Consolidated Financial Statements

Asanuma Corporation

Years ended March 31, 2012 and 2011
with Independent Auditor's Report

Asanuma Corporation

Consolidated Financial Statements

Years ended March 31, 2012 and 2011

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Consolidated Financial Statements

Independent Auditor’s Report

The Board of Directors
Asanuma Corporation

We have audited the accompanying consolidated financial statements of Asanuma Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of operations, comprehensive loss, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity’s internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Asanuma Corporation and consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

June 28, 2012
Osaka, Japan

Asanuma Corporation

Consolidated Balance Sheets

March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2012	**2011**	**2012**
Assets			
Current assets:			
Cash and cash deposits *(Notes 5 and 17)*	**¥ 28,530**	¥ 25,684	**$ 347,123**
Receivables:			
Notes receivable *(Notes 6 and 17)*	**4,259**	6,198	**51,819**
Accounts receivable on completed construction contracts *(Note 17)*	**57,817**	55,461	**703,455**
Other accounts receivable	**2,004**	2,559	**24,382**
Allowance for doubtful accounts	**(272)**	(749)	**(3,309)**
	63,808	63,469	**776,347**
Inventories:			
Real estate held for sale	**804**	990	**9,782**
Cost of uncompleted construction contracts	**9,822**	12,863	**119,504**
Raw materials and supplies	**45**	44	**547**
	10,671	13,897	**129,833**
Deferred income taxes *(Note 10)*	**1**	2	**12**
Other current assets	**294**	2,114	**3,578**
Total current assets	**103,304**	105,166	**1,256,893**
Property, plant and equipment, at cost:			
Land *(Note 9)*	**6,594**	6,764	**80,229**
Buildings and structures *(Note 9)*	**14,549**	14,545	**177,016**
Machinery, equipment and vehicles	**1,112**	1,154	**13,530**
Tools, furniture and fixtures	**1,214**	1,251	**14,771**
Leased assets	**57**	57	**693**
Less accumulated depreciation	**(11,479)**	(11,185)	**(139,664)**
Property, plant and equipment, net	**12,047**	12,586	**146,575**
Investments and other assets:			
Investments in securities *(Notes 8, 9 and 17)*	**5,955**	5,760	**72,453**
Investments in an unconsolidated subsidiary and affiliates *(Note 17)*	**81**	77	**986**
Long-term loans receivable *(Note 9)*	**426**	430	**5,183**
Intangible assets	**423**	458	**5,147**
Other assets	**2,800**	2,611	**34,067**
Allowance for doubtful accounts	**(874)**	(1,209)	**(10,634)**
Total investments and other assets	**8,811**	8,127	**107,202**
Total assets	**¥ 124,162**	¥ 125,879	**$ 1,510,670**

	Millions of yen 2012	Millions of yen 2011	Thousands of U.S. dollars (Note 2) 2012
Liabilities			
Current liabilities:			
Short-term bank loans *(Notes 9 and 17)*	**¥ 22,514**	¥ 24,765	**$ 273,926**
Current portion of long-term debt *(Notes 9 and 17)*	**1,314**	2,547	**15,987**
Payables *(Note 17)*:			
Notes payable	**5,752**	5,396	**69,984**
Accounts payable on construction contracts	**30,163**	26,931	**366,991**
Other accounts payable	**15,363**	15,054	**186,921**
	51,278	47,381	**623,896**
Advances received on uncompleted construction contracts	**9,040**	7,493	**109,989**
Deposits received	**2,494**	2,362	**30,344**
Accrued expenses	**1,698**	1,044	**20,659**
Consumption taxes on advances received	**1,629**	2,037	**19,820**
Accrued income taxes *(Note 10)*	**178**	220	**2,166**
Consumption taxes payable	**1,277**	—	**15,537**
Deferred income taxes *(Note 10)*	**11**	13	**133**
Provision for compensation for completed construction	**778**	599	**9,466**
Provision for bonuses	**6**	323	**73**
Provision for loss on construction contracts	**2,271**	914	**27,631**
Other current liabilities	**15**	161	**184**
Total current liabilities	**94,503**	89,859	**1,149,811**
Long-term liabilities:			
Long-term debt *(Notes 9 and 17)*	**10,208**	7,907	**124,200**
Accrued retirement benefits for employees *(Note 11)*	**4,112**	3,620	**50,030**
Deferred income taxes *(Note 10)*	**1,280**	1,408	**15,574**
Other long-term liabilities	**2,743**	3,341	**33,374**
Total long-term liabilities	**18,343**	16,276	**223,178**
Total liabilities	**112,846**	106,135	**1,372,989**
Net assets			
Shareholders' equity *(Note 12)*:			
Common stock:			
Authorized – 293,565,000 shares			
Issued – 77,386,293 shares in 2012 and 2011	**8,419**	8,419	**102,433**
Capital surplus	**4,641**	4,641	**56,467**
Retained earnings	**(2,331)**	6,317	**(28,361)**
Less treasury stock, at cost	**(136)**	(136)	**(1,655)**
Total shareholders' equity	**10,593**	19,241	**128,884**
Accumulated other comprehensive income:			
Net unrealized holding gain on securities *(Note 8)*	**672**	468	**8,176**
Total accumulated other comprehensive income	**672**	468	**8,176**
Minority interests	**51**	35	**621**
Total net assets	**11,316**	19,744	**137,681**
Total liabilities and net assets	**¥ 124,162**	¥ 125,879	**$ 1,510,670**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Operations

Years ended March 31, 2012 and 2011

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2012	2011	**2012**
Net sales *(Note 20)*:			
Completed construction contracts	**¥ 137,161**	¥ 126,352	**$ 1,668,828**
Other	**3,301**	1,850	**40,163**
	140,462	128,202	**1,708,991**
Cost of sales *(Note 13)*:			
Completed construction contracts	**138,473**	118,564	**1,684,791**
Other	**2,708**	1,465	**32,948**
	141,181	120,029	**1,717,739**
Gross (loss) profit:			
Completed construction contracts	**(1,312)**	7,788	**(15,963)**
Other	**593**	385	**7,215**
	(719)	8,173	**(8,748)**
Selling, general and administrative expenses *(Note 14)*	**6,505**	6,950	**79,146**
Operating (loss) income *(Note 20)*	**(7,224)**	1,223	**(87,894)**
Other income (expenses):			
Interest and dividends income	**396**	297	**4,818**
Interest expenses	**(654)**	(721)	**(7,957)**
Guarantee fees	**(25)**	(25)	**(304)**
Gain on sales of property, plant and equipment, net	**230**	1,708	**2,798**
Gain on partial conversion to defined contribution pension plans	**—**	757	**—**
Loss on repairs of completed construction	**—**	(104)	**—**
Loss on impairment of tangible fixed assets *(Note 7)*	**(259)**	(439)	**(3,151)**
Provision of allowance for doubtful accounts	**(21)**	(1,490)	**(256)**
Provision for loss on construction contracts	**—**	(536)	**—**
Loss on construction contracts	**(825)**	—	**(10,038)**
Other, net	**(83)**	(195)	**(1,009)**
(Loss) income before income taxes and minority interests	**(8,465)**	475	**(102,993)**
Income taxes *(Note 10)*:			
Current	**162**	162	**1,972**
Deferred	**(147)**	(13)	**(1,789)**
	15	149	**183**
(Loss) income before minority interests	**(8,480)**	326	**(103,176)**
Minority interests	**16**	16	**194**
Net (loss) income	**¥ (8,496)**	¥ 310	**$ (103,370)**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Comprehensive Loss

Years ended March 31, 2012 and 2011

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2012	**2011**	**2012**
(Loss) income before minority interests	**¥ (8,480)**	¥ 326	**$ (103,176)**
Other comprehensive income (loss) *(Note 15)*:			
Net unrealized holding gain (loss) on securities	**204**	(404)	**2,482**
Total other comprehensive income (loss)	**¥204**	(404)	**2,482**
Comprehensive loss	**¥ (8,276)**	¥ (78)	**$ (100,694)**
Comprehensive (loss) income attributable to:			
Shareholders of the Company	**¥ (8,292)**	¥ (94)	**$ (100,888)**
Minority interests	**16**	16	**194**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2012 and 2011

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 April 1, 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 April 1, 2011	**¥ 8,419**	**¥ 4,641**	**¥ 6,317**	**¥ (136)**	**¥ 468**	**¥ 35**	**¥ 19,744**
Net loss for the year	**–**	**–**	**(8,496)**	**–**	**–**	**–**	**(8,496)**
Cash dividends	**–**	**–**	**(152)**	**–**	**–**	**–**	**(152)**
Sales of treasury stock	**–**	**(0)**	**–**	**1**	**–**	**–**	**1**
Increase in treasury stock	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**
Net change in items other than shareholders' equity	**–**	**–**	**–**	**–**	**204**	**16**	**220**
Balance at March 31, 2012	**¥ 8,419**	**¥ 4,641**	**¥ (2,331)**	**¥ (136)**	**¥ 672**	**¥ 51**	**¥ 11,316**

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 April 1, 2011	**$ 102,433**	**$ 56,467**	**$ 76,859**	**$ (1,655)**	**$ 5,694**	**$ 426**	**$ 240,224**
Net loss for the year	**–**	**–**	**(103,370)**	**–**	**–**	**–**	**(103,370)**
Cash dividends	**–**	**–**	**(1,850)**	**–**	**–**	**–**	**(1,850)**
Sales of treasury stock	**–**	**(0)**	**–**	**12**	**–**	**–**	**12**
Increase in treasury stock	**–**	**–**	**–**	**(12)**	**–**	**–**	**(12)**
Net change in items other than shareholders' equity	**–**	**–**	**–**	**–**	**2,482**	**195**	**2,677**
Balance at March 31, 2012	**$ 102,433**	**$ 56,467**	**$ (28,361)**	**$ (1,655)**	**$ 8,176**	**$ 621**	**$ 137,681**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Consolidated Statements of Cash Flows

Years ended March 31, 2012 and 2011

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2012	2011	**2012**
Cash flows from operating activities:			
(Loss) income before income taxes and minority interests	**¥ (8,465)**	¥ 475	**$ (102,993)**
Adjustments for:			
Depreciation and amortization	**572**	595	**6,959**
Loss on impairment of tangible fixed assets	**259**	439	**3,151**
Increase in allowance for doubtful accounts	**150**	1,495	**1,825**
Decrease in provision for bonuses	**(317)**	(5)	**(3,857)**
Increase (decrease) in provision for loss on construction contracts	**1,356**	(28)	**16,498**
Increase (decrease) in accrued retirement benefits for employees	**492**	(4,067)	**5,986**
Interest and dividends income	**(396)**	(297)	**(4,818)**
Interest expenses	**654**	721	**7,957**
Foreign exchange (losses) income, net	**(0)**	34	**(0)**
Gain on sales of property, plant and equipment, net	**(230)**	(1,708)	**(2,798)**
Increase in notes and accounts receivable on completed construction contracts	**(417)**	(657)	**(5,074)**
Decrease in inventories	**3,150**	3,354	**38,326**
Increase in notes and accounts payable on construction contracts	**3,588**	5,443	**43,655**
Increase (decrease) in advances received on uncompleted construction contracts	**1,547**	(2,924)	**18,822**
Other, net	**2,577**	4,551	**31,356**
Subtotal	**4,520**	7,421	**54,995**
Interest and dividends received	**393**	293	**4,781**
Interest paid	**(693)**	(776)	**(8,432)**
Income taxes paid	**(180)**	(274)	**(2,190)**
Net cash provided by operating activities	**4,040**	6,664	**49,154**
Cash flows from investing activities:			
Purchases of property, plant and equipment	**(143)**	(2,367)	**(1,740)**
Proceeds from sales of property, plant and equipment	**276**	2,201	**3,358**
Purchases of intangible assets	**(109)**	(73)	**(1,326)**
Purchases of investments in securities	**(8)**	(414)	**(97)**
Proceeds from sales of investments in securities	**3**	156	**37**
Loans receivable made	**(30)**	(176)	**(365)**
Collection of loans receivable	**131**	36	**1,594**
Other, net	**35**	21	**425**
Net cash provided (used in) by investing activities	**¥ 155**	¥ (616)	**$ 1,886**

Asanuma Corporation

Consolidated Statements of Cash Flows (continued)

Years ended March 31, 2012 and 2011

	Millions of yen		*Thousands of U.S. dollars (Note 2)*
	2012	**2011**	**2012**
Cash flows from financing activities:			
Decrease in short-term bank loans, net	**¥ (3,484)**	¥ (2,614)	**$ (42,390)**
Proceeds from long-term debt	**3,615**	97	**43,983**
Repayment of long-term debt	**(1,314)**	(2,548)	**(15,987)**
Cash dividends paid	**(152)**	–	**(1,850)**
Repayments of lease obligations	**(13)**	(12)	**(158)**
Repayments for deposits received from membership	**–**	(19)	**–**
Other, net	**(1)**	0	**(11)**
Net cash used in financing activities	**(1,349)**	(5,096)	**(16,413)**
Effect of exchange rate changes on cash and cash equivalents	**0**	(34)	**0**
Net increase in cash and cash equivalents	**2,846**	918	**34,627**
Cash and cash equivalents at beginning of year	**25,684**	24,766	**312,496**
Cash and cash equivalents at end of year *(Note 5)*	**¥ 28,530**	¥ 25,684	**$ 347,123**

See accompanying notes to consolidated financial statements.

Asanuma Corporation

Notes to Consolidated Financial Statements

Years ended March 31, 2012 and 2011

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.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2011 to the 2012 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 ¥82.19 = U.S.$1.00, the exchange rate prevailing on March 31, 2012. 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, 2012 and 2011, the Company had 6 subsidiaries. The consolidated financial statements for the years ended March 31, 2012 and 2011 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, 2012 and 2011 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 two categories: held-to-maturity debt securities or other securities. 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. Cost of 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 net selling 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

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 ¥129,174 million ($1,571,651 thousand) and ¥115,152 million for the years ended March 31, 2012 and 2011, respectively.

Additional information

Effective April 1, 2011, the Company and its domestic consolidated subsidiaries adopted “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (“ASBJ”) Statement No.24 issued on December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24 issued on December 4, 2009).

5. Cash and Cash Equivalents

A reconciliation between the balances of cash and cash deposits in the accompanying consolidated balance sheets at March 31, 2012 and 2011 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.

6. Notes Receivable

The balance sheet date for the year ended March 31, 2012 fell on a bank holiday. Consequently, notes receivable of ¥164 million ($1,995 thousand) with due dates of March 31, 2012 were included in the balance in the consolidated balance sheet at March 31, 2012 and were settled on the next business day.

7. Loss on Impairment of Tangible Fixed Assets

Aggregate losses on impairment of tangible fixed assets of ¥259 million ($3,151 thousand) and ¥439 million were recorded for the years ended March 31, 2012 and 2011, respectively. Losses on impairment related to land in the amount of ¥144 million ($1,752 thousand) and buildings in the amount of ¥115 million ($1,399 thousand) for the year ended March 31, 2012 and land in the amount of ¥61 million and buildings in the amount of ¥378 million for the year ended March 31, 2011 are outlined as follows:

			Millions of yen	*Thousands of U.S. dollars*
Location	Main use	Class	**2012**	**2012**
Ishikawa Prefecture and other	Leasing	Buildings and land	**¥ 67**	**$ 815**
Chiba Prefecture and other	Idle property	Buildings and land	**192**	**2,336**
			¥ 259	**$ 3,151**

			Millions of yen
Location	Main use	Class	**2011**
Kagawa Prefecture and other	Leasing	Buildings and land	¥ 435
Hiroshima Prefecture	Idle property	Land	4
			¥ 439

The Company and its consolidated subsidiaries, in principle, group their fixed assets for operating purposes at each office but group their fixed assets for leasing purposes and idle properties individually. The affiliates group their fixed assets at each company. Due to a decline in market price of real estate during the years ended March 31, 2012 and 2011, the Company and its consolidated subsidiaries have reduced the carrying value of assets outlined above to their respective estimated recoverable amount.

The estimated recoverable amounts of the fixed assets for leasing purposes and idle properties have been measured at their estimated net selling prices based on the figures presented by government authorities and others.

8. Investments in Securities

At March 31, 2012 and 2011, marketable securities classified as held-to-maturity debt securities were as follows:

	Millions of yen					
	2012			**2011**		
	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		
	2012		
	Carrying value	Estimated fair value	Unrealized gain
Held-to-maturity debt securities whose estimated fair value exceeds their carrying value:			
Government and municipal bonds	**$ 365**	**$ 377**	**$ 12**
	$ 365	**$ 377**	**$ 12**

At March 31, 2012 and 2011, marketable securities classified as other securities were as follows:

	Millions of yen					
	2012			**2011**		
	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Other securities whose carrying value exceeds their acquisition costs:						
Equity securities	**¥ 2,944**	**¥ 4,082**	**¥ 1,138**	¥ 2,478	¥ 3,416	¥ 938
Other securities whose carrying value does not exceed their acquisition costs:						
Equity securities	**1,185**	**1,031**	**(154)**	1,677	1,498	(179)
	¥ 4,129	**¥ 5,113**	**¥ 984**	¥ 4,155	¥ 4,914	¥ 759

8. Investments in Securities (continued)

	Thousands of U.S. dollars		
	2012		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Other securities whose carrying value exceeds their acquisition costs:			
Equity securities	**$ 35,819**	**$ 49,666**	**$ 13,846**
Other securities whose carrying value does not exceed their acquisition costs:			
Equity securities	**14,418**	**12,544**	**(1,874)**
	$ 50,237	**$ 62,210**	**$ 11,972**

Refer to Note 17 for the redemption schedule at March 31, 2012 for held-to-maturity debt securities.

For the years ended March 31, 2012 and 2011, the Company has recognized losses on impairment of equity securities classified as other securities of ¥35 million ($426 thousand) and ¥16 million, respectively.

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, 2012 and 2011 are summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Proceeds	**¥ 3**	¥ 156	**$ 37**
Realized gain	**–**	0	**0**
Realized loss	**(0)**	(10)	**(0)**

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

Short-term bank loans from banks had average interest rates of 1.67% at March 31, 2012 and 1.7% at March 31, 2011.

Long-term debt at March 31, 2012 and 2011 is summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Unsecured loans from banks, payable in yen, at rates ranging from 2.44% to 3.56%	**¥ 87**	¥ 1,711	**$ 1,058**
Secured loans from insurance companies, payable in yen at rates ranging from 1.31% to 2.56%	**11,435**	8,743	**139,129**
Total	**11,522**	10,454	**140,187**
Less current portion included in current liabilities	**(1,314)**	(2,547)	**(15,987)**
	¥ 10,208	¥ 7,907	**$ 124,200**

The aggregate annual maturities of long-term debt subsequent to March 31, 2012 are summarized as follows:

Year ending March 31,	*Millions of yen*	*Thousands of U.S. dollars*
2013	**¥ 1,314**	**$ 15,987**
2014	**956**	**11,631**
2015	**4,288**	**52,172**
2016 and thereafter	**4,964**	**60,397**
	¥ 11,522	**$ 140,187**

Assets pledged at March 31, 2012 as collateral for loans of the Company are summarized as follows:

	Millions of yen	*Thousands of U.S. dollars*
Land	**¥ 1,822**	**$ 22,168**
Buildings and structures	**911**	**11,084**
	¥ 2,733	**$ 33,252**

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, 2012 amounted to ¥8,779 million ($106,813 thousand) as collateral for loans of ¥8,099 million ($98,540 thousand).

Assets pledged at March 31, 2012 as collateral for loans of affiliates engaged in a PFI business are summarized as follows:

	Millions of yen	*Thousands of U.S. dollars*
Investments in securities	**¥ 59**	**$ 718**
Long-term loans receivable	**192**	**2,336**
	¥ 251	**$ 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, 2012 and 2011.

A reconciliation of the statutory tax rate and the effective tax rates for the years ended March 31, 2012 and 2011 as a percentage of (loss) income before income taxes and minority interests is summarized as follows:

	2012	**2011**
Statutory tax rate	**40.8 %**	40.8 %
Permanently non-tax-deductible expenses	**(1.0)**	20.0
Permanently non-taxable income	**0.2**	(3.0)
Per capita portion of inhabitants' taxes	**(1.6)**	26.6
Valuation allowance	**(39.6)**	(54.9)
Deferred tax effect of change in statutory tax rates	**1.6**	–
Unrecognized deferred income tax relating to excess of cost over equity in net assets of subsidiaries and other	**0.1**	1.6
Other	**(0.5)**	0.3
Effective tax rates	**(0.2)%**	31.4 %

Following the promulgation on December 2, 2011, of the "Act for Partial Revision of the Income Tax Act, etc., for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), effective from fiscal years beginning on and after April 1, 2012, corporate tax rates will be reduced and a special temporary recovery tax will be imposed. In accordance with this reform, the effective statutory tax rate, used to measure deferred tax assets and deferred tax liabilities, will be reduced to 38.3% from 40.8% for temporary differences that are expected to be realized during the period from the fiscal year beginning on January 1, 2013, to the fiscal year beginning on January 1, 2015, and to 35.9% from 40.8% for temporary differences that are expected to be realized during and after the fiscal year beginning on January 1, 2016.

As a result, the net amount of deferred tax liabilities (net of deferred tax assets) decreased by ¥181 million ($2,202 thousand), and income taxes - deferred and net unrealized holding gain on securities decreased by ¥138 million ($1,679 thousand) and ¥43 million ($523 thousand), respectively, in the accompanying consolidated financial statements for the year ended March 31, 2012.

10. Income Taxes (continued)

The significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries at March 31, 2012 and 2011 are summarized as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	2011	**2012**
Deferred tax assets:			
Allowance for doubtful accounts	**¥ 622**	¥ 851	**$ 7,568**
Provision for bonuses	**0**	140	**0**
Provision for compensation for completed construction	**298**	245	**3,626**
Inventories	**59**	34	**718**
Provision for loss on construction contracts	**869**	374	**10,573**
Accrued retirement benefits for employees	**1,444**	1,431	**17,569**
Assets transferred to defined contribution pension plans	**838**	1,240	**10,196**
Loss on impairment of tangible fixed assets	**576**	415	**7,008**
Loss on revaluation of fixed assets and other	**1,092**	1,399	**13,286**
Loss on revaluation of investments in securities	**136**	174	**1,655**
Tax loss carryforwards	**2,408**	13	**29,298**
Unrealized profit on intercompany transactions	**49**	50	**596**
Other	**957**	523	**11,644**
Gross deferred tax assets	**9,348**	6,889	**113,737**
Less valuation allowance	**(9,297)**	(6,837)	**(113,116)**
Total deferred tax assets	**51**	52	**621**
Deferred tax liabilities:			
Unrealized holding gain on securities	**(312)**	(290)	**(3,796)**
Deferred capital gains on property	**(1,025)**	(1,174)	**(12,471)**
Other	**(4)**	(7)	**(49)**
Total deferred tax liabilities	**(1,341)**	(1,471)	**(16,316)**
Net deferred tax liabilities	**¥ (1,290)**	¥ (1,419)	**$ (15,695)**

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 pension 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. In addition, the Company transferred a certain portion of a lump-sum payment plan to a defined contribution pension plan on October 1, 2010.

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, 2012 and 2011 for the Company's and its consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Retirement benefit obligation	**¥ (12,875)**	¥ (13,321)	**$ (156,649)**
Plan assets at fair value	**6,722**	7,149	**81,786**
Unfunded retirement benefit obligation	**(6,153)**	(6,172)	**(74,863)**
Unrecognized actuarial loss	**2,041**	2,552	**24,833**
Accrued retirement benefits for employees	**¥ (4,112)**	¥ (3,620)	**$ (50,030)**

A consolidated subsidiary has calculated their retirement benefit obligation based on the amount which would be payable at the year end if all eligible employees terminated their services voluntarily.

The components of retirement benefit expenses for the years ended March 31, 2012 and 2011 are outlined as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Service cost	**¥ 391**	¥ 491	**$ 4,757**
Interest cost	**266**	469	**3,236**
Expected return on plan assets	**(143)**	(331)	**(1,740)**
Amortization of unrecognized actuarial loss	**580**	735	**7,058**
Retirement benefit expenses	**¥ 1,094**	¥ 1,364	**$ 13,311**
Gain on partial conversion to defined contribution pension plan	**–**	(757)	**–**
Contributions to defined contribution pension plan	**198**	103	**2,409**
Total	**¥ 1,292**	¥ 710	**$ 15,720**

11. Retirement Benefits (continued)

The assumptions used in accounting for the defined benefit pension plans for the years ended March 31, 2012 and 2011 were as follows:

	2012	**2011**
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**2.0%**	2.0%

12. Shareholders' Equity

The Companies Act (the "Act") 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, 2012 and 2011 amounted to ¥2,104 million ($25,599 thousand).

Under the Act, 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.

12. Shareholders' Equity (continued)

Movements in shares of common stock in issue and treasury stock during the years ended March 31, 2012 and 2011 are summarized as follows:

	Number of shares			
	2012			
	April 1, 2011	Increase	Decrease	March 31, 2012
Shares of common stock in issue	**77,386,293**	**–**	**–**	**77,386,293**
Treasury stock	**1,270,197**	**8,867**	**2,539**	**1,276,525**

	Number of shares			
	2011			
	April 1, 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

The increases of treasury stock were due to purchases of shares of less than one voting unit and the decreases of treasury stock were due to sales of shares at requests of shareholders owning less than one voting unit for the years ended March 31, 2012 and 2011.

13. Provision for Loss on Construction Contracts

Provision for loss on construction contracts included in cost of sales for the years ended March 31, 2012 and 2011 amounted to ¥2,271 million ($27,631 thousand) and ¥378 million, respectively.

14. Research and Development Costs

Research and development costs included in selling, general and administrative expenses for the years ended March 31, 2012 and 2011 amounted to ¥137 million ($1,667 thousand) and ¥141 million, respectively.

15. Other Comprehensive Income (Loss)

The following table presents reclassification adjustments and tax effects allocated to components of other comprehensive income for the year ended March 31, 2012:

	Millions of yen	*Thousands of U.S. dollars*
	2012	**2012**
Unrealized holding gain on investments in securities:		
Gains arising during the year	¥ 191	$ 2,324
Reclassification adjustments for loss realized in the statement of operations	33	401
Before tax effect	224	2,725
Tax effect	(20)	(243)
Unrealized holding gain on investments in securities, net	204	2,482
Total other comprehensive income	¥ 204	$ 2,482

16. 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, 2012 and 2011, 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					
	2012			**2011**		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Tools, furniture and fixtures	**¥ 18**	**¥ 17**	**¥ 1**	¥ 21	¥ 16	¥ 5

	Thousands of U.S. dollars		
	2012		
	Acquisition costs	Accumulated depreciation	Net book value
Tools, furniture and fixtures	**$ 219**	**$ 207**	**$ 12**

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 operations for the years ended March 31, 2012 and 2011, were as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Lease payments	**¥ 4**	¥ 5	**$ 49**
Depreciation	**4**	5	**49**
Interest expense	**0**	0	**0**

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2012 under finance leases other than those which transfer ownership of the leased property to the Company and its consolidated subsidiaries are ¥1 million ($12 thousand), which is scheduled to be paid within one year.

17. 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 investments in 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.

Short-term bank loans and long-term debt are mainly utilized for business operations. Long-term debt with variable interest rates is exposed to interest rate fluctuation risk. However, to reduce such risk and fix interest expense for a certain 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.

17. Financial Instruments (continued)

The carrying value, estimated fair value and resulting differences as of March 31, 2012 and 2011 are as follows. Financial instruments for which fair value is deemed extremely difficult to determine are not included.

	Millions of yen		
	2012		
	Carrying value	Estimated fair value	Difference
Cash and cash deposits	**¥ 28,530**	**¥ 28,530**	**¥ –**
Notes and accounts receivable on completed construction contracts	**62,076**	**62,469**	**393**
Investments in securities	**5,142**	**5,143**	**1**
Total assets	**¥ 95,748**	**¥ 96,142**	**¥ 394**
Short-term bank loans	**¥ 23,828**	**¥ 23,828**	**¥ –**
Notes and accounts payable on construction contracts	**35,915**	**35,915**	**–**
Other accounts payable	**15,363**	**15,363**	**–**
Long-term debt	**10,208**	**10,293**	**85**
Total liabilities	**¥ 85,314**	**¥ 85,399**	**¥ 85**

	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
Short-term bank loans	¥ 27,312	¥ 27,312	¥ –
Notes and accounts payable on construction contracts	32,327	32,327	–
Other accounts payable	15,054	15,054	–
Long-term debt	7,907	7,953	46
Total liabilities	¥ 82,600	¥ 82,646	¥ 46

17. Financial Instruments (continued)

	Thousands of U.S. dollars		
	2012		
	Carrying value	Estimated fair value	Difference
Cash and cash deposits	**$ 347,123**	**$ 347,123**	**$ –**
Notes and accounts receivable on completed construction contracts	**755,274**	**760,056**	**4,782**
Investments in securities	**62,562**	**62,574**	**12**
Total assets	**$ 1,164,959**	**$ 1,169,753**	**$ 4,794**
Short-term bank loans	**$ 289,913**	**$ 289,913**	**$ –**
Notes and accounts payable on construction contracts	**436,975**	**436,975**	**–**
Other accounts payable	**186,921**	**186,921**	**–**
Long-term debt	**124,200**	**125,234**	**1,034**
Total liabilities	**$ 1,038,009**	**$ 1,039,043**	**$ 1,034**

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.

17. 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 18 for fair value information at March 31, 2012 of derivative transactions.

Financial instruments for which it is extremely difficult to determine the fair value: Unlisted equity securities of ¥894 million ($10,877 thousand) and ¥893 million reflected in the consolidated balance sheets at March 31, 2012 and 2011, respectively, 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, 2012 is summarized as follows:

	Millions of yen		
	Within 1 year	Over 1 year within 5 years	Over 5 years
Cash deposits	**¥ 28,526**	**¥ –**	**¥ –**
Notes and accounts receivable on completed construction contracts	**55,204**	**3,211**	**3,661**
Investments in securities			
Held-to-maturity debt securities	**–**	**30**	**–**
Total assets	**¥ 83,730**	**¥ 3,241**	**¥ 3,661**

	Thousands of U.S. dollars		
	Within 1 year	Over 1 year within 5 years	Over 5 years
Cash deposits	**$ 347,074**	**$ –**	**$ –**
Notes and accounts receivable on completed construction contracts	**671,663**	**39,068**	**44,543**
Investments in securities			
Held-to-maturity debt securities	**–**	**365**	**–**
Total assets	**$ 1,018,737**	**$ 39,433**	**$ 44,543**

Refer to Note 9 for the redemption schedule at March 31, 2012 of long-term debt.

18. 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 transactions to which hedge accounting is applied

Interest-rate related transactions

		Millions of yen		
		2012		
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	**¥ 361**	**¥ ー**	**(*)**
	Total	**¥ 361**	**¥ ー**	**(*)**

		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	¥ ー	(*)
	Total	¥ 850	¥ ー	(*)

		Thousands of U.S. dollars		
		2012		
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	**$ 4,392**	**$ ー**	**(*)**
	Total	**$ 4,392**	**$ ー**	**(*)**

*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.

19. Amounts per Share

Amounts per share at March 31, 2012 and 2011 and for the years then ended were as follows:

	Yen		*U.S. dollars*
	2012	**2011**	**2012**
Net assets	**¥ 148.00**	¥ 258.94	**$ 1.80**
Net (loss) income	**(111.63)**	4.06	**(1.36)**
Cash dividends applicable to the year	**–**	2.00	**–**

Information used in the computation of net (loss) income per share for the years ended March 31, 2012 and 2011 is presented as follows:

	Millions of yen		*Thousands of U.S. dollars*
	2012	**2011**	**2012**
Net (loss) income	**¥ (8,496)**	¥ 310	**$ (103,370)**
Net (loss) income not applicable to common shareholders	**–**	–	**–**
Net (loss) income used in the calculation of net (loss) income per share	**¥ (8,496)**	¥ 310	**$ (103,370)**

	Thousands of shares	
	2012	**2011**
Weighted-average number of shares used in the calculation of net (loss) income per share	**76,113**	76,121

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

Net (loss) income per share is computed based on the net (loss) 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, 2012 and 2011 since neither the Company nor any of the consolidated subsidiaries had any potentially dilutive shares at March 31, 2012 and 2011.

20. 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 (loss) 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 (loss) of reporting segments are calculated on the basis of operating income (loss). Intersegment sales are recorded based on current market prices.

	Millions of yen						
	2012						
	Reporting Segments						
	Building Construction	**Civil Engineering**	**Total**	**Others**	**Sub total**	**Adjustments**	**Total**
Net sales and income (loss):							
Sales to third parties	**¥ 119,193**	**¥ 17,968**	**¥ 137,161**	**¥ 3,301**	**¥ 140,462**	**¥ –**	**¥140,462**
Intersegment sales	**30**	**–**	**30**	**127**	**157**	**(157)**	**–**
Net sales	**119,223**	**17,968**	**137,191**	**3,428**	**140,619**	**(157)**	**140,462**
Segment (loss) income	**¥ (1,793)**	**¥ 450**	**¥ (1,343)**	**¥ 313**	**¥ (1,030)**	**¥ (6,194)**	**¥ (7,224)**

	Millions of yen						
	2011						
	Reporting Segments						
	Building Construction	**Civil Engineering**	**Total**	**Others**	**Sub total**	**Adjustments**	**Total**
Net sales and income (loss):							
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

20. Segment Information (continued)

a. Segment Information (continued)

	Thousands of U.S. dollars						
	2012						
	Reporting Segments						
	Building Construction	Civil Engineering	Total	Others	Sub total	Adjustments	Total
Net sales and income (loss):							
Sales to third parties	**$1,450,213**	**$218,615**	**$1,668,828**	**$40,163**	**$1,708,991**	**$ –**	**$1,708,991**
Intersegment sales	**365**	**–**	**365**	**1,546**	**1,911**	**(1,911)**	**–**
Net sales	**1,450,578**	**218,615**	**1,669,193**	**41,709**	**1,710,902**	**(1,911)**	**1,708,991**
Segment (loss) income	**$ (21,815)**	**$ 5,475**	**$ (16,340)**	**$ 3,808**	**$ (12,532)**	**$ (75,362)**	**$ (87,894)**

b. Related information

(1) Information by products and services

Disclosure of information by products and services for the years ended March 31, 2012 and 2011 has 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, 2012 and 2011 has 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, 2012 and 2011 has been omitted as sales to each customer were less than 10% of consolidated net sales.

20. Segment Information (continued)

c. Impairment losses on tangible fixed assets by reporting segment

	Millions of yen					
	2012					
	Reporting Segments					
	Building Construction	**Civil Engineering**	**Total**	**Other**	**Elimination**	**Total**
Impairment losses on tangible fixed assets	**¥ –**	**¥ –**	**¥ –**	**¥ 67**	**¥ 192**	**¥ 259**

	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					
	2012					
	Reporting Segments					
	Building Construction	**Civil Engineering**	**Total**	**Other**	**Elimination**	**Total**
Impairment losses on tangible fixed assets	**$ –**	**$ –**	**$ –**	**$ 815**	**$ 2,336**	**$ 3,151**