanatory Notes)

### (1) Changes in Important Subsidiaries during the Period under Review

#### (Changes in specified subsidiaries)

During the first quarter of the current consolidated financial period, Mirait Singapore Pte.Ltd. became a consolidated subsidiary given its increased importance following the capital increase. Lantrovision(S)Ltd also became a consolidated subsidiary in the first quarter of the current consolidated fiscal period following the acquisition of all of its outstanding shares by Mirait Singapore Pte.Ltd.

#### (Changes in subsidiaries other than specified subsidiaries)

During the first quarter of the current consolidated financial period, Trust-System Inc. became a consolidated subsidiary following the acquisition of all of its outstanding shares by MIRAITS Corporation. The 13 consolidated subsidiaries of Lantrovision(S)Ltd (Lantro(S)Pte Ltd and 12 other subsidiaries) also became consolidated subsidiaries due to the consolidation of Lantrovision(S)Ltd.

During the third quarter of the current consolidated fiscal year, Hope Net Co., Ltd., which was an equity-method subsidiary, became a consolidated subsidiary following its merger with Daimei Business Mate Inc., a consolidated subsidiary of MIRAITS Holdings Corporation.

### (2) Application of Specific Accounting Practices for Preparing Consolidated Quarterly Financial Statements

#### Calculation of tax expense

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes for the current fiscal year, including the Third quarter ended December 31, 2016, and then multiplying income before income taxes for the nine months with the said estimated effective tax rate.

The statutory tax rate is applied if the tax expense calculated using the estimated effective tax rate lacks rationality to a significant degree.

### (3) Changes in Accounting Principles and Changes or Restatements of Accounting Estimates

#### Changes in accounting principles

In response to the revisions to the Corporate Tax Act, the Company and its domestic subsidiaries have adopted the Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (ASBJ PITF No. 32 of June 17, 2016) from the second quarter of the current consolidated fiscal period. As a result, the depreciation method applied to facilities attached to buildings or structures acquired after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

The impact of the changes to operating income, ordinary income and net income before income taxes for the third quarter of the current consolidated fiscal period is minimal.

### (4) Additional Information

The Company has adopted the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No.26 of March 28, 2016) from the first quarter of the current consolidated fiscal period.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2016	Nine Months Ended December 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	30,284	30,268
Notes receivable, accounts receivable from completed construction contracts and other	82,158	52,767
Securities	—	1,800
Costs on uncompleted construction contracts and other	17,281	32,621
Deferred tax assets	3,451	4,274
Other	3,980	5,098
Allowance for doubtful accounts	(43)	(48)
Total current assets	137,112	126,782
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,880	10,985
Land	18,397	18,611
Construction in progress	322	2,359
Other, net	2,130	2,420
Total property, plant and equipment	31,730	34,376
Intangible assets		
Goodwill	159	3,041
Customer related assets	—	2,128
Software	1,841	1,508
Other	96	88
Total intangible assets	2,097	6,766
Investments and other assets		
Investment securities	19,927	21,029
Long-term loans receivable	8	7
Net defined benefit asset	984	1,004
Deferred tax assets	785	739
Lease and guarantee deposits	1,139	1,269
Other	1,304	1,742
Allowance for doubtful accounts	(113)	(107)
Total investments and other assets	24,036	25,684
Total non-current assets	57,865	66,826
Total assets	194,978	193,608

(Millions of yen)

	Fiscal Year Ended March 31, 2016	Nine Months Ended December 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	38,670	28,104
Short-term loans payable	—	105
Current portion of long-term loans payable	20	65
Income taxes payable	1,028	512
Advances received on uncompleted construction contracts	2,225	3,705
Provision for loss on construction contracts	3,330	543
Provision for bonuses	4,164	2,222
Provision for directors' bonuses	71	49
Provision for warranties for completed construction	11	3
Other	5,987	7,115
<b>Total current liabilities</b>	<b>55,511</b>	<b>42,427</b>
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	—	16,581
Long-term loans payable	15	70
Deferred tax liabilities	2,810	3,418
Deferred tax liabilities for land revaluation	41	41
Provision for directors' retirement benefits	59	64
Net defined benefit liability	8,508	8,612
Asset retirement obligations	78	75
Long-term accounts payable - other	939	604
Other	413	479
<b>Total non-current liabilities</b>	<b>12,866</b>	<b>29,948</b>
<b>Total liabilities</b>	<b>68,378</b>	<b>72,375</b>
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	25,936	26,050
Retained earnings	88,691	86,528
Treasury shares	(2,630)	(5,291)
<b>Total shareholders' equity</b>	<b>118,997</b>	<b>114,286</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,786	4,264
Deferred gains or losses on hedges	65	—
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	3	(1,758)
Remeasurements of defined benefit plans	195	196
<b>Total accumulated other comprehensive income</b>	<b>3,952</b>	<b>2,603</b>
Non-controlling interests	3,649	4,343
<b>Total net assets</b>	<b>126,599</b>	<b>121,233</b>
<b>Total liabilities and net assets</b>	<b>194,978</b>	<b>193,608</b>

(2) Consolidated Quarterly Statements of Income and Comprehensive Income  
 Nine Months Ended December 31, 2016

(Millions of yen)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016
Net sales of completed construction contracts	172,808	171,584
Cost of sales of completed construction contracts	158,219	153,173
Gross profit on completed construction contracts	14,589	18,410
Selling, general and administrative expenses	14,664	17,159
Operating income (loss)	(75)	1,250
Non-operating income		
Interest income	30	57
Dividend income	391	447
Insurance premiums refunded cancellation	71	22
Share of profit of entities accounted for using equity method	85	80
Other	140	104
Total non-operating income	719	712
Non-operating expenses		
Interest expenses	5	43
Foreign exchange losses	102	100
Commission fee	—	257
Other	34	64
Total non-operating expenses	141	465
Ordinary income	501	1,497
Extraordinary income		
Gain on sales of investment securities	13	4
Gain on step acquisitions	—	49
Other	2	12
Total extraordinary income	16	66
Extraordinary losses		
Provision of allowance for investment loss	55	—
Loss on retirement of non-current assets	49	90
Litigation cost	—	50
Other	55	143
Total extraordinary losses	160	283
Profit before income taxes	358	1,281
Income taxes	403	936
Profit (loss)	(45)	345
Profit attributable to		
Profit (loss) attributable to owners of parent	(188)	298
Profit attributable to non-controlling interests	142	46



(Millions of yen)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,264	480
Deferred gains or losses on hedges	—	(65)
Revaluation reserve for land	1	(0)
Foreign currency translation adjustment	(93)	(1,726)
Remeasurements of defined benefit plans, net of tax	(81)	0
Share of other comprehensive income of entities accounted for using equity method	(13)	(48)
Total other comprehensive income	1,077	(1,360)
<b>Comprehensive income</b>	<b>1,032</b>	<b>(1,015)</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	899	(1,051)
Comprehensive income attributable to non-controlling interests	132	36

(3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes to shareholders' equity)

Nine months of the current consolidated fiscal period (from April 1, 2016 to December 31, 2016)

The Company repurchased 2,283,100 shares pursuant to the resolution passed at the board of directors meeting held on December 13, 2016. As a result, treasury stock increased by 2,499 million yen, to 5,291 million yen at the end of the third quarter of the current consolidated fiscal year.