Consolidated Financial Results
for the Fiscal Year Ended March 31, 2011
[Japanese GAAP]

May 11, 2011

Company name: MIRAIT Holdings Corporation
Stock exchange listing: Tokyo, Osaka
Code number: 1417
URL: http://mirait.co.jp/
Representative: Goro Yagihashi, Representative Director and President
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Scheduled date of Ordinary General Meeting of Shareholders: June 28, 2011
Scheduled date of filing annual securities report: June 29, 2011
Scheduled date of dividend payments: June 29, 2011
Availability of supplementary briefing material on annual results: available
Schedule of annual 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, 2011 (April 1, 2010 to March 31, 2011)

(1) Consolidated Operating Results (% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2011	186,168	-	4,092	-	4,785	-	30,559	-
Fiscal year ended March 31, 2010	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Fiscal year ended March 31, 2011: 30,652 million yen (-%)
Fiscal year ended March 31, 2010: - million yen (- %)

	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, 2011	504.92	-	42.5	4.5	2.2
Fiscal year ended March 31, 2010	-	-	-	-	-

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2011: 199 million yen
Fiscal year ended March 31, 2010: - million yen

(Note) Net income per share for the fiscal year ended March 31, 2011 has been calculated by including the extraordinary income from the one-time amortization of negative goodwill generated at the time of the Company's incorporation.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2011	148,307	100,764	66.5	1,197.76
As of March 31, 2010	-	-	-	-

(Reference) Equity: As of March 31, 2011: 98,645 million yen
As of March 31, 2010: - 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, 2011	(2,668)	4,482	(4,531)	18,336
Fiscal year ended March 31, 2010	-	-	-	-

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2010	-	-	-	-	-	-	-	-
Fiscal year ended March 31, 2011	-	-	-	10.00	10.00	853	2.0	0.8
Fiscal year ending March 31, 2012 (Forecast)	-	10.00	-	10.00	20.00		36.3	

(Notes)1. The source of dividends for the fiscal year ended March 31, 2011 includes capital surplus. For details, please refer to “Breakdown of dividends paid out of capital surplus,” later mentioned.

2. The dividend payout ratio for the fiscal year ended March 31, 2011 has been calculated by including the extraordinary income from the one-time amortization of negative goodwill generated at the time of the Company’s incorporation.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	111,000	-	1,900	-	2,100	-	1,200	-	14.57
Full year	251,600	35.1	7,600	85.7	8,000	67.2	4,700	(84.6)	57.07

(Note) The changes from the previous corresponding period is the comparison between the consolidated operating results for the current fiscal year (fiscal year ended March 31, 2011) based on accounting for business combinations, in which the operating results of the current fiscal year of DAIMEI TELECOM ENGINEERING CORP., as the acquiring company, are consolidated with the third and fourth quarter consolidated operating results (from October 1, 2010 to March 31, 2011) of Commuture Corp. and TODENTSU Corporation at the time of the Company’s incorporation; with the full-year forecast for the fiscal year ending March 31, 2012.

4. Others

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly accounted: 2 (Company name: Commuture Corp., TODENTSU Corporation)

Excluded from account: 0 (Company name:)

(2) Changes in accounting principles, procedures and presentation methods related to preparation of consolidated financial statements

1) Changes due to the revision of accounting standards: Yes

2) Any changes other than 1) above: No

(Note) For details, please refer to “Changes in Important Matters that Form the Basis for Preparing Consolidated Financial Statements” on page 22 of the appendix.

(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, 2011	85,381,866 shares	March 31, 2010	- shares

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

March 31, 2011	3,023,966 shares	March 31, 2010	- shares

3) Average number of shares outstanding during the period:

March 31, 2011	60,524,097 shares	March 31, 2010	- shares

*Status of execution of the audit of financial statements

This consolidated financial report is not subject to the audit of the annual financial statements under the Financial Instruments and Exchange Act. The procedures for said audit are being executed at the time of disclosing this report.

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

1. The Company, upon the integration of operations of DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU Corporation, was incorporated as a joint holding company of the three companies as at October 1, 2010. Consequently, there are no results from the previous year, as the current year is the first consolidated fiscal year.
2. As accounting for business combinations with DAIMEI TELECOM ENGINEERING CORP. as the acquiring company has been applied upon the incorporation of the Company, the Group’s consolidated operating results are based on the operating results of the fiscal year ended March 31, 2011 of DAIMEI TELECOM ENGINEERING CORP., as the acquiring company, which have been consolidated with the third and fourth quarter consolidated operating results (from October 1, 2010 to March 31, 2011) of Commuture Corp. and TODENTSU Corporation.
3. The Company plans to convene a briefing session for analysts and institutional investors on Thursday, May 19, 2011. The briefing materials on annual results to be distributed at this session will be posted on the Company’s web site immediately following the session.
4. 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. For the assumptions as the basis for the financial forecasts and notes regarding the effective use of the financial forecasts, please refer to “Analysis of Operating Results” on page 2 of the appendix.

Breakdown of dividends paid out of capital surplus

The following provides a breakdown of the portion of dividends paid out of capital surplus for the fiscal year ended March 31, 2011.

Record date	Year-end	Annual
Dividends per share	10.00 yen	10.00 yen
Total dividends	853 million yen	853 million yen

(Note) Proportional reduction in net assets: 0.009

Contents of Appendix

Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

The Japanese economy during the fiscal year ended March 31, 2010, after having undergone the initial recovery phase bolstered by an increase in export thanks to buoyancy in the economies overseas not least the emerging markets in Asia, became increasingly overshadowed by a negative prospect due primarily to soaring international commodity market including crude oil along with appreciating yen. Uncertainty grew further by the Great East Japan Earthquake which struck on March 11, causing damage to manufacturers' production facilities, along with unreliable supply of electricity for the foreseeable future, due to subsequent events in a nuclear power plant.

In the telecommunications sector, the trend is accelerating towards the adoption of IP technologies and broadband, thanks to the expansion of optical communication network and NGN (next-generation network), along with the accelerated adoption of mobile technologies and multimedia technologies utilizing WiMAX (worldwide interoperability for microwave access)[*1], LTE (long-term evolution)[*2] and smartphones (sophisticated mobile phones), while new ICT markets are expanding accelerated by the increasingly popular cloud computing. However, capital expenditures by carriers, the Group's main clients, are decreasing, due primarily to the shift in their nature from the investment in infrastructure development to investment in higher value-added services and contents, along with cost reduction and shrinking scale of engineering works. On the other hand, as the Great East Japan Earthquake caused extensive damage to the telecommunications facilities primarily in Tohoku region, their restoration is an urgent priority at this moment.

In such business environment, MIRAIT Group has been actively pursuing maximum corporate value and strengthening its business foundation base in accordance with its management philosophy, in which the Group strives to be a leading Japanese company that realizes the highest levels of customer satisfaction and trust as a "comprehensive engineering & service company" that continually create new value centered on the field of information and telecommunications, to contribute to the realization of an enriched and comfortable society by placing value on safety and quality and offering the highest level of services, and to continue to be an enterprise that co-exists and mutually prospers with people and society as a company that fulfills its corporate social responsibility and always respect human value.

Thus consolidated business results for the fiscal year ended March 31, 2011 include 175,557 million yen orders received and 186,168 million yen net sales. Meanwhile, profit includes 4,092 million yen operating income and 4,785 million yen ordinary income due to a decrease in net sales along with declining profitability with all our effort for productivity enhancement and cost-cutting through the pursuit of synergy, while net income amounted to 30,559 million yen due partially to the beneficial effect of negative goodwill associated with the management integration.

(Note) The Company, upon the integration of operations of DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU Corporation (hereinafter "three business companies"), was incorporated as a joint holding company of the three companies on October 1, 2010. Consequently, there are is no description about the results from the previous year, as the current year is the first consolidated fiscal year.

As accounting for business combinations with DAIMEI TELECOM ENGINEERING CORP. as the acquiring company has been applied upon the incorporation of the Company, the Group's consolidated operating results for the current fiscal year (from April 1, 2010 to March 31, 2011) are based on the consolidated operating results of the current fiscal year of DAIMEI TELECOM ENGINEERING CORP., as the acquiring company, which have been consolidated with the third and fourth quarter consolidated business results (from October 1, 2010 to March 31, 2011) of Commuture Corp. and TODENTSU Corporation.

(*1) High-speed mobile communication using wireless technologies

(*2) One of the communication standards for the next-generation mobile phones

[Business Results of the DAIMEI Group]

Sharing the management philosophy of MIRAIT Group, DAIMEI Group actively developed its business based on its business policies, including pursuit of synergistic effects through management integration, acceleration of the transformation into a "comprehensive engineering & service company," promotion of DAIMEI's business based on aggressive proposal-based sales activities, and promotion of total manpower.

We have been particularly active in the positive presentation of proposals for the new services involving mobile technologies as well as NI (network integration) of user facilities, development of new distribution channels for new users, and the expansion of new business domains including terrestrial digital television broadcasting and new energy. Meanwhile, we tackled the measures to boost profit margins, which include the initiatives to enhance productivity involving the group companies engaged in the NTT network engineering as well as partner companies, along with the review of the internal business processes to reduce administrative expenses, and disposal of underutilized real estate as a result of the head office relocation to Toyosu Head Office Building.

Under such circumstances, orders received and net sales amounted to 108,942 million yen and 110,776 million yen, respectively, due partially to shrinking scale of engineering works related to both mobile network solutions and NTT network engineering offsetting the effect of an increase in the consulting business concerning IRU[*3] and terrestrial digital television broadcasting. Due partially to the decreasing net sales despite our effort to enhance productivity and cost-cutting initiatives, profitability recorded 2,427 million yen operating income, 2,833 million yen ordinary income and 1,895 million yen net income.

(*3) IRU refers to the scheme which guarantees long-term uninterrupted use of municipalities-owned telecommunications facilities to private operators including NTT, while allowing municipalities to promote informatization.

[Business Results of the Commuture Group]

Commuture Group tackled structural reform focusing on the three main objectives of gaining customer confidence, strengthening of cost-competitiveness and expansion of business domains, along with pursuit of synergy effect through management integration, based on the management philosophy of MIRAIT Group. Specifically in its mainstay, NTT network engineering, we implemented measures to strengthen our cost-competitiveness to meet the customer's request for price reduction, including efficient staffing through concentration of technology centers, integration of the group companies and streamlining of indirect works by the introduction of systems, while shifting human resources to businesses with higher growth potential.

Meanwhile, we implemented measures to stabilize our financial position including disposal of underutilized fixed assets as a result of the relocation of Tokyo Head Office to Toyosu Building and the concentration of technology centers.

In ICT and civil engineering and others, we focused on training engineers with advanced expertise along with strengthening our management capabilities to meet the expanding needs in the emerging business areas, such as data center business which keeps developing in line with the spread of managed services and cloud computing, while positively expanding our business domains such as enhancement of development/marketing capabilities by converting a software specialist affiliate to a subsidiary and entry into the environment/energy business including solar power generation business.

Under such circumstances, orders received and net sales amounted to 45,446 million yen and 51,902 million yen, respectively, thanks partially to IRU and active effort to expand the business domains. Despite our productivity enhancing effort and cost-cutting initiatives, profitability recorded 1,066 million yen operating income, 1,355 million yen ordinary income and 1,141 million yen net income.

(Note) For business results of Commuture Group, its consolidated operating results for the third and fourth quarters (from October 1, 2010 to March 31, 2011) were presented, in accordance with the accounting for business combinations at the incorporation of the Company.

[Business Results of the TODETSU Group]

Sharing the basic management philosophy with MIRAIT Group, TODENTSU Group tackled the tasks of reinforcing its corporate strength and stabilizing its financial position, through the measures including the promotion of KAIZEN activities on an integrated basis with partner companies, streamlined staffing by structural reform, restructuring of engineering service organization involving the group companies as well as partner companies, further streamlining of business by systematization of work processes and disposal of underutilized fixed assets as a result of the head office relocation to Toyosu Head Office Building, with an aim to contribute to the diversified development of the advanced information and telecommunications network society.

In the civil engineering and others, we strived to expand our business through enhancing our technical proposals under the total assessment method, along with the promotion of environmentally-friendly new energy through the engineering works involving solar power generation system, fuel cell system, LED lighting.

In the ICT, we focused on the development and sales of contact center solution business in an effort to create new business fields.

Under such circumstances, orders received and net sales were 22,327 million yen and 24,646 million yen, respectively, due partially to a decrease in the number of comprehensive servicing engineering works in connection with NTT network engineering, as well as in the number of electric facilities engineering works in the public sector. In terms of profits, operating income and ordinary income amounted to 228 million yen and 307 million yen, respectively which however generated 1,246 million yen net loss due to one-time amortization of the unrecognized net difference in retirement benefit obligations arising from the application of new accounting standard.

(Note) For business results of TODENTSU Group, its consolidated operating results for the third and fourth quarters (from October 1, 2010 to March 31, 2011) were presented, in accordance with the accounting for business combinations at the incorporation of the Company.

The above one-time amortization of the unrecognized net difference in retirement benefit obligations arising from the application of new accounting standard, has had impact on neither the Company's Consolidated Statement of Income nor its Statement of Comprehensive Income, since TODENTSU Group's retirement benefit obligations has been taken in based on its fair value at the time of the Company's business combination.

[Business Results of MIRAIT Group (the holding company)]

As a holding company that serves the Group's planning function including streamlining of operation and business development, along with finance and general affairs functions, the Company has been engaged in business management and promotion of business strategies for the whole Group in return for 630 million yen management fee paid by the three business companies within the Group. As a result, the Company's operating income, ordinary income and net income amounted to 183 million yen, 116 million yen and 51 million yen, respectively.

(Outlook for Next Fiscal Year)

The Japanese economy in the fiscal year ending March 31, 2012 is riddled with negative factors in the aftermath of the Great East Japan Earthquake, including declining production activities, shortage of electricity, declining consumer confidence and soaring prices of natural resources, all of which are likely to weigh down on the general business activities for the time being. Afterwards, however, the economy is expected to be driven by the implementation of the restoration plan under the public-private joint-initiative, involving an increase in the public investment associated with the execution of supplementary government budget, housing investment and corporate capital expenditures.

In the telecommunication sector, although carriers' capital expenditures are generally decreasing, a wide variety of services utilizing the merits of broadband are emerging, on the back of the expansion of NGN and development of WiMAX and LTE. Meanwhile, digital information appliances and smartphones are becoming increasingly popular on top of the conventional information terminal devices, which facilitate the development of a range of home networks based on the amalgamation of fixed and mobile communications, and that of telecommunication and broadcasting. Furthermore, development in cloud computing is boosting the demand for data center business.

Under such circumstances, the Group is committed to building up a business foundation as a "comprehensive engineering & service company," by implementing the growth strategies for sustainable development of the existing businesses along with expansion of the new businesses, geared to the achievement of the medium-term management plan (targeting 280,000 million yen net sales and 12,000 million yen operating income in the fiscal year ending March 31, 2014) announced in October last year.

For the forecast of the consolidated business results in the next fiscal year, we are expecting increases in both sales and profits, thanks partially to the full-year effect of the business combinations implemented in October last year: 257,200 million yen orders received (46.5% increase year on year), 251,600 million yen net sales (35.1% increase year on year), 7,600 million yen operating income (85.7% increase year on year), and 8,000 million yen ordinary income (67.2% increase year on year). We are also expecting 4,700 million yen net income (84.6% decrease year on year) as the beneficial effect of the negative goodwill through the management integration will run off.

(Note) The changes from the previous corresponding period is the comparison between the consolidated operating results for the current fiscal year (fiscal year ended March 31, 2011) based on accounting for business combinations, in which the operating results of the current fiscal year of DAIMEI TELECOM ENGINEERING CORP., as the acquiring company, are consolidated with the third and fourth quarter consolidated operating results (from October 1, 2010 to March 31, 2011) of Commuture Corp. and TODENTSU Corporation at the time of the Company's incorporation; with the full-year forecast for the fiscal year ending March 31, 2012.

(2) Analysis of Financial Position

(Impact of the Management Integration on Assets and Liabilities)

As the management integration implemented last year is applied to acquisition in the accounting for business combinations, DAIMEI TELECOM ENGINEERING CORP. as the acquiring company for accounting purposes is deemed to have acquired assets and liabilities of Commuture Corp. as well as TODENTSU Corporation at their fair values as at October 1, 2010, as part of the management integration as of October 1, 2010.

Shares of the Company held by its consolidated subsidiaries have been treated as consolidated treasury stocks following the management integration.

As the Group presents the first year-end closing for the fiscal year ended March 31, 2011, comparison with the previous fiscal year has not been prepared.

(Assets, Liabilities and Net Assets)

Total assets at the end of the current fiscal year amounted to 148,307 million yen thanks primarily to an increase in notes and accounts receivable-trade, which comprises 102,745 million yen current assets and 45,561 million yen noncurrent assets.

Total liabilities at the end of the current fiscal year amounted to 47,542 million yen due primarily to an increase in notes and accounts payable-trade, which comprises 35,198 million yen current liabilities and 12,344 million yen noncurrent liabilities.

Net assets at the end of the current fiscal year amounted to 100,764 million yen thanks primarily to the acquisition of treasury stocks. As a result, equity ratio was 66.5% and net assets per share was 1,197.76 yen.

(Cash Flows)

Cash flows in each area of activities in the fiscal year ended March 31, 2011 and the circumstances behind them were as follows.

1) Net cash provided by (used in) operating activities

Net cash used in operating activities in the fiscal year ended March 31, 2011 amounted to 2,668 million yen, due to the combined effect of 32,097 million yen income before income taxes, 26,862 million yen gain on negative goodwill, 9,892 million yen increase in notes and accounts receivable-trade and 1,331 million yen income taxes paid.

2) Net cash provided by (used in) investing activities

Net cash provided by investing activities in the fiscal year ended March 31, 2011 amounted to 4,482 million yen, thanks primarily to the 5,514 million yen proceeds from sales of property, plant and equipment surpassing 1,735 million yen purchase of property, plant and equipment.

3) Net cash provided by (used in) financing activities

Net cash used in financing activities in the fiscal year ended March 31, 2011 amounted to 4,531 million yen, due to the combined effect of 2,212 million yen net increase (decrease) in short-term loans payable, 1,058 million yen repayment of long-term loans payable and 773 million yen cash dividends paid.

Cash and cash equivalents at the end of the current fiscal year was 18,336 million yen, thanks to 13,413 million yen increase in cash and cash equivalents following the management integration.

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

	Fiscal year ended March 31, 2011
Equity ratio (%)	66.5
Marked-to-market equity ratio (%)	37.4
Ratio of cash flow to interest-bearing debt (%)	-
Interest coverage ratio (%)	-

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

Equity ratio:	Equity / Total assets
Marked-to-market equity ratio:	Total market capitalization / Total assets
Ratio of cash flow to interest-bearing debt:	Interest-bearing debt / Cash flows
Interest coverage ratio:	Cash flows / Interest payment

2. All indicators have been 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 issued shares as at the end of the fiscal year (after deducting treasury stock).
4. Cash flows refer to net cash provided by (used in) operating activities on the Consolidated Statement of Cash Flows.
5. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest payment refers to the amount of interest paid on the Consolidated Statement of Cash Flows.
6. Cash flow to interest-bearing debt ratio and interest coverage ratio are not presented here because cash flows in operating activities in the current fiscal year turned out to be negative.

(3) Basic Policy of Appropriation of Profits and Dividend Payment for Current Fiscal Year and Next Fiscal Year

The Company makes it a basic policy to pay dividends consistently commensurate to its latest business performance and the trend of dividend payout ratio. Its internal reserve is used for reinforcing its financial position and for investing in the business development that can enhance its corporate value.

Dividends from surplus is basically paid out twice a year in the form of interim dividend and year-end dividend, based on the decision by the Board of Directors for the interim dividend while by the General Meeting of Shareholders for the year-end dividend.

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.

In line with the above policy, the Company is scheduled to pay 10 yen per share as year-end dividend for the fiscal year ended March 31, 2011.

As for the next fiscal year, 20 yen per share (10 yen each for interim dividend and year-end dividend) is scheduled.

(4) Business Risks

MIRAIT Group is exposed to the following risks that could have impact on 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, 2011.

1) Risks associated with excessive dependence on particular clients

Principal clients of MIRAIT Group are NTT Group and other carriers that represent significant share of the Group's sales. Thus the trend of their capital expenditures or technological breakthroughs and other factors could have some impact on the Group's business performance.

2) Risks associated with safety and quality issues

MIRAIT Group is wholly committed to the safety and quality control over its engineering works to deliver quality engineering and services that deserve customers' trust and appreciation by making use of the safety and quality management system operated by the three main business companies.

In the event of serious accidents or other contingencies, however, it could mean serious social consequence and involve loss of clients' confidence and restriction on its operating activities, resulting in some impact on the Group's business results.

3) Risks associated with the management of critical information

In handling the critical information such as technical data and personal information from the clients, 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 three main business companies.

In the event of unforeseen information leakage, however, the Group may suffer liability for damages with potential impact on its financial results, let alone loss of the clients' confidence, which could have impact on the Group's business results.

4) Risks associated with the clients' credit uncertainty

MIRAIT Group is adopting measures to avoid credit risks by using external credit research agencies for credit management regarding clients and the contract review by the legal section.

In the event credit uncertainty arises at the clients, however, the Group might not be able to collect fees for engineering works or may be forced to delay works, which could result in the impact on its business results.

5) Risks associated with assets held by the Group

For operational necessity, MIRAIT Group holds assets in various forms including real estate and securities, whose fair values, however, could significantly fluctuate and adversely affect the Group's business results.

6) Risks associated with natural disasters

MIRAIT Group has adopted countermeasures against natural disasters like earthquakes, or pandemics (global epidemics) such as new influenzas, however, in the event of contingencies such as shortage of electricity, fuel or materials resulting from such events, the Group's business results could be adversely affected.

2. Overview of the Corporate Group

MIRAIT Group comprising the Company as a holding company, the three business companies and 31 consolidated subsidiaries operates the four main businesses namely NTT network engineering, mobile network solutions, ICT, and civil engineering and others. The Group's operational structure is as follows.

MIRAIT Holdings Corporation → **Clients**

DAIMEI Group

[Consolidated subsidiaries]
DAIMEI TELECOM ENGINEERING CORP.

DAIMEI NEXT CO., LTD.	DAIMEI ENGINEERING CORP.
DAIMEI TECHNO CO., LTD.	DAIMEI NETWORK CO., LTD.
KOKKO SYSTEMS CO., LTD.	DAIMEI TSUSAN CORP.
Tohoken System Engineering Corp.	SINKO ELECTRIC CORP.
Meisei Correspondence Co., Ltd.	DAIMEI BUSINESSMATE CORP.
Nisshin Tsuko Co., Ltd.	IP TECHNO SERVICE CORP.

Commuture Group

[Consolidated subsidiaries]
Commuture Corp.

Renat Kansai Co., Ltd.	Ligare Co., Ltd.
Renat Hyogo Co., Ltd.	Kinki Denki Corp.
Renat Kyoto Co., Ltd.	Lapisnet Co., Ltd.
Fucom Corp.	Sumiden Communication Engineering Co., Ltd.
Ground Create Co., Ltd.	Nakamura Dengyo Corp.
Comlead Co., Ltd.	Nara Kensetsu Co., Ltd.
Commuture Information Systems Co., Ltd.	INFORMATION CREATIVE LABORATORY INC.
Renat Tokyo Co., Ltd.	Simple Co., Ltd.

[Affiliates accounted for using the equity method]
MIYAGAWA JYOUHOU TUUSHIN Co., Ltd.　Kinki Tushin Sangyo Co., Ltd.
KTK FUJIKURA PHILIPPINES, INC. (Philippines)

TODENTSU Group

[Consolidated subsidiaries]
TODENTSU Corporation

Todentsu Technos Corp.	Todentsu Engineering West Japan Corp.
Todentsu Access Corp.	

[Affiliates accounted for using the equity method]
Nihon Sangyo Co., Ltd.　Hopenet Co., Ltd.

(Note) 1. Renat Kansai Co., Ltd. absorbed Daikyo Dengyo Co., Ltd by merger as of October 1, 2010.

2. Comlead Co., Ltd. absorbed JCOS Engineering Co., Ltd. and Commuture Solution Partners Co., Ltd. by merger as of January 1, 2011.

3. Commuture Corp. turned Simple Co., Ltd. into its subsidiary by share acquisition as of February 9, 2011.

4. TODENTSU Corporation turned Hopenet Co., Ltd. into its affiliate by share acquisition as of February 28, 2011.

5. TODENTSU Corporation sold out the shares of Kokyo Denwa Service Co., Ltd., resulting in the exclusion of the company from the scope of its consolidation as of March 30, 2011.

3. Management Policies

(1) Basic Management Policies

With the purpose to achieve synergy following the management integration implemented last year, MIRAIT Group will be pursuing the following strategies.

1) Changeover to a low-cost structure in the existing businesses through all-out productivity enhancement efforts along with expansion of our market share through providing superior customer satisfaction
2) Development of new business domains in response to the drastically changing telecommunications business and its peripheral business areas
3) Development of human resources for the new business areas
4) Development of nationwide service organization to facilitate one-stop services

Furthermore, we have decided to take concrete measures into consideration on the restructuring of the three main business companies, with a view to maximizing the Group corporate value.

Meanwhile, the whole Group is tackling the priority task of restoring telecommunications infrastructure in the aftermath of the Great East Japan Earthquake that hit on March 11.

(2) Targeted Management Benchmark

MIRAIT Group is currently committed to the highest priority task of achieving the medium-term management plan (targeting 280,000 million yen net sales and 12,000 million yen operating income in the fiscal year ending March 31, 2014) developed from a medium-term perspective.

During the fiscal year ending March 31, 2012, the Group will keep striving to develop solid business foundation as a “comprehensive engineering & services company” with a view to achieving the above medium-term targets.

(3) Medium- to Long-term Management Strategies

MIRAIT Group is tackling all-out productivity enhancement of the existing businesses through the management integration, along with reinforcement of measures to expand new businesses (including organizational restructuring and development of human resources for the new businesses), with a view to achieving the objectives set out in the medium-term management plan.

(4) Issues to be Addressed

MIRAIT Group has experienced some significant changes in the surrounded business environment in recent years.

Investment structures of the carriers, our main clients, have also been changing, which have resulted in cost reduction requirement and shrinking scale of engineering works. These factors have made the environment of the existing business domain difficult for the Group as ever.

Meanwhile in the industry, the expansion of optical communication network accelerates development of IP technologies and broadband, and LTE and smartphones speed up sophistication of mobile and multimedia network, while there are many other areas with promising potentials such as the increasingly popular cloud computing, new initiatives in energy sector and expansion of digital media.

On the basis of these developments in the market, MIRAIT Group is striving to achieve synergy through the management integration, considering the fiscal year ending March 31, 2012 as the starting year after the integration.

Specifically the Group will be implementing the following strategies.

1) Achievement of synergy through the management integration

- Consolidation of operations mainly through the access network (including business processing/support function, various systems and engineering administration offices)
- Enhancement of productivity through the sharing of know-how and integration of sales and engineering structures among the three business companies
- Cost reduction and streamlining of operations by further consolidation of back-office works to the shared service center that handles common operations across the Group, and installation of the commonly applicable system
- All-out drastic reduction of various duplicate fixed costs across the Group

2) Enhancement of active sales activities that meet customers' needs from their standpoint

- Taking on various works outsourced by client carriers (e.g. maintenance and operation of facilities, NOC)
- Development of maintenance and operation services that allow us to be customers' reliable business partner
- Development of new markets by the joint-marketing with outside parties (including cloud computing)

3) Expansion of new business domains that capture the opportunities of the times and bolster the Group's future growth

- Expansion of the new business domains based on telecommunications technologies, including electricity, environment, energy, videos and broadcasting, along with development of the peripheral areas of the existing business
- Development of FTTH networks overseas, building up overseas presence and collaboration with overseas businesses
- Strategic development of human resources geared to the expansion of new business domains (including significant reinforcement of IP network/server specialists)
- Reestablishing ourselves as a "comprehensive engineering & services company" through the development of nationwide engineering works network capable of providing total solutions

4) Commitment to the restoration in the aftermath of the Great East Japan Earthquake

- Commitment to restoring telecommunications infrastructure in the aftermath of the Great East Japan Earthquake as a priority task in cooperation with fixed and mobile carriers
- Implementation of power saving measures across the Group in an effort to cope with the shortage of power supply expected during the year

5) All-out pursuit of safety, quality and compliance

- Deployment of measures to enhance service quality based on the Group policy on safety and quality

- All-out compliance through the measures including development of the MIRAIT Group Code of Corporate Ethics

6) Development of solid field of competence through KAIZEN and the Group-wide joint-training
   - Promotion of intra-Group exchange such as organizing Group-wide joint Kaizen sessions, along with sharing of information and values
   - Implementation and promotion of the MIRAIT Forum and joint Group training in the field

Precautionary statement:

This document contains forward-looking statements based on the plans, prospect, management strategies and policies of the Company as of its issuance. Such forward-looking statements describe business judgments and the assumptions based on the best available information at this point in time.

As such, actual business results could be significantly different from which stated in this document due to changes in conditions. Thus, please be advised that we will not be able to guarantee the accuracy of the forward-looking statements in this document over the period of time to come in the future.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	Current fiscal year (As of March 31, 2011)
Assets	
Current assets	
Cash and deposits	19,040
Notes receivable-trade	602
Accounts receivable from completed construction contracts	60,366
Accounts receivable-trade	2,087
Costs on uncompleted construction contracts and others	13,463
Prepaid expenses	398
Accounts receivable-other	1,533
Deferred tax assets	2,072
Other	3,390
Allowance for doubtful accounts	(210)
Total current assets	102,745
Noncurrent assets	
Property, plant and equipment	
Buildings and structures	20,727
Machinery, vehicles, tools, furniture and fixtures	9,481
Land	17,779
Lease assets	1,708
Accumulated depreciation	(19,186)
Total property, plant and equipment	30,510
Intangible assets	
Goodwill	172
Software	2,237
Other	36
Total intangible assets	2,446
Investments and other assets	
Investment securities	6,048
Long-term loans receivable	164
Deferred tax assets	2,632
Lease and guarantee deposits	983
Other	2,968
Allowance for doubtful accounts	(193)
Total investments and other assets	12,604
Total noncurrent assets	45,561
Total assets	148,307

(Millions of yen)

	Current fiscal year (As of March 31, 2011)
Liabilities	
Current liabilities	
Notes payable-trade	1,356
Accounts payable for construction contracts	23,139
Short-term loans payable	182
Accounts payable-other	1,174
Income taxes payable	1,480
Advances received on uncompleted construction contracts	762
Provision for loss on construction contracts	217
Provision for bonuses	1,946
Provision for directors' bonuses	76
Provision for warranties for completed construction	11
Other	4,850
Total current liabilities	35,198
Noncurrent liabilities	
Long-term loans payable	220
Deferred tax liabilities	482
Deferred tax liabilities for land revaluation	50
Provision for retirement benefits	9,626
Provision for directors' retirement benefits	374
Asset retirement obligations	68
Negative goodwill	1,080
Long-term accounts payable-other	284
Other	155
Total noncurrent liabilities	12,344
Total liabilities	47,542
Net assets	
Shareholders' equity	
Capital stock	7,000
Capital surplus	26,766
Retained earnings	66,478
Treasury stock	(1,648)
Total shareholders' equity	98,596
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	179
Revaluation reserve for land	(107)
Foreign currency translation adjustment	(23)
Total accumulated other comprehensive income	48
Minority interests	2,119
Total net assets	100,764
Total liabilities and net assets	148,307

(2) Consolidated Statement of Income and Comprehensive Income

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net sales of completed construction contracts	186,168
Cost of sales of completed construction contracts	167,516
Gross profit on completed construction contracts	18,651
Selling, general and administrative expenses	14,559
Operating income	4,092
Non-operating income	
Interest income	11
Dividends income	121
Amortization of negative goodwill	271
Real estate rent	38
Equity in earnings of affiliates	199
Miscellaneous income	211
Total non-operating income	853
Non-operating expenses	
Interest expenses	15
Organization expenses	70
Miscellaneous expenses	75
Total non-operating expenses	160
Ordinary income	4,785
Extraordinary income	
Gain on sales of noncurrent assets	658
Gain on sales of investment securities	212
Reversal of allowance for doubtful accounts	439
Surrender value of insurance	208
Gain on negative goodwill	26,862
Gain on step acquisitions	137
Other	34
Total extraordinary income	28,553
Extraordinary loss	
Loss on sales of noncurrent assets	297
Loss on retirement of noncurrent assets	143
Impairment loss	51
Loss on sales of investment securities	64
Loss on valuation of investment securities	27
Management integration expenses	320
Loss on step acquisitions	77
Loss on adjustment for changes of accounting standard for asset retirement obligations	22
Loss on disaster of the earthquake	23
Other	213
Total extraordinary loss	1,242
Income before income taxes	32,097
Income taxes-current	1,720
Income taxes-deferred	(282)
Total income taxes	1,438
Income before minority interests	30,658
Minority interests in income	99
Net income	30,559

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Minority interests in income	99
Income before minority interests	30,658
Other comprehensive income	
Valuation difference on available-for-sale securities	19
Revaluation reserve for land	(1)
Share of other comprehensive income of associates accounted for using equity method	(24)
Total other comprehensive income	(6)
Comprehensive income	30,652
Comprehensive income attributable to	
Comprehensive income attributable to owners of the parent	30,554
Comprehensive income attributable to minority interests	97

(3) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Shareholders’ equity	
Capital stock	
Balance at the end of previous period	5,610
Changes of items during the period	
Increase by share transfers	1,389
Total changes of items during the period	1,389
Balance at the end of current period	7,000
Capital surplus	
Balance at the end of previous period	4,025
Changes of items during the period	
Increase by share transfers	22,737
Disposal of treasury stock	3
Total changes of items during the period	22,740
Balance at the end of current period	26,766
Retained earnings	
Balance at the end of previous period	37,253
Changes of items during the period	
Dividends from surplus	(776)
Net income	30,559
Disposal of treasury stock	(558)
Total changes of items during the period	29,224
Balance at the end of current period	66,478
Treasury stock	
Balance at the end of previous period	(1,634)
Changes of items during the period	
Increase by share transfers	(378)
Purchase of treasury stock	(216)
Disposal of treasury stock	580
Total changes of items during the period	(13)
Balance at the end of current period	(1,648)
Total shareholders’ equity	
Balance at the end of previous period	45,255
Changes of items during the period	
Increase by share transfers	23,748
Dividends from surplus	(776)
Net income	30,559
Purchase of treasury stock	(216)
Disposal of treasury stock	24
Total changes of items during the period	53,340
Balance at the end of current period	98,596

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Balance at the end of previous period	159
Changes of items during the period	
Net changes of items other than shareholders’ equity	20
Total changes of items during the period	20
Balance at the end of current period	179
Revaluation reserve for land	
Balance at the end of previous period	(105)
Changes of items during the period	
Net changes of items other than shareholders’ equity	(1)
Total changes of items during the period	(1)
Balance at the end of current period	(107)
Foreign currency translation adjustment	
Balance at the end of previous period	-
Changes of items during the period	
Net changes of items other than shareholders’ equity	(23)
Total changes of items during the period	(23)
Balance at the end of current period	(23)
Total accumulated other comprehensive income	
Balance at the end of previous period	53
Changes of items during the period	
Net changes of items other than shareholders’ equity	(5)
Total changes of items during the period	(5)
Balance at the end of current period	48
Minority interests	
Balance at the end of previous period	1,176
Changes of items during the period	
Net changes of items other than shareholders’ equity	942
Total changes of items during the period	942
Balance at the end of current period	2,119
Total net assets	
Balance at the end of previous period	46,485
Changes of items during the period	
Increase by share transfers	23,748
Dividends from surplus	(776)
Net income	30,559
Purchase of treasury stock	(216)
Disposal of treasury stock	24
Net changes of items other than shareholders' equity	937
Total changes of items during the period	54,278
Balance at the end of current period	100,764

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net cash provided by (used in) operating activities	
Income before income taxes	32,097
Depreciation and amortization	2,251
Gain on negative goodwill	(26,862)
Equity in (earnings) losses of affiliates	(199)
Increase (decrease) in allowance for doubtful accounts	(516)
Increase (decrease) in provision for bonuses	42
Increase (decrease) in provision for retirement benefits	(487)
Increase (decrease) in provision for loss on construction contracts	45
Increase (decrease) in other provision	92
Interest income and dividends income	(133)
Interest expenses	15
Foreign exchange losses (gains)	0
Loss (gain) on sales of investment securities	(147)
Loss (gain) on valuation of investment securities	27
Loss (gain) on sales and retirement of property, plant and equipment	(211)
Impairment loss	51
Decrease (increase) in notes and accounts receivable-trade	(9,892)
Decrease (increase) in costs on uncompleted construction contracts and others	3,995
Increase (decrease) in notes and accounts payable-trade	1,405
Increase (decrease) in advances received on uncompleted construction contracts	(214)
Loss on adjustment for changes of accounting standard for asset retirement obligations	22
Increase/decrease in other assets/liabilities	(2,902)
Increase (decrease) in accrued consumption taxes	276
Other, net	(210)
Subtotal	(1,454)
Interest and dividends income received	130
Interest expenses paid	(13)
Income taxes paid	(1,331)
Net cash provided by (used in) operating activities	(2,668)
Net cash provided by (used in) investing activities	
Payments into time deposits	(562)
Proceeds from withdrawal of time deposits	672
Purchase of property, plant and equipment	(1,735)
Proceeds from sales of property, plant and equipment	5,514
Purchase of intangible assets	(400)
Proceeds from sales of intangible assets	3
Purchase of investment securities	(192)
Proceeds from sales of investment securities	727
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(53)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	349
Collection of loans receivable	27
Proceeds from cancellation of insurance funds	309
Other, net	(175)
Net cash provided by (used in) investing activities	4,482

(Millions of yen)

	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(2,212)
Repayment of long-term loans payable	(1,058)
Purchase of treasury stock	(216)
Proceeds from sales of treasury stock	2
Cash dividends paid	(773)
Cash dividends paid to minority shareholders	(275)
Other, net	1
Net cash provided by (used in) financing activities	(4,531)
Effect of exchange rate change on cash and cash equivalents	0
Net increase (decrease) in cash and cash equivalents	(2,717)
Cash and cash equivalents at beginning of period	7,640
Net increase in cash and cash equivalents resulting from share transfers	13,413
Cash and cash equivalents at end of period	18,336

(5) Notes on Going Concern Assumption

Not Applicable.

(6) Changes in Important Matters that Form the Basis for Preparing Consolidated Financial Statements

(Application of the Accounting Standard for Asset Retirement Obligations)

Effective from the fiscal year ended March 31, 2011, the Company adopted “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result, operating income and ordinary income for the fiscal year ended March 31, 2011 decreased by 86 million yen respectively, and income before income taxes decreased by 109 million yen, respectively.

(Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”)

Effective from the fiscal year ended March 31, 2011, the Company adopted “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, announced on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Reports of Practical Issues No. 24, March 10, 2008).

These changes had no effect on the consolidated financial statements.

(Application of the Accounting Standard for Business Combinations and others)

Effective from the fiscal year ended March 31, 2011, the Company adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, announced on December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

(7) Additional Information

(Accounting Standard for Presentation of Comprehensive Income)

Effective from the fiscal year ended March 31, 2011, the Company adopted “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010) from the fiscal year ended March 31, 2011.

(8) Notes to Consolidated Financial Statements

(Segment Information)

1. Segment overview

The reportable segments of the Company refer to the components of the Company whose separate financial information is available, and which are regularly reviewed by the Board of Directors in order to determine allocation of management resources and evaluate performance.

In the MIRAIT Group, which is under the control of the Company (the holding company); each group, mainly through a company serving as a business headquarter draws up comprehensive strategies and engages in activities relating to the businesses for which the group is responsible.

Therefore the segments of the Company comprises the different groups led by the companies serving as headquarters and their reportable segments of the Company are the “DAIMEI Group,” the “Commuture Group,” and the “TODENTSU Group.”

2. Information regarding the amounts of sales, income, assets and other items by reportable segment

For the current fiscal year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

	DAIMEI Group	Commuture Group	TODENTSU Group	Total	Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated Financial Statements Amount (Note 3)
Net sales								
Net sales to external customers	110,466	51,346	24,355	186,168	-	186,168	-	186,168
Inter-segment sales or transfers	310	556	291	1,157	630	1,787	(1,787)	-
Total	110,776	51,902	24,646	187,326	630	187,956	(1,787)	186,168
Segment income	2,427	1,066	228	3,722	183	3,906	186	4,092
Segment assets	66,170	60,114	24,085	150,370	74,516	224,886	(76,579)	148,307
Other items								
Depreciation and amortization	1,549	502	182	2,234	17	2,251	-	2,251
Increase in property, plant and equipment and intangible assets	1,596	665	213	2,475	149	2,625	-	2,625

(Notes) 1. “Other Business” represents the Company (pure holding company) not attributable to business segments.

2. The amounts in adjustments are as follows.

(1) The amounts in adjustments for segment income include the elimination of transactions between the Company and the segments.

(2) The amounts in adjustments for segment assets include unallocated corporate assets and elimination of intersegment payables and receivables.

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

4. Segment net sales and segment income (loss) of the Commuture Group and the TODENTSU Group represent the information for the period from October 1, 2010 to March 31, 2011.

5. Segment assets of the Commuture Group and the TODENTSU Group, which were received on the business combination date, have been assessed at fair value.

(Business Combinations)

Business combination through acquisition

On October 1, 2010, the Company was incorporated upon the integration of operations of DAIMEI TELECOM ENGINEERING CORP., Commuture Corp. and TODENTSU Corporation, followed by the transfer of shares. In accounting for the transfer of shares, the purchase method is applied, which is provided for in the Accounting Standard for Business Combinations, where DAIMEI TELECOM ENGINEERING CORP. is the acquiring company and Commuture Corp. and TODENTSU Corporation are the acquired companies.

(1) Name and description of the acquired companies, main reasons for the business combination, business combination date, legal form of the business combination, name of the company after combination, percentage of voting rights acquired and major reasons for the decision on acquiring the company

1) Name and description of the main business of acquired company

Commuture Corp.	Telecommunication engineering business
TODENTSU Corporation	Telecommunication engineering business, electrical installation business

2) Main reasons for the business combination

Although the three companies were engaged in telecommunication engineering, the surrounding business environment had changed dramatically in recent years. In an age where the ubiquitous society is rapidly becoming a reality, telecommunications technology is evolving on a daily basis, customer needs are becoming diverse and sophisticated, and the provision of reliable and high quality services has become imperative in a wide range of business areas. Under such an environment, the three companies, being highly complementary in their business infrastructure, business areas, and business specialties, were united in their perception that the greatest business challenge facing them was to form a solid system for construction throughout Japan, by pursuing synergistic effects from their respective businesses, while at the same time promote new technological innovations and welcome the new era as a comprehensive engineering company. Through this business combination, the companies sought to maximize their corporate value by making the utmost of their resources, while further solidifying their business foundations by increasing the competitiveness and efficiency of each business and realizing the maximum effects from the synergy.

3) Business combination date

October 1, 2010

4) Legal form of business combination

Share transfer

5) Name of the company after the combination

MIRAIT Holdings Corporation

6) Percentage of voting rights acquired

	Commuture Corp.	TODENTSU Corporation
Percentage of voting rights held prior to the share transfer	0.41%	-
Additional percentage of voting rights acquired on the business combination date	99.59%	100.00%
Percentage of voting rights held after acquisition	100.00%	100.00%

7) Major reasons for the decision on acquiring the company

Based on the overall perspective of the relative percentage of voting rights held by the shareholders and the relative size, DAIMEI TELECOM ENGINEERING CORP. was determined to be the acquiring company.

(2) Period of the acquired companies' business results included in the consolidated financial statements

From October 1, 2010 to March 31, 2011

(3) Acquisition cost of the acquired company and their breakdown

Acquisition value	Fair value of the common stocks of Commuture Corp. held prior to the share transfer and the fair value of the common stocks of MIRAIT Holdings Corporation exchanged on the business combination date	75 million yen
	Fair value of the common stocks of MIRAIT Holdings Corporation issued on the business combination date	24,050 million yen
Acquisition cost		24,126 million yen

(4) Transfer ratios by share class, their calculation method, the number of shares allocated and their estimated value

1) Transfer ratios by share class

1.00 common stock of the joint holding company for 1 common stock of DAIMEI TELECOM ENGINEERING CORP.; 0.77 common stocks of the joint holding company for 1 common stock of Commuture Corp.; and 0.24 common stocks of the joint holding company for 1 common stock of TODENTSU Corporation were allocated and delivered.

2) Calculating method for share exchange ratios

DAIMEI TELECOM ENGINEERING CORP. chose Mizuho Securities Co., Ltd, Commuture Corp. chose Nikko Cordial Securities Inc., and TODENTSU Corporation chose Nomura Securities Co., Ltd., as third-party organizations to determine the share exchange ratios. Based on the results thereof and upon discussion between the related parties, the decision was reached to use the above share exchange ratios.

3) The number of shares allocated

85,381,866 shares

(5) Difference between the acquisition cost of the acquired company and the total acquisition cost of each of the transactions leading to the acquisition 77 million yen

(6) Amount of negative goodwill recognized, generating factors

1) Amount of negative goodwill

26,862 million yen

2) Generating factors of negative goodwill

The total net asset value of the acquired company at the business combination was higher than the cost of acquisition, therefore the difference was recognized as profit of the current fiscal year.

(7) The amounts and breakdown of allocated assets and assumed liabilities on the business combination date

	(Millions of yen)
Current assets	52,229
Noncurrent assets	30,401
Total assets	82,631
Current liabilities	19,975
Noncurrent liabilities	10,550
Total liabilities	30,526

(8) Estimated amount of impact on the Consolidated Statement of Income for the fiscal year ended March 31, 2011, assuming the business combination was completed on the first day of the fiscal year

	(Millions of yen)
Net sales	59,172
Operating income	886
Ordinary income	969
Net income	30

The estimated amount of impact was calculated by taking the difference between the net sales and income information from April 1, 2010 to September 30, 2010, which had been calculated by assuming the business combination had been completed on the first day of the fiscal year, and the net sales and profit/loss stated in the acquiring company's Consolidated Statement of Income for the same period, and making adjustments for the amount of negative goodwill generated.

The above estimated amount has not been audited by BDO Toyo & Co.

(Per Share Information)

For the current fiscal year (From April 1, 2010 to March 31, 2011)	
Net assets per share	1,197.76 yen
Net income per share	504.92 yen
Diluted net income per share is not stated since there is no dilutive security.	

(Note) Basis for calculation of net income per share is as follows:

(Millions of yen unless otherwise stated)

Item	For the current fiscal year (From April 1, 2010 to March 31, 2011)
Net income stated in the Consolidated Statement of Income	30,559
Net income not attributable to common shareholders	-
Net income related to common stocks	30,559
Average number of common stocks during the fiscal year (shares)	60,524,097

(Significant Subsequent Event)

Not applicable.