2011

AUDITED FINANCIAL
STATEMENTS
MARCH 31,
2010 － 2011

ANDO Corporation

Audited Financial Statements

Years ended March 31, 2010 and 2011

ANDO Corporation

Contents

Grant Thornton

Independent Auditors' Report

Grant Thornton Taiyo ASG

Akasaka DS Bldg. 9F
8-5-26 Akasaka, Minato-ku
Tokyo 107-0052, Japan

T +81 (0)3 5474 0111
F +81 (0)3 5474 0112
http://www.gtjapan.or.jp

To the Board of Directors of ANDO Corporation

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

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

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

Without qualifying our opinion, we draw attention to the following.
As discussed in Note 2 (2), effective for the year ended March 31, 2010, the Company adopted the new accounting standard for recognition of revenue and related cost.

As discussed in Note 2 (18), effective for the year ended March 31, 2011, the Company adopted the new accounting standard for Asset Retirement Obligations.

The United States dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for the convenience. Our audit also included the translation of Japanese yen amounts into United States dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Grant Thornton Taiyo ASG

Tokyo, Japan
June 29, 2011

Consolidated Balance Sheets

ANDO Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	**2011**	**2011**
ASSETS			
Current assets:			
Cash and deposits (Notes 4 and 7)	¥ 18,603	**¥ 22,440**	**$ 269,879**
Accounts and notes receivable－Trade (Note 4)	40,709	**44,214**	**531,741**
Allowance for doubtful accounts	(96)	**(74)**	**(888)**
Inventories (Note 8)	14,013	**7,506**	**90,267**
Deferred tax assets (Note 14)	442	**1,183**	**14,230**
Prepaid expenses and other current assets	9,626	**7,285**	**87,607**
Total current assets	83,297	**82,554**	**992,836**
Investments and advances:			
Investments in unconsolidated subsidiaries and affiliates (Note 5)	78	**47**	**569**
Investments in securities (Notes 4 and 5)	14,039	**11,433**	**137,497**
Advances	417	**990**	**11,900**
	14,534	**12,470**	**149,966**
Property and equipment, at cost:			
Land (Notes 9 and 10)	17,411	**16,901**	**203,257**
Buildings and structures (Note 9 and 10)	20,644	**20,589**	**247,607**
Machinery and equipment (Note 9)	2,144	**2,130**	**25,621**
Leased assets	293	**386**	**4,652**
	40,492	**40,006**	**481,137**
Accumulated depreciation	(11,337)	**(12,119)**	**(145,753)**
	29,155	**27,887**	**335,384**
Other assets:			
Deferred tax assets (Note 14)	3,748	**2,644**	**31,799**
Others	2,434	**1,941**	**23,344**
	6,182	**4,585**	**55,143**
Total assets	¥ 133,168	**¥ 127,496**	**$ 1,533,329**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

ANDO Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	**2011**	**2011**
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term bank loans (Notes 4 and 10)	¥ 17,600	**¥ 19,325**	**$ 232,411**
Current portion of long-term debt (Notes 4 and 10)	11,237	**7,756**	**93,272**
Accounts and notes payable-Trade (Note 4)	40,785	**44,644**	**536,905**
Accrued income taxes	292	**184**	**2,215**
Accrued bonuses	490	**22**	**268**
Advances on construction work in progress (Note 11)	7,492	**8,078**	**97,155**
Allowance for losses on construction contracts	81	**534**	**6,420**
Allowance for losses on voluntary retirement scheme	-	**1,329**	**15,983**
Allowance for losses on disaster	-	**112**	**1,347**
Deferred tax liability (Note 14)	-	**0**	**0**
Others	3,958	**5,335**	**64,164**
Total current liabilities	81,935	**87,319**	**1,050,140**
Long-term liabilities:			
Long-term debt (Notes 4 and 10)	15,864	**10,095**	**121,408**
Accrued retirement benefits (Note 15)	3,381	**3,352**	**40,308**
Deferred tax liability (Note 14)	1	**-**	**-**
Deferred tax liability on land revaluation (Note 9)	4,721	**4,693**	**56,440**
Others	1,136	**1,175**	**14,138**
	25,103	**19,315**	**232,294**
Net assets			
Shareholders' equity(Note 16):			
Common stock ; authorized 250 million shares; issued 85,488,000 shares at March 31, 2010 and 2011	8,986	**8,986**	**108,064**
Capital surplus	5,474	**5,474**	**65,837**
Retained earnings (Note 24)	7,919	**2,723**	**32,753**
Treasury stock, at cost (2010 – 2,780,007 shares, 2011 – 2,780,694 shares)	(459)	**(459)**	**(5,522)**
Total shareholders' equity	21,920	**16,724**	**201,132**
Valuation and translation adjustments:			
Unrealized gains on securities (Note 5)	810	**776**	**9,331**
Deferred losses on derivative financial instruments used for hedge accounting	(9)	**(7)**	**(88)**
Land revaluation difference (Note 9)	3,034	**2,994**	**35,995**
Foreign currency translation adjustments	75	**48**	**587**
Total valuation and translation adjustments	3,910	**3,811**	**45,825**
Minority interests in consolidated subsidiaries	300	**327**	**3,938**
Total net assets	26,130	**20,862**	**250,895**
Total liabilities and net assets	¥ 133,168	**¥ 127,496**	**$ 1,533,329**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

ANDO Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	**2011**	**2011**
Operating revenues:			
Constructions	¥ 149,095	**¥ 150,253**	**$ 1,807,010**
Real estate	10,631	**10,136**	**121,903**
	159,726	**160,389**	**1,928,913**
Cost and expenses:			
Cost of constructions	138,168	**141,715**	**1,704,330**
Cost of real estate	9,531	**8,696**	**104,588**
Selling, general and administrative expenses	9,383	**8,935**	**107,455**
	157,082	**159,346**	**1,916,373**
Operating income	2,644	**1,043**	**12,540**
Other income (expense):			
Interest expense	(1,153)	**(953)**	**(11,457)**
Interest and dividends income	201	**189**	**2,272**
Gain on sales of securities investments	245	**266**	**3,195**
Loss on impairment of fixed assets (Note 9)	(41)	**(87)**	**(1,042)**
Loss on devaluation of investments in securities	(313)	**(2,095)**	**(25,197)**
Others, net (Note 13)	(977)	**(2,279)**	**(27,412)**
	(2,038)	**(4,959)**	**(59,641)**
Income (loss) before income taxes and minority interests	606	**(3,916)**	**(47,101)**
Income taxes (Note 14):			
Current	362	**220**	**2,641**
Deferred	(369)	**660**	**7,936**
Total income taxes	(7)	**880**	**10,577**
Income (loss) before minority interests	-	**(4,796)**	**(57,678)**
Minority interests in income (loss)	(33)	**27**	**331**
Net Income (loss)	646	**(4,823)**	**(58,009)**
Amounts per share:	**Yen**		**U.S. dollars**
Net income (Note 22)	¥ 7.81	**¥ (58.32)**	**$ (0.70)**
Cash dividends paid (Note 24)	¥ 5.00	**¥ 5.00**	**$ 0.06**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

ANDO Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2010	**2011**	**2011**
Loss before minority interests	-	**¥ (4,796)**	**$ (57,678)**
Other comprehensive income (loss):			
Unrealized gains on securities	-	**(34)**	**(415)**
Deferred losses on derivative financial instruments used for hedge accounting	-	**2**	**20**
Foreign currency translation adjustments	-	**(27)**	**(316)**
Total other comprehensive income	-	**(59)**	**(711)**
Comprehensive income	-	**¥ (4,855)**	**(58,389)**
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	-	**(4,882)**	**(58,720)**
Comprehensive income attributable to minority interests	-	**27**	**331**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Net Assets

ANDO Corporation and Consolidated Subsidiaries

Years ended March 31, 2010 and 2011

		Millions of yen			
		Shareholders' Equity			
	Number of shared issued	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost
Balance at March 31, 2009	82,710,106	¥ 8,986	¥ 5,474	¥ 7,727	¥ (459)
Net income	—	—	—	646	—
Cash dividends	—	—	—	(414)	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	(2,113)	—	—	—	(0)
Gain (loss) on sales of treasury stock	—	—	(0)	—	0
Reversal of revaluation reserve for land	—	—	—	(40)	—
Other, net	—	—	—	—	—
Balance at March 31, 2010	82,707,993	8,986	5,474	7,919	(459)
Net income	—	—	—	(4,823)	—
Cash dividends	—	—	—	(414)	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	(687)	—	—	—	(0)
Gain (loss) on sales of treasury stock	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	41	—
Other, net	—	—	—	—	—
Balance at March 31, 2011	82,707,306	¥ 8,986	¥ 5,474	¥ 2,723	¥ (459)

		Thousands of U.S. dollars (Note 3)			
Balance at March 31, 2010	82,707,993	$ 108,064	$ 65,837	$ 95,245	$ (5,521)
Net income	—	—	—	(58,009)	—
Cash dividends	—	—	—	(4,973)	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	(687)	—	—	—	(1)
Gain (loss) on sales of treasury stock	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	490	—
Other, net	—	—	—	—	—
Balance at March 31, 2011	82,707,306	$ 108,064	$ 65,837	$ 32,753	$ (5,522)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Net Assets

ANDO Corporation and Consolidated Subsidiaries

Years ended March 31, 2010 and 2011

	Millions of yen				
	Valuation and translation adjustments				
	Unrealized gain on securities	Deferred losses on derivative financial instruments used for hedge accounting	Land revaluation difference	Foreign currency translation adjustments	Minority interests in consolidated subsidiaries
Balance at March 31, 2009	¥264	—	¥2,949	¥48	¥154
Net income	—	—	—	—	—
Cash dividends	—	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	—	—	—	—	—
Gain (loss) on sales of treasury stock	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—
Other, net	546	(9)	85	27	146
Balance at March 31, 2010	810	(9)	3,034	75	300
Net income	—	—	—	—	—
Cash dividends	—	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	—	—	—	—	—
Gain (loss) on sales of treasury stock	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—
Other, net	(34)	2	(40)	(27)	27
Balance at March 31, 2011	¥776	¥(7)	¥ 2,994	¥48	¥327

	Thousands of U.S. dollars (Note 3)				
Balance at March 31, 2010	$9,746	$(108)	$36,486	$903	$3,607
Net income	—	—	—	—	—
Cash dividends	—	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	—	—
Treasury stock acquired, net	—	—	—	—	—
Gain (loss) on sales of treasury stock	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—
Other, net	(415)	20	(491)	(316)	331
Balance at March 31, 2011	$9,331	$(88)	$35,995	$587	$3,938

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

ANDO Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of Yen		Thousands of U.S. dollars (Note 3)
	2010	**2011**	**2011**
Operating Activities:			
Income (loss) before income taxes and minority interests	¥ 606	¥ **(3,916)**	$ **(47,101)**
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:			
Income taxes paid	(146)	**(318)**	**(3,829)**
Depreciation	1,051	**1,141**	**13,722**
Amortization of goodwill	39	**52**	**631**
Loss on impairment of fixed assets	41	**87**	**1,042**
Allowance for doubtful accounts	(2,733)	**(968)**	**(11,644)**
Provision for severance indemnities	(24)	**(35)**	**(415)**
Allowance for losses on construction contracts	(12)	**453**	**5,447**
Loss on devaluation of investments in securities	313	**2,095**	**25,197**
Gain on sales or disposals of property and equipment, and investment securities	(154)	**(325)**	**(3,906)**
Changes in assets and liabilities:			
Trade receivables	34,805	**(2,218)**	**(26,678)**
Inventories	5,262	**6,507**	**78,258**
Trade payables	(22,571)	**3,888**	**46,760**
Advances on construction work in progress	(7,464)	**589**	**7,084**
Others	(8,639)	**4,462**	**53,658**
Net cash provided by (used in) operating activities	374	**11,494**	**138,226**
Investing Activities:			
(Increase)/decrease in time deposits	(101)	**(0)**	**(0)**
Purchases of investment securities	(1,538)	**(221)**	**(2,660)**
Purchases of property and equipment	(616)	**(85)**	**(1,021)**
Proceeds from sale of property and equipment	65	**524**	**6,303**
Purchase of intangible assets	(64)	**(53)**	**(634)**
Proceeds from sale of investment securities	1,622	**600**	**7,216**
Acquisition of subsidiary accompanying change of consolidation scope	(2,247)	**-**	**-**
Payment for loans made	(393)	**(661)**	**(7,944)**
Proceeds from repayment of loans made	497	**404**	**4,860**
Others	(232)	**(98)**	**(1,186)**
Net cash provided by (used in) investing activities	(3,007)	**410**	**4,934**
Financing Activities:			
Increase (decrease) in short-term bank loans	(1,925)	**1,725**	**20,746**
Proceeds from issuance of bonds	500		
Payment for redemption of bonds	(855)	**(770)**	**(9,260)**
Proceeds from issuance of long-term debt	7,150	**2,300**	**27,661**
Repayment of long-term debt	(10,394)	**(10,779)**	**(129,640)**
Cash dividends paid	(414)	**(414)**	**(4,973)**
Others	(72)	**(89)**	**(1,073)**
Net cash provided by (used in) financing activities	(6,010)	**(8,027)**	**(96,539)**
Effect of exchange rate changes	101	**(39)**	**(468)**
Net increase (decrease) in cash and cash equivalents	(8,542)	**3,838**	**46,153**
Cash and cash equivalents at beginning of year	26,897	**18,355**	**220,749**
Cash and cash equivalents at end of year (Note 7)	¥ 18,355	**¥ 22,193**	**$ 266,902**

The accompanying notes are an integral part of these consolidated financial statements.

1 Basis of Presentation of Consolidated Financial Statements

ANDO Corporation ("the Company") maintains its books of accounts in Japanese yen in conformity with the financial accounting standards of Japan.

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act and its related regulations, and in conformity with accounting principles generally accepted in Japan. The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Certain disclosures contained herein are not required as part of the basic financial statements in Japan but have been presented as additional information. In addition, certain reclassifications have been made to the accompanying consolidated financial statements in order to present them in a form, which is more familiar to readers outside Japan.

2 Summary of Significant Accounting Policies

(1) Consolidation

The consolidated financial statements of the Company for the years ended March 31, 2010 and 2011 include the accounts of the Company and its eight significant subsidiaries (four domestic and four overseas subsidiaries).

All unconsolidated subsidiaries and affiliates were not accounted for using the equity method, as these companies were not significant in terms of retained earnings or net income of the consolidated financial statements.

All significant intercompany transactions, accounts and unrealized profits or losses have been eliminated in consolidation.

(2) Recognition of revenue and related cost

Previously, revenue from and related costs of construction contracts, whose contract amounts are not less than ¥100 million and contract periods are beyond one year, are recorded using the percentage-of-completion method. Revenue from and related costs of construction contracts except the above are recorded using the completed contract method.

Effective April 1, 2009, the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15) and its guidance (ASBJ Guidance No.18) have been applied.

For construction contracts by March 31, 2010, of which profitability from completed portion of construction is definitely recognized, the percentage-of-completion method is applied. For other construction contracts, the completed contract method is applied. Construction contracts enacted on or before March 31, 2009, have been accounted for in the same way as previous years.

As a result of applying ASBJ Statement No.15, operating revenues of construction contracts increased by ¥4,195 million, and income before income taxes and minority interests increased by ¥182 million for the year ended March 31, 2010.

(3) Translation of Foreign Currency

Foreign currency receivables and payables are translated at appropriate year-end current rates and the resulting translation gains or losses are recognized in the consolidated statements of income.

(4) Foreign Currency Financial Statements

The balance sheet accounts and revenue and expense accounts of the consolidated overseas subsidiary are translated into Japanese yen at the exchange rate as of each balance sheet date except for shareholders’ equity, which is translated at the historical exchange rates.

Differences arising from such translation are shown in net assets as foreign currency translation adjustments in the accompanying consolidated balance sheets.

(5) Cash and Cash Equivalents

Cash and cash equivalents in the statements of cash flows, consist of cash, deposits which can be withdrawn at any time, and short-term investments with a maturity date within three months of acquisition which are not exposed to significant valuation risks. See Note 7 as to a reconciliation of cash and cash equivalents reported in the statements of cash flows with cash and deposits reported in the balance sheets.

(6) Financial instruments

(6) - 1 Marketable Securities and Investments in Securities

The Company classifies and accounts for securities as follows:

① Trading securities, which are held for the purpose of earning capital gain in near term, are reported at fair value and the related unrealized gains and losses are included in the earnings.

② Held-to-maturity debt securities, which are expected to be held to maturity, are reported at amortized cost.

③ Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of deferred taxes, reported in component of shareholders' equity.

The Company did not hold any securities classified as "Trading securities" or "Held-to-maturity debt securities" as of March 31, 2010 and 2011.

(6) - 2 Derivatives and Hedging Activities

The Company makes use of derivatives only to reduce financial cost and exposure to market risks resulting from fluctuations in interest rates and in foreign currency exchange rates. The Company does not use derivatives for trading or speculative purposes and has a policy of entering into contracts only with high credit rating financial institutions. Management believes that the credit risk arising from default by counter parties is minimal.

The Company recognizes all derivatives as either assets or liabilities in the balance sheet and measures those instruments at fair value, and gains or losses on derivative transactions are recognized in the statements of income.

The Company adopts hedge accounting for derivatives used for hedging purposes. If derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. And the interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not re-measured at market value but the differential paid or received under the swap agreements are charged to income.

(7) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided in an amount sufficient to cover provable losses on collection. It consists of the estimated uncollectible amount with respect to identified doubtful receivables and an amount calculated by applying the percentage of actual losses on collection experienced in the past to the remaining receivables.

In addition, the allowance for doubtful accounts is provided to an amount which is calculated by applying a specific ratio to the remaining receivables that passed a certain period of time after completion of construction.

(8) Inventories

Primarily, construction work in progress, real estate under construction and real estate for sale are stated at cost, as determined on a specific project basis. Materials and supplies are stated at cost, as determined based on an average method.

For real estate under construction, real estate for sale, and materials and supplies, the book value is reduced based on their decrease in profitability.

(9) Property and Equipment

Property and equipment, including significant renewals and additions, are stated at cost. Depreciation has been principally computed on the declining balance method at rates based on the estimated useful lives as designated by Japanese income tax laws. Repairs and maintenance expenses are charged to income as incurred.

(10) Accounting for Leases

The Company leases certain equipment under finance leases. Leased assets related to finance lease transactions that do not involve transfer of ownership are depreciated on a straight-line basis, with the lease periods used as their useful life and no residual value. Finance lease transactions which took place before April 1, 2008, are accounted for in accordance with the method used for ordinary operating lease transactions.

(11) Income Taxes

The Company accounts for income taxes under the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized to reflect the estimated future tax consequences of temporary differences, tax loss carryforward and income tax credits. Temporary differences result primarily from differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. Valuation allowances are established to reduce deferred tax assets to the amounts expected to be realized.

Unrealized gains and losses on available-for-sale securities and land revaluation difference are directly included in component of shareholders’ equity at net of deferred tax.

In the accompanying consolidated balance sheets, net amount of deferred tax assets and liabilities arising from unrealized gains and losses on the revaluated land are reported separately from other deferred tax assets and liabilities.

(12) Allowance for warranty on completed construction contracts

The Company provides an allowance to cover the costs of repairs for damages related to completed construction contracts for which the Company is responsible, based on previous warranty experience.

(13) Allowance for losses on construction contracts

The Company provides an allowance for losses on construction contract, which could be reasonably estimated by the time of completion, with respect to total estimated construction cost over construction price among which the Company had construction in progress.

(14) Accrued Retirement Benefits

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the consolidated balance sheet date. Prior service cost is charged to current period. Actuarial gains and losses are being deferred and amortized over a specific period (10 years) less than the average remaining service period of the employees then working.

The Company has lump-sum retirement payment plan and defined benefit pension plan (a quasi cash-balance plan). Consolidated subsidiaries don’t have defined benefit pension plan, but lump-sum retirement payment plan.

In December 2010, corresponding enforcement of new pension law, one domestic consolidated subsidiary transferred a part of its lump-sum retirement payment plan to a defined contribution plan. The “Accounting Standard for Transfer between Retirement Benefit Plans” (ASBJ Guidance No.1) has been applied. This transfer increased other loss by ¥8 million (US$96 thousand) for the year ended March 31, 2011.

Effective April 1, 2009, the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No.19) has been applied. There is no impact on the consolidated financial statements.

(15) Allowance for losses on voluntary retirement plan

Carrying a voluntary retirement scheme in effect, the Company provides an allowance for losses of retiree premium benefit and relevant expenses, which could be estimated based on the scheme.

(16) Allowance for losses on disaster

Due to the Great East Japan Earthquake (March 11, 2011), the Company provides an allowance for contingent loss on damaged facilities and restoration costs of damaged facilities.

(17) Per Share Information

Net income per share is computed based on the weighted average number of shares of common stock outstanding during the year.

Dividends per share have been presented on an accrual basis and include, in each fiscal year ended March 31, dividends approved or to be approved after such March 31 but applicable to the year then ended.

(18) Application of "Accounting Standard for Asset Retirement Obligations"

Effective April 1, 2010, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18) and its guidance (ASBJ Guidance No.21) have been applied. On applying ASBJ No.18, the Company initially recorded asset retirement obligation of ¥96 million (US$1,159 thousand). As the result of applying ASBJ NO.18, operating income decreased by ¥4 million (US$55 thousand) and loss before income taxes and minority interests increased by ¥68 million (US$828 thousand), for the year ended March 31, 2011.

3 **U.S. Dollar Amounts**

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetic results of translating Japanese yen into U.S. dollars on the basis of ¥83.15 to U.S.$1.00. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen have been or could be converted, realized or settled in U.S. dollars at this or at any other rate.

4 Fair Value of Financial Instruments

Effective April 1, 2009, the “Accounting Standard for Financial Instruments” (ASBJ Statement No.10) and its guidance (ASBJ Guidance No.19) have been applied.

The fair value and book value of financial instruments as of March 31, 2010 and 2011, other than items of which fair value are not practically available, were as follows:

		Millions of yen		
		Book Value	Fair Value	Difference
2010	Cash and deposits	¥ 18,603	¥ 18,603	¥ ー
	Accounts and notes receivable-Trade (*1)	40,709	40,709	(0)
	Investments in securities (*2)	7,430	7,430	ー
	Total	¥ 66,742	¥ 66,742	¥ (0)
	Accounts and notes payable-Trade	¥ 40,785	¥ 40,785	¥ ー
	Short-term bank loans	17,600	17,600	ー
	Current portion of long-term debt	11,237	11,237	ー
	Long-term debt	15,864	15,845	(19)
	Total	¥ 85,486	¥ 85,467	¥ (19)
	Derivative transactions (*3)	¥ (15)	¥ (15)	¥ ー
2011	Cash and deposits	**¥ 22,440**	**¥ 22,440**	**¥ ー**
	Accounts and notes receivable-Trade (*1)	**44,214**	**44,212**	**2**
	Investments in securities (*1)(*2)	**6,743**	**6,743**	**ー**
	Total	**¥ 73,397**	**¥ 73,395**	**¥ 2**
	Accounts and notes payable-Trade	**¥ 44,644**	**¥ 44,644**	**¥ ー**
	Short-term bank loans	**19,325**	**19,325**	**ー**
	Current portion of long-term debt	**7,756**	**7,756**	**ー**
	Long-term debt	**10,095**	**10,137**	**42**
	Total	**¥ 81,820**	**¥ 81,862**	**¥ 42**
	Derivative transactions (*3)	**¥ (13)**	**¥ (13)**	**¥ ー**

		Thousands of U.S. dollars		
		Book Value	Fair Value	Difference
2011	Cash and deposits	**$ 269,879**	**$ 269,879**	**$ ー**
	Accounts and notes receivable-Trade (*1)	**531,741**	**531,720**	**21**
	Investments in securities (*1)(*2)	**81,089**	**81,089**	**ー**
	Total	**$ 882,709**	**$ 882,688**	**$ 21**
	Accounts and notes payable-Trade	**$ 536,905**	**$ 536,905**	**$ ー**
	Short-term bank loans	**232,411**	**232,411**	**ー**
	Current portion of long-term debt	**93,272**	**93,272**	**ー**
	Long-term debt	**121,408**	**121,920**	**512**
	Total	**$ 983,996**	**$ 984,508**	**$ 512**
	Derivative transactions (*3)	**$ (152)**	**$ (152)**	**$ ー**

(*1) Accounts and notes receivable-trade included ¥114 million and ¥282 million (US$3,388 thousand) to be collected by cash over 1 to 5 years as of March 31, 2010 and 2011, respectively. Investments in securities included ¥7 million (US$86 thousand) to be collected by cash on maturity over 10 years as of March 31, 2011.

(*2) The book value of investments in securities issued by a number of nonpublic companies, which were not included in above, were ¥6,687 million and ¥4,737 million (US$56,977 thousand) as of March 31, 2010 and 2011, respectively.

(*3) Net amount of assets and liabilities arising from derivative transaction was presented as above. Net amount in liability was presented with blanket.

5 Investments in Securities

The amounts shown on the consolidated balance sheets related to investments in securities with market value were as follows:

	Millions of Yen							
	2010				**2011**			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value	Cost	Gross unrealized gains	Gross unrealized losses	Book value
Stocks	¥5,898	¥1,907	¥375	¥7,430	**¥5,570**	**¥1,537**	**¥364**	**¥6,743**
Others	—	—	—	—	—	—	—	—
Total	¥5,898	¥1,907	¥375	¥7,430	**¥5,570**	**¥1,537**	**¥364**	**¥6,743**

	Thousands of U.S. dollars			
	2011			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value
Stocks	**$ 66,988**	**$ 18,481**	**$ 4,380**	**$ 81,089**
Others	—	—	—	—
Total	**$ 66,988**	**$ 18,481**	**$ 4,380**	**$ 81,089**

Proceeds from sales of investments in securities were ¥1,622 million and ¥592 million (US$7,124 thousand) for the years ended March 31, 2010 and 2011, respectively. On those sales, gross realized gains computed on the average cost basis were ¥245 million and ¥266 million (US$3,195 thousand) and gross realized losses were ¥2 million and nil for the years ended March 31, 2010 and 2011, respectively.

Impairment losses on investments were as follows:

	Millions of yen		Thousands of U.S. dollars
Impairment losses on	2010	**2011**	**2011**
- Investments in securities	¥313	**¥2,095**	**$ 25,196**
- Investments in unconsolidated subsidiaries and affiliates	—	**101**	**1,210**
Total of impairment losses on investments	¥313	**¥2,196**	**$ 26,406**

6 Derivative Financial Instrument Risk

The Company uses derivatives, principally interest-rate swaps, to reduce financial cost and exposure to market risks and entered into the agreements to receive variable-rate interest payments in exchange for fixed-rate interest payments.

Notional principal amounts are often used to express the volume of these transactions, but the amounts do not show the volume of market risk or credit risk of the derivative transactions.

All derivative contracts that the Company had as of March 31, 2010 and 2011 are qualified for hedge accounting.

Derivative transactions for which hedge accounting was adopted as of March 31, 2010 and 2011 were as follows:

		Millions of Yen		
		Principal notional amount		Fair value
	Adopted hedge accounting	Total amount	over 1 year	
2010	Principal hedge accounting	¥ 800	¥ 773	¥ (15)
	Exceptional hedge accounting for interest rate swap	10,905	7,490	(*)
2011	Principal hedge accounting	**¥773**	**¥747**	**¥(13)**
	Exceptional hedge accounting for interest rate swap	**5,209**	**4,059**	**(*)**

		Thousands of U.S.dollars		
		Principal notional amount		Fair value
	Adopted hedge accounting	Total amount	over 1 year	
2011	Principal hedge accounting	**$ 9,301**	**$ 8,980**	**$ (152)**
	Exceptional hedge accounting for interest rate swap	**62,646**	**48,815**	**(*)**

(*) The fair value of interest rate swaps under exceptional hedge accounting was included in the fair value of long-term loans, as those swaps were accounted for together with hedged item.

7 Cash and cash equivalents

Cash and cash equivalents reported in the consolidated statements of cash flows at March 31, 2010 and 2011 were reconciled with cash and deposits reported in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Cash and deposits	¥ 18,603	**¥ 22,440**	**$ 269,879**
Time deposits with maturities of exceeding three months from the date of acquisition	(248)	**(247)**	**(2,977)**
Cash and cash equivalents	¥ 18,355	**¥ 22,193**	**$ 266,902**

8 Inventories

Inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Construction work in progress	¥ 2,104	**¥ 1,077**	**$ 12,955**
Real estate for sale	2,290	**1,429**	**17,181**
Real estate under construction	9,619	**5,000**	**60,131**
	¥ 14,013	**¥ 7,506**	**$ 90,267**

The balances of real estate for sale and real estate under construction were after devaluation based on decrease in profitability. Loss on devaluation of inventories of ¥261 million and ¥322 million (US$3,870 thousand) were stated as cost of real estate for the year ended March 31, 2010 and 2011, respectively.

9 Long-Lived Assets

< Land Revaluation>

Pursuant to the Law Concerning Revaluation of Land, land used for business operations was revalued on March 31, 2000. The revaluation difference has been recorded in net assets at net of deferred tax assets and liabilities. As of March 31, 2011, the difference between the total market value and the total book value of revalued land used for business operations was ¥1,122 million (US$13,495 thousand). The difference included ¥427 million (US$5,130 thousand), which was arising from land used for rent business.

< Impairment >

The Company and its consolidated subsidiaries reviewed their long-lived assets for impairment as of the year ended March 31, 2010 and 2011. As a result, impairment loss was recognized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Buildings and structures	¥ 25	**¥ 6**	**$ 72**
Land	16	**80**	**955**
Others	―	**1**	**15**
Total	¥ 41	**¥ 87**	**$ 1,042**

The Company and its consolidated subsidiaries reviewed impairment, on a specific project basis for assets for rent and idle properties, and on group basis for assets in construction business according to their business classification under the management accounting system, which continuously monitors income and expenditures. The Company and its consolidated subsidiaries reduced the carrying value of the assets to the recoverable amount, because decrease in profitability of assets for rent, decrease in market value of idle properties, and determined sales of assets in construction business. The recoverable amount of the assets was measured at the higher of its value in use or its net realizable value in sale. Net realizable value in sale was determined, based on professional appraisal for assets of significant book value, and based on market standard for other assets. Value in use was computed by discounting its future cash flows at 2.6%.

10 Short-term Borrowings and Long-term Debt

Short-term borrowings are represented by 365-day notes, principally unsecured, bearing interest at average rate of 1.8% and 1.9% per annum at March 31, 2010 and 2011, respectively.

Long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Unsecured bonds, 2010: 0.61% to 1.11%, due 2010-2013 2011: 0.61% to 1.11%, due 2011-2014	¥ 2,270	**¥ 1,750**	**$ 21,047**
Secured bonds, 4.08%, due 2014	2,375	**2,125**	**25,556**
Loans from banks and other financial institutions, collateralized, payable principally on a quarterly installment basis, 2010: average 2.4%, due 2010-2025 2011: average 2.3%, due 2011-2026	22,456	**13,976**	**168,077**
Total	27,101	**17,851**	**214,680**
Less portion due within one year	(11,237)	**(7,756)**	**(93,272)**
Total	¥ 15,864	**¥ 10,095**	**$ 121,408**

At March 31, 2011, the following assets were pledged by the Company as collateral for long-term debt of ¥1,787 million (US$21,492 thousand) and short-term borrowings of ¥77 million (US$921 thousand).

	Carrying value	
	Millions of yen	Thousands of U.S. dollars
Land	¥ 3,447	$ 41,457
Buildings and structures	1,130	13,588

As is customary in Japan, additional collateral or letters of guarantee must be given if requested by a lending bank, and such bank has the right to offset cash deposited with it against any debt or obligation that becomes due and, in case of default and certain specified events, against all debts payable to the bank.

The annual repayment schedule of long-term debt (including current portion) as of March 31, 2011 was as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2012	¥ 7,756	$ 93,272
2013	4,774	57,421
2014	2,031	24,432
2015	1,982	23,832
2016 and after	1,308	15,723
	¥ 17,851	$ 214,680

11 Advances on Construction Work in Progress

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

12 Research and Development Expenses

Research and development expenses charged to construction costs and general and administrative expenses for the years ended March 31, 2010 and 2011 were ¥598 million and ¥591 million (US$7,112 thousand), respectively.

13 Other Loss - Net

The composition of other loss-net for the year ended March 31, 2010 and 2011 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Provision for long-term delinquent accounts	¥ (968)	**¥ (202)**	**$ (2,425)**
Investment earning in anonymous association	57	**23**	**272**
Gain/(loss) on sales of land	(41)	**58**	**693**
Reversal of allowance for doubtful accounts	295	**332**	**3,997**
Provision for warranty on completed construction contracts		**(393)**	**(4,724)**
Provision for losses on disaster		**(112)**	**(1,347)**
Provision for voluntary retirement scheme		**(1,329)**	**(15,983)**
Impairment loss on investments in affiliates		**(101)**	**(1,210)**
Others	(320)	**(555)**	**(6,685)**
	¥ (977)	**¥ (2,279)**	**$ (27,412)**

14 Income Taxes

Significant components of the Company's deferred tax assets and liabilities as of March 31, 2010 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Deferred tax assets:			
Current:			
Unrealized loss on real estate for sale, etc.	¥ 188	**¥ 149**	**$ 1,795**
Accrued bonuses	199	**9**	**110**
Allowance for losses on voluntary retirement scheme	—	**541**	**6,505**
Others	154	**543**	**6,525**
Valuation allowance	(99)	**(59)**	**(705)**
	442	**1,183**	**14,230**
Non-current:			
Unrealized loss on investment securities		**641**	**7,710**
Unrealized loss on land	374	**—**	**—**
Bad debt expense on loans, etc.	85	**84**	**1,017**
Allowance for doubtful accounts	549	**676**	**8,126**
Accrued retirement benefits	2,235	**2,268**	**27,271**
Net operating loss carryforward	1,521	**2,225**	**26,756**
Others	680	**439**	**5,289**
Valuation allowance	(610)	**(2,952)**	**(35,511)**
	4,834	**3,381**	**40,658**
Total deferred tax assets	5,276	**4,564**	**54,888**
Deferred tax liabilities:			
Current:			
Refundable enterprise tax	—	**(0)**	**(0)**
	—	**(0)**	**(0)**
Non-current :			
Unrealized gain on securities	(722)	**(397)**	**(4,775)**
Reserve for renewal of assets	(364)	**(340)**	**(4,084)**
Others	(1)	**—**	**—**
	(1,087)	**(737)**	**(8,859)**
Total deferred tax liabilities	(1,087)	**(737)**	**(8,859)**
Net deferred tax assets	¥ 4,189	**¥ 3,827**	**$ 46,029**

A reconciliation of the difference between the statutory tax rate and the effective income tax rate of was as follows:

	2010	
Statutory tax rate	40.7	%
Increase (reduction) in taxes resulting from:		
Items that may not be incorporated in losses permanently	11.7	
Items that may not be incorporated in profits permanently	(10.7)	
Inhabitant equalization tax	20.1	
Valuation allowance	(70.3)	
Other	7.4	
Effective income tax rate	(1.1)	%

There is no reconciliation for 2011, as loss before income taxes was recorded.

15 Retirement Benefits

Upon terminating employment, employees of the Company and consolidated subsidiaries in Japan are entitled, under most circumstances, to lump-sum retirement payment and/or pension payment as described below.

The Company and the consolidated subsidiaries in Japan have lump-sum retirement payment plans for employees, the benefits of which are generally determined on the basic rate of pay at the time of termination of employment.

The Company also has defined benefit pension plan (a quasi cash-balance plan) which covers employees who have been in the Company's service for more than 20 years. The pension benefits are determined based on years of service and the compensation amounts, and are payable at the option of the retiring employee in a lump-sum amount or on a monthly pension.

In December 2010, corresponding enforcement of new pension law, one domestic consolidated subsidiary transferred a part of its lump-sum retirement payment plan to a defined contribution plan. The "Accounting Standard for Transfer between Retirement Benefit Plans" (ASBJ Guidance No.1) has been applied. On this transfer, benefit obligation and accrued severance indemnities decreased by ¥1 million (US$12 thousand), respectively. Plan assets of ¥18 million (US$216 thousand) was transferred to defined contribution plan. Other loss of ¥8 million (US$96 thousand) was recorded on this transfer for the year ended March 31, 2011.

In addition, under certain circumstances, employees of the Company and consolidated subsidiaries receive premium benefit upon terminating employment.

Benefit obligation and plan assets, funded status and composition of amounts recognized in the consolidated balance sheets as of March 31, 2010 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Benefit obligation	¥ (16,000)	**¥ (15,406)**	**$ (185,285)**
Fair value of plan assets	9,647	**8,375**	**100,731**
Benefit obligation in excess of plan assets	(6,353)	**(7,031)**	**(84,554)**
Unrecognized actuarial loss	3,414	**4,065**	**48,887**
Prepaid pension cost	343	**283**	**3,402**
Accrued retirement benefit	¥ (3,283)	**¥ (3,249)**	**$ (39,069)**

The components of net pension and severance costs for the years ended March 31, 2010 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Service cost	¥ 787	**¥ 767**	**$ 9,229**
Interest cost	419	**399**	**4,801**
Expected return on plan assets	(175)	**(192)**	**(2,309)**
Amortization of unrecognized actuarial gain/loss	670	**535**	**6,428**
Contribution to defined contribution plan		**1**	**12**
Net periodic benefit cost	¥ 1,701	**¥ 1,510**	**$ 18,161**
Loss recorded on transfer of plan		**9**	**108**
Total		**¥ 1,519**	**$ 18,269**

In addition to above costs, retiree premium benefit of ¥18 million and ¥16 million ($192 thousand) were stated as loss for the years ended March 31, 2010 and 2011, respectively.

Assumptions used as of March 31, 2010 and 2011 were as follows:

	2010		**2011**
Discount rate	2.50%	:	**2.50%**
Expected return on plan assets	3.50%	:	**3.50%**
Amortization period of unrecognized actuarial gain/loss	10 years	:	**10 years**

Accrued retirement benefits as of March 31, 2010 and 2011 included retirement benefits for directors and corporate auditors of ¥98 million and ¥103 million (US$1,239 thousand), respectively.

16 Shareholders' Equity

The Companies act of Japan requires, if total amount of legal reserve and capital surplus is less than 25% of the common stock amount, legal reserve be appropriated 10% of any cash disbursement made as an appropriation of retained earnings until total amount of legal reserves and capital surplus equals to 25% of the common stock amount.

17 Leases

Information relating to finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of and for the years ended March 31, 2010 and 2011, were as follows:

Leased assets not recorded in the consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Acquisition cost	¥ 61	**¥ 26**	**$ 308**
Accumulated depreciation	45	**19**	**229**
Net leased property	¥ 16	**¥ 7**	**$ 79**

Future minimum lease payments (Machinery and Equipment):

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Due within one year	¥ 10	**¥ 5**	**$ 59**
Due over one year	6	**2**	**20**
Total	¥ 16	**¥ 7**	**$ 79**

Lease debt was recorded for leased assets which took place on and after April 1, 2008. The lease-related interest was included in the amount of lease debt, and was allocated over the period of lease. The annual repayment schedule of lease debt (including current portion) as of March 31, 2011 was as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2012	¥ 96	$ 1,159
2013	66	796
2014	30	358
2015	19	230
2016 and after	11	132
	¥ 222	$ 2,675

18 Contingent Liabilities and Commitments

At March 31, 2011, the Company had the following contingent liabilities:

	Millions of yen	Thousands of U.S. dollars
Guarantees of loans of customers and others		
- Takara Leben CO., LTD.	**¥ 534**	**$ 6,416**
- Gold Crest Co., Ltd.	**356**	**4,285**
Total	**¥ 890**	**$ 10,701**

The Company has a commitment line provided by co-financing of 9 correspondent financial institutions for the purpose of efficient financing. At March 31, 2011, the commitment line amount was ¥12,100 million (US$145,520 thousand), and the amount of loan by the correspondent financial institutions was nil.

19 Asset Retirement Obligations

Effective April 1, 2010, the "Accounting Standard for Asset Retirement Obligations (ARO)" (ASBJ Statement No.18) and its guidance (ASBJ Guidance No.21) have been applied.

The Company applies ASBJ Statement NO.18 to the fair value of a liability for an ARO that is recorded when there is a legal obligation associated with the retirement, such as dismantlement and or repair, of its own buildings. The Company estimated AROs based on residual useful life (3 to 40 years) and discount rate of 0.18 to 2.07 per cent.

The following table indicates the changes to the before-tax asset retirement obligations:

	Millions of yen	Thousands of U.S. dollars
	2011	**2011**
Balance at April 1	**¥ 96**	**$ 1,159**
Liabilities incurred	**-**	**-**
Accretion expense	**1**	**15**
Liabilities settled	**(6)**	**(74)**
Balance at March 31	**¥ 91**	**$ 1,100**

No significant AROs associated with any legal obligations to retire certain rented properties, which the Company and group companies use under rent contracts, have been recognized, as indeterminate settlement dates for the asset retirements prevent estimation of the fair value of the associated ARO.

ARO is included as part of other long term liabilities in the consolidated balance sheet.

20 Rent business

Effective April 1, 2009, the "Accounting Standard for Disclosure of Fair Value of Real Estate" (ASBJ Statement No.20) and its guidance (ASBJ Guidance No.23) have been applied.

The Company and certain consolidated subsidiaries possess certain properties for rent. For the year ended March 31, 2010 and 2011, operating income from rent business of ¥499 million and ¥688 million (US$8,279 thousand) were recorded as operating income of Real estate and other segment, and impairment loss from rent business of ¥32 million and ¥87 million (US$1,042 thousand) were recorded as other expense, respectively.

The book value and fair value of properties for rent were as follows:

	Millions of yen			Thousands of U.S. dollars
	2009	2010	**2011**	**2011**
Book value	¥ 10,491	¥ 18,148	**¥ 17,228**	**$ 207,189**
Fair value		19,149	**17,875**	**214,968**

Increase of the book value of properties for rent in 2010 was mainly due to a new consolidated subsidiary, "310・2 Special Purpose Company" (¥7,189 million). Decrease of the book value of properties for rent in 2011 was mainly due to sale of properties for rent (¥430 million (US$5,170 thousand)).

21 Segment Information

Effective April 1, 2010, "The Accounting Standard for Disclosure of Segment Information" (ASBJ Statement No.17) and its guidance (ASBJ Guidance No.20) have been applied.

The Company and its consolidated subsidiaries operate primarily in the following business segments:

① Construction .... Building construction, civil engineering, etc.
② Real estate .... Resale, management and rental of land and building

Business segment information for the years ended March 31, 2010 and 2011 was as follows:

Year ended March 31, 2010	Millions of Yen				
	Construction	Real estate	Total	Elimination and /or Corporate	Consolidated
Sales:					
Outside customers	¥ 149,095	¥ 10,631	¥ 159,726	¥ —	¥ 159,726
Intersegment	2,461	316	2,777	(2,777)	—
Total	151,556	10,947	162,503	(2,777)	159,726
Operating income	4,118	391	4,509	(1,865)	2,644
Total assets	77,144	31,431	108,575	24,593	133,168
Other item:					
Depreciation	744	226	970	81	1,051
Capital expenditures	223	657	880	(85)	795
Loss on impairment of fixed assets	9	—	9	32	41

Year ended March 31, 2011	Millions of Yen				
	Construction	Real estate	Total	Elimination and /or Corporate	Consolidated
Sales:					
Outside customers	**¥ 150,253**	**¥ 10,136**	**¥ 160,389**	**¥ —**	**¥ 160,389**
Intersegment	**3**	**179**	**182**	**(182)**	—
Total	**150,256**	**10,315**	**160,571**	**(182)**	**160,389**
Operating income	**2,028**	**697**	**2,725**	**(1,682)**	**1,043**
Total assets	**80,065**	**23,564**	**103,629**	**23,867**	**127,496**
Other item:					
Depreciation	**406**	**652**	**1,058**	**83**	**1,141**
Capital expenditures	**257**	**16**	**273**	**48**	**321**
Loss on impairment of fixed assets	—	**74**	**74**	**13**	**87**
Goodwill - Amortization	—	**52**	**52**	—	**52**
- Balance	—	**432**	**432**	—	**432**

Year ended March 31, 2011	Thousands of U.S. dollars				
	Construction	Real estate	Total	Elimination and /or Corporate	Consolidated
Sales:					
Outside customers	$ 1,807,011	$ 121,902	$ 1,928,913	$ —	$ 1,928,913
Intersegment	36	2,153	2,189	(2,189)	—
Total	1,807,047	124,055	1,931,102	(2,189)	1,928,913
Operating income	24,385	8,379	32,764	(20,224)	12,540
Total assets	962,896	283,395	1,246,291	287,038	1,533,329
Other item:					
Depreciation	4,883	7,838	12,721	1,001	13,722
Capital expenditures	3,091	190	3,281	582	3,863
Loss on impairment of fixed assets	—	894	894	148	1,042
Goodwill - Amortization	—	631	631	—	631
- Balance	—	5,195	5,195	—	5,195

Effective April 1, 2009, “The Accounting Standard for Construction Contracts” (ASBJ Statement No.15) has been applied. As the result of applying ASBJ Statement No.15, in Construction segment, operating revenue increased by ¥4,195 million, cost increased by ¥4,012 million, operating income increased by ¥182 million, for the year ended March 31, 2010.

The following relevant information was omitted pursuant to the related regulations on the consolidated financial statements.

(1) Product and service line information
(2) Geographic area information, and Overseas sales information
(3) Major customer information

22 Per Share Information

	Yen		U.S. dollars
	2010	**2011**	**2011**
Basic net income/(loss) per share	¥ 7.81	**¥ (58.32)**	**$ (0.70)**
Net assets per share	¥ 312.31	**¥ 248.28**	**$ 2.99**

The Company has no dilutive common stock outstanding. Therefore, the information of diluted net income per share was not presented.

The basis for calculation of net income/(loss) per share was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
Net income/(loss)	¥ 646	**¥ (4,823)**	**$ (58,009)**
Amount not belonging to ordinary shareholders	—	—	—
Net income/(loss) attributable to common stock	¥ 646	**¥ (4,823)**	**$ (58,009)**
Weighted average number of ordinary shares (thousand of shares) (thousand of shares)	82,708	**82,707**	

23 Litigation

In June 2011, the Company brought a litigation in Tokyo regional court to claim repayment of ¥1,800 million (US$21,648 thousand) against Niigata University, which the Company paid as an advance on request by the defendant for introducing medical devices for proton beam cancer therapy.

24 Subsequent Events

Shareholders of the Company approved the following appropriation of retained earnings at the annual meeting on June 29, 2011.

	Millions of yen	Thousands of U.S. dollars
Cash dividends	¥124	$ 1,492

BOARD OF DIRECTORS, STATUTORY AUDITORS AND EXECUTIVE OFFICERS

JUNE 29, 2011

Board of Directors

Chairman and Representative Director

Tsunetaro Yamada

President and Representative Director

Toshiaki Nomura

Representative Director

Ken Aoki

Directors

Yoshinobu Okabe
Kazuo Ichikawa
Akinori Bo
Shigeki Endo
Tadashi Kikuchi
Masanori Komiya

Statutory Auditors

Motonori Kinoshita
Shigehiro Wakamatsu
Takashi Ejiri
Yutaka Higashihara

Executive Officers

President and Chief Executive Officer

Toshiaki Nomura*

Executive Vice Presidents

Ken Aoki *
Yoshinobu Okabe*

Senior Executive Officers

Kazuo Ichikawa*
Akinori Bo*
Shigeki Endo*

Managing Executive Officers

Yoshikazu Kotegawa
Tadashi Kikuchi*
Koichiro Nagashima
Masanori Komiya*
Hideaki Tsubota
Kiyoka Fukunishi

Executive Officers

Ryuichi Takai
Hikaru Iwata
Kenji Tsuboi
Shoichi Kawamoto
Tsutomu Kanai
Katsuhiko Tabuchi
Kazuya Ozawa
Akira Yoshimoto
Yoshihiro Nasu
Shinkichi Komatsubara
Hitoshi Kohiruimaki
Yoshiyuki Kishida
Shozo Tsuji
Masaaki Tomita
Yoichi Matsuura

* : Member of Board of Directors

ANDO Corporation
3-12-8 Shibaura, Minato-ku, Tokyo 108-8544, Japan
Phone +81-3-3457-9213 Fax +81-3-5232-1607