*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 TODENTSU Corporation) 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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| Representative: | Representative Director and President, Goro Yagihashi |
| For further information contact: | Operating Officer and Financial Director, Manabu Kiriyama |
| | Tel: +81-3-6807-3124 |
| 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 | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2010 | 19,602 | (1.1) | 174 | 57.1 | 230 | 41.9 | 69 | (81.1) |
| September 30, 2009 | 19,814 | 0.5 | 111 | — | 162 | — | 366 | — |

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| Six months ended | Yen | Yen |
| September 30, 2010 | 1.71 | — |
| September 30, 2009 | 9.09 | — |

(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 | 26,775 | 14,829 | 53.6 | 355.69 |
| March 31, 2010 | 30,878 | 15,172 | 47.6 | 364.62 |

(Reference) Shareholders' equity As of September 30, 2010 ¥14,345 million
As of March 31, 2010 ¥14,701 million

2. Dividends

| | Dividends per Share | | | | |
|---|---|---|---|---|---|
| (Date of Record) | First Quarter | Second Quarter | Third Quarter | Year-end | Full Year |
| | Yen | Yen | Yen | Yen | Yen |
| Year Ended March 31, 2010 | — | — | — | 6.00 | 6.00 |
| Year Ending March 31, 2011 | — | 3.00 | | | |

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

(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)? Yes

(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 | 40,353,080 shares | Fiscal Year ended March 2010 | 40,353,080 shares |
| (b) Number of shares of treasury stock at the end of the period | Second Quarter ended September 30, 2010 | 34,160 shares | Fiscal Year ended March 2010 | 32,600 shares |
| (c) Average number of shares outstanding during the period (quarter year-to-date) | Second Quarter ended September 30, 2010 | 40,319,493 shares | Second Quarter ended September 30, 2009 | 40,321,409 shares |

<u>Note: Disclosure concerning status of implementation of quarterly review procedure</u>

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 Consolidated Operating Results for the Quarter under Review

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

During the second quarter consolidated cumulative accounting period under review, although there were indications of partial recovery in Japan's economy due to exports mainly to Asia and the effects of emergency economic policies, cautious approaches regarding the future of the business climate are expanding due to the progression of an appreciating yen and deflation, the worsening employment situation, which is becoming prolonged, and stagnation of personal income.

In the telecommunications sector, together with rapid growth of mobile phones, development of IP and broadband capability, and structural changes such as the merger of telecommunications and broadcasting and the convergence of fixed line and mobile service, a harsh competitive environment surrounding further improvements in services and the acquisition of customers continued.

Based on such conditions, the MIRAIT Group has been making approaches to further promote management reform and improvement activities to stabilize the management infrastructure.

As a result of doing so, from the standpoint of operating revenue for the second quarter consolidated cumulative period, net sales were ¥19,602 million yen, a ¥211 million yen decrease as compared to the same quarter of the previous consolidated fiscal year (down by 1.1% as compared to the same quarter of the previous year). In terms of expenses, the operating income was ¥174 million yen (up by 57.1% as compared to the same quarter of the previous year), the ordinary income was ¥230 million yen (up by 41.9% as compared to the same quarter of the previous fiscal year), and the quarter net loss was ¥69 million yen (down by 81.1% as compared to the same quarter of the previous fiscal year).

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

Total assets at the end of the consolidated accounting second quarter fell ¥4,103 million yen as compared to the end of the previous consolidated accounting year, to ¥26,775 million yen. Although accounts due for completed construction fell by ¥4,903 million yen, cost of construction work in progress increased by ¥1,403 million yen, with cash and bank deposits increasing by ¥133 million yen.

Total liabilities decreased by ¥3,760 million yen as compared to the end of the previous consolidated accounting year, to ¥11,945 million yen. Accrued construction decreased by ¥1,240 million yen and short-term borrowings decreased by ¥1,070 million yen.

Net assets decreased by ¥342 million yen as compared to the end of the previous consolidated accounting year, to ¥14,829 million yen. Valuation difference on available for sale securities decreased by ¥187 million yen, and revaluation difference on land decreased by ¥108 million yen.

## 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

(1) Valuation method for inventories

Calculation of the inventory at the end of the second quarter consolidated accounting period is based on a rational method where the physical inventory check is omitted and physical inventory from the end of the previous consolidated accounting year serves as the base.

(2) 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

Calculation of tax expense

The Company calculates the 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 consolidated cumulative period), 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

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 accounting period under review each decreased by ¥0 million and the net income before income taxes and minority interests decreased by ¥20 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 ¥33 million.

(b) Application of the "Revised 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 "

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 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24 dated March 10, 2008).

There are no effects caused by this.

(c) Changes in valuation standards and valuation method of important assets

In the past, raw materials and supplies were based on the final price buying method (balance sheet amounts are calculated using a write-down method based on a decline in profitability). However, starting with the first quarter of the current consolidated accounting fiscal year, this was changed to a cost method that utilizes the moving-average method (write-down method based on a decline in profitability), due to the purpose of conducting further appropriate valuation of inventory assets and periodic accounting of profit and loss.

There are no impacts on profit and loss resulting from this change.

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), MIRAIT has disclosed the line item "Quarter income 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 | 2,428 | 2,294 |
| Accounts receivable | 236 | 411 |
| Accounts due for completed construction | 7,997 | 12,900 |
| Cost of construction work in progress and other inventory | 3,263 | 1,859 |
| Raw materials and supplies | 187 | 213 |
| Deferred tax assets | 960 | 865 |
| Other current assets | 697 | 725 |
| Allowance for doubtful receivables | (570) | (527) |
| Total current assets | 15,201 | 18,743 |
| Fixed Assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 4,883 | 4,854 |
| Machinery, vehicles, tools, furniture and fixtures | 808 | 797 |
| Land | 5,105 | 5,306 |
| Leased assets | 94 | 105 |
| Accumulated depreciation | (2,854) | (2,742) |
| Total tangible fixed assets | 8,038 | 8,320 |
| Intangible Fixed Assets | | |
| Goodwill | 152 | 171 |
| Leased assets | 14 | 16 |
| Software | 574 | 558 |
| Telephone subscription rights | 46 | 46 |
| Other intangible fixed assets | 0 | 0 |
| Total intangible fixed assets | 787 | 793 |
| Investments and other assets | | |
| Investment securities | 1,719 | 1,898 |
| Deferred tax assets | 129 | 164 |
| Other investments and other assets | 1,701 | 1,778 |
| Allowance for doubtful receivables | (803) | (819) |
| Total investments and other assets | 2,748 | 3,021 |
| Total fixed assets | 11,574 | 12,135 |
| Total Assets | 26,775 | 30,878 |
| Liabilities | | |
| Current Liabilities | | |
| Notes payable | 771 | 1,048 |
| Accrued construction | 3,151 | 4,392 |
| Short-term borrowings | 2,260 | 3,330 |
| Long-term borrowings due within one year | 1,000 | 1,000 |
| Lease obligations | 15 | 34 |
| Accrued income taxes | 161 | 114 |
| Accrued consumption taxes | 20 | 179 |
| Advance receipts on uncompleted construction contracts | 470 | 583 |
| Deposits received | 88 | 66 |
| Indemnity allowance for completed construction | 10 | 13 |
| Allowance for contingent loss | 18 | 27 |
| Accrued bonuses | 568 | 590 |
| Accrued bonuses to directors | 1 | 36 |
| Other current liabilities | 128 | 997 |
| Total current liabilities | 8,667 | 12,414 |
| Long-term liabilities | | |
| Lease obligations | 48 | 55 |
| Deferred tax liability related to revaluations | 1,225 | 1,298 |
| Reserve for employees' retirement benefits | 1,858 | 1,817 |
| Allowance for retirement benefits for directors | 15 | 15 |
| Asset retirement obligations | 33 | — |
| Negative goodwill | 8 | 10 |
| Other long-term liabilities | 87 | 95 |
| Total long-term liabilities | 3,278 | 3,291 |
| Total Liabilities | 11,945 | 15,706 |
| Net Assets | | |
| Owners' equity | | |
| Paid-in capital | 3,800 | 3,800 |
| Capital surplus | 2,305 | 2,305 |
| Earned surplus | 6,561 | 6,625 |
| Treasury stock | (9) | (9) |
| Total Owners' Equity | 12,657 | 12,722 |
| Valuation and translation adjustments | | |
| Valuation difference on available for sale securities | (100) | 86 |
| Revaluation difference on land | 1,784 | 1,892 |
| Total valuation and translation adjustments | 1,683 | 1,979 |
| Minority interests | 488 | 470 |
| Total Net Assets | 14,829 | 15,172 |
| Total Liabilities and Net Assets | 26,775 | 30,878 |

## (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 | | |
| Value of construction works completed | 19,814 | 19,602 |
| Cost of sales | | |
| Cost of construction works completed | 17,854 | 17,811 |
| Gross profit | | |
| Gross profit of construction sales | 1,960 | 1,791 |
| Sales, general, and administrative expenses | 1,849 | 1,616 |
| Operating income | 111 | 174 |
| Non-operating income | | |
| Interest and dividends received | 35 | 37 |
| Income from exemption of taxes such as consumption tax | — | 26 |
| Other income | 40 | 14 |
| Total non-operating income | 76 | 78 |
| Non-operating expenses | | |
| Interest expense | 25 | 22 |
| Other non-operating expenses | — | 0 |
| Total non-operating expenses | 25 | 23 |
| Ordinary income | 162 | 230 |
| Extraordinary income | | |
| Reversal of allowance for doubtful accounts | 150 | — |
| Other extraordinary income | 0 | 1 |
| Total extraordinary income | 150 | 1 |
| Extraordinary expenses | | |
| Impairment loss | 58 | 23 |
| Special retirement benefits | 19 | — |
| Loss on sales of investment securities | 73 | — |
| Management integration expenses | — | 80 |
| Extraordinary expenses resulting from application of the | — | 19 |
| Other extraordinary expenses | 12 | 7 |
| Total extraordinary expenses | 164 | 130 |
| Quarter income before income taxes and minority interests | 148 | 100 |
| Corporate, inhabitants' and enterprise taxes | (223) | 10 |
| Quarter income before minority interests | — | 90 |
| Minority interest in income | 5 | 21 |
| Quarter net income | 366 | 69 |

(3) Notes Relating to the Going Concern Assumption

The Company had no material items to report for the second quarter consolidated cumulative period (from April 1, 2010 to September 30, 2010).

(4) Notes on Significant Changes to Shareholders' Equity

The Company had no material items to report for the second quarter consolidated cumulative period (from April 1, 2010 to September 30, 2010).