



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 Commutere 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 24, 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	40,832	3.6	721	(37.5)	761	(40.6)	(19)	—
September 30, 2009	39,416	(9.4)	1,154	(34.6)	1,281	(31.7)	608	(36.6)

	Net Income per Share		Diluted Net Income per Share	
	Yen	Yen	Yen	Yen
Six months ended				
September 30, 2010	(0.44)	—	—	—
September 30, 2009	13.62	—	—	—

(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	57,776	43,937	74.5	967.66
March 31, 2010	61,784	44,462	70.5	975.65

(Reference) Shareholders' equity As of September 30, 2010 ¥43,062 million
As of March 31, 2010 ¥43,566 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	—	9.00	—	11.00	20.00
Year Ending March 31, 2011	—	9.00			

3. Other (For details please refer to Other Information on Page 2 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	44,915,329 shares	Fiscal Year ended March 2010	44,915,329 shares
(b) Number of shares of treasury stock at the end of the period	Second Quarter ended September 30, 2010	413,955 shares	Fiscal Year ended March 2010	261,500 shares
(c) Average number of shares outstanding during the period (quarter year-to-date)	Second Quarter ended September 30, 2010	44,567,385 shares	Second Quarter ended September 30, 2009	44,663,174 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.

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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 Japan's economy recovered in part due to improvements in the foreign economy and various policy effects, risks such as a depressed business climate remained due to fluctuations in exchange rates and stock prices, concerns regarding aggravation of the employment situation, etc., and harsh conditions continued.

In addition to new expansion of the IT market, such as the convergence of fixed line and mobile service and the popularization of crowd computing, the telecommunications sector has been showing steady growth such as of the development of an information communications infrastructure based on terrestrial digital measures and local governments. However, at the same time, sharp competition among carriers has been ongoing, and the demands for cost reductions for the information communications engineering sector grew even louder. The investment structure has also been transforming into one where services with high added values, ranging from the construction of infrastructure facilities to enrichment of contents that make use of the characteristics of optical broadband, are provided.

Based on such conditions, MIRAIT has continued to promote reform of the project structure, and is actively making approaches to streamline management based on consolidation of technical centers and integration of Group companies, and to foster highly-specialized technicians and system engineers for responding to a broad array of customers.

Also, in order to promote cost reduction and a decrease in fixed costs, the Company has been actively taking approaches towards improving productivity and streamlining indirect operations through the introduction of a system.

As a result of doing so, MIRAIT reported a value of orders received of ¥45,139 million yen (103.5% as compared to the same quarter of the previous consolidated fiscal year), net sales of ¥40,832 million yen (103.6% as compared to the same quarter of the previous consolidated fiscal year), ordinary income of ¥761 million yen (59.4% as compared to the same quarter of the previous consolidated fiscal year), and due to a recording of loss on valuation of investment securities, a quarter net loss of ¥19 million yen (in the same quarter of the previous consolidated fiscal year, there was a quarter net gain of ¥68 million yen).

(2) Qualitative Information Concerning Consolidated Financial Position

Assets

Total assets at the end of the consolidated accounting second quarter were ¥57,776 million (¥61,784 million as of the end of the previous consolidated fiscal year). Although accounts receivables and accounts due for completed construction were collected and decreased, work in progress and land increased.

Liabilities

Total liabilities at the end of the consolidated accounting second quarter were ¥13,838 million (¥17,322 million as of 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 ¥43,937 million (¥44,462 million as of the end of the previous consolidated fiscal year). This decreased due to payment of dividends.

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

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.

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. In cases where calculation of the tax expense using the abovementioned estimated effective tax rate results in a significant lack of rationality, calculations are made by using the normal effective statutory 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

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 accounting period under review each decreased by ¥0 million and the net income before income taxes and minority interests decreased by ¥11 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 ¥21 million.

Application of the “Revised Accounting Standard for Equity Method of Accounting for Investments” and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures”

Beginning from the first quarter of the current consolidated accounting fiscal year, MIRAIT applies the “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, portions dated March 10, 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).

There are no effects caused by this.

Application of Accounting Standards 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), “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 Guidance No. 10 dated December 26, 2008).

Changes in method of presentation

Quarterly Consolidated Statements of Income

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 MIRAIT has disclosed the line item “Quarter income (loss) before minority interests” for the second quarter consolidated cumulative accounting period.

(4) Summary of Important Events Etc. Concerning the Going Concern Assumption

The Company had no material items to report.

3. 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)
Assets		
Current Assets		
Cash and bank deposits	11,672	12,168
Accounts receivable and accounts due for completed construction	16,696	25,548
Goods and merchandise	14	18
Work in progress	6,206	3,979
Raw materials and supplies	307	276
Other current assets	2,146	2,281
Allowance for doubtful receivables	(15)	(25)
Total current assets	<u>37,028</u>	<u>44,246</u>
Fixed Assets		
Tangible fixed assets		
Land	10,940	7,556
Other fixed assets (net)	4,658	4,511
Total tangible fixed assets	<u>15,598</u>	<u>12,067</u>
Intangible Fixed Assets	984	888
Investments and other assets	4,164	4,582
Total fixed assets	<u>20,747</u>	<u>17,538</u>
Total Assets	<u>57,776</u>	<u>61,784</u>
Liabilities		
Current Liabilities		
Notes payable and accrued construction	7,810	10,637
Short-term borrowings	52	90
Accrued income taxes	270	383
Accrued bonuses to directors	1,449	1,448
Other allowances	110	87
Other current liabilities	1,091	1,276
Total current liabilities	<u>10,786</u>	<u>13,924</u>
Long-term liabilities		
Long-term debt	71	183
Deferred tax liability related to revaluations	652	652
Reserve for employees' retirement benefits	1,996	2,094
Allowance for retirement benefits for directors	143	326
Asset retirement obligations	21	—
Other long-term liabilities	168	142
Total long-term liabilities	<u>3,052</u>	<u>3,398</u>
Total Liabilities	<u>13,838</u>	<u>17,322</u>
Net Assets		
Owners' equity		
Paid-in capital	3,804	3,804
Capital surplus	3,153	3,153
Earned surplus	38,899	39,411
Treasury stock	(257)	(183)
Total Owners' Equity	<u>45,599</u>	<u>46,184</u>
Valuation and translation adjustments		
Valuation difference on available for sale securities	(78)	(163)
Revaluation difference on land	(2,416)	(2,416)
Foreign currency translation adjustment	(42)	(38)
Total valuation and translation adjustments	<u>(2,537)</u>	<u>(2,618)</u>
Minority interests	875	895
Total Net Assets	<u>43,937</u>	<u>44,462</u>
Total Liabilities and Net Assets	<u>57,776</u>	<u>61,784</u>

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

	(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	39,416	40,832
Cost of sales	34,971	36,930
Gross profit	4,444	3,902
Sales, general, and administrative expenses	3,290	3,180
Operating income	1,154	721
Non-operating income		
Interest income	4	4
Dividend income	26	32
Amortization of negative goodwill	8	1
Investment profit on equity method	33	—
Reimbursement due to cancellation of insurance	28	15
Other income	33	36
Total non-operating income	135	90
Non-operating expenses		
Interest expense	0	2
Investment loss on equity method	—	37
Loss on retirement of fixed assets	1	2
Other non-operating expenses	6	7
Total non-operating expenses	8	50
Ordinary income	1,281	761
Extraordinary income		
Gain on sale of fixed assets	276	69
Other extraordinary income	7	26
Gain on negative goodwill	—	5
Total extraordinary income	284	101
Extraordinary expenses		
Impairment loss	84	—
Loss on valuation of investment securities	31	344
Special retirement benefits	13	4
Business structure reform costs	238	176
Other extraordinary expenses	2	154
Total extraordinary expenses	369	680
Quarter income before income taxes and minority interests	1,197	182
Corporate, inhabitants' and enterprise taxes	543	185
Quarter income (loss) before minority interests	—	(2)
Minority interest in income	45	17
Quarter net income (loss)	608	(19)

(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.