1.Significant Respects for the Basis of Preparing 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 compiled 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 of Japan.

Ⅰ. Basis of consolidation

The Company has 16 majority-owned subsidiaries as of March 31, 2012. The consolidated financial statements for the year ended March 31, 2012 include the accounts of the Company and 8 majority-owned subsidiaries. Principal consolidated subsidiaries were TOA Agency Co., Ltd., Shinko Corporation, TOA Kikai Kogyo Co., Ltd. Consolidated subsidiaries have the same financial period as the Company that ends on March 31.

Other 8 subsidiaries are not consolidated as they are at small scale and are not significant in terms of total assets, net sales, retained earnings or net income in aggregate.

Investments in non-consolidated subsidiaries (Human Affair Co., Ltd. and others) and affiliates (Sengenyama Developing Co., Ltd. and others) are excluded from application of the equity method as they are not significant in terms of net income or retained earnings in aggregate.

Ⅱ. Basis of accounting treatment

(1) Basis of valuation for significant assets

a) Securities

Marketable securities held by the Companies are classified into two categories;

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are treated as directly charged or credited to the net assets and cost of securities sold are computed by the moving average method.

Other securities for which market quotations are unavailable are stated at moving average cost method.

b) 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.

c) Inventories

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

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

(2) Depreciation for property, plant and equipment and other

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

As for intangible fixed assets excluding leased assets and long-term prepaid expenses, amortization is computed by the straight-line method and the useful lives are in conformity with the provisions of the Corporation Tax Law of Japan.

As for leased assets related to finance lease, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by the straight-line basis over the useful lives 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 by a method similar to that applicable to the ordinary operating lease transactions.

(3) Reserve and allowance

a) 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.

b) 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.

c) 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.

d) 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.

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.

Further, consolidated subsidiaries have no unrecognized actuarial differences.

e) Reserve for retirement benefits for directors

In some consolidated subsidiaries, the reserve for retirement benefits for directors provided the required amount to pay for the year in conformity with their bylaw.

(4) Recognition of contract revenue and cost

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 is measured by the ratio of the costs incurred to the estimated total costs for each contract.

(5) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as a component of net assets 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.

For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values but an alternative (short-cut) method under Japanese accounting standards is applied by which the amounts received or paid for such interest swap arrangements are recognized as interest over the life of each of the arrangements.

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.

(6) Amortization of goodwill

The acquisition costs of consolidated subsidiaries in excess of the equity in their net assets at date of acquisition are accounted for as goodwill. The Companies have a balance of negative goodwill which arose on or before March 31, 2010 and amortize the negative goodwill over a period of five years on average.

(7) Scope of cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits which are able to be 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.

(8) Consumption tax

In Japan, consumption tax at the flat rate of 5% on all domestic consumption of goods and services (with certain exemptions) is levied. The Companies adopt the accounting method as net of tax.

(9) 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 ¥82 = US$1, the approximate rate of exchange prevailing on March 31, 2012. The inclusion of such dollar amounts is solely for the 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.

2.Changes in Presentation

The Companies have changed the presentation of items in the consolidated statements of income as follows:

Gain on negative goodwill included in Other, net of Other income (expenses) in the previous year, is presented separately in the current year.

To reflect this change in presentation, the Companies reclassified items in the consolidated statements of income for the previous year.

Consequently, Gain on negative goodwill was newly shown in the amount of ¥4 million (US$ 44 thousand) and Other, net was ¥12 million (US$ 149 thousand) compared with ¥16 million (US$ 193 thousand) presented in Other, net of Other income (expenses) in the consolidated statements of income for the previous year.

Compensation for damage and Loss on litigation included in Other, net of Other income (expenses) in the previous year, are presented separately in the current year. To reflect this change in presentation, the Companies reclassified items in the consolidated statements of income for the previous year.

Consequently, Compensation for damage was newly shown in the amount of ¥190 million (US$ 2,320 thousand) and Loss on litigation was ¥1 million (US$ 7 thousand) compared with ¥191 million (US$ 2,327 thousand) in Other, net of Other income (expenses) in the consolidated statements of income for the previous year.

3.Additional Information

Effective the year ended March 31, 2012, the Companies have adopted the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Statement No.24 issued on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Guidance No.24 issued on December 4, 2009) for accounting changes and corrections of prior period errors.

4.Notes to Consolidated Balance Sheets

Ⅰ.Cost on construction contracts in progress and other

Cost on construction contracts in progress and other at March 31, 2012 and 2011 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Cost on construction contracts in progress	**¥2,359**	¥2,672	**$28,771**
Other inventories	**856**	1,063	**10,442**
Cost on construction contracts in progress and other	**¥3,215**	¥3,735	**$39,213**

Ⅱ.Reserve for loss on construction works

Cost on construction 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 construction contracts in progress, amount in aggregate corresponding to reserve for loss on construction works at March 31, 2012 and 2011 are as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥189	¥175	**$2,306**

Ⅲ.Investments in securities

Among investments in securities, amount in aggregate corresponding to non-consollidated subsidiaries and affiliates at March 31, 2012 and 2011 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Investments in affiliates	**¥556**	¥562	**$6,785**

Ⅳ.Revaluation of land

In accordance with the "Act on Revaluation of Land" (Act No. 34 promulgated on March 31, 1998) and the "Act on Partial Revision of the Act on Revaluation of Land"(Act No. 19 promulgated on March 31, 2001), the company revalued its land held for the business purpose and accounted for the amount equivalent to tax related to this differences on revaluation as "deferred tax liabilities on revaluation of land" in liabilities and accounted for the amount that tax amount were deducted from the differences on revaluation as "revaluation reserve for land" in net assets.

Furthermore, reviewing a collectibility of "deferred tax assets for land revaluation" individually, among the amount equivalent to tax related to the differences on revaluation of land, the amount that were difficult to anticipate collectibility were reduced from "revaluation reserve for land".

Revalued method

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

Revalued date March 31, 2002

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Differences of the land after revaluation exceeded its fair value	**¥6,786**	¥6,279	**$82,758**

Ⅴ.Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
Assets pledged as collateral:	**2012**	2011	**2012**
Current assets			
Other current assets	**¥66**	¥81	**$809**
Investment and other assets			
Investment in securities	**2,345**	2,370	**28,595**
Long-term loans	**719**	737	**8,770**
Other	**56**	47	**686**
Total	**¥3,186**	¥3,235	**$38,860**

At March 31, 2012, the assets pledged as collateral of the listed above consisted of secured liabilities amounting to ¥1,634 million (US$ 19,929 thousand) and liabilities based on the loan agreements with credit line between 14 PFI companies and financial institutions.

At March 31, 2011, secured liabilities were in the amount of ¥1,667 million and liabilities were for 13 PFI companies.

Ⅵ.Securities lent

Among investment in securities, securities that lent to financial institution under the security lending agreement at March 31, 2012 and 2011 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥51	¥113	**$618**

Ⅶ.Commitments and contingent liabilities

The Companies are contingently liable for the following at March 31, 2012 and 2011:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Employees (Loan guarantee to bank)	**¥24**	¥32	**$294**
National Federation of Promotion for Fishing Ports and Villages Fisheries Cooperative Association (Loan guarantee)	**466**	566	**5,689**
Other	**193**	212	**2,355**
Total	**¥683**	¥810	**$8,338**

Ⅷ.Short-term borrowings

The Company had commitment lines for efficient financial arrangement from 7banks at March 31, 2012 and 2011 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Total amount of contracts of commitment lines	**¥20,000**	¥20,000	**$243,902**
Outstanding borrowings	**—**	—	**—**
Balance	**¥20,000**	¥20,000	**$243,902**

Ⅸ.Notes receivable and notes payable

On March 31, 2012, financial institutions were on a holiday in Japan, the following notes receivable and payable maturing on that date were included in their own balance in the balance sheet and were settled on the next business day.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Notes receivable	**¥119**	—	**$1,455**
Notes payable	**1,746**	—	**21,293**

5.Notes to Consolidated Statements of Income

Ⅰ.Net sales

The amounts of contract revenue which are accounted for by the percentage-of-completion method were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥118,285	¥138,946	**$1,442,501**

Ⅱ.Loss on valuation of inventory

The ending inventory was the carrying value after writing down due to the decreased profitability, and among the cost of sales, amount in aggregate corresponding to loss on valuation of inventory were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥75	¥336	**$918**

Ⅲ.Reserve for loss on construction works

Among the cost of sales, amount in aggregate corresponding to reserve for loss on construction works were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥627	¥1,559	**$7,646**

Ⅳ.Selling, general and administrative expenses

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Salaries to employees	**¥4,391**	¥4,348	**$53,553**
Provision for retirement benefits for directors and statutory auditors	**24**	¥23	**294**
Expenses for retirement benefits for employees	**551**	533	**6,724**
Reserch expenses	**1,019**	1,126	**12,422**
Provision for doubtful accounts, trade	**(83)**	—	**(1,011)**

Ⅴ.Research and development expenses

Among the general and administrative expenses and the cost on contract, amount in aggregate corresponding to research and development expenses were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2012	2011	**2012**
¥1,102	¥1,193	**$13,442**

Ⅵ.Gain on sale of fixed assets

The breakdown of the gain on sale of fixed assets were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Land	**¥6**	¥84	**$79**
Vessels	**327**	55	**3,983**
Others	**3**	7	**32**
Total	**¥336**	¥146	**$4,094**

Ⅶ.Loss on sale of fixed assets

The breakdown of the loss on sale of fixed assets were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Land	**¥5**	¥35	**$56**
Vessels	**1**	8	**7**
Others	**—**	0	**—**
Total	**¥6**	¥43	**$63**

Ⅷ.Impairment of fixed assets

For the year ended March 31, 2012, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Idle properties	Land	Iwate prefecture and others	7

The idle properties were grouped by each individual objective. The carrying amount of the relevant assets was written down to the recoverable value due to the drop in fair value and ¥31 million (US$ 376 thousand) was accounted for as loss on impairment of fixed assets whose detail amount consisted of only for land.

Meanwhile, the recoverable value of the relevant assets was based on the anticipated net sale value. Furthermore, the anticipated net sale value of land whose carrying amount was significant was applied to the appraisal value by the licensed real-estate appraiser.

For the year ended March 31 2011, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Assets used for construction business	Buildings and equipments and others	Niigata prefecture and others	1
Idle properties	Land and buildings and others	Miyagi prefecture and others	9

The assets used for construction business were grouped by each branch (or division) and the assets used for the rental of real estate and the idle properties were grouped by each individual objective. As to the assets used for construction business whose loss on impairment was recognized, the carrying amount of the relevant assets was written down to the recoverable value due to the decreased profitability and ¥21 million was accounted for as loss on impairment of fixed assets.

As to the idle properties, the carrying amount of the relevant assets was written down to the recoverable value due to the drop in fair value and ¥170 million was accounted for as loss on impairment of fixed assets whose amounts in detail consisted of ¥142 million for land and ¥28 million for others.

Meanwhile, the recoverable value of the relevant assets was based on the anticipated net sale value. Furthermore, the anticipated net sale value of land whose carrying amount was significant was applied to the appraisal value by the licensed real-estate appraiser.

Ⅸ.Loss from disaster caused by the Great East Japan Earthquake

The breakdown of loss from disaster caused by the Great East Japan Earthquake were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Loss on disposal of fixed assets	**¥2**	¥18	**$27**
Donations, reconstruction assistance and aid purchase	**150**	261	**1,821**
Total	**¥152**	¥279	**$1,848**

6.Notes to Consolidated Statements of Comprehensive Income

Reclassifications adjustments and tax effects in relation to the other comprehensive income were as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2012	2012
Unrealized gains (losses) on securities:		
Amount arising during the year	¥351	$4,283
Amount of reclassification adjustments	24	291
Amount before tax effect	375	4,574
Tax effect	(104)	(1,267)
Unrealized gains (losses) on securities	271	3,307
Deferred gains (losses) on hedges:		
Amount arising during the year	7	83
Amount of reclassification adjustments	65	796
Amount before tax effect	72	879
Tax effect	(30)	(365)
Deferred gains (losses) on hedges	42	514
Revaluation reserve for land:		
Tax effect	401	4,889
Revaluation reserve for land	401	4,889
Total other comprehensive income	¥714	$8,710

7.Notes to Consolidated Statements of Changes in Net Assets

Ⅰ.Type and number of shares

For the year ended March 31, 2012

Thousands of shares

Type of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	224,946	—	—	224,946
Treasury stock				
Common stock	15,812	832	2,965	13,679

Notes:The principal details for increase in treasury stock were as follows:

Increase due to purchase of odd stock .... 7 thousand shares

Increase due to purchase of common stock from stockholders opposed to the share exchange .... 500 thousand shares

Increase due to acquisition of shares in ownership interest through the share exchange .... 326 thousand shares

The principal details for decrease in treasury stock were as follows:

Decrease due to disposition treasury stock through the share exchange .... 2,966 thousand shares

For the year ended March 31, 2011

Thousands of shares

Type of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	224,946	—	—	224,946
Treasury stock				
Common stock	15,660	152	—	15,812

Notes: The principal details for increase and decrease in treasury stock were as follows:

Increase due to acquisition of treasury stock by the Company .... 116 thousand shares

Increase due to purchase of odd stock .... 35 thousand shares

Increase due to acquisition of shares in ownership interest in consolidated subsidiary .... 1 thousand shares

Ⅱ.Dividend payment

For the year ended March 31, 2012

Resolution	Type of share	Dividend resource	Millions of Japanese Yen Total amount of dividends	Cash dividends per share (Yen)	Thousands of U.S Dollars Total amount of dividends	Cash dividends per share (Dollars)	Record date	Effective date
Annual Shareholders' Meeting held on June 29, 2011	Common stock	Retaind earnings	¥420	¥2	$ 5,056	$0.02	March 31, 2011	June 30, 2011

For the year ended March 31, 2011

Resolution	Type of share	Millions of Japanese Yen Total amount of dividends	Cash dividends per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting held on June 29, 2010	Common stock	¥420	¥2	March 31, 2010	June 30, 2010

Ⅲ.Among dividends whose record date belong in the current fiscal year, dividends which become effective in the following fiscal year were as follows:

For the year ended March 31, 2012

Resolution	Type of share	Dividend resource	Millions of Japanese Yen Total amount of dividends	Cash dividends per share (Yen)	Thousands of U.S Dollars Total amount of dividends	Cash dividends per share (Dollars)	Record date	Effective date
Annual Shareholders' Meeting held on June 28, 2012	Common stock	Retaind earnings	¥430	¥2	$5,239	$0.02	March 31, 2012	June 29, 2012

For the year ended March 31, 2011

Resolution	Type of share	Dividend resource	Millions of Japanese Yen Total amount of dividends	Cash dividends per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting held on June 29, 2011	Common stock	Retaind earnings	¥420	¥2	March 31, 2011	June 30, 2011

8.Notes to Consolidated Statements of Cash Flow

Cash and cash equivalents consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Cash and bank deposits	**¥49,671**	¥40,201	**$605,738**
Time deposits due over three months	**(¥246)**	(145)	**(2,993)**
Cash and cash equivalents	**¥49,425**	¥40,056	**$602,745**

9.Leases

Ⅰ.Operating lease

The scheduled maturities of future operating lease payments, including an interest portion on such lease contracts as of March 31, 2012 and 2011, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Due within one year	**¥531**	¥537	**$6,477**
Due over one year	**1,925**	2,427	**23,471**
Total	**¥2,456**	¥2,964	**$29,948**

Ⅱ.Finance lease

(1) The acquisition cost, accumulated depreciation and net book value of lease assets

At March 31, 2012	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Tools, equipment	¥34	¥27	¥7	$407	$326	$81
Software	22	18	4	270	216	54
Total	¥56	¥45	¥11	$677	$542	$135

At March 31, 2011	Millions of Japanese Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Tools, equipment	¥94	¥67	¥27
Software	22	13	9
Total	¥116	¥80	¥36

(2) Unexpired lease expenses corresponding to the net book value

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Due within one year	**¥11**	¥25	**$135**
Due over one year	**—**	11	**—**
Total	**¥11**	¥36	**$135**

The acquisition cost and the unexpired lease expense were caluculated by the interest include method since the proportion of the balance of unexpired lease expenses in net book value of property, plant and equipment were low.

(3) Lease expense paid and depreciation equivalent

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	2012
Lease expense paid	¥25	¥36	$299
Depreciation equivalent	25	36	299

(4) The method for calculating the depreciation equivalent

The depreciation equivalent is principally computed by the straight-line basis over the useful lives equivalent to lease term and residual value is equal to zero.

10.Impairment of Leased Assets

There are no impairment allocated to leased assets for the years ended March 31, 2012 and 2011.

11.Financial Instruments

Ⅰ.Summary of financial instruments

a) Policy for financial instruments

The Companies limit low-risk financial instruments in fund management by use of bank deposits in a short period and have a policy to raise low-interest funds through bank borrowings flexibly. The Company utilizes derivatives in order to reduce the risk of fluctuation in interest rates and foreign exchange rates for debts and credits in foreign currencies. The Company, furthermore, utilizes the hedging instruments for the purpose of stabilizing the cost on contracts and does not enter into derivatives for speculative purpose.

b) Contents of financial instruments, related risk and risk management

Note and accounts receivable which categorized into operating receivables are exposed to client's credit risk. These risks are reviewed at entering into contract and the concerned counterparts are managed by the administration headquarters in each case.

Investments in securities are exposed to fluctuation risks of market price.

Those securities are mainly shares of other companies with which the Company has business relationships and the Company monitors the monthly fair value.

Among the debt, short-term borrowings are principally applicable to funds for business activities and long-term debt (maturities are within five years in principle) are funds for capital investments. Long-term debt with variable interest rates are exposed to the risk of interest rate fluctuation. The Company utilizes derivatives which are the interest swaps in each contracts in order to avoid fluctuation risk of interest expenses and stabilize interest cost. Conducting of derivative transactions is managed by gaining approval by board members and derivatives provided by the highly-rated financial institutions are available in order to avoid credit risk.

c) Supplemental explanation for fair value of financial instruments

Notional amounts of derivatives are not indicative of the actual market risk involved in derivative transactions.

Ⅱ.Fair value of financial instruments

As of March 31, 2012, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)
	Millions of Japanese Yen			Thousands of U.S. Dollars		
Cash and bank deposits	¥49,671	¥49,671	¥ —	$605,738	$605,738	$ —
Notes and accounts receivable, trade	48,741	48,741	—	594,407	594,407	—
Advance payments	5,134	5,134	—	62,608	62,608	—
Investments in securities						
Other securities	7,941	7,941	—	96,838	96,838	—
Notes and accounts payable, trade	(40,837)	(40,837)	—	(498,007)	(498,007)	—
Short-term borrowings	(15,190)	(14,190)	—	(185,244)	(185,244)	—
Deposits received	(8,431)	(8,431)	—	(102,822)	(102,822)	—
Long-term debt (*2)	(14,968)	(15,101)	(133)	(182,537)	(184,162)	(1,625)
Derivative transactions (*3)						
Hedge accounting unapplied	—	—	—	—	—	—
Hedge accounting applied	¥(33)	¥(33)	¥ —	$(400)	$(400)	$ —

(*1) The amount in parentheses represents liability position.
(*2) Current portion of long-term debt of ¥4,266 million (US$52,022 thousand) is included in long-term debts and carrying amount and fair value are represented.
(*3) Net amount of debt and credit arising from derivative transactions are represented. The amount in parentheses represents net liabilities in total.

As of March 31, 2011, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)
	Millions of Japanese Yen		
Cash and bank deposits	¥40,201	¥40,201	¥ —
Notes and accounts receivable, trade	56,313	56,313	—
Advance money	8,333	8,333	—
Investments in securities			
Other securities	7,646	7,646	—
Notes and accounts payable, trade	(44,588)	(44,588)	—
Short-term borrowings	(15,070)	(15,070)	—
Deposits received	(9,012)	(9,012)	—
Long-term debt (*2)	(15,246)	(15,352)	(106)
Derivative transactions (*3)			
Hedge accounting unapplied	—	—	—
Hedge accounting applied	¥(105)	¥(105)	¥ —

(*1) The amount in parentheses represents liability position.
(*2) Current portion of long-term debt of ¥6,078 million is included in long-term debts and carrying amount and fair value are represented.
(*3) Net amount of debt and credit arising from derivative transactions are represented.The amount in parentheses represents net liabilities in total.

a) Computation of fair value for financial instruments, marketable securities and derivative transactions

Cash and bank deposits, notes and accounts receivable, trade, and advance payments in other current assets

Those accounts are carrying value, since those are settled in a short period and their fair value is equivalent to carrying amount approximately.

Investments in securities

Fair value of investments in securities is based on market price at Stock Exchange.

Notes and accounts payable, trade, short-term borrowings, and deposits received in other current liabilities.

Those accounts are carrying value, since those are settled in a short period and their fair value is equivalent to carrying amount approximately.

Long-term debt

Fair value of long-term debt is based on the present value of the total of principal and interest discounted by the interest rate to be applied, provided that the equivalent loans are newly entered into.

b) Financial instruments for which it is extremely difficult to determine fair value

Unlisted stocks are not included in Investments in securities, since those have no market price and it is extremely difficult to determine fair value.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Unlisted stocks	**¥2,421**	¥2,438	**$29,523**

c) Projected redemption

The projected redemption of monetary claim as of March 31, 2012 were as follows:

	within one year	over one year within five years	over five years within ten years	over ten years	within one year	over one year within five years	over five years within ten years	over ten years
	Millions of Japanese Yen				Thousands of U.S.Dollars			
Cash and bank deposits	¥49,599	¥ —	¥ —	¥ —	$604,862	$ —	$ —	$ —
Notes and accounts receivable, trade	47,593	1,148	—	—	580,400	14,007	—	—
Investments in securities Other securities with maturities (Government bonds)	—	25	—	38	—	309	—	465
Total	¥97,192	¥1,173	¥—	¥38	$1,185,262	$14,316	$ —	$465

The projected redemption of monetary claim as of March 31, 2011 were as follows:

	within one year	over one year within five years	over five years within ten years	over ten years
	Millions of Japanese Yen			
Cash and bank deposits	¥40,119	¥ —	¥ —	¥ —
Notes and accounts receivable, trade	55,552	761	—	—
Investments in securities				—
Other securities with maturities (Government bonds)	—	25	—	36
Total	¥95,671	¥786	¥ —	¥36

12. Marketable Securities and Investments in Securities

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

At March 31, 2012

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)
Other securities whose consolidated balance sheet amount exceeds its acquisition cost						
Marketable equity securities	¥4,911	¥6,422	¥1,511	$59,887	$78,323	$18,436
Government bond	60	63	3	734	774	40
Sub total	4,971	6,485	1,514	60,621	79,097	18,476
The securities consolidated balance sheet amount does not exceed its acquisition cost						
Marketable equity securities	1,968	1,455	(513)	24,000	17,741	(6,259)
Government bond	—	—	—	—	—	—
Sub total	1,968	1,455	(513)	24,000	17,741	(6,259)
Total...	¥6,939	¥7,940	¥1,001	$84,621	$96,838	$12,217

At March 31, 2011

	Millions of Japanese Yen		
	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)
Other securities whose consolidated balance sheet amount exceeds its acquisition cost			
Marketable equity securities	¥3,556	¥4,692	¥1,136
Other	60	62	2
Sub total	3,616	4,754	1,138
The securities whose consolidated balance sheet amount does not exceed its acquisition cost			
Marketable equity securities	3,403	2,892	(511)
Other	—	—	—
Sub total	3,403	2,892	(511)
Total...	¥7,019	¥7,646	¥627

(2) Other securities sold during the financial years ended March 31, 2012 and 2011 were as follows:

At March 31, 2012

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Sales	gain on sales	loss from sales	Sales	gain on sales	loss from sales
Marketable equity securities	¥89	¥20	¥ (0)	$1,091	$249	$ (0)
Other	—	—	—	—	—	—
Total	¥89	¥20	¥ (0)	$1,091	$249	$ (0)

At March 31, 2011

	Millions of Japanese Yen		
	Sales	gain on sales	loss from sales
Marketable equity securities	¥0	¥0	¥ (0)
Other	100	—	—
Total	¥100	¥0	¥ (0)

(3) In securities that impairment treatment proceeded

In securities that impairment treatment proceeded, acquisition cost on the above schedule is carrying value after proceeding impairment treatment. Meanwhile, impairment treatment was proceeded and loss on valuation of investment in securities for the year ended March 31, 2012 and 2011 were accounted for ¥45 million (US$ 543 thousand) and ¥1,499 million, respectively.

13.Derivative Transactions

Derivative transactions for the year ended March 31, 2012 were classified into:

a) Computation of fair value for financial instruments, marketable securities and derivative

Not applicable

b) Hedge accounting applied

Notional amounts and fair value conditioned on contracts in each hedge accounting method are as follows:

			Millions of Japanese Yen			Thousands of U.S. Dollars		
Hedge accounting method	Types of derivative	Hedge coverage	Notional amount	Maturing over one year	Fair value	Notional amount	Maturing over one year	Fair value
Principle (*1)	Interest rate swaps Pay/fixed and receive/floating	Short-term borrowings	¥5,200	¥ —	¥(33)	$63,415	$ —	$(400)
Short-cut	Interest rate swaps Pay/fixed and receive/floating	Long-term debt	12,042	8,643	(*2)	146,854	105,405	(*2)

(*1) Computation of fair value is based on the amounts provided by financial institutions.

(*2) Fair value based on the short-cut method is included in fair value of these long-term debt, since the derivative transactions are treated with the hedged long-term debts collectively.

Derivative transactions for the year ended March 31, 2011 were classified into:

a) Hedge accounting unapplied

Not applicable

b)Hedge accounting applied

Notional amounts and fair value conditioned on contracts in each hedge accounting method are as follows:

Hedge accounting method	Types of derivative	Hedge coverage	Notional amount	Maturing over one year	Fair value
			Millions of Japanese Yen		
Principle (*1)	Interest rate swaps Pay/fixed and receive/floating	Short-term borrowings	¥5,200	¥5,200	(¥105)
Short-cut	Interest rate swaps Pay/fixed and receive/floating	Long-term debt	12,503	7,572	(*2)

(*1) Computation of fair value is based on the amounts provided by financial institutions.

(*2) Fair value based on the short-cut method is included in fair value of these long-term debt, since the derivative transactions are treated with the hedged long-term debts collectively.

14.Reserve for Retirement Benefits and Pension Plan

The Company and its consolidated subsidiaries adopt the cash balance plan, retirement lump sum 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
	2012	2011	**2012**
Projected benefit obligations	**¥(21,671)**	¥(22,406)	**$(264,283)**
Plan assets	**13,629**	14,191	**166,214**
Unfunded retirement benefit obligations	**(8,042)**	(8,215)	**(98,069)**
Unrecognized actuarial differences	**5,031**	5,484	**61,349**
Reserve for employee retirement benefits	**¥(3,011)**	¥(2,731)	**$(36,720)**

Net pension and severance costs expense related to the retirement benefits for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Service cost	**¥819**	¥832	**$9,992**
Interest cost	**547**	561	**6,671**
Expected return on plan assets	**(233)**	(241)	**(2,840)**
Amortization of unrecognized actuarial differences	**828**	793	**10,103**
Net pension and severance costs	**¥1,961**	¥1,945	**$23,926**

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

	2012	2011
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**	13 years
Amortization period of prior service cost	**—**	—

The balance of reserve for retirement benefits included the reserve for retirement allowance for directors and statutory auditors in the amounts of ¥69 million (US$844 thousand) and ¥69 million as of March 31, 2012 and 2011, respectively.

15.Tax Effect Accounting

1.The significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Deferred Tax Assets:			
Pension and severance costs	**¥2,286**	¥2,346	**$27,874**
Reserve for loss on construction works	**446**	726	**5,442**
Unrealized losses on securities	**163**	77	**1,986**
Write-down of utility rights	**327**	395	**3,989**
Write-down of investment in securities	**185**	192	**2,261**
Accrued bonus to employees	**434**	524	**5,287**
Other	**2,385**	1,795	**29,087**
Valuation allowance	**(897)**	(1,021)	**(10,939)**
Deferred tax assets	**¥5,329**	¥5,034	**$64,987**
Deferred Tax Liabilities:			
Unrealized gains on securities	**¥(837)**	¥(36)	**$(10,202)**
Revaluation reserve for land	**(508)**	(977)	**(6,493)**
Other	**(261)**	(340)	**(3,185)**
Deferred tax liabilities	**(1,606)**	(1,353)	**(19,580)**
Net Deferred Tax Assets	**¥3,723**	¥3,681	**$45,405**

(Note) Net deferred tax assets were included in the following items.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Current assets - Deferred tax assets	**¥2,481**	¥2,237	**$30,260**
Investments and other assets - Deferred tax assets	**2,168**	2,441	**26,436**
Current liabilities - Other current liabilities	**119**	43	**1,456**
Long-term liabilities - Other long-term liabilities	**806**	953	**9,832**

2. A reconciliation between the normal effective statutory tax rate for the years ended March 31, 2012 and 2011, and the actual effective tax rates reflected in the accompanying consolidated statements of income is as follows:

	2012	2011
Normal effective statutory tax rate	**40.4%**	40.4%
Expenses not deductible for income tax purposes	**10.7**	7.3
Per capita levy of inhabitant taxes	**8.8**	5.7
Non-taxable income	**(8.2)**	(1.5)
Refund of income taxes for prior period	**(33.7)**	—
Change in valuation allowance	**3.7**	4.8
Reversal of revaluation reserve for land	—	(16.3)
Tax rate change	**15.2**	—
Amortization of negative goodwill	**(19.3)**	—
Foreign corporation tax	**30.9**	—
Other-net	**0.0**	(3.7)
Actual effective tax rates	**48.5%**	36.7%

3. Correction for the amount of deferred tax assets and liabilities due to the change of corporate tax rates

According to the promulgation dated December 2, 2011 of the "Act for Partial Revision of Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structure" (Act No.114 of 2011) and the "Act for Special Measures for Securing Financial Resources to Implement for Reconstruction from the Great East Japan Earthquake" (Act No.117 of 2011), effective the consolidated financial year commencing on or after April 1, 2011, the corporate tax rates were changed.

This change of tax rates decreased net deferred tax assets by ¥158 million (US$ 1,928 thousand) and increased income taxes-deferred and net unrealized gains on securities by ¥206 million (US$ 2,508 thousand) and ¥48 million (US$ 590 thousand) respectively. Furthermore, decreased deferred tax liabilities related to revaluation by ¥401 million (US$ 4,889 thousand) and increased revaluation reserve for land by the same amount.

16.Business Combination

Transaction under Common Control

The Company acquired 100% ownership of Tsurumi Rinko Co., Ltd. through a share exchange effective on November 1, 2011. Information on the share exchange is as follows:

1. Name and line of business of combined company, legal form of business combination and outline of transaction including its purpose

(1) Name and line of business of combined company

Tsurumi Rinko Co., Ltd. (Consolidated subsidiary of the Company)

Real estate rental business, based at Tsurumi railway station of Yokohama City, Japan

(2) Legal form of business combination

Share exchange with the Company as the wholly owning parent company and Tsurumi Rinko Co., Ltd. wholly-owned subsidiary of the Company.

(3) Outline of transaction including its purpose

Tsurumi Rinko Co., Ltd. conducts the real estate rental business based at Tsurumi railway station of Yokohama City, Japan. The Companies are able to invest efficiently the human and management resources on real estate businesses of the group by making Tsurumi Rinko Co.,Ltd. a wholly-owned subsidiary of the Company. This transaction is expected to contribute to growth and profitability of the group.

2. Outline of accounting treatment

The transaction was treated as a transaction under common control based on the "Accounting Standard for Business Combinations (Accounting Standards Board of Japan Statement No.21 issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (Accounting Standards Board of Japan Guidance No.10 issued on December 26, 2008).

3. Additional acquisition of shares of the subsidiary

(1) Acquisition cost and details

	Millions of Japanese Yen	Thousands of U.S. Dollars
Common stock of the Company in the share exchange	¥406	**$4,955**
Direct expense related to acquisition	5	**55**
Total acquisition cost	¥411	**$5,010**

Furthermore, all of the shares of the Company used in the transaction were treasury stock.

(2) Share exchange ratio classified by type of shares, computation method of share exchange ratio and number of allotted shares

a) Share exchange ratio classified by type of shares

34 shares of the Company's common stock were allotted per 1 share of Tsurumi Rinko Co., Ltd.'s common stock.

b) Computation method of share exchange ratio

In the computation of the share exchange, the valuation provided by an independent third-party institution was used in order to ensure fairness and adequacy. The Company and Tsurumi Rinko Co., Ltd. made their decision deliberately through the process of mutual negotiation and consultation considering terms and conditions with reference to the results of the valuation.

c) Number of allotted shares: 2,966,194 shares

(3) Amount and reason for gain on negative goodwill

a) Amount of gain on negative goodwill: ¥597million (US$ 7,284 thousand)

b) Reason for negative goodwill

Negative goodwill was recognized as the fair value of net assets acquired exceeded acquisition cost of the shares.

17.Asset Retirement Obligations

Because of insignificant amounts in asset retirement obligations, the Companies have omitted notation in the Notes to Consolidated Financial Statements for the years ended March 31, 2012 and 2011.

18.Investment and Rental Property

Because of insignificant amounts in investment and rental property, the Companies have omitted notation in the Notes to Consolidated Financial Statements for the years ended March 31, 2012 and 2011.

19.Information on Various Segments

Ⅰ. Outline of the reportable segments

The reportable segments of the Companies are components for which discrete financial information is available and prepared for the regular review, so that the board of directors can make decisions on the distribution of management resources and evaluate the operating performance. The Company comprises “Civil Engineering General Headquarters” and “Building Construction General Headquarters,” which control domestic construction businesses, and "International Division" for overseas businesses. Those Headquarters and International Division develop strategies comprehensively in each line of business and expand business activities.

Accordingly, the Company’s businesses consist of segments classified by products and services based on the headquarters. The reportable segments are composed of “Domestic Civil Engineering Businesses,” “Domestic Architectural Businesses,” and “Overseas Businesses,” and principal activities in each segment are the following:

1) Domestic Civil Engineering Businesses:domestic civil engineering contracts, contracts related to design, and others
2) Domestic Architectural Businesses:domestic architectural contracts, contracts related to design, and others
3) Overseas Businesses: general overseas contracts

Ⅱ.Computation for the amount of net sales, profits or losses and other items in each reportable segment

The accounting policies of the reportable segments are substantially equivalent to the description in Significant Respects for the Basis of Preparing Consolidated Financial Statements. Intersegment net sales and transfers are based on the current market price. Meanwhile, assets are not allocated to the business segments.

Ⅲ.Information on net sales, profits or losses, and other items in the reportable segments

For the year ended March 31, 2012 — Millions of Japanese Yen

	Reportable Segments: Domestic Civil Engineering	Domestic Architectural	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	¥57,482	¥44,370	¥25,411	¥127,263	¥8,745	¥136,008	¥ —	¥136,008
Inter-segment	634	224	—	858	16,958	17,816	(17,816)	—
Total	¥58,116	¥44,594	¥25,411	¥128,121	¥25,703	¥153,824	(17,816)	¥136,008
Segment profits or losses	2,248	(594)	2,738	4,392	75	4,468	(3,034)	1,434
Other items								
Depreciation and amortization	¥623	¥21	¥375	¥1,019	¥600	¥1,619	¥306	¥1,923

For the year ended March 31, 2012 — Thousands of U.S. Dollars

	Reportable Segments: Domestic Civil Engineering	Domestic Architectural	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	$700,996	$541,099	$309,896	$1,551,991	$106,643	$1,658,634	$ —	$1,658,634
Inter-segment	7,727	2,736	—	10,463	206,806	217,269	(217,269)	—
Total	$708,723	$543,835	$309,896	$1,562,454	$313,449	$1,875,903	(217,269)	$1,658,634
Segment profits or losses	27,415	(7,250)	33,394	53,559	924	54,483	(36,997)	17,486
Other items								
Depreciation and amortization	$7,593	$255	$4,576	$12,424	$7,319	$19,743	$3,715	$23,458

Notes
1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
2. Adjustment of the segment profits amounting to ¥(3,034) million (US$ (36,997) thousand) is inclusive of inter-segment elimination amounting to ¥(93) million (US$ (1,128) thousand) and Selling, General and Administrative Expenses amounting to ¥(2,941) million (US$ (35,869) thousand) which are not attributed to any reportable segments.
3. Segment profits or losses are adjusted to the operating income in the Consolidated Statements of Income.
4. Assets are not described due to no allocation to the business segments.

For the year ended March 31, 2011 — Millions of Japanese Yen

	Reportable Segment: Domestic Civil Engineering	Domestic Architectural	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	¥71,457	¥47,028	¥34,457	¥152,942	¥11,830	¥164,772	¥ —	¥164,772
Intersegment	292	7	—	299	23,774	24,073	(24,073)	—
Total	¥71,749	¥47,035	¥34,457	¥153,241	¥35,604	¥188,845	(24,073)	¥164,772
Segment profits or losses	5,190	278	3,386	8,854	10	8,864	(3,090)	5,774
Other items								
Depreciation and amortization	¥763	¥24	¥676	¥1,463	¥716	¥2,179	¥269	¥2,448

Notes
1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
2. Adjustment of the segment profits amounting to ¥(3,090) million is inclusive of inter-segment elimination amounting to ¥77 million and Selling, General and Administrative Expenses amounting to ¥(3,167) million, which are not attributed to any reportable segments.
3. Segment profits or losses are adjusted to the operating income in the Consolidated Statements of Income.
4. Assets are not described due to no allocation to the business segments.

20.Related Information

Ⅰ.Information on products and services

Description is excluded since the similar information is disclosed in the segment information.

Ⅱ.Geographical information

1) Net sales

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Japan	**¥110,599**	¥130,324	**$1,349**
Singapore	**16,295**	23,231	**199**
Other	**9,114**	11,217	**111**
Total	**¥136,008**	¥164,772	**$1,659**

Note) Net sales are based on the customers' location and categorized into the countries or areas.

2) Tangible fixed assets

Description is excluded since the amounts of the tangible fixed assets registered at domestically exceed 90% of those amounts in the consolidated balance sheets.

Ⅲ.Information on principal customer

Name of Customer	Net sales: Millions of Japanese Yen		Net sales: Thousands of U.S. Dollars	Related segments
	2012	2011	2012	
Japanese Ministry of Land, Infrastructure,Transport and Tourism	¥17,973	¥38,793	$219,183	Domestic Civil Engineering Businesses, Domestic Architectural Businesses, others

Information on the loss on impairment of fixed assets in each reportable segment

For the year ended March 31, 2012 and 2011.

The losses on impairment of fixed assets were not allocated to the each reportable segment of the Companies. Description of the amounts and contents is excluded since the similar information is disclosed in the notes related to the Consolidated Statements of Income.

Information on the amortization and the unamortized balance of goodwill in each reportable segment

The Companies did not allocate the goodwill and the negative goodwill to the each reportable segment.

The amortization and the unamortized balance of the negative goodwill for the year ended and as of March 31, 2012 and 2011 were as the followings;

	Japanese Yen		U.S. Dollars
	2012	2011	**2012**
Amortization of negative goodwill for the current year	**¥46**	¥79	**$556**
Unamortized balance of negative goodwill	**3**	48	**40**

Note) Negative goodwill arose due to additional acquisition of subsidiary’s shares prior to March 31, 2010.

Information on gain on negative goodwill in each reportable segment

The Companies did not allocate the gain on negative goodwill to the each reportable segment. The gain was accounted for ¥597 milion (US$7,284 thousand) due to the acquisition through a share exchange.

21.Per Share Data

	Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Net assets	**¥295.66**	¥292.73	**$3.606**
Net income			
Basic	**¥3.23**	¥6.75	**$0.039**
Diluted	**—**	—	**—**
Cash dividends	**¥2.00**	¥2.00	**$0.024**

Notes) The basic information for calculation of per share data were as follows:

1.Per share data on net assets

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Net assets	**¥62,608**	¥62,290	**$763,515**
Net assets amount for common stocks	**62,463**	61,220	**761,748**
Significant breakdown of differences			
Minority interests	**¥145**	¥1,071	**$1,768**

	Thousands of shares	
	2012	2011
Numbers of issued shares of common stocks	**224,946**	224,946
Numbers of treasury stocks of common stocks	**13,679**	15,812
Numbers of common stocks which were used for calcuration for per share data on net assets	**211,267**	209,134

2.Per share data on net income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Net income	**¥679**	¥1,412	**$8,278**
Net income which does not belong to common stockholders	**—**	—	**—**
Net income for common stocks	**¥679**	¥1,412	**$8,278**

	Thousands of Shares	
	2012	2011
Average number of shares of common stocks	**210,035**	209,228

22.Significant Subsequant Events

Not applicable

Consolidated table for detailed statements

Table for borrowing

	Millions of Japanese Yen		Thousands of U.S. Dollars		Average rate	Repayment deadline
	Beginning balance	Closing balance	Beginning balance	Closing balance	%	
Short-term borrowings	¥15,070	¥15,190	$183,780	$185,244	1.83%	
Current portion of long-term debt	6,078	4,266	74,122	52,022	2.10	
Current portion of lease obligations	12	41	151	502	—	
Long-term debt (excluding current portion)	9,168	10,702	111,805	130,515	1.89	from 2013 to 2017
Lease obligations (excluding current portion)	19	116	236	1,415	—	from 2013 to 2016
Other debt	—	—	—	—	—	
Total	¥30,347	¥30,315	$370,094	$369,698	—	

Notes

1.The "average rates" are balanced by the weighted average.
The average rates of lease obligations are not listed because interests are included in the lease obligation in the consolidated balance sheets.

2.The amount scheduled to be repayment of long-term debt and lease obligations (excluding current portions) within 5 years after the consolidated closing date were as follows:

	Millions of Japanese Yen				Thousands of U.S. Dollars			
	over one year within two years	over two years within three years	over three years within four years	over four years within five years	over one year within two years	over two years within three years	over three years within four years	over four years within five years
Long-term debt	¥4,294	¥3,164	¥2,039	¥1,205	$52,370	$38,584	$24,872	$14,689
Lease obligations	41	38	34	3	496	465	420	34

Table for asset retirement obligation

The indication omitted due to the beginning balance and closing balance of asset retirement obligation were less than or equal to hundredth part of the beginning balance and closing balance of the liabilities and net assets.