Consolidated Financial Statements

Asanuma Corporation

Years ended March 31, 2011 and 2010
with Report of Independent Auditors

Asanuma Corporation

Consolidated Financial Statements

Years ended March 31, 2011 and 2010

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Consolidated Financial Statements

Report of Independent Auditors

The Board of Directors
Asanuma Corporation

We have audited the accompanying consolidated balance sheets of Asanuma Corporation and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended and the consolidated statement of comprehensive loss for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asanuma Corporation and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Osaka, Japan
June 28, 2011

Asanuma Corporation

Consolidated Balance Sheets

March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	**2010**	**2011**
Assets			
Current assets:			
Cash and cash deposits *(Notes 6 and 18)*	**¥ 25,684**	¥ 24,766	**$ 308,888**
Receivables:			
Notes receivable *(Note 18)*	**6,198**	3,532	**74,540**
Accounts receivable on completed construction contracts *(Note 18)*	**55,461**	57,469	**666,999**
Other accounts receivable	**2,559**	2,669	**30,776**
Allowance for doubtful accounts	**(749)**	(232)	**(9,008)**
	63,469	63,438	**763,307**
Inventories:			
Real estate held for sale	**990**	1,166	**11,906**
Cost of uncompleted construction contracts	**12,863**	16,128	**154,696**
Raw materials and supplies	**44**	55	**529**
	13,897	17,349	**167,131**
Deferred income taxes *(Note 10)*	**2**	1	**24**
Other current assets	**2,114**	1,252	**25,424**
Total current assets	**105,166**	106,806	**1,264,774**
Property, plant and equipment, at cost:			
Land *(Note 9)*	**6,764**	6,394	**81,347**
Buildings and structures *(Note 9)*	**14,438**	14,490	**173,638**
Machinery, equipment and vehicles	**1,154**	2,209	**13,878**
Tools, furniture and fixtures	**1,251**	1,645	**15,045**
Leased assets	**57**	57	**686**
Less accumulated depreciation	**(11,078)**	(13,126)	**(133,229)**
Property, plant and equipment, net	**12,586**	11,669	**151,365**
Investments and other assets:			
Investments in securities *(Notes 8, 9 and 18)*	**5,760**	6,147	**69,273**
Investments in an unconsolidated subsidiary and affiliates	**77**	76	**926**
Long-term loans receivable *(Note 9)*	**430**	404	**5,171**
Intangible assets	**458**	539	**5,508**
Other assets	**2,611**	2,095	**31,401**
Allowance for doubtful accounts	**(1,209)**	(231)	**(14,540)**
Total investments and other assets	**8,127**	9,030	**97,739**
Total assets	**¥ 125,879**	¥ 127,505	**$ 1,513,878**

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	**2010**	**2011**
Liabilities			
Current liabilities:			
Short-term bank loans *(Notes 9 and 18)*	**¥ 24,765**	¥ 24,573	**$ 297,835**
Current portion of long-term debt *(Notes 9 and 18)*	**2,547**	5,353	**30,631**
Payables *(Note 18)*:			
Notes payable	**5,396**	3,352	**64,895**
Accounts payable on construction contracts	**26,931**	23,530	**323,885**
Other accounts payable	**15,054**	12,381	**181,046**
	47,381	39,263	**569,826**
Advances received on uncompleted construction contracts	**7,493**	10,416	**90,114**
Deposits received	**2,362**	3,252	**28,406**
Accrued expenses	**1,044**	968	**12,556**
Consumption taxes on advances received	**2,037**	1,410	**24,498**
Accrued income taxes *(Note 10)*	**220**	292	**2,646**
Deferred income taxes *(Note 10)*	**13**	14	**156**
Provision for compensation for completed construction	**599**	679	**7,204**
Provision for bonuses	**323**	328	**3,885**
Provision for loss on construction contracts	**914**	406	**10,992**
Other current liabilities	**161**	64	**1,936**
Total current liabilities	**89,859**	87,018	**1,080,685**
Long-term liabilities:			
Long-term debt *(Notes 9 and 18)*	**7,907**	10,358	**95,094**
Accrued retirement benefits for employees *(Note 11)*	**3,620**	7,687	**43,536**
Deferred income taxes *(Note 10)*	**1,408**	1,634	**16,933**
Other long-term liabilities	**3,341**	985	**40,180**
Total long-term liabilities	**16,276**	20,664	**195,743**
Contingent liabilities *(Note 12)*			
Net assets			
Shareholders' equity *(Note 13)*:			
Common stock:			
Authorized – 293,565,000 shares			
Issued – 77,386,293 shares in 2011 and – 2010	**8,419**	8,419	**101,251**
Capital surplus	**4,641**	4,641	**55,815**
Retained earnings	**6,317**	6,007	**75,971**
Less treasury stock, at cost	**(136)**	(135)	**(1,636)**
Total shareholders' equity	**19,241**	18,932	**231,401**
Accumulated other comprehensive income :			
Net unrealized holding gain on securities *(Note 8)*	**468**	872	**5,628**
Total accumulated other comprehensive income	**468**	872	**5,628**
Minority interests	**35**	19	**421**
Total net assets	**19,744**	19,823	**237,450**
Total liabilities and net assets	**¥ 125,879**	¥ 127,505	**$ 1,513,878**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Income

Years ended March 31, 2011 and 2010

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2011	2010	**2011**
Net sales *(Note 21)*:			
Completed construction contracts	**¥ 126,352**	¥ 152,727	**$ 1,519,567**
Other	**1,850**	2,161	**22,249**
	128,202	154,888	**1,541,816**
Cost of sales *(Note 14)*:			
Completed construction contracts	**118,564**	144,487	**1,425,905**
Other	**1,465**	1,688	**17,619**
	120,029	146,175	**1,443,524**
Gross profit:			
Completed construction contracts	**7,788**	8,240	**93,662**
Other	**385**	473	**4,630**
	8,173	8,713	**98,292**
Selling, general and administrative expenses *(Note 15)*	**6,950**	7,162	**83,584**
Operating income	**1,223**	1,551	**14,708**
Other income (expenses):			
Interest and dividend income	**297**	310	**3,572**
Interest expense	**(721)**	(797)	**(8,671)**
Guarantee fees	**(25)**	(29)	**(301)**
Gain on sales of property, plant and equipment	**1,708**	91	**20,541**
Gain on partial conversion to defined contribution pension plans	**757**	–	**9,104**
Loss on repairs of completed construction	**(104)**	(133)	**(1,251)**
Loss on impairment of tangible fixed assets *(Note 7)*	**(439)**	(1)	**(5,280)**
Provision of allowance for doubtful accounts	**(1,490)**	(157)	**(17,919)**
Provision for loss on construction contracts	**(536)**	–	**(6,446)**
Prior period adjustments, net	**69**	87	**830**
Other, net	**(264)**	(110)	**(3,174)**
Income before income taxes and minority interests	**475**	812	**5,713**
Income taxes *(Note 10)*:			
Current	**162**	316	**1,948**
Deferred	**(13)**	(20)	**(156)**
	149	296	**1,792**
Income before minority interests	**326**	516	**3,921**
Minority interests	**16**	31	**193**
Net income	**¥ 310**	¥ 485	**$ 3,728**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statement of Comprehensive Loss

Year ended March 31, 2011

	Millions of yen	*Thousands of U.S. dollars (Note 2)*
	2011	**2011**
Income before minority interests	**¥ 326**	**$ 3,921**
Other comprehensive loss:		
Net unrealized holding loss on securities	**(404)**	**(4,859)**
Total other comprehensive loss	**(404)**	**(4,859)**
Comprehensive loss	**¥ (78)**	**$ (938)**
Comprehensive (loss) income attributable to:		
Shareholders of the Company	**¥ (94)**	**$ (1,130)**
Minority interests	**16**	**193**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2011 and 2010

	Millions of yen						
	Shareholders' equity				**Accumulated other comprehensive income**		
	Common stock	**Capital surplus**	**Retained earnings**	**Treasury stock, at cost**	**Net unrealized holding gain on securities**	**Minority interests**	**Total net assets**
Balance at March 31, 2009	¥ 8,419	¥ 4,641	¥ 5,522	¥ (134)	¥ 609	¥ –	¥ 19,057
Net income for the year	–	–	485	–	–	–	485
Sales of treasury stock	–	(0)	–	0	–	–	0
Increase in treasury stock	–	–	–	(1)	–	–	(1)
Net effect in minority interests resulting from inclusion of subsidiaries in consolidation	–	–	–	–	–	(12)	(12)
Net change in items other than shareholders' equity	–	–	–	–	263	31	294
Balance at March 31, 2010	**¥ 8,419**	**¥ 4,641**	**¥ 6,007**	**¥ (135)**	**¥ 872**	**¥ 19**	**¥ 19,823**
Net income for the year	**–**	**–**	**310**	**–**	**–**	**–**	**310**
Sales of treasury stock	**–**	**(0)**	**–**	**0**	**–**	**–**	**0**
Increase in treasury stock	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**
Net change in items other than shareholders' equity	**–**	**–**	**–**	**–**	**(404)**	**16**	**(388)**
Balance at March 31, 2011	**¥ 8,419**	**¥ 4,641**	**¥ 6,317**	**¥ (136)**	**¥ 468**	**¥ 35**	**¥ 19,744**

	Thousands of U.S. dollars (Note 2)						
	Shareholders' equity				**Accumulated other comprehensive income**		
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gain on securities	Minority interests	Total net assets
Balance at March 31, 2010	**$101,251**	**$55,815**	**$ 72,243**	**$ (1,624)**	**$ 10,487**	**$ 228**	**$238,400**
Net income for the year	**–**	**–**	**3,728**	**–**	**–**	**–**	**3,728**
Sales of treasury stock	**–**	**(0)**	**–**	**0**	**–**	**–**	**0**
Increase in treasury stock	**–**	**–**	**–**	**(12)**	**–**	**–**	**(12)**
Net change in items other than shareholders' equity	**–**	**–**	**–**	**–**	**(4,859)**	**193**	**(4,666)**
Balance at March 31, 2011	**$101,251**	**$55,815**	**$75,971**	**$ (1,636)**	**$ 5,628**	**$ 421**	**$237,450**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2011	**2010**	**2011**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 475**	¥ 812	**$ 5,713**
Adjustments for:			
Depreciation and amortization	**595**	542	**7,156**
Loss on impairment of tangible fixed assets	**439**	1	**5,280**
Increase (decrease) in allowance for doubtful accounts	**1,495**	(71)	**17,979**
(Decrease) increase in provision for bonuses	**(5)**	53	**(60)**
(Decrease) increase in accrued retirement benefits for employees	**(4,067)**	522	**(48,912)**
Interest and dividend income	**(297)**	(310)	**(3,572)**
Interest expense	**721**	797	**8,671**
Foreign exchange losses	**34**	16	**409**
Gain on sales of property, plant and equipment, net	**(1,708)**	(91)	**(20,541)**
Increase in notes and accounts receivable on completed construction contracts	**(657)**	(4,676)	**(7,901)**
Decrease in inventories	**3,354**	16,857	**40,336**
Increase (decrease) in notes and accounts payable on construction contracts	**5,443**	(10,294)	**65,460**
Decrease in advances received on uncompleted construction contracts	**(2,924)**	(10,187)	**(35,165)**
Other, net	**4,523**	(8,960)	**54,395**
Subtotal	**7,421**	(14,989)	**89,248**
Interest and dividends received	**293**	316	**3,524**
Interest paid	**(776)**	(754)	**(9,332)**
Income taxes paid	**(274)**	(348)	**(3,295)**
Net cash provided by (used in) operating activities	**6,664**	(15,775)	**80,145**
Cash flows from investing activities:			
Net decrease in time deposits	**–**	49	**–**
Purchases of property, plant and equipment	**(2,367)**	(50)	**(28,466)**
Proceeds from sales of property, plant and equipment	**2,201**	225	**26,470**
Purchases of intangible assets	**(73)**	(120)	**(878)**
Purchases of investments in securities	**(414)**	(6)	**(4,979)**
Proceeds from sales of investments in securities	**156**	8	**1,876**
Loans receivable made	**(176)**	(58)	**(2,117)**
Collection of loans receivable	**36**	134	**433**
Other, net	**21**	15	**253**
Net cash (used in) provided by investing activities	**¥ (616)**	¥ 197	**$ (7,408)**

Asanuma Corporation

Consolidated Statements of Cash Flows (continued)

Years ended March 31, 2011 and 2010

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2011	**2010**	**2011**
Cash flows from financing activities:			
Decrease in short-term bank loans, net	**¥ (2,614)**	¥ (1,216)	**$ (31,437)**
Proceeds from long-term debt	**97**	1,678	**1,166**
Repayment of long-term debt	**(2,548)**	(2,534)	**(30,643)**
Repayments of lease obligations	**(12)**	(10)	**(144)**
Repayments for deposits received from membership	**(19)**	(336)	**(229)**
Proceeds from stock issuance to minority shareholders of a consolidated subsidiary	**–**	2	**–**
Other, net	**0**	0	**0**
Net cash used in financing activities	**(5,096)**	(2,416)	**(61,287)**
Effect of exchange rate changes on cash and cash equivalents	**(34)**	(16)	**(409)**
Net increase (decrease) in cash and cash equivalents	**918**	(18,011)	**11,041**
Cash and cash equivalents at beginning of year	**24,766**	41,958	**297,847**
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	**–**	819	**–**
Cash and cash equivalents at end of year *(Note 6)*	**¥ 25,684**	¥ 24,766	**$ 308,888**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

1. Basis of Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements of Asanuma Corporation (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

Effective the year ended March 31, 2011, the Companies have adopted the "Accounting Standard for Presentation of Comprehensive Income" (Accounting Standards Board of Japan ("ASBJ") Statement No. 25, issued on June 30, 2010). The account items "accumulated other comprehensive income" and "total accumulated other comprehensive income" in the accompanying consolidated balance sheet as of March 31, 2010 are used in place of the previously reported items of "valuation" and "total valuation" in the consolidated balance sheet as of March 31, 2010.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2010 to the 2011 presentation. Such reclassifications had no effect on consolidated net income or net assets.

2. U.S. Dollar Amounts

The accompanying consolidated financial statements are stated in yen, the currency of the country in which the Company and its consolidated subsidiaries are incorporated and operate. The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at ¥83.15 = U.S.$1.00, the exchange rate prevailing on March 31, 2011. This translation should not be construed as a representation that yen can be converted into U.S. dollars at the above or any other rate.

3. Principles of Consolidation

At March 31, 2011 and 2010, the Company had 6 subsidiaries. The consolidated financial statements for the years ended March 31, 2011 and 2010 include the accounts of the Company and its 5 subsidiaries.

The Company applied the equity method to its investments in 3 affiliates, at March 31, 2011 and 2010 for the purpose of consolidated financial statements for the years then ended.

The accounts of the remaining subsidiary were not consolidated nor the equity method applied because its assets, retained earnings, net sales and net income in the aggregate were not material to the consolidated financial statements.

4. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks withdrawable on demand, and short-term investments which are readily convertible to cash subject to an insignificant risk of any changes in their value and which were purchased with an original maturity of three months or less.

(b) Investments in securities

Investments in securities are classified into three categories: trading securities, held-to-maturity debt securities or other securities. Trading securities are stated at fair value. Gain and loss, both realized and unrealized, are credited and charged to income. Held-to-maturity debt securities are stated at amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, reported as a separate component of accumulated other comprehensive income. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

(c) Allowance for doubtful accounts

The Company and its consolidated subsidiaries provide an allowance for doubtful accounts at an amount calculated based on their historical experience of bad debts on ordinary receivables plus an additional estimate of probable specific bad debts from customers experiencing financial difficulties.

4. Summary of Significant Accounting Policies (continued)

(d) Inventories

Real estate held for sale is stated at the lower of cost or net selling value, cost being determined on an individual project basis. Uncompleted construction contracts are stated at cost determined on an individual project basis. Raw materials and supplies are stated at the lower of cost or market value, cost being determined by the period average method.

(e) Property, plant and equipment (Other than leased assets)

Property, plant and equipment is stated on the basis of cost. Depreciation is calculated by the declining-balance method over the estimated useful lives of the respective assets; however, the straight-line method is applied to buildings (except for structures attached to the buildings) acquired on or after April 1, 1998.

(f) Computer software (Other than leased assets)

Expenditures related to computer software developed for internal use are charged to income when incurred, except if they are deemed to contribute to the generation of income or to future cost savings. Such expenditures are capitalized as intangible assets and amortized by the straight-line method over an estimated useful life of 5 years.

(g) Leases

Leased assets held under finance leases that transfer ownership are depreciated by using the economic useful lives of leased assets. For finance leases that do not transfer ownership, depreciation expense is calculated based on the straight-line method over the leased period of the lease with a residual value of zero. In addition, finance lease transactions commencing on or before March 31, 2008 other than those in which the ownership of the leased assets is transferred to the Company or its consolidated subsidiaries are accounted for in the same manner as operating leases.

(h) Provision for compensation for completed construction

A provision for compensation for completed construction is provided for anticipated future costs arising from warranties on completed construction.

(i) Provision for bonuses

A provision for bonuses is provided at the estimated amount of bonuses to be paid as allocated to the current fiscal year.

4. Summary of Significant Accounting Policies (continued)

(j) Provision for loss on construction contracts

A provision for loss on construction contracts is provided for anticipated future losses on uncompleted construction projects.

(k) Accrued retirement benefits

Accrued retirement benefits for employees are provided at the retirement benefit obligation less the fair value of the pension plan assets as adjusted for unrecognized actuarial gain or loss. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated average remaining years of service of the eligible employees.

Prior service cost is credited or charged to income in the year in which the gain or loss is recognized.

Actuarial gain or loss is amortized commencing the year following the year in which the gain or loss is recognized by the straight-line method principally over a ten-year period, which is shorter than the average remaining years of service of the eligible employees.

(l) Income taxes

Deferred income taxes are calculated based on taxable income and charged to income on an accrual basis. Deferred tax assets and liabilities are computed based on the temporary differences between financial reporting and the tax bases of the assets and liabilities which will result in taxable or deductible amounts in the future. The calculation of deferred tax assets and liabilities is based on the enacted tax laws. Valuation allowances are utilized to reduce deferred tax assets to the amount that management believes is more likely than not to be realized. In assessing the likelihood of realization, the Company considers all currently available evidence for future years, both positive and negative, supplemented by information regarding historical results for each tax jurisdiction.

(m) Hedge accounting

Gain or loss on derivatives positions designated as hedges is deferred until the loss or gain on the respective underlying hedged items is recognized. Interest-rate swaps which meet certain conditions are accounted for as if the interest rates applied to the swaps had originally applied to the underlying debt.

4. Summary of Significant Accounting Policies (continued)

(n) Revenue recognition

The Company recognizes revenue by applying the percentage-of-completion method for the construction projects for which the outcome of the construction activity is deemed certain at the end of the reporting period. To estimate the progress of such construction projects, the Company measures the percentage of completion by comparing costs incurred to date with the most recent estimate of total costs required to complete the project (cost to cost basis). For other construction projects where the outcome cannot be reliably measured, the completed-contract method is applied.

Net sales related to construction contracts accounted for by the percentage-of-completion method totaled ¥115,152 million ($1,384,871 thousand) and ¥88,241 million for the years ended March 31, 2011 and 2010, respectively.

5. Changes in Method of Accounting

(1) Asset Retirement Obligations

Effective the year ended March 31, 2011, the Company applied “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, issued on March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21, issued on March 31, 2008). The impact of applying these accounting standards to operating income and income before income taxes and minority interests was nil for the year ended March 31, 2011.

(2) Application of the revised Accounting Standard for Equity Method of Accounting for Investments

Effective the year ended March 31, 2011, the Company applied “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16, issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No.24, issued on March 10, 2008). The impact of applying these accounting standards to operating income and income before income taxes and minority interests was nil for the year ended March 31, 2011.

5. Changes in Method of Accounting (continued)

(3) Recognizing revenues and cost of construction contracts

Up to the year ended March 31, 2009, revenue and cost of construction contracts were mainly recognized by the completed-contract method, though the specific construction projects which took longer than one year and exceeded ¥1,000 million, applied the percentage-of-completion method for recognition of revenue and cost.

Effective the year ended March 31, 2010, the Company and its consolidated subsidiaries have adopted “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, issued on December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, issued on December 27, 2007).

Under these accounting standard and guidance, revenue from, and related cost of, construction contracts that commenced on or after April 1, 2009, are mainly recognized by the percentage-of-completion method.

As a result of the adoption of these standards, net sales of completed construction contracts increased by ¥9,501 million and operating income and income before income taxes and minority interests increased by ¥375 million for the year ended March 31, 2010 from the corresponding amounts which would have been recorded under the method applied in the previous year.

(4) Partial amendments to accounting standard for retirement benefits

Effective the year ended March 31, 2010, the Company adopted “Partial Amendments to Accounting Standard for Retirement Benefits” (Part 3) (ASBJ Statement No.19 issued on July 31, 2008). The effect of the adoption of this amendment on operating income and income before income taxes and minority interests was nil for the year ended March 31, 2010.

6. Cash and Cash Equivalents

A reconciliation between the balances of cash and cash deposits in the accompanying consolidated balance sheets at March 31, 2011 and 2010 and the balances of cash and cash equivalents as presented in the accompanying consolidated statements of cash flows for the years then ended have been omitted since there were no reconciliation items.

7. Loss on Impairment of Tangible Fixed Assets

An aggregate loss on impairment of tangible fixed assets of ¥439 million ($5,280 thousand) was recorded for the year ended March 31, 2011. The loss on impairment related to land in the amount of ¥61 million ($734 thousand) and buildings in the amount of ¥378 million ($4,546 thousand) is outlined as follows:

			Millions of yen	*Thousands of U.S. dollars*
Location	Main use	Class	**2011**	**2011**
Kagawa Prefecture and other	Leasing	Buildings and land	**¥ 435**	**$ 5,232**
Hiroshima Prefecture	Idle property	Land	**4**	**48**
			¥ 439	**$ 5,280**

The Company and its consolidated subsidiaries, in principle, group their fixed assets for operating purposes at each office but group leased assets and idle assets individually. The affiliates group their fixed assets at each company. Due to a decline in market price of real estate during the year ended March 31, 2011, the Company and its consolidated subsidiaries have reduced the carrying value of assets outlined above to their respective estimated recoverable amounts and recorded a related loss on impairment of tangible fixed assets of ¥439 million ($5,280 thousand) in the accompanying consolidated statement of income for the year ended March 31, 2011.

The estimated recoverable amounts of idle property have been measured at their estimated net selling prices based on the figures presented by government authorities.

8. Investments in Securities

At March 31, 2011 and 2010, marketable securities classified as held-to-maturity debt securities were as follows:

	Millions of yen					
	2011			**2010**		
	Carrying value	Estimated fair value	Unrealized gain	Carrying value	Estimated fair value	Unrealized gain
Held-to-maturity debt securities whose estimated fair value exceeds their carrying value:						
Government and municipal bonds	**¥ 30**	**¥ 31**	**¥ 1**	¥ 30	¥ 31	¥ 1
	¥ 30	**¥ 31**	**¥ 1**	¥ 30	¥ 31	¥ 1

	Thousands of U.S. dollars		
	2011		
	Carrying value	Estimated fair value	Unrealized gain
Held-to-maturity debt securities whose estimated fair value exceeds their carrying value:			
Government and municipal bonds	**$ 361**	**$ 373**	**$12**
	$ 361	**$ 373**	**$12**

At March 31, 2011 and 2010, marketable securities classified as other securities were as follows:

	Millions of yen					
	2011			**2010**		
	Acquisition costs	Carrying value	Unrealized holding gain (loss)	Acquisition costs	Carrying value	Unrealized holding gain (loss)
Other securities whose carrying value exceeds their acquisition costs:						
Equity securities	**¥ 2,478**	**¥ 3,416**	**¥ 938**	¥ 2,907	¥ 4,379	¥ 1,472
Other securities whose carrying value does not exceed their acquisition costs:						
Equity securities	**1,677**	**1,498**	**(179)**	1,012	919	(93)
	¥ 4,155	**¥ 4,914**	**¥ 759**	¥ 3,919	¥ 5,298	¥ 1,379

8. Investments in Securities (continued)

	Thousands of U.S. dollars		
	2011		
	Acquisition costs	Carrying value	Unrealized holding gain (loss)
Other securities whose carrying value exceeds their acquisition costs:			
Equity securities	**$ 29,802**	**$ 41,082**	**$ 11,281**
Other securities whose carrying value does not exceed their acquisition costs:			
Equity securities	**20,168**	**18,016**	**(2,153)**
	$ 49,970	**$ 59,098**	**$ 9,128**

Refer to Note 18 for the redemption schedule at March 31, 2011 for held-to-maturity debt securities.

For the year ended March 31, 2011, the Company has recognized loss on impairment of equity securities classified as other securities of ¥16 million ($192 thousand).

The Company recognizes loss on impairment of marketable securities classified as other securities if the market value of a security at year end declines by more than 30% compared with its carrying value.

Proceeds from and realized (loss) gain on sales of other securities for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Proceeds	**¥ 156**	¥ 3,120	**$ 1,876**
Realized (loss) gain	**(10)**	1,329	**(120)**

9. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans from banks had average interest rates of 1.7% at March 31, 2011 and 1.8% at March 31, 2010.

Long-term debt at March 31, 2011 and 2010 is summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Unsecured loans from banks, payable in yen, at rates ranging from 2.44% to 3.56%	**¥ 1,711**	¥ 4,007	**$ 20,577**
Secured loans from insurance companies, payable in yen at rates ranging from 1.31% to 2.6%	**8,743**	11,704	**105,148**
Total	**10,454**	15,711	**125,725**
Less current portion included in current liabilities	**(2,547)**	(5,353)	**(30,631)**
	¥ 7,907	¥ 10,358	**$ 95,094**

The aggregate annual maturities of long-term debt subsequent to March 31, 2011 are summarized as follows:

Year ending March 31,	*Millions of yen*	*Thousands of U.S. dollars*
2012	**¥ 2,547**	**$ 30,631**
2013	**952**	**11,449**
2014	**1,038**	**12,483**
2015 and thereafter	**5,917**	**71,162**
	¥ 10,454	**$ 125,725**

Assets pledged at March 31, 2011 as collateral for loans of the Company are summarized as follows:

	Millions of yen	*Thousands of U.S. dollars*
Land	**¥ 1,845**	**$ 22,189**
Buildings and structures	**911**	**10,956**
	¥ 2,756	**$ 33,145**

All assets of the consolidated subsidiaries engaged in the PFI business were pledged as collateral for their loans under the project finance agreements. Assets pledged at March 31, 2011 amounted to ¥9,472 million ($113,915 thousand) as collateral for loans of ¥8,743 million ($105,147 thousand).

Assets pledged at March 31, 2011 as collateral for loans of affiliates which are engaged in a PFI business are summarized as follows:

	Millions of yen	*Thousands of U.S. dollars*
Investments in securities	**¥ 54**	**$ 649**
Long-term loans receivable	**200**	**2,405**
	¥ 254	**$ 3,054**

10. Income Taxes

Income taxes applicable to the Company and its consolidated subsidiaries comprise corporation, inhabitants' and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 40.8% for the years ended March 31, 2011 and 2010.

A reconciliation of the statutory tax rate and the effective tax rates for the years ended March 31, 2011 and 2010 as a percentage of income before income taxes is summarized as follows:

	2011	**2010**
Statutory tax rate	**40.8 %**	40.8 %
Permanently non-tax-deductible expenses	**20.0**	12.1
Permanently non-taxable income	**(3.0)**	(1.7)
Per capita portion of inhabitants' taxes	**26.6**	16.7
Tax credit for corporate tax	**–**	(1.4)
Valuation allowance	**(54.9)**	(27.3)
Unrecognized deferred income tax relating to excess of cost over equity in net assets of subsidiaries and other	**1.6**	(2.6)
Other	**0.3**	(0.1)
Effective tax rates	**31.4 %**	36.5 %

10. Income Taxes (continued)

The significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries at March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Deferred tax assets:			
Allowance for doubtful accounts	**¥ 851**	¥ 303	**$ 10,235**
Provision for bonuses	**140**	140	**1,684**
Provision for compensation for completed construction	**245**	277	**2,946**
Inventories	**34**	170	**409**
Provision for loss on construction contracts	**374**	166	**4,498**
Accrued retirement benefits for employees	**1,431**	3,071	**17,210**
Assets transferred to defined contribution pension plans	**1,240**	–	**14,913**
Loss on impairment of tangible fixed assets	**415**	449	**4,991**
Loss on revaluation of fixed assets and other	**1,399**	1,353	**16,825**
Loss on revaluation of investments	**174**	225	**2,093**
Tax loss carryforwards	**13**	29	**156**
Unrealized profit on intercompany transactions	**50**	51	**601**
Other	**524**	499	**6,302**
Gross deferred tax assets	**6,890**	6,733	**82,863**
Less valuation allowance	**(6,837)**	(6,682)	**(82,225)**
Total deferred tax assets	**53**	51	**638**
Deferred tax liabilities:			
Unrealized holding gain on securities	**(290)**	(508)	**(3,488)**
Deferred capital gains on property	**(1,174)**	(1,185)	**(14,119)**
Other	**(6)**	(6)	**(72)**
Total deferred tax liabilities	**(1,470)**	(1,699)	**(17,679)**
Net deferred tax liabilities	**¥ (1,417)**	¥ (1,648)	**$ (17,041)**

11. Retirement Benefits

The Company and its certain consolidated subsidiaries have defined benefit pension plans covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. In addition to the retirement benefit plans described above, the Company and its certain consolidated subsidiaries pay additional retirement benefits under certain conditions.

Supplementary information

The Company transferred a certain portion of a lump-sum payment plan to a defined contribution pension plan on October 1, 2010. The Company adopted ASBJ Implementation Guidance No.1 "Guidance on Accounting for Transfers between Retirement Benefit Plans", issued January 31, 2002. As a result, operating income increased by ¥101 million ($1,215 thousand) and income before income taxes and minority interests increased by ¥858 million ($10,319 thousand) for the year ended March 31, 2011.

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the accompanying consolidated balance sheets at March 31, 2011 and 2010 for the Company's and its consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Retirement benefit obligation	**¥ (13,321)**	¥ (26,919)	**$ (160,204)**
Plan assets at fair value	**7,149**	16,529	**85,977**
Unfunded retirement benefit obligation	**(6,172)**	(10,390)	**(74,227)**
Unrecognized actuarial loss	**2,552**	2,703	**30,691**
Accrued retirement benefits for employees	**¥ (3,620)**	¥ (7,687)	**$ (43,536)**

As permitted under the accounting standard for retirement benefits, one consolidated subsidiary calculates its retirement benefit obligation for employees by a simplified method.

The components of retirement benefit expenses for the years ended March 31, 2011 and 2010 are outlined as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Service cost	**¥ 491**	¥ 650	**$ 5,905**
Interest cost	**469**	588	**5,640**
Expected return on plan assets	**(331)**	(333)	**(3,981)**
Amortization of unrecognized actuarial loss	**735**	1,023	**8,840**
Retirement benefit expenses	**¥ 1,364**	¥ 1,928	**$ 16,404**
Gain on partial conversion to defined contribution pension plan	**(757)**	–	**(9,104)**
Contributions to defined contribution pension plan	**103**	–	**1,239**
Total	**¥ 710**	¥ –	**$ 8,539**

11. Retirement Benefits (continued)

The assumptions used in accounting for the defined benefit pension plans for the years ended March 31, 2011 and 2010 were as follows:

	2011	2010
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.0%	2.0%

12. Contingent Liabilities

At March 31, 2011, the Company was contingently liable for guarantees of deposits for condominium purchase agreements held by condominium sales companies in the amount of ¥276 million ($3,319 thousand).

13. Shareholders' Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

The Company's legal reserve included in retained earnings at March 31, 2011 and 2010 amounted to ¥2,104 million ($25,304 thousand).

Under the Law, upon the issuance and sale of new shares of common stock, the entire amount of the proceeds is required to be accounted for as common stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the proceeds of the sale of new shares as additional paid-in capital included in capital surplus.

13. Shareholders' Equity (continued)

Movements in shares of common stock in issue and treasury stock during the years ended March 31, 2011 and 2010 are summarized as follows:

	Number of shares			
	2011			
	March 31, 2010	Increase	Decrease	March 31, 2011
Shares of common stock in issue	**77,386,293**	**–**	**–**	**77,386,293**
Treasury stock	**1,262,018**	**9,479**	**1,300**	**1,270,197**

	Number of shares			
	2010			
	March 31, 2009	Increase	Decrease	March 31, 2010
Shares of common stock in issue	77,386,293	–	–	77,386,293
Treasury stock	1,254,924	8,024	930	1,262,018

14. Provision for Loss on Construction Contracts

Provision for loss on construction contracts included in cost of sales for the years ended March 31, 2011 and 2010 amounted to ¥378 million ($4,546 thousand) and ¥405 million, respectively.

15. Research and Development Costs

Research and development costs included in selling, general and administrative expenses for the years ended March 31, 2011 and 2010 amounted to ¥141 million ($1,696 thousand) and ¥138 million, respectively.

16. Information on Other Comprehensive Income

Information on other comprehensive income for the year ended March 31, 2010 for comparative purposes is summarized as follows:

	Millions of yen
	2010
Other comprehensive income:	
Net unrealized holding income on securities	¥ 262
Total other comprehensive income	¥ 262
Comprehensive income (loss) attributable to:	
Shareholders of the Company	¥ 747
Minority interests	(31)

17. Leases

Finance lease transactions commencing on or before March 31, 2008 other than those in which the ownership of the leased assets is transferred to the Company and its consolidated subsidiaries are accounted for in the same manner as operating leases.

The following *pro forma* amounts represent the acquisition costs, accumulated depreciation and net book value of the leased property as of March 31, 2011 and 2010, which would have been reflected in the accompanying consolidated balance sheets if finance lease accounting had been applied to the finance leases under which the Company and its consolidated subsidiaries are lessees and which are currently accounted for as operating leases:

	Millions of yen					
	2011			**2010**		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Tools, furniture and fixtures	**¥ 21**	**¥ 16**	**¥ 5**	¥ 27	¥ 17	¥ 10

	Thousands of U.S. dollars		
	2011		
	Acquisition costs	Accumulated depreciation	Net book value
Tools, furniture and fixtures	**$ 253**	**$ 193**	**$ 60**

Lease payments related to finance leases accounted for as operating leases, depreciation and interest expense, which have not been reflected in the accompanying consolidated statements of income for the years ended March 31, 2011 and 2010, were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Lease payments	**¥ 5**	¥ 6	**$ 60**
Depreciation	**5**	5	**60**
Interest expense	**0**	1	**0**

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2011 under finance leases other than those which transfer ownership of the leased property to the Company and its consolidated subsidiaries are summarized as follows:

Year ending March 31,	*Millions of yen*	*Thousands of U.S. dollars*
2012	**¥ 4**	**$ 48**
2013 and thereafter	**1**	**12**
	¥ 5	**$ 60**

18. Financial Instruments

(1) Policy for financial instruments

The Company and its consolidated subsidiaries manage their funds by investing only in short-term deposits, and primarily raise funds by borrowings from banks. The purpose of entering into derivative transactions is to mitigate fluctuation risk related to interest rates with respect to loans payable, and derivative transactions are not carried out for speculative purposes.

(2) Types of financial instruments, related risk and risk management for financial instruments

Notes and accounts receivable on completed construction contracts are subject to the credit risk of customers. Regarding this risk, the Company and its consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and the credit worthiness of their main customers regularly.

For investment securities, the Company and consolidated subsidiaries review the fair values of such financial instruments every quarter.

Notes and accounts payable on construction contracts are operating obligations and mostly are payable within one year.

Long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk and fix interest expense for long-term debt bearing interest at variable rates, the Company utilizes interest rate swaps as a hedging instrument. In addition, the Company has established internal policies which include procedures and authorization processes governing derivatives and complies fully with these guidelines.

(3) Supplementary explanation of the market value of financial instruments

The market value of financial instruments is based on the market price, and when no market price exists, a rationally calculated amount is used. These calculations include variable factors, so the resulting amount may change if different underlying assumptions are applied.

18. Financial Instruments (continued)

The carrying value, estimated fair value and resulting differences as of March 31, 2011 and 2010 are as follows. Financial instruments for which fair value is deemed extremely difficult to determine are not included.

	Millions of yen		
	2011		
	Carrying value	Estimated fair value	Difference
Cash and cash deposits	**¥ 25,684**	**¥ 25,684**	**¥ –**
Notes and accounts receivable on completed construction contracts	**61,659**	**61,983**	**324**
Investments in securities	**4,944**	**4,945**	**1**
Total assets	**¥ 92,287**	**¥ 92,612**	**¥ 325**
Notes and accounts payable on construction contracts	**¥ 32,327**	**¥ 32,327**	**¥ –**
Short-term bank loans	**27,312**	**27,312**	**–**
Other accounts payable	**15,054**	**15,054**	**–**
Long-term debt	**7,907**	**7,953**	**46**
Total liabilities	**¥ 82,600**	**¥ 82,646**	**¥ 46**

	Millions of yen		
	2010		
	Carrying value	Estimated fair value	Difference
Cash and cash deposits	¥ 24,766	¥ 24,766	¥ –
Notes and accounts receivable on completed construction contracts	61,001	61,312	311
Investments in securities	5,328	5,329	1
Total assets	¥ 91,095	¥ 91,407	¥ 312
Notes and accounts payable on construction contracts	¥ 26,883	¥ 26,883	¥ –
Short-term bank loans	29,926	29,926	–
Other accounts payable	12,381	12,381	–
Long-term debt	10,358	10,354	(4)
Total liabilities	¥ 79,548	¥ 79,544	¥ (4)

18. Financial Instruments (continued)

	Thousands of U.S. dollars		
	2011		
	Carrying value	Estimated fair value	Difference
Cash and cash deposits	**$ 308,888**	**$ 308,888**	**$ –**
Notes and accounts receivable on completed construction contracts	**741,539**	**745,436**	**3,897**
Investments in securities	**59,459**	**59,471**	**12**
Total assets	**$1,109,886**	**$1,113,795**	**$ 3,909**
Notes and accounts payable on construction contracts	**$ 388,780**	**$ 388,780**	**$ –**
Short-term bank loans	**328,466**	**328,466**	**–**
Other accounts payable	**181,046**	**181,046**	**–**
Long-term debt	**95,094**	**95,646**	**552**
Total liabilities	**$ 993,386**	**$ 993,938**	**$ 552**

Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions:

Cash and cash deposits
Since these items are settled in a short period of time, their carrying values approximate the fair value.

Notes and accounts receivable on completed construction contracts
For the valuation of notes and accounts receivable on completed construction contracts, the Company and its consolidated subsidiaries use the present value based on assumptions such as the collection term of each receivable and discount rates reflected in each credit risk.

Investments in securities
The estimated fair values of equity securities are based on quoted market prices. The estimated fair value of debt securities are based on the price provided by the financial institutions making markets in these securities.

Notes and accounts payable on construction contracts, other accounts payable and short-term bank loans
Since these items are settled in a short period of time, their carrying values approximate the fair value.

18. Financial Instruments (continued)

Long-term debt
The estimated fair values of long-term debt are based on present value of the total amount including principal and interest, discounted by the expected interest rate in the case of new borrowings of the same loan as in the amount of the balance as of the end of the period. Floating interest rates for long-term loans were hedged by interest-rate swap agreements and accounted for as loans with fixed interest rates. The estimated fair value of those long-term loans is reasonably based on the present value of the total of principals, interests and net cash flows of swap agreements discounted by the interest rates, estimated reasonably, applicable to loans made under similar circumstances.

Derivatives transactions
Refer to the Note 19 for fair value information at March 31, 2011 of derivative transactions.

Financial instruments for which it is extremely difficult to determine the fair value: Unlisted equity securities of ¥893 million ($10,740 thousand) reflected in the consolidated balance sheet at March 31, 2011 are based neither on market value nor estimated future cash flow, and it is difficult to determine the estimated fair value. Therefore, they are not included in the above table.

The redemption schedule for receivables and marketable securities with maturity dates at March 31, 2011 is summarized as follows:

	Millions of yen		
	Within 1 year	Over 1 year within 5 years	Over 5 years
Cash deposits	**¥ 25,677**	**¥ –**	**¥ –**
Notes and accounts receivable on completed construction contracts	**53,832**	**3,852**	**3,975**
Investments in securities			
Held-to-maturity debt securities	**–**	**30**	**–**
Total assets	**¥ 79,509**	**¥ 3,882**	**¥ 3,975**

	Thousands of U.S. dollars		
	Within 1 year	Over 1 year within 5 years	Over 5 years
Cash deposits	**$ 308,804**	**$ –**	**$ –**
Notes and accounts receivable on completed construction contracts	**647,408**	**46,326**	**47,805**
Investments in securities			
Held-to-maturity debt securities	**–**	**361**	**–**
Total assets	**$ 956,212**	**$ 46,687**	**$ 47,805**

Refer to Note 9 for the redemption schedule at March 31, 2011 of long-term debt.

19. Derivatives

The Company utilizes interest-rate swaps to hedge the risk of fluctuation in interest rates on its borrowings. The Company does not enter into derivatives transactions for speculative or short-term trading purposes.

The Company is exposed to certain market risk arising from interest-rate swap agreements. It is also exposed to the risk of credit loss in the event of nonperformance by the counterparties with respect to interest-rate swap agreements; however, the Company does not anticipate nonperformance by any of the counterparties, all of whom are financial institutions with high credit ratings.

Derivative transaction to which hedge accounting is applied

Interest-rate related transactions

		Millions of yen		
		2011		
Method of hedge accounting	Transaction	Notional amount	(Including portion in excess of one year)	Estimated fair value
Swap rate applied to underlying debt	Interest rate swap: Receive / floating and pay / fixed	**¥ 850**	**¥ –**	**(*)**
	Total	**¥ 850**	**¥ –**	**(*)**

		Millions of yen		
		2010		
Method of hedge accounting	Transaction	Notional amount	(Including portion in excess of one year)	Estimated fair value
Swap rate applied to underlying debt	Interest rate swap: Receive / floating and pay / fixed	¥ 2,915	¥ (850)	(*)
	Total	¥ 2,915	¥ (850)	(*)

		Thousands of U.S. dollars		
		2011		
Method of hedge accounting	Transaction	Notional amount	(Including portion in excess of one year)	Estimated fair value
Swap rate applied to underlying debt	Interest rate swap: Receive / floating and pay / fixed	**$ 10,222**	**$ –**	**(*)**
	Total	**$ 10,222**	**$ –**	**(*)**

*Because interest rate swap agreements are accounted for as if the interest rates applied to the swaps had originally applied to the underlying long-term loans payable, their fair values were included in long-term debt.

20. Amounts per Share

Amounts per share at March 31, 2011 and 2010 and for the years then ended were as follows:

	Yen		*U.S. dollars*
	2011	**2010**	**2011**
Net assets	**¥ 258.94**	¥ 260.16	**$ 3.11**
Net income	**4.06**	6.37	**0.05**

Information used in the computation of net income per share for the years ended March 31, 2011 and 2010 is presented as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2011	**2010**	**2011**
Net income	**¥ 310**	¥ 485	**$ 3,728**
Net income not applicable to common shareholders	**–**	–	**–**
Net income used in the calculation of net income per share	**¥ 310**	¥ 485	**$ 3,728**

	Thousands of shares	
	2011	**2010**
Weighted-average number of shares used in the calculation of net income per share	**76,121**	76,127

Net assets per share are based on the number of shares of common stock outstanding at the year end.

Net income per share is computed based on the net income attributable to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year. Diluted amounts per share have not been presented for the years ended March 31, 2011 and 2010 since neither the Company nor any of the consolidated subsidiaries had any potentially dilutive shares at March 31, 2011 and 2010.

21. Segment Information

a. Segment Information

(1) Overview of reporting segments

The reporting segments of the Company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about resource allocation and assess their performance.

The Company and its consolidated subsidiaries mainly operate in the construction business and have two reporting segments, which are the Building Construction Segment and the Civil Engineering Segment.

(2) Method of calculating sales and income in reporting segments

The method of accounting for reporting segments is, in principle, the same as stated in Note 4 "Summary of Significant Accounting Policies." The income of reporting segments are calculated on the basis of operating income. Intersegment sales are recorded based on current market prices.

	Millions of yen						
	2011						
	Reporting Segments						
	Building Construction	**Civil Engineering**	**Total**	**Others**	**Sub total**	**Adjustments**	**Total**
Net sales and income:							
Sales to third parties	**¥ 104,762**	**¥ 21,590**	**¥ 126,352**	**¥ 1,850**	**¥ 128,202**	**¥ –**	**¥ 128,202**
Intersegment sales	**8**	**–**	**8**	**136**	**144**	**(144)**	**–**
Net sales	**104,770**	**21,590**	**126,360**	**1,986**	**128,346**	**(144)**	**128,202**
Segment income	**¥ 6,630**	**¥ 1,156**	**¥ 7,786**	**¥ 194**	**¥ 7,980**	**¥ (6,757)**	**¥ 1,223**

	Millions of yen						
	2010						
	Reporting Segments						
	Building Construction	**Civil Engineering**	**Total**	**Others**	**Sub total**	**Adjustments**	**Total**
Net sales and income:							
Sales to third parties	**¥ 124,413**	**¥ 28,313**	**¥ 152,726**	**¥ 2,162**	**¥ 154,888**	**¥ –**	**¥ 154,888**
Intersegment sales	**8**	**–**	**8**	**135**	**143**	**(143)**	**–**
Net sales	**124,421**	**28,313**	**152,734**	**2,297**	**155,031**	**(143)**	**154,888**
Segment income	**¥ 7,084**	**¥ 1,155**	**¥ 8,239**	**¥ 297**	**¥ 8,536**	**¥ (6,986)**	**¥ 1,551**

21. Segment Information (continued)

a. Segment Information (continued)

	Thousands of U.S. dollars						
	2011						
	Reporting Segments						
	Building Construction	Civil Engineering	Total	Others	Sub total	Adjustments	Total
Net sales and income:							
Sales to third parties	$1,259,916	$ 259,651	$1,519,567	$ 22,249	$ 1,541,816	$ –	$ 1,541,816
Intersegment sales	96	–	96	1,624	1,732	(1,732)	–
Net sales	1,260,012	259,651	1,519,663	23,885	1,543,548	(1,732)	1,541,816
Segment income	$ 79,735	$ 13,903	$ 93,638	$ 2,333	$ 95,971	$ (81,263)	$ 14,708

b. Related information

(1) Information by products and services

Disclosure of information by products and services for years ended March 31, 2011 and 2010 have been omitted as the Company classifies such information in the same way as it does its reporting segments.

(2) Information by geographical segment

Disclosure of sales and property, plant and equipment by geographical area for the years ended and as of March 31, 2011 and 2010 have been omitted as sales to domestic customers were in excess of 90% of consolidated net sales, and the balance of property, plant and equipment in Japan was in excess of 90% of consolidated property, plant and equipment.

(3) Information by major customers

Disclosure of information by major customers for years ended March 31, 2011 and 2010 have been omitted as sales to each customer were less than 10% of consolidated net sales.

21. Segment Information (continued)

c. Impairment losses on tangible fixed assets by reporting segment

	Millions of yen					
	2011					
	Reporting Segments					
	Building Construction	**Civil Engineering**	**Total**	**Other**	**Elimination**	**Total**
Impairment losses on tangible fixed assets	**¥ –**	**¥ –**	**¥ –**	**¥ 435**	**¥ 4**	**¥ 439**

	Thousands of U.S. dollars					
	2011					
	Reporting Segments					
	Building Construction	**Civil Engineering**	**Total**	**Other**	**Elimination**	**Total**
Impairment losses on tangible fixed assets	**$ –**	**$ –**	**$ –**	**$ 5,232**	**$ 48**	**$ 5,280**

Supplementary information

Effective the year ended March 31, 2011, the Company and its consolidated subsidiaries have adopted "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" ASBJ Statement No.17, revised on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.18, issued on December 27, 2007).

22. Subsequent Event

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2011, was approved at the annual general meeting of the shareholders held on June 28, 2011:

	Millions of yen	*Thousands of U.S. dollars*
Year-end cash dividends (¥2.0 (U.S.$0.02) per share)	**¥ 152**	**$ 1,828**