

**Consolidated Financial Results  
for the Three Months Ended June 30, 2022  
[Japanese GAAP]**

August 10, 2022

Company name: MIRAIT ONE Corporation  
 Stock exchange listing: TSE  
 Code number: 1417  
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 Scheduled date for filing of quarterly report: August 10, 2022  
 Scheduled date of commencing dividend payments: —  
 Availability of Supplementary briefing materials on quarterly results: Available  
 Schedule of quarterly results briefing session: None

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

**1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)**

(1) Consolidated Operating Results (% indicates changes 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, 2022	95,336	(5.2)	(1,147)	—	(691)	—	(815)	—
Three months ended June 30, 2021	100,546	12.3	4,707	170.5	5,136	100.6	2,744	114.4

(Note) Comprehensive income: Three months ended June 30, 2022: 85 million yen ((97.6)%)  
 Three months ended June 30, 2021: 3,503 million yen (-%)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2022	(8.25)	—
Three months ended June 30, 2021	27.10	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2022	383,526	245,228	62.1
As of March 31, 2022	435,785	249,237	55.6

(Reference)

Equity: As of June 30, 2022: 238,081 million yen  
 As of March 31, 2022: 242,120 million yen

(Note) In the three months ended June 30, 2022, provisional accounting treatment for a business combination was finalized, and figures for the fiscal year ended March 31, 2022 reflects the finalization of the provisional accounting treatment.

## 2. Dividends

	Annual dividends per share				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2022	—	25.00	—	30.00	55.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		30.00	—	30.00	60.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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
Full year	540,000	14.8	30,000	(8.5)	31,000	(9.2)	20,000	(20.5)	203.48

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

### \* Notes:

- (1) Changes in significant subsidiaries during the period during under review: None
- (2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes
- (3) 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: None
  - 3) Changes in accounting estimates: None
  - 4) Corrections of errors: 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, 2022	108,325,329 shares	March 31, 2022	108,325,329 shares
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- 2) Total number of treasury stock at the end of the period:

June 30, 2022	10,071,647 shares	March 31, 2022	9,360,821 shares
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- 3) Average number of shares outstanding during the period:

June 30, 2022	98,761,902 shares	June 30, 2021	101,250,306 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.

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

- 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.

## Table of Contents: Supplementary Materials

1. Overview of Operating Results and Financial Position	P. 2
(1) Overview of Operating Results for the Period under Review	P. 2
(2) Overview of Financial Position for the Period under Review	P. 3
(3) Future Outlook	P. 3
2. Notes to Summary Information (Explanatory Notes)	P. 3
(1) Changes in Important Subsidiaries during the Period under Review	P. 3
(2) Application of Specific Accounting Practices for Preparing Consolidated Quarterly Financial Statements	P. 3
3. Consolidated Quarterly Financial Statements and Notes	P. 4
(1) Consolidated Quarterly Balance Sheets	P. 4
(2) Consolidated Quarterly Statements of Income and Comprehensive Income	P. 6
(3) Notes to Consolidated Financial Statements	P. 8
(Notes on going concern assumption)	P. 8
(Notes on significant changes to shareholders' equity)	P. 8
(Changes in accounting principles)	P. 8
(Business Combination)	P. 8

## 1. Overview of Operating Results and Financial Position

### (1) Overview of Operating Results for the Period under Review

During the first three months of the current consolidated period (from April 1, 2022 to June 30, 2022), the Japanese economy was on a gradual recovery trend as economic activities normalized despite the persistent impact of the novel coronavirus disease (COVID-19). On the other hand, the economic outlook remains uncertain due to soaring raw material and fuel prices and supply chain disruptions caused by the prolonged situation in Ukraine and the suppression of economic activities in China as well as the rapid depreciation of the yen.

The business environment surrounding the MIRAIT ONE Group (“the Group”) is characterized by growing needs for new ICT solutions in line with the promotion of digital transformation (DX), such as development of communication infrastructure including fifth-generation mobile communication systems (5G) and the improvement of productivity through the shift to cloud computing for the Group’s systems. In addition, there are expectations for building more robust digital infrastructure to support the government’s “green growth strategy,” including renewable energy, toward achieving carbon neutrality by 2050, and promoting regional decarbonization to contribute to regional development. Furthermore, there is a need to improve the resilience against natural disasters, which have been becoming increasingly severe in recent years.

Against this backdrop, the Group aims to evolve into a corporate group that continues to contribute to the resolution of social issues in a wider range of social infrastructure areas than ever before under its redefined purpose and mission. In order to continue to be a reliable corporate group that “builds and protects” social infrastructure of the future, the Group has formulated the MIRAIT ONE Group Vision 2030 as its business vision toward 2030 and the fifth Medium-term Management Plan for the five-year period starting in the fiscal year ending March 31, 2023 or FY2022 (the targets for FY2026: net sales of 720.0 billion yen, operating income ratio of 7.5%+, ROE of 10%+, and EPS growth rate of 10%+ per year). The Group has identified its growth areas, which are urban development and regional development business, corporate DX/GX, green power generation business, software business, and global business, as the “MIRAI Domains” that it will focus on in the future.

Moreover, to further strengthen profitability and increase corporate value by reducing costs through faster decision making among group companies, more efficient management systems, and concentration of management resources, the Company merged with its consolidated subsidiaries, MIRAIT Corporation and MIRAIT Technologies Corporation, and became MIRAIT ONE Corporation on July 1, 2022.

As for the consolidated financial results for the first three months ended June 2022, Seibu Construction Co. Ltd., a firm that became a subsidiary of the Company in the previous fiscal year, made positive contributions to sales, but there were significant decreases in orders received for optical fiber maintenance work and mobile-related work in the NTT business and in sales of goods in the ICT Solutions business, as well as expenses related to integration and other factors. As a result, orders received decreased by 3.3% year-on-year to 128,819 million yen, net sales decreased by 5.2% year-on-year to 95,336 million yen, operating loss came in at 1,147 million yen (operating income was 4,707 million yen in the same period of the previous year), ordinary loss came in at 691 million yen (ordinary income was 5,136 million yen in the same period of the previous year), and net loss attributable to owners of the parent stood at 815 million yen (net income attributable to owners of the parent was 2,744 million yen in the same period of the previous year).

## (2) Overview of Financial Position for the Period under Review

Total assets at the end of the first quarter of the current consolidated period amounted to 383,526 million yen, a decrease of 52,259 million yen from the end of the previous fiscal year, mainly due to a decrease in accounts receivable including accounts receivable from completed construction contracts.

Total liabilities decreased by 48,250 million yen to 138,298 million yen, mainly due to the decrease in accounts payable for construction contracts and other, and repayment of short-term borrowings.

Net assets decreased by 4,008 million yen to 245,228 million yen, mainly due to dividends paid of 2,980 million yen and share repurchase of 1,159 million yen.

As a result of the above, the equity ratio at the end of the first quarter stood at 62.1% (compared with 55.6% at the end of the previous fiscal year).

## (3) Future Outlook

The consolidated financial results forecast for the fiscal year ending March 31, 2023, as announced on May 13, 2022, remains unchanged.

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

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

Not applicable.

### (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 first quarter ended June 30, 2022, and then multiplying income before income taxes for the three 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.

## 2. Consolidated Quarterly Financial Statements and Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2022	Three Months ended June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	50,929	60,912
Notes receivable, accounts receivable from completed construction contracts and other	180,549	111,106
Costs on construction contracts in progress	30,916	38,150
Investments in leases	4,376	3,987
Other	9,379	9,361
Allowance for doubtful accounts	(15)	(9)
Total current assets	276,135	223,508
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	44,500	44,229
Land	35,445	35,479
Construction in progress	629	883
Other, net	10,976	10,806
Total property, plant and equipment	91,552	91,398
Intangible assets		
Customer related assets	12,723	12,684
Goodwill	20,576	20,410
Software	3,353	3,940
Other	258	249
Total intangible assets	36,912	37,284
Investments and other assets		
Investment securities	16,224	15,800
Retirement benefit asset	7,708	7,885
Deferred tax assets	3,651	4,066
Leasehold and guarantee deposits	1,813	1,826
Other	2,119	2,086
Allowance for doubtful accounts	(331)	(331)
Total investments and other assets	31,186	31,334
Total non-current assets	159,650	160,017
Total assets	435,785	383,526

(Millions of yen)

	Fiscal year ended March 31, 2022	Three Months ended June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	67,790	46,164
Short-term borrowings	50,107	30,100
Income taxes payable	5,077	1,033
Lease obligations	3,537	3,451
Advances received on construction contracts in progress	7,341	7,324
Provision for loss on construction contracts	1,406	1,397
Provision for bonuses	8,336	4,668
Provision for bonuses for directors (and other officers)	93	43
Provision for warranties for completed construction	204	181
Other	14,788	16,466
Total current liabilities	158,683	110,832
Non-current liabilities		
Long-term accounts payable - other	798	771
Lease obligations	6,302	5,757
Deferred tax liabilities	3,738	3,542
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	79	82
Provision for share-based compensation	390	425
Retirement benefit liability	15,356	15,598
Asset retirement obligations	617	782
Other	538	462
Total non-current liabilities	27,865	27,465
Total liabilities	186,548	138,298
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	69,652	69,661
Retained earnings	175,815	172,018
Treasury shares	(15,844)	(17,003)
Total shareholders' equity	236,623	231,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,011	2,600
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	236	1,441
Remeasurements of defined benefit plans	2,347	2,461
Total accumulated other comprehensive income	5,497	6,404
Non-controlling interests	7,116	7,146
Total net assets	249,237	245,228
Total liabilities and net assets	435,785	383,526

(2) Consolidated Quarterly Statements of Income and Comprehensive Income  
Three Months Ended June 30, 2022

(Millions of yen)

	Three Months ended June 30, 2021	Three Months ended June 30, 2022
Net sales of completed construction contracts	100,546	95,336
Cost of sales of completed construction contracts	87,485	86,301
Gross profit on completed construction contracts	13,061	9,035
Selling, general and administrative expenses	8,353	10,182
Operating profit (loss)	4,707	(1,147)
Non-operating income		
Interest income	13	14
Dividend income	366	241
Foreign exchange gains	–	104
Surrender value of insurance policies	14	40
Share of profit of entities accounted for using equity method	6	11
Other	113	138
Total non-operating income	514	551
Non-operating expenses		
Interest expenses	10	44
Foreign exchange losses	36	–
Other	37	50
Total non-operating expenses	85	95
Ordinary profit (loss)	5,136	(691)
Extraordinary income		
Gain on sale of non-current assets	7	4
Gain on sale of investment securities	19	1,060
Other	–	30
Total extraordinary income	26	1,095
Extraordinary losses		
Loss on liquidation of subsidiaries	–	53
Loss on sale of non-current assets	22	–
Loss on retirement of non-current assets	1	3
Loss on revision of retirement benefit plan	34	–
Business restructuring expenses	–	86
Other	33	36
Total extraordinary losses	91	179
Profit before income taxes	5,071	223
Income taxes	2,305	1,048
Profit (loss)	2,765	(824)
Profit attributable to		
Profit (loss) attributable to owners of parent	2,744	(815)
Profit (loss) attributable to non-controlling interests	21	(9)



(Millions of yen)

	Three Months ended June 30, 2021	Three Months ended June 30, 2022
Other comprehensive income		
Valuation difference on available-for-sale securities	(188)	(412)
Revaluation reserve for land	–	0
Foreign currency translation adjustment	925	1,191
Remeasurements of defined benefit plans, net of tax	(11)	119
Share of other comprehensive income of entities accounted for using equity method	11	10
Total other comprehensive income	737	909
Comprehensive income	3,503	85
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,475	92
Comprehensive income attributable to non-controlling interests	27	(7)

### (3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes to shareholders' equity)

On May 13, 2022, the Board of Directors of the Company resolved to repurchase its own shares in the market pursuant to Article 156 of the Companies Act of Japan, applied pursuant to Paragraph 3, Article 165 of the Companies Act, following which the Company purchased 710,600 shares of its common stock of an amount of 1,158 million yen. As a result, the Company's treasury stock increased by the same amount. The total amount of treasury stock at the end of the first quarter of the current consolidated fiscal period was 17,003 million yen.

(Changes in accounting principles)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 dated June 17, 2021), from the beginning of the first quarter of the current consolidated fiscal period. In accordance with the transitional treatment provided in paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement", the new accounting policy set forth in the "Implementation Guidance on Accounting Standard for Fair Value Measurement" is applied into the future. This is negligible effect on the quarterly consolidated financial statements.

(Business Combination)

(Finalization of provisional accounting treatment for business combination)

For the business combination with Seibu Construction Co. Ltd. that took place on March 31, 2022, provisional accounting treatment was applied in the previous fiscal year and finalized in the first quarter of the current consolidated period.

In accordance with the finalization of the provisional accounting treatment, a review of the allocation of acquisition costs has been reflected in the comparative information included in the consolidated quarterly financial statements for the first quarter of the current consolidated period.

As a result, the tentatively calculated goodwill of 24,852 million yen decreased by 7,081 million yen to 17,770 million yen due to the finalization of the accounting treatment.

In addition, customer related assets and deferred tax liabilities at the end of the previous fiscal year increased by 10,184 million yen and 3,102 million yen, respectively.