



For reference

**MIRAIT Holdings Corporation**

5-6-36 Toyosu

Koto-ku, Tokyo, Japan

November 10, 2010

**CONSOLIDATED FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2010  
(based on Japanese Standards)**

MIRAIT Holdings Corporation (portion for Daimei Telecom Engineering Corp.) is listed on the Tokyo Stock Exchange and Osaka Securities Exchange First Section with the securities code 1417.

(URL <http://www.mirait.co.jp/>)

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Date for submission of six-month period report: December 10, 2010

Date for start of dividend payments: December 13, 2010

Preparation of Quarterly Summary

Supplementary Explanatory Materials: Yes

Quarterly Earnings Briefings: Yes (For analysts and institutional investors)

Note: Figures have been rounded off to eliminate amounts less than one million yen

1. Business Results for the Six-month Period ended September 30 (April 1, 2010 – September 30, 2010)

(1) Consolidated Operating Results (Year-to-Date)

(The percentages shown are the percent increase or decrease compared to the same quarter of the prior consolidated fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2010	50,878	0.1	602	(65.3)	823	(54.3)	608	(36.9)
September 30, 2009	50,850	(9.4)	1,734	(44.7)	1,800	(43.3)	964	(43.8)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months ended				
September 30, 2010	15.68		—	
September 30, 2009	25.22		—	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity to Total Assets	Net Assets per Share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2010	61,942	46,349	73.0	1,166.13
March 31, 2010	66,366	46,485	68.3	1,159.50

(Reference) Shareholders' equity As of September 30, 2010 ¥45,187 million  
As of March 31, 2010 ¥45,309 million

2. Dividends

(Date of Record)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2010	—	10.00	—	10.00	20.00
Year Ending March 31, 2011	—	10.00			

3. Other (For details please refer to Other Information on Page 3 of the attached materials.)

(1) Were there changes to important subsidiaries during the period? No

Newly consolidated companies: 0 (Company name: )

Newly excluded companies: 0 (Company name: )

(Note) Changes in specific subsidiaries during the quarterly accounting period in conjunction with a change in the scope of consolidation.

(2) Has the Company applied simplified accounting treatment and special accounting treatment? Yes

(Note) Application of simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements.

(3) Changes in the principles, procedures or methods of presentation

(a) Are there changes in conjunction with revision of accounting standards? Yes

(b) Are there changes other than those in (a)? No

(Note) Changes in accounting principles, procedures and methods of presentation pertaining to preparation of the quarterly consolidated financial statements recorded in the Changes in Important Matters Used as the Basis for Preparation of the Consolidated Financial Statements.

(4) Number of shares issued (common stock)

(a) Number of shares outstanding at the end of the period (including treasury stock)

Second Quarter ended September 30, 2010	41,112,324 shares	Fiscal Year ended March 2010	41,112,324 shares
(b) Number of shares of treasury stock at the end of the period	Second Quarter ended September 30, 2010	Fiscal Year ended March 2010	2,035,943 shares
(c) Average number of shares outstanding during the period (quarter year-to-date)	Second Quarter ended September 30, 2010	Second Quarter ended September 30, 2009	38,253,303 shares

Note: Disclosure concerning status of implementation of quarterly review procedure

This quarterly earnings report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act.

Attached Materials Table of Contents

- 1. Qualitative Information Concerning Projected Consolidated Operating Results for the Quarter ..... P. 2
  - (1) Qualitative Information Concerning Consolidated Operating Results ..... P. 2
  - (2) Qualitative Information Concerning Consolidated Financial Position ..... P. 2
- 2. Other Information ..... P. 3
  - (1) Summary of Changes to Important Subsidiaries ..... P. 3
  - (2) Summary of Simplified Accounting Treatment and Special accounting Treatment ..... P. 3
  - (3) Summary of Changes in Principles, Procedures or Methods of Presentation ..... P. 3
- 3. Quarterly Consolidated Financial Statements ..... P. 4
  - (1) Quarterly Consolidated Balance Sheets ..... P. 4
  - (2) Quarterly Consolidated Statements of Income ..... P. 5
  - (3) Notes Relating to the Going Concern Assumption ..... P. 7
  - (4) Notes on Significant Changes to Shareholders' Equity ..... P. 7
  - (5) Other Information to Note ..... P. 7
- Reference..... P. 8
  - Net Sales and Value of Orders Received, by Category (Consolidated) ..... P. 8

## 1. Qualitative Information Concerning Consolidated Operating Results for the Quarter under Review

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

During the second quarter consolidated accounting period under review, although personal consumption and corporate capital investment recovered, Japan's economy shifted from a state of recovery to that of a standstill, as demonstrated by weakening exports and production. At the same time, there are also risks such as a further depressed business climate due to concerns regarding the downside of economic conditions overseas and fluctuations in exchange rates.

In the telecommunications sector, the convergence of fixed line and mobile service and the merger of telecommunications and broadcasting accelerated in conjunction with the shift to broadband and progress towards a ubiquitous communications society. Nevertheless, under the influence of sharp competition among carriers and the downward trend in capital investment, the demands from each carrier for cost reductions grew even louder.

As a result of this severe management environment, and negative factors such as a diminishing net increase in the number of FLETS Hikari telephone service subscribers, a delay of orders from mobile telecommunications carriers, demands from clients for a reduction in costs, and a decline in the hourly rate of workers engaged in construction due to a smaller scale of construction works, for the second quarter consolidated accounting period under review the value of orders received slipped 1.5% compared with the same quarter of the previous consolidated fiscal year to ¥54,902 million and net sales increased by 0.1% year-on-year to ¥50,878 million.

From the standpoint of earnings, although net sales remained at nearly the same level as the same quarter of the previous consolidated fiscal year as mentioned above, due to a decline in the profit margin and to an increase in selling, general and administrative expenses caused by an increase in the depreciation and the real estate acquisition tax for buildings owned by the Company, MIRAIT reported an operating income of ¥602 million (down 65.3% as compared to the same quarter of the previous year), an ordinary income of ¥823 million (down 54.3% as compared to the same quarter of the previous year), and a second quarter net income of ¥608 million (down 36.9% as compared to the same quarter of the previous year).

Going forward, the Company will strengthen its sales activities aimed at boosting the value of orders received and net sales, and strive to increase the profit margin by reducing costs as well as to lower selling, general and administrative expenses.

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

#### *Assets*

Total assets at the end of the consolidated accounting second quarter were ¥61,942 million. This was ¥4,424 million less than at the end of the previous consolidated fiscal year. Although cash and deposits, and cost of construction work in progress and other inventory increased, assets fell because of a decrease in accounts receivable and accounts due for completed construction.

#### *Liabilities*

Total liabilities at the end of the consolidated accounting second quarter were ¥15,592 million. This was ¥4,289 million less than at the end of the previous consolidated fiscal year. This mainly reflected decreases in notes payable and accrued construction.

#### *Net Assets*

Net assets at the end of the consolidated accounting second quarter were ¥46,349 million. This was ¥135 million less than at the end of the previous consolidated fiscal year. Although earned surplus increased, treasury stock increased and valuation difference on available for sale securities fell.

## 2. Other Information

### (1) Summary of Changes to Important Subsidiaries

There were no changes to important subsidiaries during the second quarter consolidated accounting period under review.

### (2) Summary of Simplified Accounting Treatment and Special Accounting Treatment

#### 1. Simplified accounting treatment

##### (a) Calculation method for fixed asset depreciation

For assets for which it has adopted the declining balance method, the Company calculates the amount of depreciation and amortization pertaining to the consolidated fiscal year on a pro-rata basis for each period.

#### 2. Special accounting treatment for preparation of the first quarter consolidated financial statements

##### (a) Calculation of tax expense

The Company calculates its tax expense by reasonably estimating its effective tax rate after application of tax effect accounting to the consolidated accounting fiscal year income before income taxes and minority interest for the current consolidated accounting period including the second quarter, and multiplying the net income or loss before income taxes and minority interest for the quarter by this estimated effective tax rate.

Income tax adjustments are reported by inclusion in “corporate, inhabitants’ and enterprise taxes.”

### (3) Summary of Changes in the Principles, Procedures or Methods of Presentation

#### 1. Changes in matters concerning accounting standards

##### (a) Application of the Accounting Standard for Asset Retirement Obligations

Effective from the first quarter of the current consolidated fiscal year, the Company applies the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18 dated March 31, 2008 and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 dated March 31, 2008).

As a result, the operating income and ordinary income for the second quarter consolidated cumulative accounting period under review each decreased by ¥54 million and the net income before income taxes and minority interests decreased by ¥76 million, respectively, compared to what they otherwise would have been had the accounting standard used in past periods been applied. The change in asset retirement obligations as a result of the application of this standard was ¥117 million.

##### (b) Application of the Accounting Standard for Business Combinations etc.

Beginning from the first quarter of the current consolidated accounting fiscal year, the Company applies the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21 dated December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 dated December 26, 2008), the Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23 dated December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 dated December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, portions dated December 26, 2008) and the “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Statement No. 10 dated December 26, 2008).

#### 2. Changes in method of presentation

Based on application of the “Cabinet Office Ordinance Partially Revising the Regulations for Terminology, Formats and Preparation Methods of Financial Statements” (Cabinet Ordinance No. 5 dated March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 dated December 26, 2008), the Company has disclosed the line item “Quarter income (loss) before minority interests” for the second quarter consolidated cumulative accounting period.

# I. Quarterly Consolidated Financial Statements

## (1) Second Quarter Consolidated Balance Sheets

(Unit: Millions of yen)

	Second Quarter of the Consolidated Fiscal Year Under Review (As of September 30, 2010)	Prior Consolidated Fiscal Year Summary Balance Sheet (As of March 31, 2010)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank deposits	10,386	7,313
Accounts receivable and accounts due for completed construction	20,268	28,154
Marketable securities	200	486
Cost of construction work in progress and other inventory	9,157	7,506
Deferred tax assets	276	277
Other current assets	927	885
Allowance for doubtful receivables	(7)	(10)
<b>Total current assets</b>	<b>41,208</b>	<b>44,612</b>
<b>Fixed Assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures (net)	5,982	5,745
Land	7,555	8,039
Construction suspense account	1	332
Other fixed assets (net)	901	1,062
<b>Total tangible fixed assets</b>	<b>14,439</b>	<b>15,180</b>
<b>Intangible Fixed Assets</b>		
Goodwill	22	29
Other intangible fixed assets	1,213	1,358
<b>Total intangible fixed assets</b>	<b>1,235</b>	<b>1,388</b>
<b>Investments and other assets</b>		
Investment securities	2,631	2,789
Long-term loans receivable	122	124
Deposits and guarantees	869	712
Deferred tax assets	1,048	993
Other investments and other assets	669	876
Allowance for doubtful receivables	(284)	(311)
<b>Total investments and other assets</b>	<b>5,057</b>	<b>5,184</b>
<b>Total fixed assets</b>	<b>20,733</b>	<b>21,753</b>
<b>Total Assets</b>	<b>61,942</b>	<b>66,366</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes payable and accrued construction	9,545	13,601
Short-term borrowings	181	103
Accrued income taxes	435	621
Advances received on uncompleted contracts	451	313
Allowance for losses on construction contracts	53	60
Accrued bonuses to directors	—	5
Allowance for completed construction indemnification	7	13
Asset retirement obligations due within 1 year	104	—
Other current liabilities	1,524	1,751
<b>Total current liabilities</b>	<b>12,303</b>	<b>16,470</b>
<b>Long-term liabilities</b>		
Long-term debt	0	1
Long-term accrued expenses	159	261
Deferred tax liability	3	3
Reserve for employees' retirement benefits	1,615	1,559
Allowance for retirement benefits for directors	198	148
Asset retirement obligations	12	—
Negative goodwill	1,217	1,355
Deferred tax liability related to revaluations	53	49
Other long-term liabilities	27	31
<b>Total long-term liabilities</b>	<b>3,288</b>	<b>3,410</b>
<b>Total Liabilities</b>	<b>15,592</b>	<b>19,881</b>
<b>Net Assets</b>		
<b>Owners' equity</b>		
Paid-in capital	5,610	5,610
Capital surplus	4,025	4,025
Earned surplus	37,471	37,253
Treasury stock	(1,845)	(1,634)
<b>Total Owners' Equity</b>	<b>45,262</b>	<b>45,255</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available for sale securities	35	159
Revaluation difference on land	(110)	(105)
<b>Total valuation and translation adjustments</b>	<b>(74)</b>	<b>53</b>
Minority interests	1,162	1,176
<b>Total Net Assets</b>	<b>46,349</b>	<b>46,485</b>
<b>Total Liabilities and Net Assets</b>	<b>61,942</b>	<b>66,366</b>

(2) Quarterly Consolidated Statements of Income  
Second Quarter Consolidated Statements of Income

	(Unit: Millions of yen)	
	Six-Month Period of the Previous Consolidated Fiscal Year From April 1, 2009 to September 30, 2009	Six-Month Period of the Consolidated Fiscal Year Under Review From April 1, 2010 to September 30, 2010
Net sales	50,850	50,878
Cost of sales	44,543	45,314
Gross profit	6,306	5,563
Sales, general, and administrative expenses	4,572	4,960
Operating income (loss)	1,734	602
Non-operating income		
Interest income	10	2
Dividend income	42	51
Amortization of negative goodwill	10	137
Real estate rent income	32	22
Other income	44	44
Total non-operating income	140	259
Non-operating expenses		
Interest expense	63	1
Worksite vicinity expense	—	21
Other non-operating expenses	10	14
Total non-operating expenses	73	38
Ordinary income (loss)	1,800	823
Extraordinary income		
Gain on disposal of fixed assets	—	184
Gain on valuation of investment securities	1	—
Gain on allotment of investment securities	—	10
Reversal of allowance for doubtful receivables	8	8
Reimbursement due to cancellation of insurance	22	196
Gain resulting from change in ownership in subsidiaries	107	—
Total extraordinary income	139	399
Extraordinary expenses		
Loss on disposal of fixed assets	29	25
Loss on valuation of investment securities	8	—
Write-down of memberships	—	17
Provision to reserve for directors' retirement allowance for prior	—	45
Management integration expenses	—	63
Extraordinary expenses resulting from application of the	—	22
Total extraordinary expenses	38	174
Quarter income (loss) before income taxes and minority interests	1,901	1,048
Corporate, inhabitants' and enterprise taxes	883	448
Quarter income (loss) before minority interests	—	600
Minority interest in income (loss)	53	(8)
Quarter net income (loss)	964	608

	Second Quarter of the Previous Consolidated Fiscal Year From July 1, 2009 to September 30, 2009	Second Quarter of the Consolidated Fiscal Year Under Review From July 1, 2010 to September 30, 2010
Net sales	27,290	28,076
Cost of sales	24,002	24,816
Gross profit	3,288	3,260
Sales, general, and administrative expenses	2,261	2,357
Operating income (loss)	1,027	902
Non-operating income		
Interest income	5	1
Dividend income	6	7
Amortization of negative goodwill	2	68
Real estate rent income	16	6
Other income	31	24
Total non-operating income	61	109
Non-operating expenses		
Interest expense	31	1
Worksite vicinity expense	—	13
Other non-operating expenses	6	11
Total non-operating expenses	38	25
Ordinary income (loss)	1,050	986
Extraordinary income		
Gain on disposal of fixed assets	—	184
Gain on valuation of investment securities	1	—
Reversal of allowance for doubtful receivables	4	4
Reimbursement due to cancellation of insurance	20	148
Gain resulting from change in ownership in subsidiaries	107	—
Total extraordinary income	134	336
Extraordinary expenses		
Loss on disposal of fixed assets	2	2
Loss on valuation of investment securities	0	—
Write-down of memberships	—	17
Provision to reserve for directors' retirement allowance for prior	—	45
Management integration expenses	—	5
Extraordinary expenses resulting from application of the	—	1
Total extraordinary expenses	2	72
Quarter income (loss) before income taxes and minority interests	1,183	1,250
Corporate, inhabitants' and enterprise taxes	534	520
Quarter income (loss) before minority interests	—	730
Minority interest in income (loss)	22	7
Quarter net income (loss)	625	722



(3) Notes Relating to the Going Concern Assumption

The Company had no material items to report.

(4) Notes on Significant Changes to Shareholders' Equity

The Company had no material items to report.

(5) Other Information to Note

The Company had no material items to report.

Reference

Net Sales and Value of Orders Received, by Category (Consolidated)

(Unit: Millions of yen)

Item		Period		Second Quarter of the Previous Consolidated Fiscal Year From April 1, 2009 to September 30, 2009		Second Quarter of the Consolidated Fiscal Year Under Review From April 1, 2010 to September 30, 2010		Increase (Decrease)		(Reference) Previous Consolidated Fiscal Year From April 1, 2009 to March 31, 2010	
		Amount	%	Amount	%	Amount	%	Amount	%		
Balance carried forward from prior period	NTT Network Engineering Work	6,917	29.0	7,192	29.2	274	4.0	6,917	29.0		
	Mobile Network Solutions Work	12,757	53.5	13,349	54.1	592	4.6	12,757	53.5		
	IT Solutions Work	1,350	5.7	1,583	6.4	233	17.3	1,350	5.7		
	Civil Engineering and Other Works	2,812	11.8	2,543	10.3	(268)	(9.6)	2,812	11.8		
	Total	23,837	100.0	24,669	100.0	831	3.5	23,837	100.0		
Orders received	NTT Network Engineering Work	18,040	32.4	16,172	29.5	(1,868)	(10.4)	36,167	31.0		
	Mobile Network Solutions Work	27,675	49.6	24,819	45.2	(2,856)	(10.3)	57,541	49.4		
	IT Solutions Work	4,867	8.7	4,741	8.6	(125)	(2.6)	9,541	8.2		
	Civil Engineering and Other Works	5,171	9.3	9,169	16.7	3,998	77.3	13,252	11.4		
	Total	55,754	100.0	54,902	100.0	(851)	(1.5)	116,501	100.0		
Construction completed	NTT Network Engineering Work	16,475	32.4	15,017	29.5	(1,458)	(8.9)	35,892	31.0		
	Mobile Network Solutions Work	25,588	50.3	24,995	49.1	(592)	(2.3)	56,948	49.2		
	IT Solutions Work	4,107	8.1	4,353	8.6	245	6.0	9,307	8.1		
	Civil Engineering and Other Works	4,679	9.2	6,512	12.8	1,832	39.2	13,521	11.7		
	Total	50,850	100.0	50,878	100.0	27	0.1	115,670	100.0		
Balance carried forward to next period	NTT Network Engineering Work	8,482	29.5	8,347	29.1	(135)	(1.6)	7,192	29.2		
	Mobile Network Solutions Work	14,844	51.7	13,173	45.9	(1,671)	(11.3)	13,349	54.1		
	IT Solutions Work	2,110	7.3	1,972	6.9	(138)	(6.5)	1,583	6.4		
	Civil Engineering and Other Works	3,303	11.5	5,200	18.1	1,896	157.4	2,543	10.3		
	Total	28,741	100.0	28,694	100.0	(47)	(0.2)	24,669	100.0		