

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2020
[Japanese GAAP]**

May 8, 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

Contact: Masakazu Tsukamoto, Director and CFO

Phone: +81-3-6807-3124

Scheduled date of Ordinary General Meeting of Shareholders: June 24, 2020

Scheduled date of commencing dividend payments: June 25, 2020

Scheduled date of filing annual securities report: June 25, 2020

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, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2020	441,166	17.4	21,993	6.3	23,207	5.5	15,220	(40.8)
Fiscal year ended March 31, 2019	375,911	20.1	20,699	23.8	21,992	23.3	25,711	123.5

(Note) Comprehensive income: Fiscal year ended March 31, 2020: 17,156 million yen (-25.8%)
Fiscal year ended March 31, 2019: 23,118 million yen (62.3%)

	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, 2020	149.93	—	7.4	6.8	5.0
Fiscal year ended March 31, 2019	295.34	259.19	15.4	7.8	5.5

(Reference)

Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020: 47 million yen
Fiscal year ended March 31, 2019: 272 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, 2020	352,134	218,710	61.2	2,006.42
Fiscal Year Ended March 31, 2019	331,462	199,559	59.3	1,933.82

(Reference)

Equity: Fiscal year ended March 31, 2020: 215,423 million yen
Fiscal year ended March 31, 2019: 196,435 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, 2020	7,936	(9,176)	(2,814)	31,632
Fiscal year ended March 31, 2019	6,491	(13,523)	(1,928)	35,657

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2019	—	20.00	—	20.00	40.00	3,728	13.5	2.2
Fiscal year ended March 31, 2020	—	20.00	—	20.00	40.00	4,081	26.7	2.0
Fiscal year ending March 31, 2021 (Forecast)	—	20.00	—	20.00	40.00		27.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

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

* Notes:

- (1) Changes in significant subsidiaries during the period under review : None
(Changes in specified subsidiaries associated with changes in the 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.: None
 - 2) Any changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Corrections of errors: None
- (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, 2020	108,325,329 shares	March 31, 2019	108,325,329 shares
----------------	--------------------	----------------	--------------------

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

March 31, 2020	958,390 shares	March 31, 2019	6,746,565 shares
----------------	----------------	----------------	------------------

- 3) Average number of shares outstanding during the period:

March 31, 2020	101,517,965 shares	March 31, 2019	87,057,294 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.

* 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.

*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 Fiscal Year Ended March 31, 2020	P. 2
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2020	P. 4
(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2020	P. 5
(4) Future Outlook	P. 6
(5) Basic Policy for Earnings Distribution and Dividend Payment for the Fiscal Year Ended March 31, 2020 and the Fiscal Year Ending March 31, 2021	P. 6
(6) Business Risks	P. 7
2. Overview of Corporate Group	P. 8
3. Management Policy	P. 9
(1) Basic Management Policy	P. 9
(2) Medium-term Management Strategy and Targeted Management Benchmarks	P. 9
(3) Issues to be Addressed	P.10
4. Basic Approach Concerning the Selection of Accounting Policies	P.10
5. Consolidated Financial Statements	P.11
(1) Consolidated Balance Sheets	P.11
(2) Consolidated Statements of Income and Comprehensive Income	P.13
(3) Consolidated Statement of Changes in Net Assets	P.15
(4) Consolidated Statement of Cash Flows	P.17
(5) Notes to Consolidated Financial Statements	P.19
(Notes on going concern assumption)	P.19
(Changes in accounting principles)	P.19
(Changes in methods of presentation)	P.19
(Changes in accounting estimates)	P.19
(Segment information)	P.20
(Per share information)	P.26
(Significant subsequent events)	P.26

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2020

During the fiscal year ended March 31, 2020, the Japanese economy continued to recover moderately on the back of strong corporate earnings and improvement in labor market conditions. However, uncertainties have suddenly risen with the novel coronavirus infection (COVID-19) pandemic and concerns regarding a prolonged slowdown of the global economy and domestic consumption.

In the information and telecommunications sector, in which the MIRAIT Group operates its mainstay business, business is expected to expand with the telecommunications carriers transitioning their business models, the expansion of services on new frequency bands for fourth-generation mobile telecommunication (4G), and the penetration of fifth-generation mobile telecommunication (5G) for which commercial services commenced in March 2020. Moreover, the business environment for the MIRAIT Group continues to evolve dramatically given societal changes, including the acceleration of efforts to rebuild social infrastructure created during Japan's high-growth period particularly in the Greater Tokyo area, and the rise in demand for new solutions such as cloud and Wi-Fi in light of the upcoming full-fledged era of IoT. Meanwhile, the MIRAIT Group also faces challenges brought about by issues such as the aging population, shortage of labor and the need to achieve workstyle reforms.

In response to the structural changes in the society and the telecommunications environment, the MIRAIT Group is striving to further enhance its corporate value and to achieve sustainable growth as a "Comprehensive Engineering and Services Company". The Group adopted a new Medium-term Management Plan for the three years starting in the fiscal year ended March 2020 (target for FYE March 2022: net sales of 450.0 billion yen, operating income of 27.0 billion yen (operating income ratio of 6.0%) and ROE of more than 8%). Under the new management plan, the Group is expanding operations in various business areas with growth opportunities (the "frontier domains"), such as stock businesses including datacenter operations and maintenance, environment/ energy-related businesses and global businesses. The Group is also taking steps to enhance management efficiency by boosting productivity in existing businesses and generating synergies within the Group with the addition of TTK Co., Ltd., SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd. during the previous fiscal year.

In the NTT business, the Group pursued growth in facility management operations and facility improvement proposals and implemented measures such as the consolidation of branch offices to improve profitability, while strengthening its group-oriented management structure. The Group worked as an integrated team to support immediate recovery of telecommunication facilities following Typhoon No. 15 and other natural disasters that occurred during the year.

In the Multi-carrier business, the Group strived to win orders for new frequencies in 4G and launch of commercial services in 5G. The Group also took steps to further enhance its technological capabilities and human resources. Specifically, the Group participated in verification tests for new technologies in light of the upcoming full-scale rollout of 5G and established a training facility to develop multi-skilled engineers that are able to handle both fixed-line and mobile telecommunication construction and maintenance work.

In the Environmental and Social Innovation business, sales increased as a result of growth in electrical, air conditioning and civil engineering work, in addition to the completion of solar power projects. The Group added Tokaikoei Inc. as a subsidiary to expand its business in water utility-related work.

In the ICT Solutions business, sales increased thanks to the Group's efforts to grow LAN/ PBX-related domestic business, win of a large software development project for a major consumer electronics retailer, full-scale launch of Osaka No. 1 datacenter, and increased sales of goods such as mobile-related construction materials and PC/ servers for educational facilities. The Group added YL Integrated Pte Ltd, a Singapore-based electrical construction company, as a subsidiary effective April 1, 2020 as part of its initiative to grow the global business in the medium- to long-term.

Meanwhile, the MIRAIT Group repurchased shares (total of 6.5 million shares/ 10,453 million yen) to enhance shareholder returns and based on its capital policy to respond flexibly to changes in the business environment. In addition, the yen-denominated convertible bonds due 2021 were redeemed early on December 30, 2019. All stock acquisition rights were exercised, and treasury stock were transferred to the holders of the convertible bonds.

As for the consolidated financial results for the fiscal year ended March 31, 2020, orders received increased by 13.7% year-on-year to 446,558 million yen, net sales increased by 17.4% year-on-year to 441,166 million yen, operating income increased by 6.3% year-on-year to 21,993 million yen, and ordinary income increased by 5.5% year-on-year to 23,207 million yen. However, net income attributable to owners of parent decreased by 40.8% year-on-year to 15,220 million yen, mainly due to the absence of extraordinary gains of 10,017 million yen recorded in the previous year as a result of the mergers (negative goodwill and gain on step acquisitions). Operating income ratio was 5.0% and ROE was 7.4%.

Business results by reporting segment are as mentioned below.

Note that year-on-year changes in performance for TTK Co., Ltd., SOLCOM Co., Ltd. and Shikokutsuken Co., Ltd. that were acquired in the previous fiscal year are not stated, given that it is not possible to make comparisons with the consolidated periods based on the accounting standards for business combinations (six-month period between October 2018 and March 2019 for TTK, and three-month period between January 2019 and March 2019 for SOLCOM and Shikokutsuken).

[Business Results of MIRAIT]

MIRAIT Corporation (“MIRAIT”) was committed to the early recovery of telecommunications facilities in typhoon disaster-affected areas, while expanding work for new frequencies in 4G and base station work for a new mobile carrier. Also, MIRAIT made Tokaikoei Inc. a subsidiary to expand its water utility-related work and witnessed sales growth for mobile-related construction materials. As for the financial results for the fiscal year ended March 31, 2020, orders received increased by 6.8% year-on-year to 216,202 million yen and net sales increased by 3.9% year-on-year to 210,694 million yen. However, operating income decreased by 0.9% year-on-year to 12,607 million yen, mainly due to delays in some construction projects.

[Business Results of MIRAIT Technologies]

MIRAIT Technologies Corporation (“MIRAIT Technologies”) benefited from the growth in base station work for a new mobile carrier in the Multi-carrier business, won a large-scale project for a major consumer electronics retailer in the ICT Solutions business, and expanded datacenter operations/ maintenance and other stock businesses. As a result, MIRAIT Technologies recorded sales and profit growth for the fourth consecutive year. In the fiscal year ended March 31, 2020, orders received increased by 10.3% year-on-year to 119,533 million yen, net sales increased by 5.5% year-on-year to 125,779 million yen, and operating income increased by 1.7% year-on-year to 3,966 million yen.

[Business Results of Lantrovision]

Lantrovision(S)Ltd Group (“Lantrovision”) strengthened collaborative sales efforts with the MIRAIT Group through cross-referrals of customers and expanded its regional coverage and business domains through M&A and other efforts. However, the company faced headwinds from the slowdown in investments within the financial and IT sectors in Asia on the back of trade tensions between the U.S. and China and weakening of the Chinese economy. As for the financial results for the fiscal year ended March 31, 2020, orders received decreased by 3.8% year-on-year to 18,312 million yen, net sales decreased by 4.1% year-on-year to 17,399 million yen, and operating income decreased by 69.3% year-on-year to 381 million yen.

[Business Results of TTK]

TTK Co., Ltd. (“TTK”) embarked on efforts to enhance processes using construction work management systems and to improve efficiency in the conventional carrier business by collaborating with subsidiaries, and expanded its business in the “frontier domains” through active participation in bids for electrical/ environmental civil engineering projects for municipalities. As for the financial results for the fiscal year ended March 31, 2020, orders received was 36,421 million yen, net sales was 35,775 million yen, and operating income was 2,059 million yen.

[Business Results of SOLCOM]

SOLCOM Co., Ltd. (“SOLCOM”) focused on achieving orders and sales by growing facility management operations in the NTT business and by expanding its business in the “frontier domains” including CATV work, sewerage conduit renewal work, ICT-related work on highways and work to build school affairs support systems. Meanwhile, the company adopted initiatives to reduce indirect costs. As for the financial results for the fiscal year ended March 31, 2020, orders received was 41,674 million yen, net sales was 37,648 million yen, and operating income was 1,179 million yen.

[Business Results of Shikokutsuken]

Shikokutsuken Co., Ltd. (“Shikokutsuken”) achieved profit growth in the NTT and Multi-carrier businesses and expanded the ICT Solutions business through increased sales of goods, including PC/ servers for educational facilities, on the back of the consumption tax hike and demand for OS upgrade/ maintenance. As for the financial results for the fiscal year ended March 31, 2020, orders received was 24,539 million yen, net sales was 24,135 million yen, and operating income was 1,766 million yen.

[Business Results of MIRAIT Holdings Corporation]

The MIRAIT Holdings Corporation (“the Company”), as a holding company, handles the Group’s planning functions including management strategy, and administrative functions such as finance, IR and general affairs. The Company engages in business management and the promotion of business strategies, among other operations, for the entire MIRAIT Group, and in return receives management fees and dividends from the Group’s business companies. The Company's operating revenue for the fiscal year ended March 31, 2020 increased by 39.7% year-on-year to 8,545 million yen and operating income increased by 53.4% year-on-year to 6,723 million yen.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2020

Total assets at the end of the fiscal year ended March 31, 2020 amounted to 352,134 million yen, an increase of 20,672 million yen from the end of the previous fiscal year. This consisted of an increase in current assets of 14,626 million yen and an increase in non-current assets of 6,045 million yen. This was mainly attributable to the increase in accounts receivables such as accounts receivable from completed construction contracts, and the increase in buildings and structures due to capital investments.

Total liabilities increased by 1,521 million yen to 133,424 million yen. This consisted of an increase in current liabilities of 15,830 million yen and a decrease in non-current liabilities of 14,308 million yen. Current liabilities increased primarily due to the increase in accounts payable such as accounts payable for construction contracts, and the increase in short-term loans payable. Non-current assets decreased primarily due to the early redemption of convertible bonds.

Net assets increased by 19,151 million yen to 218,710 million yen. This was mainly attributable to the transfer of treasury shares due to the early redemption of convertible bonds and the increase in retained earnings of 11,258 million yen reflecting the net income attributable to owners of parent amounting to 15,220 million yen, which more than offset the decrease due to dividend payments and share repurchases.

As a result of the above, the equity ratio at the end of the fiscal year ended March 31, 2020 was 61.2% (compared to 59.3% at the end of the previous fiscal year), and net assets per share was 2,006.42 yen.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2020

In the fiscal year ended March 31, 2020, cash and cash equivalents (hereinafter referred to as “funds”) decreased by 4,025 million yen from the previous fiscal year to 31,632 million yen.

Cash flows by business activity and the underlying factors are described below.

①Cash flow from operating activities

Net cash inflow from operating activities was 7,936 million yen (inflow of 6,491 million yen in the previous fiscal year). This was mainly attributable to income before income taxes of 23,332 million yen, which more than offset the decrease in funds from income taxes paid of an amount of 9,440 million yen.

②Cash flow from investment activities

Net cash outflow from investment activities was 9,176 million yen (outflow of 13,523 million yen in the previous fiscal year). This was mainly attributable to the decrease in funds of 9,729 million yen due to purchases of property, plant and equipment.

③Cash flow from financing activities

Net cash outflow from financing activities was 2,814 million yen (outflow of 1,928 million yen in the previous year). This was mainly attributable to the outflow of 10,802 million yen due to share repurchases and 3,953 million yen due to dividend payments, which more than offset the inflow from the net increase in short-term loans payable of 13,154 million yen.

(Reference) Trends in the Group’s cash flow indicators

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Equity ratio	63.8	57.4	58.5	59.3	61.2
Marked-to-market equity ratio	37.8	40.0	57.2	49.6	41.1
Ratio of cash flow to interest-bearing debt	7.4	32.8	19.5	208.6	350.7
Interest coverage ratio	1,584.7	100.4	342.2	371.0	146.1

(Notes) 1. Calculation methods for each indicator are as follows:

Equity ratio: $\text{Equity} / \text{Total assets}$

Marked-to-market equity ratio: $\text{Total market capitalization} / \text{Total assets}$

Ratio of cash flow to interest-bearing debt: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payment}$

2. All indicators are calculated based on consolidated financial data.

3. Total market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of shares outstanding as at the end of the fiscal year (after deducting treasury stock).

4. Cash flow used for the purposes of the calculation is the cash flow from operating activities as reported in the Consolidated Statement of Cash Flows.

5. Interest-bearing debt includes all liabilities reported in the Consolidated Balance Sheets for which interest is paid. Interest payment is the amount of interest paid as reported in the Consolidated Statement of Cash Flows.

(4) Future Outlook

As for the consolidated financial performance in the fiscal year ending March 31, 2021, work to install base stations and to build networks in line with the expansion of 5G commercial services, and business to offer new solutions in light of the upcoming full-fledged era of IoT and developments in local 5G, GIGA school concept and teleworking, are expected to increase. Meanwhile, the MIRAIT Group will continue to enhance efficiency by strengthening its group-oriented management structure. However, at present, it is unpredictable as to when the spread of COVID-19 will be contained, and the outlook is expected to remain uncertain for some time. The impact from COVID-19 on the Group is limited at this point in time, but there are risks, such as the possibility of delays in projects due to the postponement of the Tokyo Olympic and Paralympic Games (one year from the original schedule of July 2020) and due to supply chain disruptions. Also, orders could decrease due to a slowdown in the global economy or weakening of corporate earnings. Given that it is difficult to reasonably estimate such impact, however, the Company's forecast for the consolidated financial results for the fiscal year ending March 31, 2021 reflects its intention to aim for results in line with the previous fiscal year. Specifically, the forecast for orders received is 430.0 billion yen (-3.7% year-on-year), net sales is 435.0 billion yen (-1.4% year-on-year), operating income is 22.0 billion yen (+0.0% year-on-year), ordinary income is 23.3 billion yen (+0.4% year-on-year) and net income attributable to owners of parent is 15.5 billion yen (+1.8% year-on-year).

The Company will disclose as appropriate, any deviations from the forecast that may become evident.

Note that the Company has not disclosed forecasts for the first half of the fiscal year.

(5) Basic Policy for Earnings Distribution and Dividend Payment for the Fiscal Year Ended March 31, 2020 and the Fiscal Year Ending March 31, 2021

The Company's basic policy is to pay dividends consistently based on its total shareholder return target of more than 30%, while taking into consideration the Company's business results and cash position. It is the Company's policy to use internal reserves to reinforce its financial position and to invest in businesses that will enhance the corporate value of the Company.

Dividends from retained earnings are basically paid twice a year, in the form of an interim dividend and a year-end dividend. The Board of Directors is the decision-making body for interim dividends, and the General Meeting of Shareholders is that for year-end dividends. Payment of interim dividends as stipulated under Article 454, Paragraph 5 of the Companies Act has been specified by the Articles of Incorporation of the Company.

Based on the above, the Company has decided to pay a year-end dividend of 20 yen per share for the fiscal year ended March 31, 2020. Accordingly, the annual dividend including the interim dividend of 20 yen per share is 40 yen per share.

The Company also repurchased shares (total of 6.5 million shares/ 10,453 million yen) to enhance shareholder returns and based on its capital policy to respond flexibly to changes in the business environment.

The Company expects to pay 40 yen per share (interim and year-end dividends of 20 yen each) in the fiscal year ending March 31, 2021.

(6) Business Risks

The MIRAIT Group is exposed to the following risks that could affect its operating results and financial position. Forward-looking statements contained herein are based on the Group's judgment as at the end of the fiscal year ended March 31, 2020.

1) Risks associated with excessive dependence on particular clients

The main clients of MIRAIT Group are telecommunications carriers such as the NTT Group. Owing to the fact that they account for a large portion of net sales, their capital expenditures or technological breakthroughs and other factors could affect the Group's business results.

2) Risks associated with safety and quality issues

The MIRAIT Group is wholly committed to ensuring safety and quality controls needed to deliver quality engineering and services that deserve customers' trust and appreciation, by leveraging the integrated safety and quality management system operated by its business companies.

However, in the event of serious accidents, quality issues or other contingencies, there may be severe social consequences which may result in the loss of clients' confidence and restrictions on the Group's operating activities, affecting its business results.

3) Risks associated with the management of critical information

In handling critical information, such as technical data and personal information provided by clients, the MIRAIT Group is wholly committed to the prevention of leakage of classified information through the use of ISMS (information security management system) operated by the business companies.

In the event of unforeseen information leakage, however, the Group may suffer liability for damages with potential impact on its financial results. Such event may also result in the loss of client's confidence, affecting the Group's business results.

4) Risks associated with uncertainties regarding clients' credit quality

The MIRAIT Group adopts measures to avoid credit risks, such as the use of external credit agencies for client credit risk management, and contract document reviews by the legal section.

However, if uncertainties arise regarding the credit quality of a client, the Group may not be able to collect fees for engineering work or may be forced to delay construction work, which could affect the Group's business results.

5) Risks associated with assets held by the Group

The MIRAIT Group holds assets such as real estate and securities that are required for operational purposes. Significant fluctuation of the fair values thereof could affect the Group's business results.

6) Risks associated with natural disasters

The MIRAIT Group has adopted a business continuity plan (BCP) with countermeasures against events such as earthquakes and other natural disasters, as well as pandemics.

However, the occurrence of contingencies such as shortages of electricity, fuel or materials due to supply chain disruptions resulting from prolonged impacts of large-scale natural disasters and other events may affect the Group's business results.

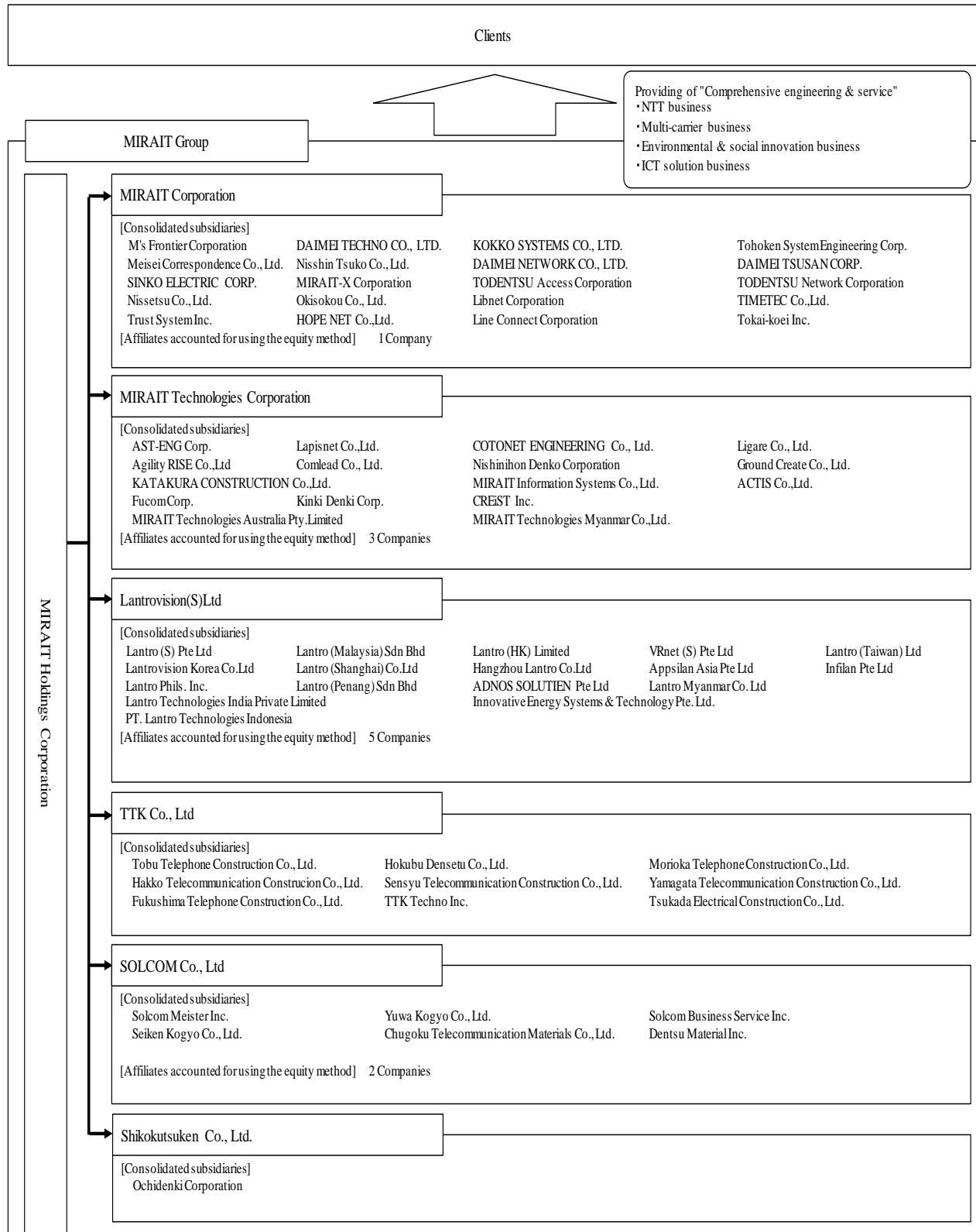
Note that the impact from COVID-19 on the Group's business is limited at present.

2. Overview of Corporate Group

The MIRAII Group comprises MIRAII Holdings Corporation as the holding company, and 75 consolidated subsidiaries including MIRAII Corporation, MIRAII Technologies Corporation, Lantrovision(S)Ltd, TTK Co., Ltd, SOLCOM Co., Ltd and Shikokutsuken Co., Ltd. The main businesses operated by the Group are NTT business, Multi-carrier business, Environmental & Social Innovation business, and ICT Solutions business.

The Group's operational structure is as follows.

(As of March 31, 2020)



Changes in affiliated companies are as follows:

- ① MIRAIT Corporation made Tokaikoei Inc. a consolidated subsidiary by acquiring shares in the company.
- ② Practical Solutions Inc., a consolidated subsidiary of MIRAIT Technologies Corporation, changed its corporate name to CREiST Inc.
- ③ Lantrovision(S)Ltd made PT. Lantro Technologies Indonesia consolidated subsidiary by acquiring shares in the company.
- ④ Ainet Telecommunications Co., Ltd., previously a consolidated subsidiary of SOLCOM Co., Ltd., was dissolved following the merger with Solcom Meister Inc.

3. Management Policy

(1) Basic Management Policy

The MIRAIT Group aims to enhance its corporate value and to achieve sustained growth by:

- (i) Striving to be a leading Japanese corporation that realizes the highest levels of customer satisfaction and trust as a "Comprehensive Engineering & Services Company" that continually creates new value centered on the field of information and telecommunications;
- (ii) Contributing to the realization of an enriched and comfortable society by placing value on safety and quality and offering the highest level of services.
- (iii) Continuing to be an enterprise that coexists and mutually prospers with people and society, fulfilling its corporate social responsibility and respecting humanity.

(2) Medium-term Management Strategy and Targeted Management Benchmarks

As stated in "1. Overview of Operating Results and Financial Position (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2020", the MIRAIT Group believes that it must strive to improve management efficiency and productivity of existing businesses, while strengthening the competitiveness of the "frontier domains" in the medium- to long-term, in order to enhance its corporate value and to achieve sustainable growth as a "Comprehensive Engineering and Services Company" amid changes in the external environment. The Group established a new Medium-term Management Plan for the three years starting in the fiscal year ended March 31, 2020 and aims to achieve the targets set forth below.

[Outline of New Medium-term Management Plan]

① Targets (FYE March 2022)

- Net sales 450.0 bil. yen
- Operating income 27.0 bil. yen (Operating income ratio 6.0%)
- ROE More than 8%

② Key initiatives

- Generate new business opportunities
- Accelerate transformation of business structure
- Enhance productivity and reduce costs through efficient operations
- Strengthen human resources
- Promote ESG-oriented management, safety and quality initiatives
- Capital policy

(3) Issues to be Addressed

The business environment surrounding the MIRAIT Group is at a turning point. In the information and telecommunications sector, business is expected to expand with the telecommunications carriers, the main customers of the Group, transitioning their business models, the expansion of services on new frequency bands for fourth-generation mobile telecommunication (4G), and the penetration of fifth-generation mobile telecommunication (5G) for which commercial services commenced in March 2020. Moreover, the business environment for the MIRAIT Group is expected to continue to evolve dramatically given societal changes, including the acceleration of efforts to rebuild social infrastructure created during Japan's high-growth period particularly in the Greater Tokyo area, and the rise in demand for new solutions such as cloud and Wi-Fi in light of the upcoming full-fledged era of IoT and developments in local 5G, GIGA school concept and teleworking. Meanwhile, the MIRAIT Group also faces challenges brought about by issues such as the aging population, shortage of labor and the need to achieve workstyle reforms.

Against this backdrop, the MIRAIT Group must aggressively expand its business in growth areas (the "frontier domains") such as stock, environment/ energy-related and global businesses. The Group must also generate synergies with the companies that were integrated in the fiscal year ended March 31, 2019, implement measures to enhance construction work capabilities, strengthen the customer base and further promote management efficiency by improving the profit structure.

In response to concerns of a prolonged impact from the COVID-19 pandemic, the MIRAIT Group will adopt stringent measures to ensure a safe and hygienic working environment for all staff, including those at subcontractors. Under the Fourth Medium-term Management Plan (target for FYE March 2022: net sales of 450.0 billion yen, operating income of 27.0 billion yen (operating income ratio of 6.0%) and ROE of more than 8%), the Group will continue to strive to enhance its corporate value and to achieve sustainable growth as a "Comprehensive Engineering and Services Company" that can contribute to a safe and secure society.

In the fiscal year ending March 31, 2021, the Group will take initiatives to achieve the following:

- ① Expand new "frontier domains"
 - Improve operational efficiency and adopt stringent standards to select profitable projects.
 - Establish an operational system that can respond flexibly to diverse customer needs.
 - Enhance engineering capabilities by strengthening collaboration across the Group.
- ② Enhance management efficiency and improve productivity of existing businesses
 - Reduce costs by benchmarking and by implementing measures across the Group.
 - Develop cross-divisional, multi-skilled engineers to secure sufficient workforce.
 - Promote initiatives to reduce indirect costs.

4. Basic Approach Concerning the Selection of Accounting Policies

The MIRAIT Group operates its businesses primarily in Japan. Hence, the policy of the Company is to prepare its consolidated financial statements based on Japanese accounting standards for the time being. The Company will respond appropriately based on developments of its overseas businesses and the situation with other Japanese companies in applying IFRS (International Financial Reporting Standards).

<Notes>

This document contains forward-looking statements based on the plans, outlooks, management strategies and policies of the Group at the time of its issuance. Such forward-looking statements describe management judgments and assumptions based on information available at this time.

As such, actual business results could be significantly different from those stated in this document due to changes in the various underlying conditions. Thus, please be advised that the Company cannot guarantee the accuracy of the forward-looking statements in this document into the future.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Assets		
Current assets		
Cash and deposits	38,206	33,543
Notes receivable – trade	1,462	1,412
Accounts receivable from completed construction contracts	126,666	137,914
Accounts receivable – trade	5,235	8,257
Costs on uncompleted construction contracts and other	28,400	32,758
Prepaid expenses	1,018	1,230
Accounts receivable – other	1,284	1,776
Lease investment assets	4,983	6,123
Other	3,886	2,791
Allowance for doubtful accounts	(58)	(96)
Total current assets	211,085	225,712
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,517	56,618
Machinery, vehicles, tools, furniture and fixtures	15,129	16,997
Land	31,707	32,806
Leased assets	6,281	7,064
Construction in progress	699	1,383
Accumulated depreciation	(28,495)	(32,274)
Total property, plant and equipment	78,840	82,596
Intangible assets		
Customer related assets	2,060	1,943
Goodwill	3,220	2,921
Software	1,656	1,729
Other	121	118
Total intangible assets	7,058	6,711
Investments and other assets		
Investment securities	27,123	30,139
Retirement benefit asset	2,433	1,967
Deferred tax assets	1,835	2,081
Leasehold and guarantee deposits	1,337	1,385
Other	1,890	1,687
Allowance for doubtful accounts	(144)	(147)
Total investments and other assets	34,476	37,114
Total non-current assets	120,376	126,422
Total assets	331,462	352,134

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Liabilities		
Current liabilities		
Notes payable – trade	1,528	1,538
Accounts payable for construction contracts	49,366	57,199
Short-term loans payable	3,602	16,789
Accounts payable – other	6,768	3,405
Income taxes payable	4,667	3,281
Advances received on uncompleted construction contracts	5,549	4,670
Lease obligations	2,958	3,371
Provision for loss on construction contracts	515	959
Provision for bonuses	7,035	7,515
Provision for bonuses for directors (and other officers)	148	120
Provision for warranties for completed construction	9	7
Other	6,757	5,878
Total current liabilities	88,908	104,738
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	16,544	–
Long-term accounts payable – other	159	213
Lease obligations	6,873	7,607
Deferred tax liabilities	1,285	1,650
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	180	128
Provision for share-based compensation	194	282
Retirement benefit liability	17,213	17,635
Asset retirement obligations	114	172
Other	385	953
Total non-current liabilities	42,994	28,685
Total liabilities	131,903	133,424
Net assets		
Shareholders' equity		
Capital stock	7,000	7,000
Capital surplus	71,559	69,399
Retained earnings	124,287	135,546
Treasury shares	(9,684)	(1,386)
Total shareholders' equity	193,163	210,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,028	4,967
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(493)	(281)
Remeasurements of defined benefit plans	836	276
Total accumulated other comprehensive income	3,272	4,863
Non-controlling interests	3,123	3,287
Total net assets	199,559	218,710
Total liabilities and net assets	331,462	352,134

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales of completed construction contracts	375,911	441,166
Cost of sales of completed construction contracts	328,923	388,991
Gross profit on completed construction contracts	46,988	52,174
Selling, general and administrative expenses	26,289	30,181
Operating profit	20,699	21,993
Non-operating income		
Interest income	108	158
Dividend income	629	906
Insurance premiums refunded cancellation	112	175
Share of profit of entities accounted for using equity method	272	47
Other	362	427
Total non-operating income	1,485	1,716
Non-operating expenses		
Interest expenses	17	54
Foreign exchange losses	59	262
Bad debts expenses	25	—
Other	89	183
Total non-operating expenses	192	501
Ordinary profit	21,992	23,207
Extraordinary income		
Gain on step acquisitions	1,058	—
Gain on sales of non-current assets	821	406
Gain on sales of investment securities	1,225	56
Gain on bargain purchase	8,958	—
Other	450	—
Total extraordinary income	12,514	463
Extraordinary losses		
Compensation for damage	24	14
Loss on sales of non-current assets	23	4
Loss on retirement of non-current assets	637	106
Loss on sales of investment securities	0	62
Loss on valuation of investment securities	2	40
Business restructuring expenses	60	41
Other	197	67
Total extraordinary losses	946	338
Profit before income taxes	33,560	23,332

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Income taxes – current	7,922	8,325
Income taxes – deferred	(321)	(574)
Total income taxes	7,600	7,751
Profit	25,959	15,581
Profit attributable to		
Profit attributable to non-controlling interests	248	360
Profit attributable to owners of parent	25,711	15,220
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,832)	1,925
Foreign currency translation adjustment	(810)	208
Remeasurements of defined benefit plans, net of tax	(172)	(560)
Share of other comprehensive income of entities accounted for using equity method	(25)	0
Total other comprehensive income	(2,840)	1,574
Comprehensive income	23,118	17,156
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,886	16,811
Comprehensive income attributable to non-controlling interests	232	344

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	27,563	101,789	(5,168)	131,184
Changes of items during period					
Dividends of surplus			(3,185)		(3,185)
Profit attributable to owners of parent			25,711		25,711
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		18	19
Increase by merger		7			7
Changes by share exchanges		43,562		(4,701)	38,861
Change in ownership interest of parent due to transactions with non-controlling interests		426	(27)	170	570
Net changes of items other than shareholders' equity					
Total changes of items during period	—	43,996	22,498	(4,515)	61,978
Balance at end of current period	7,000	71,559	124,287	(9,684)	193,163

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,836	(98)	327	1,009	6,073	3,486	140,744
Changes of items during period							
Dividends of surplus							(3,185)
Profit attributable to owners of parent							25,711
Purchase of treasury shares							(4)
Disposal of treasury shares							19
Increase by merger							7
Changes by share exchanges							38,861
Change in ownership interest of parent due to transactions with non-controlling interests							570
Net changes of items other than shareholders' equity	(1,807)	—	(821)	(172)	(2,801)	(362)	(3,164)
Total changes of items during period	(1,807)	—	(821)	(172)	(2,801)	(362)	58,814
Balance at end of current period	3,028	(98)	(493)	836	3,272	3,123	199,559

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,000	71,559	124,287	(9,684)	193,163
Changes of items during period					
Dividends of surplus			(3,962)		(3,962)
Profit attributable to owners of parent			15,220		15,220
Purchase of treasury shares				(10,883)	(10,883)
Disposal of treasury shares		(2,221)		19,112	16,891
Increase by merger					—
Changes by share exchanges		53		69	122
Change in ownership interest of parent due to transactions with non-controlling interests		7			7
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(2,159)	11,258	8,298	17,396
Balance at end of current period	7,000	69,399	135,546	(1,386)	210,559

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,028	(98)	(493)	836	3,272	3,123	199,559
Changes of items during period							
Dividends of surplus							(3,962)
Profit attributable to owners of parent							15,220
Purchase of treasury shares							(10,883)
Disposal of treasury shares							16,891
Increase by merger							—
Changes by share exchanges							122
Change in ownership interest of parent due to transactions with non-controlling interests							7
Net changes of items other than shareholders' equity	1,939	—	212	(560)	1,590	163	1,754
Total changes of items during period	1,939	—	212	(560)	1,590	163	19,151
Balance at end of current period	4,967	(98)	(281)	276	4,863	3,287	218,710

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	33,560	23,332
Depreciation	4,085	5,897
Gain on bargain purchase	(8,958)	—
Amortization of goodwill	399	499
Share of loss (profit) of entities accounted for using equity method	(272)	(47)
Increase (decrease) in allowance for doubtful accounts	101	51
Increase (decrease) in provision for bonuses	879	479
Increase (decrease) in provision for loss on construction contracts	(20)	442
Increase (decrease) in other provision	90	5
Remeasurements of defined benefit plans	(182)	(560)
Increase (decrease) in net defined benefit asset and liability	218	888
Interest and dividend income	(738)	(1,065)
Interest expenses	17	54
Foreign exchange losses (gains)	61	225
Loss (gain) on step acquisitions	(1,058)	—
Loss (gain) on sales of investment securities	(1,218)	6
Loss (gain) on sales and retirement of non-current assets	(210)	(295)
Decrease (increase) in notes and accounts receivable - trade	(25,931)	(13,738)
Decrease (increase) in costs on uncompleted construction contracts and other	8,811	(4,300)
Increase (decrease) in notes and accounts payable - trade	3,975	7,361
Increase (decrease) in advances received on uncompleted construction contracts	(1,863)	(825)
Increase (decrease) in accrued consumption taxes	1,412	(775)
Decrease (increase) in consumption taxes refund receivable	(1,576)	381
Increase/decrease in other assets/liabilities	2,504	(1,433)
Other, net	(231)	(293)
Subtotal	13,856	16,290
Interest and dividend income received	783	1,141
Interest expenses paid	(17)	(54)
Income taxes paid	(8,130)	(9,440)
Net cash provided by (used in) operating activities	6,491	7,936

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Payments into time deposits	(1,185)	(1,276)
Proceeds from withdrawal of time deposits	1,752	2,017
Purchase of property, plant and equipment	(16,153)	(9,729)
Proceeds from sales of property, plant and equipment	1,136	716
Purchase of intangible assets	(806)	(677)
Purchase of investment securities	(23)	(633)
Proceeds from sales of investment securities	1,660	479
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(398)	(15)
Proceeds from cancellation of insurance funds	309	208
Other, net	185	(264)
Net cash provided by (used in) investing activities	(13,523)	(9,176)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,890	13,154
Repayments of long-term loans payable	(248)	(108)
Purchase of treasury shares	(4)	(10,802)
Proceeds from disposal of treasury shares	—	340
Cash dividends paid	(3,182)	(3,953)
Dividends paid to non-controlling interests	(88)	(170)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(490)	(72)
Repayments of finance lease obligations	(910)	(1,203)
Other, net	106	1
Dividends paid to non-controlling interests	(1,928)	(2,814)
Effect of exchange rate change on cash and cash equivalents	(412)	4
Net increase (decrease) in cash and cash equivalents	(9,372)	(4,049)
Cash and cash equivalents at beginning of period	32,218	35,657
Increase in cash and cash equivalents from newly consolidated subsidiary	12,811	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	24
Cash and cash equivalents at end of period	35,657	31,632

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting principles)

Not applicable.

(Changes in methods of presentation)

(Consolidated statements of income and comprehensive income)

The Company has decided to present “Loss on sales of investment securities”, “Loss on valuation of investment securities” and “Business restructuring expenses”, previously included in “Extraordinary losses – Other”, as separate items from the consolidated fiscal year under review, given that they represent more than ten one-hundredths of total extraordinary losses. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

Consequently, “Extraordinary losses – Other” of 260 million yen in the consolidated statements of income and comprehensive income of the previous fiscal year has been reclassified as “Loss on sales of investment securities” of 0 million yen, “Loss on valuation of investment securities” of 2 million yen, “Business restructuring expenses” of 60 million yen and “Other” of 197 million yen.

(Consolidated cash flow statement)

The Company has decided to present “Net increase (decrease) in short-term loans payable”, previously a separate item under “Cash flows from investing activities”, under “Other, net” from the consolidated fiscal year under review, given that the amount is no longer significant. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

Consequently, “Net increase (decrease) in short-term loans payable” of 6 million yen and “Other, net” of 179 million yen under “Cash flows from investing activities” in the consolidated cash flow statement of the previous fiscal year have been reclassified as “Other, net” of 185 million yen.

(Changes in accounting estimates)

Not applicable.

(Segment information)

[Segment information]

1. Description of reportable segments

(1) Method of determining reportable segments

The reportable segments of the Company are individual units for which separate financial information is available, and that are subject to a periodic review by the Board of Directors for the purposes of determining the allocation of management resources and evaluating performance.

Under the guidance of the Company as the holding company of the MIRAITS Group, the business groups, which are centered on the business companies, form comprehensive strategies and engage in activities for their respective businesses.

Hence, the six reportable segments of the Company are “MIRAITS”, “MIRAITS Technologies”, “Lantrovision”, “TTK”, “SOLCOM” and “Shikokutsuken”.

(2) Types of products and services attributable to each reportable segment

“MIRAITS”, “MIRAITS Technologies”, “Lantrovision”, “TTK”, “SOLCOM” and “Shikokutsuken” mainly engage in telecommunications engineering work/ electrical work and air conditioning/ sanitary construction work.

2. Method of calculating sales, income, assets and other items for each reportable segment

Accounting methods applied to the reportable business segments are generally in line with those applied to the consolidated financial statements.

Segment income reflects the operating income for each reportable segment.

Internal revenue and transfers between segments are based on actual market prices.

3. Sales and income, assets and other items by reportable segment
 Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(million yen)

	Reportable segment						
	MIRAIT	MIRAIT Technologies	Lantrovision	TTK	SOLCOM	Shikoku tsuken	Total
Net sales							
Net sales to external customers	201,622	110,581	18,147	22,208	13,671	9,679	375,910
Inter-segment sales or transfers	1,130	8,633	—	189	82	40	10,076
Total	202,752	119,214	18,147	22,397	13,754	9,719	385,986
Segment income	12,716	3,899	1,239	1,613	808	580	20,857
Segment assets	150,353	101,096	20,996	32,091	41,707	21,514	367,760
Other items							
Depreciation and amortization	1,691	1,573	276	346	163	21	4,073
Increase in property, plant and equipment and intangible assets	3,219	15,052	139	429	408	94	19,344

	Other (Note 1)	Total	Adjustments (Note 2)	Amount in Consolidated Financial Statements (Note 3)
Net sales				
Net sales to external customers	1	375,911	—	375,911
Inter-segment sales or transfers	6,116	16,193	(16,193)	—
Total	6,118	392,105	(16,193)	375,911
Segment income	4,383	25,241	(4,541)	20,699
Segment assets	163,362	531,123	(199,661)	331,462
Other items				
Depreciation and amortization	12	4,085	—	4,085
Increase in property, plant and equipment and intangible assets	1	19,346	—	19,346

(Notes) 1. The "Other" segment refers to the Company (pure holding company) which does not belong to any business segment.

2. The amounts adjusted are as follows:

(1) Adjustments for segment income in the amount of (4,541) million yen include adjustments for dividends in the amount of (4,436) million yen and adjustments for retirement benefits in the amount of 202 million yen, respectively.

(2) Adjustments for segment assets in the amount of (199,661) million yen include the netting of investments and capital in the amount of (128,536) million yen and the netting of receivables in the amount of (56,643) million yen.

3. Segment income is adjusted to the operating income reported in the Consolidated Statement of Income and Comprehensive Income.

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(million yen)

	Reportable segment						
	MIRAIT	MIRAIT Technologies	Lantrovision	TTK	SOLCOM	Shikoku tsuken	Total
Net sales							
Net sales to external customers	209,450	117,474	17,399	35,266	37,530	24,042	441,163
Inter-segment sales or transfers	1,243	8,305	—	508	118	93	10,269
Total	210,694	125,779	17,399	35,775	37,648	24,135	451,432
Segment income	12,607	3,966	381	2,059	1,179	1,766	21,960
Segment assets	160,846	112,189	20,429	30,648	39,818	20,826	384,758
Other items							
Depreciation and amortization	1,901	2,136	321	775	655	94	5,884
Increase in property, plant and equipment and intangible assets	2,113	5,015	419	625	681	795	9,651

	Other (Note 1)	Total	Adjustments (Note 2)	Amount in Consolidated Financial Statements (Note 3)
Net sales				
Net sales to external customers	2	441,166	—	441,166
Inter-segment sales or transfers	8,542	18,811	(18,811)	—
Total	8,545	459,978	(18,811)	441,166
Segment income	6,723	28,683	(6,690)	21,993
Segment assets	166,240	550,999	(198,865)	352,134
Other items				
Depreciation and amortization	12	5,897	—	5,897
Increase in property, plant and equipment and intangible assets	20	9,671	—	9,671

(Notes) 1. The "Other" segment refers to the Company (pure holding company) which does not belong to any business segment.

2. The amounts adjusted are as follows:

(1) Adjustments for segment income in the amount of (6,690) million yen include adjustments for dividends in the amount of (6,824) million yen and adjustments for retirement benefits in the amount of 55 million yen, respectively.

(2) Adjustments for segment assets in the amount of (198,865) million yen include the netting of investments and capital in the amount of (128,322) million yen and the netting of receivables in the amount of (71,486) million yen.

3. Segment income is adjusted to the operating income reported in the Consolidated Statement of Income and Comprehensive Income.

(Associated information)

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

1. Information for individual products and services

Information for individual products and services is omitted given that telecommunication engineering and electrical facility work account for more than 90% of net sales reported in the Consolidated Statement of Income and Comprehensive Income.

2. Information for individual regions

(1) Net sales

Information on net sales for individual regions is omitted given that sales to domestic external customers account for more than 90% of net sales reported in the Consolidated Statement of Income and Comprehensive Income.

(2) Property, plant and equipment

Information on property, plant and equipment for individual regions is omitted given that domestic assets represent more than 90% of property, plant and equipment as reported in the Consolidated Balance Sheet.

3. Information regarding major customers

(million yen)

Name of customer	Net sales	Associated business segments
Nippon Telegraph and Telephone East Corporation	74,299	MIRAIT MIRAIT Technologies TTK
NTT DOCOMO, INC.	42,645	MIRAIT MIRAIT Technologies TTK SOLCOM Shikokutsuken
Nippon Telegraph and Telephone West Corporation	39,616	MIRAIT MIRAIT Technologies SOLCOM Shikokutsuken

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

1. Information for individual products and services

Information for individual products and services is omitted given that telecommunication engineering and electrical facility work account for more than 90% of net sales reported in the Consolidated Statement of Income and Comprehensive Income.

2. Information for individual regions

(1) Net sales

Information on net sales for individual regions is omitted given that sales to domestic external customers account for more than 90% of net sales reported in the Consolidated Statement of Income and Comprehensive Income.

(2) Property, plant and equipment

Information on property, plant and equipment for individual regions is omitted given that domestic assets represent more than 90% of property, plant and equipment as reported in the Consolidated Balance Sheet.

3. Information regarding major customers

(million yen)

Name of customer	Net sales	Associated business segments
Nippon Telegraph and Telephone East Corporation	87,368	MIRAIT MIRAIT Technologies TTK
Nippon Telegraph and Telephone West Corporation	55,496	MIRAIT MIRAIT Technologies SOLCOM Shikokutsuken
NTT DOCOMO, INC.	44,167	MIRAIT MIRAIT Technologies TTK SOLCOM Shikokutsuken

(Segment information for impairment of non-current assets)

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

Omitted due to immateriality.

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

Omitted due to immateriality.

(Segment information for amortized and outstanding amounts of goodwill)

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(million yen)

	Reportable segment						
	MIRAIT	MIRAIT Technologies	Lantrovision	TTK	SOLCOM	Shikoku tsuken	Total
(Goodwill) Amortized amount	199	44	120	11	—	24	399
Balance at end of current period	404	139	2,062	156	—	456	3,220

	Others	Corporate and elimination	Total
(Goodwill) Amortized amount	—	—	399
Balance at end of current period	—	—	3,220

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(million yen)

	Reportable segment						
	MIRAIT	MIRAIT Technologies	Lantrovision	TTK	SOLCOM	Shikoku tsuken	Total
(Goodwill) Amortized amount	209	42	118	33	—	96	499
Balance at end of current period	396	96	1,944	123	—	360	2,921

	Others	Corporate and elimination	Total
(Goodwill) Amortized amount	—	—	499
Balance at end of current period	—	—	2,921

(Segment information on gain on negative goodwill)

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

TTK Co., Ltd. was made a wholly-owned subsidiary by way of share exchange. Therefore, negative goodwill of 812 million yen has been accounted for in the “TTK” segment.

SOLCOM Co., Ltd. was made a wholly-owned subsidiary of the Company by way of share exchange. Therefore, negative goodwill of 8,145 million yen has been accounted for in the “SOLCOM” segment.

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

Not applicable.

(Per share information)

	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
Net assets per share	1,933.82 yen	2,006.42 yen
Net income per share	295.34 yen	149.93 yen
Diluted net income per share	259.19 yen	— yen

(Note) The basis for calculating net income per share and diluted net income per share is as follows:

	Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)
Net income per share		
Net income attributable to owners of parent (million yen)	25,711	15,220
Net income not attributable to common shareholders (million yen)	—	—
Net income attributable to owners of parent attributable to common stock (million yen)	25,711	15,220
Average number of outstanding shares of common stock during the fiscal year (thousand shares)	87,057	101,517
Diluted net income per share	259.19	—
Net income attributable to owners of parent (million yen)	(11)	—
(of which, interest paid to bondholders (after tax)) (million yen)	(11)	—
Increase in common stock (number of shares)	12,098,548	—
(of which, convertible bonds (number of shares))	(12,098,548)	—
Dilutive shares not included in the calculation of diluted net income per share given their non-dilutive nature	—	—

(Note) 1. Diluted net income per share for the consolidated fiscal year under review is not stated because there are no dilutive shares outstanding.

2. In calculating net income per share and diluted net income per share, treasury shares held in trust accounted for in shareholder's equity are included in the number of own shares which is deducted from the average number of outstanding shares of common stock for the fiscal year. For the fiscal year ended March 31, 2020, the average number of own shares outstanding deducted for the purposes of calculating net income per share and diluted net income per share was 369,494. The average number of own shares at the end of the fiscal year ended March 31, 2019 was 335,482.

(Significant subsequent events)

Not applicable.