NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

(1) Summary of Significant Accounting Policies

(a) Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements of TOA CORPORATION (the "Company") and its consolidated subsidiaries (the "Companies") are prepared on the basis of accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are complied from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications and rearrangements were made for the convenience of readers outside Japan.

(b) Basis of consolidation:

The Company had 17 and 16 majority-owned subsidiaries as of March 31, 2009 and 2008, respectively.

The consolidated financial statements for the years ended March 31, 2009 and 2008 include the accounts of the Company 8 and 9 majority-owned subsidiaries of the Company, respectively.

The consolidated subsidiaries for 2009 were TOA Real Estate Co., Ltd., TOA Tekko Co., Ltd., TOA Kikai Kogyo Co., Ltd., Shinko Corporation, TOA Builtec Co., Ltd., TOA Agency Co., Ltd., TOA Kaiun Sangyo Co., Ltd. and Tsurumi Rinko Co., Ltd.

TOA Concrete Co., Ltd., a historically consolidated subsidiary of the Company, was excluded from consolidation list due to sale of shares in March 2009.

During the fiscal year 2008, TOA Agency Nishinihon Co., Ltd. that was a consolidated subsidiary of the Company was merged by another consolidated subsidiary of the Company, TOA Agency Co., Ltd. The Company merged its consolidated subsidiary, TOA Real Estate Co., Ltd. In connection with this, Tagawa Real Estate Co., Ltd. changed its name into TOA Real Estate Co., Ltd.

Other subsidiaries were not consolidated as they were not significant in terms of total assets, net sales, retained earnings or net income in the aggregate.

The assets and liabilities of consolidated subsidiaries are incorporated into the consolidated financial statements at fair value at the time of acquisition, and the differences between the cost of investments in consolidated subsidiaries and the equity in their net assets at date of acquisition are amortized over a period of five years.

Investments in non-consolidated subsidiaries and affiliates were not significant in terms of net income or retained earnings in the aggregate and are carried at cost. The Company has written down an permanent impairment in the value of its investment.

All significant inter-company accounts and transactions have been eliminated in consolidation.

(c) Foreign currency translation:

All monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rate prevailing at the balance sheet date. Resulting gains and losses are included in net income or loss for the period.

(d) Cash and cash equivalents:

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to withdrawn on demand and short-term investment with an original maturity of three months or less and which represent a minor risk of fluctuation in value.

(e) Financial instruments:

(I) Derivatives

With changes in fair value included in net income or loss for the period in which they arise, derivatives are stated at fair value, except for derivatives that are designated as "hedging instruments" (see (III) Hedge Accounting, specified below).

(II) Securities

Securities held by the Companies are classified into three categories;

Held-to-maturity debt securities, that the Companies have intent to hold to maturity, are stated at cost after accounting for premium or discount on acquisition, which are amortized over the period to maturity.

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate component of the net assets at a net-of-tax amount.

Other securities for which market quotations are unavailable are stated at cost, primarily based on the moving average cost method. Other than temporary declines in the value of other securities are reflected in net income.

In cases where the fair value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliates, or other securities has declined significantly and such impairment of the value is not deemed temporary, those securities are written down to the fair value and the resulting losses are included in net income or loss for the period.

(III) Hedge Accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as an asset or liability and included in net income or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

The derivatives designated as hedging instruments by the Companies are principally interest swaps and forward exchange contracts. The related hedged items are trade accounts receivable and payable as well as bank loans.

The Companies have a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risk of interest rate fluctuation and adverse fluctuation in foreign exchange rates. Thus, the Company's purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Companies evaluate effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values as an alternative method under Japanese accounting standards.

The amounts received or paid for such interest swap arrangements are charged or credited to income as incurred.

(f) Inventories:

Cost on contracts in progress and real estate for sale are stated at specific cost for each contract. Materials and supplies are stated at moving average cost.

However, in the case that net selling value falls below the acquisition cost at the end of the period, inventories except for cost on contracts in progress are carried at the net selling value on the balance sheet, regarded as decreased profitability of assets.

Effective the year ended March 31, 2008, the Company has adopted Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Statement No.9 issued on July 5, 2006).

This adoption decreased operating income by ¥231 million and income before income taxes and minority interests by ¥1,879 million for the year ended March 31, 2008.

(g) Research and development expenses:

Research and development expenses are charged to income as incurred. Research and development expenses charged to income in each of two years ended March 31, 2009 and 2008 were ¥1,075 million (US$10,970 thousand) and ¥1,260 million, respectively.

(h) Allowance for doubtful accounts:

Allowance for general receivables are established in amounts considered to be appropriate based upon credit loss experience. For specific receivables such as doubtful accounts, allowance for these are established in amounts considered to be uncollectible based upon an evaluation of possibility of collection in each outstanding receivable.

(i) Reserve for indemnity on completed contracts:

Reserve for indemnity on completed contracts is provided for the future defect expenses based upon the estimated indemnity amount for net sales for the year.

(j) Reserve for loss on construction works:

Reserve for loss on construction works is provided for the amount equivalent to cover future loss by evaluating individual construction from which loss is assumed and estimated.

Cost on contracts in progress and reserve account in relation to the construction works, which loss is assumed, are represented in current assets and liabilities, respectively without setoff.

Among cost on contracts in progress, amount in aggregate corresponding to reserve for loss on construction works is ¥1,343 million (US$ 13,709 thousand).

(k) Reserve for retirement benefits:

The reserve for retirement benefits represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets as adjusted for unrecognized actuarial differences and unrecognized prior service cost. The unrecognized actuarial differences are amortized on a straight-line basis over a period of 13 years commencing the year following the year in which they arise.

Unrecognized prior service costs are amortized based on the straight-line method over a period of five years, beginning at the date of adoption of the plan amendment.

As for the amortization period of unrecognized actuarial differences, the Company changed its period to 13 years from 15 years due to the fact that the average service period remained has been shorter than an amortization period by review at the end of the year accordingly.

As a result, both operating income and income before income taxes and minority interests decreased by ¥133 million (US$ 1,365 thousand).

(l) Property, plant and equipment and depreciation:

Depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives. Useful lives and residual value are in conformity with the provisions of the Corporation Tax Law of Japan. However, depreciation of buildings which the Companies acquired on or after April 1, 1998, is computed on a straight-line basis over the shortened estimated period.

The Company and its domestic consolidated subsidiaries reviewed the useful lives of both machinery and equipment and adopted the revised useful lives in accordance with changes in the Corporation Tax Law introduced in the 2008 tax reform, concerning useful life of depreciable assets from the year ended March 31, 2009.

This change does not affect net income and segment information significantly.

In accordance with changes in the Corporation Tax Law introduced in the 2007 tax reform, concerning the depreciation of fixed assets acquired on or after April 1, 2007, assets acquired on or after April 1, 2007, method of computing depreciation expenses has been changed to that prescribed in the new regulation. The effect of this change was to decrease both operating income and income before income taxes and minority interests by ¥166 million for the year ended March 31, 2008.

As for property, plant and equipment acquired before April 1, 2007, the Company depreciates the residual value over a period of five years equally from the following year when the concerned property, plant and equipment reached allowable limit for depreciation based on the pre-revised depreciation method. This is effective from the year ended March 31, 2008.

As a result, both operating income and income before income taxes and minority interests decreased by ¥101 million for the year ended March 31, 2008.

(m) Impairment of fixed assets:

To judge an indicator of impairment of fixed assets, idle properties are grouped by each asset. Loss on impairment of ¥56 million (US$572 thousand) for 2009 and ¥421 million for 2008 was recognized on idle properties with no specific plan of future use.

(n) Income taxes:

The Companies have adopted the asset-liability method of tax effect, amounting to recognize the effect of temporary differences in the recognition of tax basis assets and liabilities and their financial report amounts.

(o) Consumption tax:

In Japan, consumption tax at the flat rate of 5% for 2009 and 2008 on all domestic consumption of goods and services (with certain exemptions) is levied.

The Companies have adopted the accounting method by which the consumption tax does not primarily affect net income.

(p) Recognition of contract revenue and Cost:

Prior to April 2008, the Companies adopted the completion method for revenue recognition for the construction-type contracts with contract amount less than ¥100 million, and the percentage-of-completion method for the construction-type contracts with contract amount of ¥100 million or more and construction period of more than one year, the percentage are measured by the ratio of the costs incurred to the estimated total costs for each contract.

Effective the year ended March 31, 2009, the Companies have adopted Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No.15 issued on December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Guidance No.18 issued on December 27, 2007).

In relation to the introduction of the above Statement and Guidance, the Companies adopt the percentage-of-completion method for revenue recognition for the construction-type contracts where the outcome of the construction activities is deemed accurate by the end of this year. Completion method is adopted otherwise. The percentage of completion are measured by the ratio of the costs incurred to the estimated total costs for each contract.

This adoption increased net sales by ¥5,990 million (US$61,125 thousand) and operating income and income before income taxes and minority interests by ¥351 million (US$3,586 thousand).

The amounts of contract revenue which are accounted for by the percentage-of-completion method is ¥162,082 million (US$ 1,653,908 thousand).

(q) Leases:

Lease assets;

As for finance leases, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by straight-line basis over the useful life period equivalent to lease term and residual value is equal to zero. However, leases whose commencement date were on or before March 31, 2008, are accounted for as ordinary lease transactions.

As for finance leases, other than those which are deemed to transfer ownership of the leased assets to lessee, accounting treatments were based on ordinary lease transactions until the year ended March 31, 2008.

Effective year ended March 31, 2009, the Company has adopted Accounting Standard for Lease Transactions (Accounting Standards Board of Japan Statement No. 13 issued on June 17, 1993; revised on March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (Accounting Standard Board of Japan Guidance No. 16 issued on January 18, 1994; revised on March 30, 2007).

In relation to this adoption, accounting treatments is based on ordinary sales transactions and no impact is on net income.

(r) Net income and cash dividends and net assets per share:

Net income per share before dilution is based on the weighted average number of shares of common stock outstanding during the respective years.

Diluted net income per share was not disclosed in 2009 and 2008 due to the fact that there were no bonds with warrant and convertible bonds at the end of 2009 and 2008.

Cash dividends per share for each year represent the dividends declared as applicable to the respective years.

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

(2) U.S. Dollar Amounts

The dollar amounts included in the financial statements and notes thereto represent the arithmetical results of translating yen to dollars at rate of ¥98 = US$1, the approximate rate of exchange prevailing on March 31, 2009. The inclusion of such dollar amounts is solely for convenience of readers outside of Japan and is not intended to imply that yen and assets and liabilities originating in Yen have been or could be readily converted, realized or settled in dollars at this or any other rates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2009 and 2008 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Cash and time deposits	¥ 33,981	¥ 28,532	$ 346,741
Time deposits due over three months	(1,789)	(169)	(18,250)
Repurchase agreement in other current assets	300	—	3,060
Cash and cash equivalents	¥ 32,492	¥ 28,363	$ 331,551

The Companies trade repurchase agreement and take marketable securities in pledge from repo counterparty.
Fair value of the marketable securities as of March 31, 2009 was ¥300 million (US$3,060 thousand).

Supplementary Cash Flow Information

The Company excluded TOA Concrete Co., Ltd. from its consolidated subsidiaries list by sales of its shares in March 2009. The total amount of sales was ¥900 million (US$9,184 thousand) determined by the estimated value at the date of transaction.

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2009	2009
Current assets	¥ 496	$ 5,064
Fixed assets	686	7,000
Current liabilities	(339)	(3,461)
Long-term liabilities	(9)	(90)
Minority interest	(360)	(3,672)
Gain on sale of shares	426	4,343
Sales amount	900	9,184
Cash and Cash equivalents	(164)	(1,674)
Net income by sales	¥ 736	$ 7,510

(4) Marketable Securities and Investments in Securities

The following is certain information related to the aggregate acquisition costs, carrying amount and fair value of securities.

(a) Held-to-maturity debt securities having its market value:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Carrying amount			
Government bond, municipal bond and other	¥ 57	¥ 62	$ 585
Total	¥ 57	¥ 62	$ 585

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Carrying amount	¥ 57	¥ 62	$ 585
Fair value	58	63	596
Unrealized gain	¥ 1	¥ 1	$ 11

(b) Other securities having its market value:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Carrying amount			
Marketable equity securities	¥ 7,263	¥ 10,134	$ 74,111
Debentures	—	6	—
Other	83	129	852
Total	¥ 7,346	¥ 10,269	$ 74,963

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Acquisition cost..	¥ 8,225	¥ 8,811	$ 83,932
Fair value (Carrying value)..	7,346	10,269	74,963
Unrealized gain (loss)	¥ (879)	¥ 1,458	$ (8,969)

Securities for which market quotations are not available are principally unlisted securities.

Investments in securities at March 31, 2009 and 2008 comprise investment securities lent to the third party under a security loan agreement amounting to ¥83 million (US$843 thousand) and ¥186 million, respectively.

(5) Short-term Borrowings and Long-term Debt

Short-term borrowings were represented generally by 365-day notes in 2009 and 2008 issued by the Companies, and bore interest principally at the short-term prim rates in effect in 2009 and 2008.

As is customary in Japan, the Company and its consolidated domestic subsidiaries maintain deposit balances with banks with which they have short-term bank loans or long-term debt.

Such deposit balances are not legally or contractually restricted as to withdrawal.

Long-term debt as of March 31, 2009 and 2008 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loans from banks and insurance companies with interest ranging from 2.05% to 2.13%, due various dates through 2014:	¥20,085	¥24,130	$204,949
Total.................	20,085	24,130	204,949
Current portion included in current liabilities..............	(9,339)	(9,315)	(95,296)
Total.................	¥10,746	¥14,815	$109,653

Lease obligations as of March 31, 2009 and 2008 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current..................	¥14	—	$146
Non-current...........	32	—	327
Total.................	¥46	—	$473

Certain Companies' long-term debt agreements provide, among other things, that the lender may request the Companies to submit proposals for appropriations of retained earnings (including payment of dividends) for review and, in some instances, approval prior to presentation to the shareholders. However, the Companies have never received such a request.

In addition, as is customary in Japan, substantially all of the Companies' bank borrowings are subject to general agreements with each bank which provide, among other things, that the relevant bank may treat any security furnished to the bank as well as cash deposited with it as security for all present and future indebtedness and may, when the bank deems it necessary, request additional security for loans.

The Company had credit lines at March 31, 2009 and 2008, from 7 banks amounting to ¥29,000 million (US$295,918 thousand) in total and from 9 banks amounting to ¥35,000 million in total, respectively.

Assets pledged as collateral for short-term borrowings, long-term debt and contingent liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
Assets pledged as collateral:	2009	2008	2009
Land........................	¥ —	¥ 105	$ —
Investment securities................	2,257	¥ 2,878	23,031
Loans......................	595	597	6,075
Others	28	19	289
	¥ 2,880	¥ 3,599	$ 29,395

Liabilities secured thereby:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Current portion of long-term debt......	**¥ —**	¥ 100	**$ —**
Contingent liabilities..	**¥ 1,683**	¥ 1,763	**$ 17,170**

The aggregate annual maturities of long-term debt (including current portion) as of March 31, 2008 were as follows:

Year ending March 31,	Millions of Japanese Yen	Thousands of U.S. Dollars
2010	¥ 9,339	$ 95,296
2011	5,431	55,418
2012	3,478	35,490
2013	988	10,082
2014	849	8,663
Total	¥ 20,085	$204,949

(6) Advances on Contracts in Progress

The Company usually receives payments from customers in the public sector on a progress basis in accordance with terms of the respective construction contracts.

(7) Reserve for Retirement Benefits and Pension Plan

The Company and its consolidated subsidiaries adopt the cash balance plan, retirement allowance plan, and additional severance payment covering substantially all employees for the defined benefit retirement plans. Furthermore, the Company set up the retirement benefit trust.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Projected benefit obligations	**¥(23,267)**	¥(23,313)	**$(237,412)**
Plan assets	**12,354**	16,336	**126,059**
	(10,913)	(6,977)	**(111,353)**
Unrecognized actuarial differences	**8,814**	4,941	**89,935**
	¥ (2,099)	¥ (2,036)	**$ (21,418)**

Net pension and sevrance costs expense related to the retirement benefits for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Service cost	**¥ 777**	¥ 830	**$ 7,933**
Interest cost	**571**	625	**5,830**
Expected return on plan assets	**(250)**	(327)	**(2,558)**
Amortization of unrecognized actuarial differences..	**621**	67	**6,337**
Amortization of prior service cost.......	**—**	(1,062)	**—**
Net pension and severance costs	**¥ 1,719**	¥ 133	**$ 17,542**

Assumptions used in the calculation of the above information were as follows:

	2009	2008
Discount rate	**2.5%**	2.5%
Expected rate of return on plan assets	**2.5%**	2.5%
Method of attributing the projected benefits to periods of services	**Straight-line basis**	Straight-line basis
Amortization period of unrecognized actuarial differences	**13 years**	15 years
Amortization period of prior service cost	**5 years**	5 years

The balance of reserve for retirement benefits included the reserve for retirement allowance for directors and statutory auditors in amounts of ¥71 million (US$720 thousands) and ¥66 million as of March 31, 2009 and 2008, respectively.

The reserve for retirement allowance for directors and statutory auditors are provided at the amount required on balance sheet dates in accordance with the internal rules of certain consolidated subsidiaries.

(8) Selling, General and Administrative Expenses

The significant items of selling, general and administrative expenses for 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Salaries to employees	**¥ 4,389**	¥ 4,264	**$ 44,791**

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Expenses for retirement benefits	586	—	5,975
Reserve for retirement benefits	29	30	292
Provision for doubtful receivables	501	674	5,109
Depreciation	199	254	2,028
Research expenses	¥ 951	¥ 1,098	$ 9,702

(9) Income Taxes

(a) The significant components of deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred Tax Assets:			
Pension and severance costs	¥ 1,959	¥ 1,940	$ 19,987
Reserve for loss on construction works	951	659	9,700
Unrealized loss on securities	445	—	4,537
Write-down of utility rights	432	458	4,407
Write-down of investments securities	194	200	1,978
Allowance for doubtful accounts	—	418	—
Accrued bonus to employees	459	414	4,682
Others	1,627	1,992	16,626
Valuation allowance	(978)	(1,406)	(9,982)
Deferred Tax Assets	¥ 5,089	¥ 4,675	$ 51,935
Deferred Tax Liabilities:			
Unrealized gain on securities	¥ (32)	(¥590)	$ (328)
Reserve for land	(1,102)	(1,102)	(11,246)
Other	(100)	(104)	(1,019)
Deferred Tax Liabilities	¥ (1,234)	¥ (1,796)	$ (12,593)
Net Deferred Tax Assets	¥ 3,855	¥ 2,879	$ 39,342

(b) A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2009 and 2008, and the actual effective tax rates reflected in the accompanying consolidated statements of income is as follows.

	2009	2008
Normal effective statutory tax rate	40.4%	40.4%
Expenses not deductible for income tax purposes	11.7	3.9
Non-taxable income	(3.9)	(0.2)
Per capita levy of inhabitant taxes	8.8	0.6
Change in valuation allowance	(23.6)	4.9
Other-net	0.8	(4.4)
Actual Effective Tax Rates	34.2%	45.2%

(10) Net Assets

Under Corporation Law of Japan ("the Law"), certain issuance of common shares is required to be credited to the common stock account for 50% of the proceeds. The Law permits, by resolution of the shareholders' meeting, transfer from amounts of additional paid-in capital to the common stock.

The Law provides that an amount equal to 10 % of dividends of surplus shall be appropriated as a legal reserve or additional paid-in capital until the total amount of legal reserve and additional paid-in capital equals 25% of the stated amount of capital stock. Legal reserve and additional paid-in capital may be used to eliminate or reduce a deficit or may be transferred to common stock by resolution of the shareholders' meeting. On condition that the total amount of legal reserve and additional paid-in capital remains equal to or exceeds 25% of common stock, they are available for distributions by the resolution of the shareholders' meeting.

(11) Leases

Finance Lease

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2009 and 2008, which would have been reflected in the balance sheets if finance lease accounting had been applied to finance leases currently accounted for as operating leases, and are included an interest portion there of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Machinery, vehicles, tools and others	¥1,472	¥1,478	$ 15,018
Accumulated depreciation	1,226	1,025	12,512
	¥ 246	¥ 453	$ 2,506

The scheduled maturities of future lease rental payments, including an interest portion on such lease contracts as of March 31, 2009 and 2008 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year................	¥ 171	¥ 249	$ 1,737
Due over one year	75	204	769
	¥ 246	¥ 453	$ 2,506

Lease rental expenses incurred in connection with finance leases, other than those which are deemed to transfer the ownership of the leased assets to lessee, amount to ¥259 million (US$2,647 thousand) and ¥273 million for the year ended March 31, 2009 and 2008, respectively.

Operating Lease

The scheduled maturities of future operating lease rental payments, including an interest portion on such lease contracts as of March 31, 2009 and 2008 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year................	¥ 6	¥ 5	$ 58
Due over one year................	3	7	36
	¥ 9	¥ 12	$ 94

(12) Revaluation of Land

The Company revalued its land held for business purposes based on the value appraised by an appraiser which is regulated by Article 2 No.4 of an Enforcement Ordinance, and No.119 of Law Concerning Land Revaluation (effective March 31, 1998) with certain necessary adjustments.

Deferences arising from the land revaluation have been accounted for as revaluation reserve for land under net assets at a net-of-tax amount. The carrying value of the land after revaluation exceeded its fair value as of March 31, 2009 and 2008 by ¥5,716 million (US$58,324 thousand) and ¥5,943 million, respectively.

(13) Commitments and Contingent Liabilities

The Companies are contingently liable for the following at March 31, 2009 and 2008:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Trade notes receivable discounted and endorsed	¥ —	¥ 10	$ —
Guarantees of short-term and long-term debt of employee, customers, unconsolidated subsidiaries and affiliates	2,427	2,908	24,762
	¥ 2,427	¥ 2,918	$ 24,762

On December 11, 2007, the Company was brought a lawsuit by a logistic agency on commission fee amounting ¥123 million. At present, the lawsuit is pending and its result of arbitration is not predictable.

(14) Segment Information

a. Business Segments

Business segments are principally composed of the following:

Construction ….. Civil Engineering and Architectural Construction
Real Estate ……. Development of Land and Buildings
Other Businesses.. Building and Repair of Vessels and Agency Businesses

Year Ended March 31, 2009 Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 200,205	¥ 1,645	¥ 4,129	¥ 205,979	¥ —	¥ 205,979
Inter-segment	1,434	439	1,370	3,243	(3,243)	—
Total	201,639	2,084	5,499	209,222	(3,243)	205,979
Operating expenses	198,712	1,677	5,129	205,518	(3,198)	202,320
Operating income	2,927	407	370	3,704	(45)	3,659
Total assets	130,942	18,507	5,005	154,454	37,897	192,351
Depreciation expenses	3,416	110	91	3,617	(14)	3,603
Capital Expenditure	¥ 2,558	¥689	¥ 342	¥ 3,589	¥ (64)	¥ 3,525

Year Ended March 31, 2008 Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 207,810	¥ 2,150	¥ 3,865	¥ 213,825	¥ —	¥ 213,825
Inter-segment	847	981	1,622	3,450	(3,450)	—
Total	208,657	3,131	5,487	217,275	(3,450)	213,825
Operating expenses	205,185	2,970	5,063	213,218	(3,139)	210,079
Operating income	3,472	161	424	4,057	(311)	3,746
Total assets	142,259	18,346	5,025	165,630	35,313	200,943
Depreciation expenses	2,469	135	72	2,676	6	2,682
Capital Expenditure	¥ 4,575	¥ 7	¥ 41	¥ 4,623	¥ (10)	¥ 4,613

Year Ended March 31, 2009 Thousands of U.S. Dollars

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	$2,042,905	$ 16,787	$ 42,131	$2,101,823	$ —	$ 2,101,823
Inter-segment	14,631	4,476	13,982	33,089	(33,089)	—
Total	2,057,536	21,263	56,113	2,134,912	(33,089)	2,101,823
Operating expenses	2,027,676	17,116	52,332	2,097,124	(32,636)	2,064,488
Operating income	29,860	4,147	3,781	37,788	(453)	37,335
Total assets	1,336,144	188,846	51,069	1,576,059	386,704	1,962,763
Depreciation expenses	34,855	1,118	924	36,897	(136)	36,761
Capital Expenditure	$ 26,103	$ 7,033	$ 3,494	$ 36,630	$ (656)	$ 35,974

Changes in accounting policies

1. The Company changed the amortization period of unrecognized actuarial differences as described in Note (1)-(k) "Reserve for retirement benefits". As a result, in segment Construction operating expenses increased by ¥133 million (US$1,356 thousand), while operating income decreased by the same amount, and in segment Real Estate operating expenses increased by ¥1 million (US$8 thousand), while operating income decreased by the same amount.
2. The Companies adopted Accounting Standard for Construction Contracts and Guidance on Accounting Standard for Construction Contracts as described in Note (1)-(p) "Recognition of contract revenue and cost". As a result, net sales in segment Construction increased by ¥5,909 million (US$60,298 thousand), while operating income increased by 350 million (US$3,567 thousand), and net sales in segment Other Businesses increased by ¥87 million (US$883 thousand), while operating income increased by ¥2 million (US$17 thousand).

b. Geographical Segments

Each area primarily refers to the following countries:

Southeast Asia ....Singapore, Philippines and Viet Nam

Year Ended March 31, 2009 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 159,096	¥ 34,188	¥ 12,695	¥ 205,979	¥ —	¥ 205,979
Inter-segment	178	—	—	178	(178)	—
Total	159,274	34,188	12,695	206,157	(178)	205,979
Operating expenses	154,905	34,783	12,810	202,498	(178)	202,320
Operating income	4,369	(595)	(115)	3,659	—	3,659
Total assets	¥ 130,758	¥ 15,633	¥ 5,459	¥ 151,850	¥ 40,501	¥ 192,351

Year Ended March 31, 2008 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 184,472	¥ 21,017	¥ 8,336	¥ 213,825	¥ —	¥ 213,825
Inter-segment	323	—	—	323	(323)	—
Total	184,795	21,017	8,336	214,148	(323)	213,825
Operating expenses	182,234	20,669	7,499	210,402	(323)	210,079
Operating income	2,561	348	837	3,746	(—)	3,746
Total assets	¥ 141,256	¥ 15,461	¥ 6,286	¥ 163,003	¥ 37,940	¥ 200,943

Year Ended March 31, 2009 — Thousands of U.S. Dollars

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	$1,623,425	$ 348,854	$ 129,544	$2,101,823	$ —	$2,101,823
Inter-segment	1,817	—	—	1,817	(1,817)	—
Total	1,625,242	348,854	129,544	2,103,640	(1,817)	2,101,823
Operating expenses	1,580,660	354,926	130,719	2,066,305	(1,817)	2,064,488
Operating income	44,582	(6,072)	(1,175)	37,335	—	37,335
Total assets	$1,334,265	$ 159,517	$ 55,700	$1,549,482	$ 413,281	$1,962,763

Changes in accounting policies

1. The Company changed the amortization period of unrecognized actuarial differences as described in Note (1)-(k) "Reserve for retirement benefits". As a result, in segment Japan operating expenses increased by ¥104 million (US$1,065 thousand), while operating income decreased by the same amount, in segment Southeast Asia operating expenses increased by ¥21 million (US$218 thousand), while operating loss increased by the same amount, and in segment Other Areas operating expenses increased by ¥8 million (US$81 thousand), while operating loss increased by the same amount.
2. The Companies adopted Accounting Standard for Construction Contracts and Guidance on Accounting Standard for Construction Contracts as described in Note (1)-(p)"Recognition of contract revenue and cost". As a result, net sales in segment Japan increased by ¥5,990 million (US$61,125 thousand), and operating income increased by 351 million (US$3,586 thousand). There were no effects seen in segment Southeast Area and Other Areas.

c. Overseas Net Sales

Each area primarily refers to the following countries:

Southeast Asia ....Singapore, Philippines and Viet Nam

Year Ended March 31, 2009			Millions of Japanese Yen
	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 34,188	¥ 12,695	¥ 46,883
Consolidated net sales	—	—	205,979
Ratio (%)	16.6	6.2	22.8

Year Ended March 31, 2008			Millions of Japanese Yen
Overseas net sales	¥ 21,017	¥ 8,336	¥ 29,353
Consolidated net sales	—	—	213,825
Ratio (%)	9.8	3.9	13.7

Year Ended March 31, 2009			Thousands of U.S. Dollars
Overseas net sales	$ 348,854	$ 129,544	$ 478,398
Consolidated net sales	—	—	$2,101,823