



MAEDA

ANNUAL REPORT 2008

Corporation





Yasuji Maeda, President, Chief Executive Officer, and Representative Director

***F**irst, I would like to thank our shareholders for their continued support. I am pleased to have this opportunity to report the Company's operating results for fiscal 2008, which ended March 31, 2008, the 63rd year since Maeda's incorporation.*

During fiscal 2008, which ended March 31, 2008, the Japanese economy maintained a gradual recovery until midway through the period, supported by such factors as a rise in private-sector capital investment against the backdrop of improvement in corporate profitability. However, the economy began marking time later in the period owing to such factors as a surge in the prices of crude oil and other raw materials along with a deceleration in the U.S. economy in the wake of the subprime loan crisis.

Japan's construction industry was impacted considerably by the implementation of the revised Building Standard Law, which led to a large drop in building construction starts. This and the continued slackness of public-sector capital investment created a hard environment for obtaining new orders.

Amid these conditions, Maeda Corporation began implementing its new Medium-Term Management Plan, which emphasizes such objectives as "becoming a company of thorough CSR management," "becoming a company of sustained reforms," and "becoming a services-oriented construction company with the solid foundation of construction skills." We took various measures to create a new business model that reduces exposure to pure price-based competition through such measures as negotiation of contracts based on the disclosure of related costs and extension of guarantee periods. We also concentrated procurement operations in our Procurement Division and otherwise worked to reduce costs and enhance our

CONTENTS

- 2** Profile of the Corporation
- 3** Review of Operations
- 6** Topics of the Year
- 9** Financial Section
- 9** Consolidated Financial Highlights
- 10** Consolidated Balance Sheets
- 12** Consolidated Statements of Operations
- 13** Consolidated Statements of Changes in Net Assets
- 14** Consolidated Statements of Cash Flows
- 15** Notes to the Consolidated Financial Statements
- 27** Report of Independent Certified Public Accountants
- 28** Corporate Information
- 29** Directory

profitability. Our efforts to further strengthen the solution development capabilities accumulated over many years, together with our shift to making bids for work based on comprehensive assessments, began bearing fruit in the form of additional orders.

Regarding consolidated performance in fiscal 2008, net sales declined 0.1% year on year, to over ¥477.4 billion. Reflecting a drop in the profitability of construction operations, ordinary profit decreased to a loss of somewhat over ¥2.3 billion. This and such extraordinary losses as early retirement benefits, investment security write-downs, and impairment losses, along with the liquidation of deferred tax assets, caused the Company to post a net loss of over ¥45.8 billion. Net assets decreased more than ¥61.9 billion, to more than ¥134.4 billion.

Performance by business segment was as follows.

Construction

The Maeda Group's operations in the construction segment generated more than ¥428.8 billion in consolidated net sales. The profitability of these operations was negatively impacted by such factors as intensifying competition and surging materials prices, limiting operating profit to somewhat above ¥4.7 billion.

Regarding the parent company, which accounts for most of the Maeda Group's construction operations, total orders for building projects dropped 17.9% year on year, to ¥214.3 billion, reflecting the impact of the revised Building Standard Law and other factors. Total orders for civil engineering projects fell 9.3%, to ¥99.0 billion, mainly due to a decrease in overseas orders. Thus, total new orders amounted to somewhat over ¥313.3 billion, down 15.4%. On a nonconsolidated basis, 27.2% of total orders were received from government and other public entities, with the remaining 72.8% obtained from private-sector companies.

Nonconsolidated total sales in the construction sector decreased 1.8%, to somewhat over ¥417.7 billion, reflecting a 7.8% drop in building project sales, to somewhat over ¥244.6 billion, and an 8.2% rise in civil engineering project sales, to somewhat over ¥173.0 billion. The value of uncompleted construction sector work for the fiscal year under review, the balance of which will be carried forward to the next fiscal year, fell 19.5% year on year, to ¥429.5 billion.

Other

The Maeda Group's operations in the other sector—encompassing a broad range of developing operations that are centered on construction-related operations and extend to

service operations—recorded more than ¥48.5 billion in consolidated net sales, up 14.5% year on year, and consolidated operating profit for the sector was somewhat above ¥1.1 billion.

Looking ahead, there is concern regarding a possible deceleration of the U.S. economy due to the subprime loan crisis as well as such factors as trends in stock prices, exchange rates, and oil prices. As a result, it appears increasingly difficult to predict whether the basic trend of gradual economic expansion will continue. While the construction industry is expected to finish absorbing the impact of the implementation of the revised Building Standard Law, the industry's operating environment is projected to become increasingly harsh owing to such factors as an intensification of competition accompanying the continued drop in public-sector investment and a rise in the pressure on construction companies' profitability accompanying an increase in construction costs.

Amid these circumstances, Maeda will accelerate its reform measures, annually revise its Medium-Term Management Plan, and thereby strive to be a company that can provide sophisticated construction services while attaining increasingly ambitious cost-reduction targets. Specifically, we are consolidating administrative departments to create a simpler organizational structure, and we are emphasizing management efficiency. Moreover, we are endeavoring to further strengthen our outstanding front-line construction capabilities based on the technologies and know-how we have accumulated over many years of successful operations. At the same time, we are seeking to enhance our profitability by consistently being highly selective regarding new contracts and decisively discontinuing low-profit business. Going forward, we are continuing to increase the comprehensiveness and rigor of our legal compliance and internal control systems throughout the Maeda Group. Everyone in the Company is concertedly striving to create a "Reborn Maeda" designed to effectively earn the growing trust and confidence of society and customers.

I hope for shareholders' continued understanding and support.



June 2008
Yasuji Maeda
President, Chief Executive Officer, and Representative Director

Maeda was established in Japan in 1919. Since then, it has progressed to become one of Japan's leading building and civil engineering contractors. Maeda has a well-earned reputation for completing contracts to high-quality standards and technical specifications, on schedule, and at very competitive prices. The experience that Maeda has gained in civil engineering and building is extensive and includes projects in the following categories:

Civil Engineering

Dams and power stations (hydro, thermal, and nuclear), railways, subways, tunnels, subterranean works, highways, and bridges
 Harbor, river and levee works, reclamation, dredging and land development
 Water supply, drainage and sewage disposal systems
 Irrigation and water control systems
 Airports

The Takase Dam is a good example of the scale of work successfully undertaken by Maeda. This is one of the largest rock-filled dams in Asia, with a height of 176m and an embankment volume of 11.4 million m³. The Takase Dam was built for Tokyo Electric Power Co., Inc., in connection with a 1,280MW hydroelectric plant.

The Seikan Undersea Tunnel illustrates Maeda's status as one of Japan's leading tunneling contractors. As a member of a construction joint venture, but employing its own construction methods and technologies, Maeda successfully completed its work on this challenging project. This tunnel, with a total length of 53.85km, connects Honshu (the main island of Japan) with Hokkaido (the main northern island of Japan) and is currently the world's longest railway tunnel.

Traversing the Seto Inland Sea, the **Seto-Ohashi Bridge** links Honshu with Shikoku (a southwestern island of Japan). This bridge consists of three long suspension spans and seven elevated spans that carry both road and rail traffic. Maeda's principal role in the project was the construction of the substructure supports, which involved the construction of steel and concrete foundations and tower supports in deep water with very strong currents.

Buildings

Schools, hospitals and office buildings
 Residential buildings, stores, athletic and entertainment facilities, factories and warehouses

Hyatt Regency Guam

Located on Guam's Tumon Bay, this luxury resort hotel boasts 14 stories and a total floor area of 62,510m².

Shenzhen Jing Guang Center (China)

This reinforced concrete, multi-use building, 140m high with a total floor area of 92,000m², houses offices, complex housing and commercial facilities.

Hong Kong International Airport Passenger Terminal Building

Used by 35 million people annually, this "superhub" handles air freight volume totaling 1.3 million tons each year and has a total floor area of 516,000m².

The United States

In 1985, Maeda decided to make a full-scale entry into the U.S. market and established Maeda International Corporation, now named MKK Technologies, Inc., in Michigan. MKK Technologies' first major project was the construction of the Mazda automobile manufacturing plant in Flat Rock, Michigan. Since then, MKK Technologies has undertaken numerous projects in 13 states, mostly in the Midwest, for both Japanese and U.S. clients. Maeda has every confidence that MKK Technologies will expand, based on trust in the Maeda name among Japanese companies, and grow as a local company with roots firmly planted in the United States.

The Pacific Region

Maeda is continuing to develop new business in the Pacific region, including Guam and the West Coast of the United States, and has completed projects that include deluxe condominiums, golf courses, and the renovation of luxury hotels. Maeda has also undertaken the construction of the Truk International Airport in the Federated States of Micronesia.

China and the Special Administrative Regions of Hong Kong and Macau

In collaboration with Chinese and French contractors, Maeda has constructed the main building for a nuclear power plant in China's Guangdong Province. This building houses the plant's twin 900MW pressurized water reactors and associated steam turbines. The reactors went into operation in 1994.

In a joint venture with its Chinese counterpart, Maeda also received an order in January 1987 to build a power plant and the 3.5 million m³ Shuikou concrete gravity dam in Fujian Province.

Maeda's operations in Hong Kong date back to 1963. For over 40 years, Maeda has maintained a presence in the region as a major contractor that delivers key infrastructure projects on time, on budget, and to the highest standards.

Our list of representative projects completed after the 1970s includes: stations and

tunnels for all phases of the Mass Transit Railway System; the world-renowned Hong Kong International Airport Passenger Terminal Building; the Tsing Tsuen Bridge, connecting Tsing Yi Island to Kowloon; the West Kowloon Expressway; the design and building of the cable-stayed Kap Shui Mun Bridge linking the airport and the Kowloon Peninsula; and the natural gas fueled Black Point Power Station, with a rated power capacity of 2,400 MW.

Maeda's current projects are also key to the expanding infrastructure of Hong Kong. A 10km section of railway was completed ahead of schedule, in autumn 2003. The new railway is a more efficient mode of transportation, leading to a substantial reduction in commuting time between the central business district and northwestern Hong Kong. The Kowloon-Canton Railway Corporation is constructing another rail link with other parts of China, and, again, Maeda is participating as a contractor for railway viaducts.

Also, Maeda is currently constructing Stonecutters Bridge—the world's longest cable-stayed bridge.

In Macau, Maeda has built the Coloane Thermal Power Plant.

Asia

In addition to the extensive amount of work undertaken in its home country as well as in China, including Hong Kong, as described above, Maeda is very active throughout Asia.

In Thailand, since participating in the Lampang-Chiangmai Highway project, Maeda has completed the Lam Dom Noi Dam, a new runway for Bangkok International Airport, and approach viaducts for the Rama IX Bridge over the Chao Phya River.

In Malaysia, Maeda has built Penang International Airport, the Crocker Range Highway in the state of Sabah, the Batang Ai Hydroelectric Power Plant, and the Sarawak Electricity Supply Corporation's headquarters building.

In Cambodia, Maeda has built the Prek Thnot Dam, a number of roads, and some schools.

Maeda has a long record of subway-related operations in Taiwan dating back to 2002, when it obtained a contract for the CO2 Section of the Kaohsiung Metro Orange Line. The Company's current operations in Taiwan include work on Taipei's subway network based on the Songshan Line Sectional Contract CG590A.

In Sri Lanka, Maeda obtained a contract for the Upper Komale Hydropower Project Lot 1 & Lot 2 Civil Works project and is currently moving forward with related work.

Completed Works (Civil Engineering Projects)



Tokyo Metro Fukutoshin Line: Construction of Subway in Minami-Ikebukuro B-Line Area

This order entailed the construction of 1,611m of subway tunnel between Zoshigaya and Ikebukuro stations on the new Tokyo Metro Fukutoshin Line (formerly known as Tokyo Metro Line 13), which links the secondary city centers (referred to in Japanese as “*fukutoshin*”) of Ikebukuro, Shinjuku, and Shibuya. The tunneling was performed using the mother-son (MS) mud pressure-type shield method,* which involved the use of a tunnel-boring shield machine that divides into separate “mother” and “son” units. The Fukutoshin Line also offers through services to stations on the Tobu Tojo Main Line and the Seibu Ikebukuro Line by means of arrangements to allow the trains of those three lines to share the use of track, and plans call for similar arrangements with the Tokyu Toyoko Line. As a result, it is enabling the completion of an interconnected rail network covering a large region.

* The mud pressure-type shield method involves the placement of a shield at the front of a tunnel and then continuing to tunnel forward while using mud pressure to stabilize and prevent the collapse of dirt in the tunnel walls.



Kita-Kanto Expressway: Construction of Yomogida Tunnel East Section

This order involved the construction of approximately 4,000m of the Kita-Kanto Expressway, including approximately 900m of both the Tokyo-bound lane and opposite-lane portions of the eastern side of the Yomogida Tunnel along with adjacent landfill/embankment and interchange sections. A newly developed type of explosives was used for blasting work in the tunnel section to promote greater safety and work efficiency. In the landfill section, Maeda strove to ensure top-quality work through such measures as the selective use of different fill materials depending on the characteristics of different locations and the creation of support structures in locations with weak soil bases.

New Tomei Expressway: Construction of Okabe Tunnel (No. 4)

This project required the construction of a 3,400m portion of the New Tomei Expressway (officially called the Second Tokai Expressway) between Shizuoka City and the town of Okabe, including a 2,653m Tokyo-bound lane tunnel and a 2,612m opposite-lane tunnel. The three-lane tunnels were constructed by first using a tunnel-boring machine to create a small pilot tunnel* bore safely, quickly, and economically and then by bringing in large-scale tunneling equipment and using the New Austrian Tunneling Method** to create the actual tunnels.

* Pilot tunnels are a relatively small tunnel bore dug in advance of the full-scale tunnel bore.

** The New Austrian Tunneling Method entails strengthening the interior walls of tunnels with shotcrete in combination with such reinforcement measures as rock bolts.

Higashimeihan Expressway: Construction of Ueda (No. 2) Sector

This project focused on the construction of the Ueda Interchange on the southeast side of the Second Nagoya Ringroad Expressway (part of the Higashimeihan Expressway). This required the construction of a portion of the expressway and the interchange as well as the conversion of a portion of National Highway No. 153 into an underpass route. Because of the need for entrance and exit ramps for the expressway lanes headed toward the city of Toyota, the interchange required a complex structure with three underground levels. The construction work required 13 large-scale detour diversions of traffic at the intersection of National Highway No. 153 and National Highway No. 302, through which more than 70,000 vehicles pass each day. This highly complicated and challenging project took six and a half years to complete.



Completed Works (Building Projects)



Akitakata: Construction of No. 2 City Hall/Culture and Welfare Facility (Temporary Name)

This project was carried out in a peaceful location with a view of Koriyama Castle, which was the residence of the prominent daimyo Motonari Mouri during the Warring States (Sengoku) period of Japanese history. It entailed the expansion of the former city hall building, which is adjacent to the current city hall building, along with the construction of a new building to house the city's central library and various other culture and welfare facilities. The expanded former city hall building and the new culture and welfare building are faced with brick tiles to match the exterior of the current city hall building, while the appearance of the entire complex was renovated with the addition of a glass atrium between the current city hall building and the culture and welfare building.



Higashi-Osaka City Fire Department Facility

This project was the first private finance initiative project organized for a fire department complex in Japan. A special-purpose company led by Maeda took responsibility on a build-transfer-operate (BTO)* basis for the design, construction, maintenance and administration of the complex and related fire-fighting command systems during a 22-year period. As the facility must serve as a base for fire and disaster countermeasures at times of major disasters, it was given excellent earthquake resistance characteristics through the incorporation of seismic isolation technologies and other special features.

* In build-transfer-operate (BTO) projects, private-sector companies construct various kinds of facilities and subsequently transfer ownership of the facilities but continue to handle the maintenance and administration of the facilities.



Higashiogishima Co., Ltd.: Higashiogishima Project (Temporary Name)

This building—a five-story steel framed structure in Kawasaki, Kanagawa Prefecture—is a distribution warehouse facility designed and constructed by Maeda that has 38,781m³ of floor space. It was designed based on consideration of the needs of prospective tenants and also has special features to minimize salt-related damage despite the proximity of the ocean to a number of sides of the site. The building is expected to play a significant role with respect to distribution warehousing operations in the Kanagawa and Tokyo regions.



Osaka Regional Immigration Bureau

Maeda was commissioned by the Ministry of Justice to handle the construction of this building on a comprehensive appraisal basis entailing technological proposals and pricing proposals made by the Company. Based on consideration of the building's dual roles—as a facility for providing government administrative services along with law enforcement functions—the building was equipped with a highly sophisticated information system structure as well as such security-enhancing features as an electronic room access control system, while an electronic key system was installed to provide for emergency egress during disasters and other emergency situations.

Maeda News

Completion of The Tokyo Towers— 58-Story Twin Towers Comprising One of Japan's Largest Residential Facilities

In January 2008, Maeda completed The Tokyo Towers, which is part of the “Kachidoki 6-chome District No. 1 Type Urban Redevelopment Project” in the Kachidoki district of Tokyo’s Chuo Ward.

The Tokyo Towers are part of a multipurpose complex that includes two high-rise towers (the North and South towers) containing residential units along with low-rise structures containing sports facilities and other facilities. To create a highly appealing residential district, the complex is designed to harmonize with its surroundings and offer the most sophisticated facilities. It is one of Japan’s largest twin tower condominium complexes.

To provide a solid foundation, the towers were constructed atop anti-ground compression bases comprising 69m x 69m x 4m concrete slabs positioned 16m under the ground level. In addition, 12 of the 84 pillars supporting the towers from the first above-ground floor were cast of Fc130N/mm² ultra-hard concrete, which is the strongest concrete available within Japan.

The main above-ground portions of the towers were constructed at a very fast pace—one floor every four days—due to the use of diverse kinds of laborsaving equipment and new construction technologies. For example, each tower was equipped with four tower cranes and three construction-use elevators. These newly developed elevators were the world’s first high-speed, double-decker, construction-use elevators.

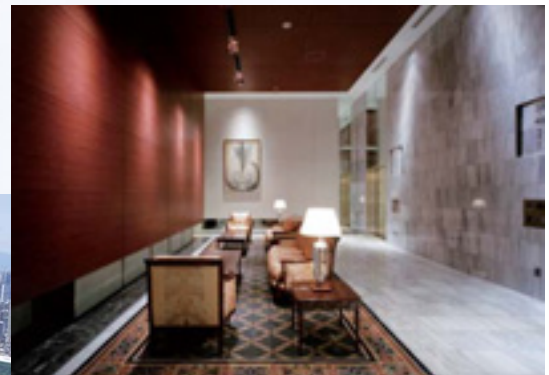
Based on the additional experience with large-scale building construction it has gained in the course of this project, Maeda intends to further increase its technological capabilities so that it can offer buildings of still-higher quality going forward.

Project Details

Location	3-1-2, Kachidoki 6-chome, Chuo-ku, Tokyo
Customer	Kachi-roku Co., Ltd.
Construction period	January 28, 2005, to January 31, 2008 (36 months)
Site area	29,718.37m ²
Building area	20,663.65m ²
Floor area	363,353.48m ²
Structure	Reinforced concrete structure, partially steel frame structure, 58 stories
Height	193.5m
Main uses	Condominium housing units (2,794 units), shops, clinics, etc.



Bird's eye view of the towers



Mid-tower private lounge

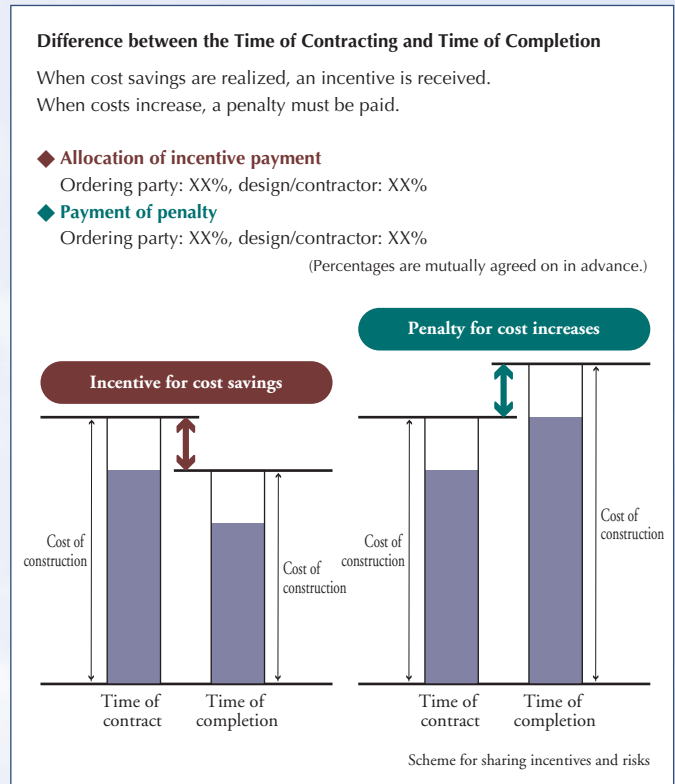
Second Order Received for Construction under the Cost-Disclosure Method

Following the receipt of an order for the construction of a new classroom building for the School of Global Studies at Tama University under Maeda's "disclosed cost method," which was completed in February 2007, Maeda has received a second order for construction work under this method. This new order, which was received in February 2008, is for the renovation and renewal of an existing senior citizen's home in Osaka. The tentative name of the project is "Granda Shitenoji Renovation."

The disclosed cost method is a new contract method under which a construction company fully discloses the actual construction costs incurred in the construction process to the party ordering the construction and the persons in charge of supervising the design.

Under the previous contracting methods, the interests of the party ordering the construction in "building a good quality building at a more reasonable cost" were not always in agreement with the interests of the construction company. Under the disclosed cost method, when the cost of construction is lowered as a result of the efforts of the construction company, the construction company receives a portion of the cost savings as an incentive payment. Also, when construction costs increase, the construction company is required to pay a portion of the increase as a penalty. Accordingly, the construction company also has an incentive to lower costs.

Please note that, as necessary, the information disclosed may be subject to auditing by a third party (an accounting audit) to ensure the fairness of the method.



Strengthening Capabilities for Bidding under the Comprehensive Evaluation Method

The comprehensive evaluation method is a new bidding and contracting method intended to ensure quality in public works construction projects. Under this method, in addition to the price competitiveness of bids, which were the primary standard for judgments previously, parties asking for competitive bids also consider the technological capabilities of bidders for construction projects. Japan's Ministry of Land and Transportation introduced the comprehensive evaluation method for 75% of the projects for which it let contracts in fiscal 2006, and this percentage rose to 97% in fiscal 2007. In addition, regional governments have set a goal of using this method for about 80% of the projects of regional governments and their related entities. Application of the comprehensive evaluation method is, therefore, spreading at a rapid pace.

In view of these developments, Maeda is working to strengthen its capabilities for responding to offers to make bids that will be evaluated under this new method by compiling a database on the results of bid-

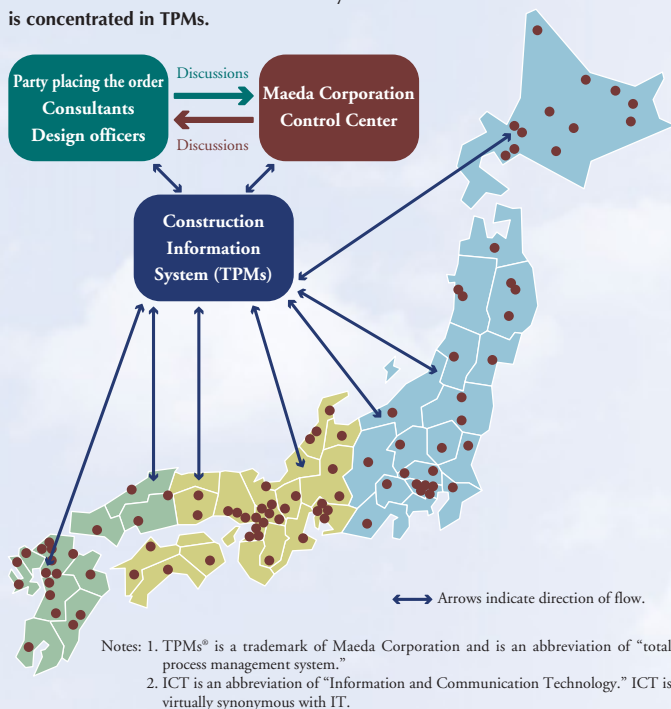
ding and improving training programs for branch personnel. Specific measures include the development of a database covering bidding results, appraisal points awarded to technical proposals, the content of proposals that receive favorable evaluations and other related matters. In addition, information on analyses related to bidding by Maeda personnel is posted on the Company intranet and shared among all branches.

Moreover, Maeda has formed a Comprehensive Evaluation Group in its Head Office, comprising persons in charge of marketing, technology and construction, to provide guidance to Company branches regarding the preparation of technical proposals.

For Maeda to remain a winner in the challenging environment for obtaining new orders, management and staff will work together and focus on areas of strength, which include the construction of dams and tunnels, to increase Maeda's ratio of wins for these types of projects.

Upgrading Construction Information Management Services (Total Process Management System (TPMs®)) with Information and Communication Technology (ICT) Tools

Information flows when information on facilities scattered around the country is concentrated in TPMs.



TPMs® centralizes information on construction obtained from ICT tools (such as information sharing tools, 3-D CAD systems, Web cameras, etc.) at all stages of the life cycle of facilities (including design, preparation of blueprints, construction, maintenance, and management). This information is used for increasing productivity, reducing costs, speeding up activities, creating visualizations, and other purposes. This system makes it possible for customers to obtain and transmit necessary information anytime and anywhere and to manage the construction and maintenance of their facilities appropriately and quickly. This system also secures a high degree of traceability, which contributes to quality and compliance, and makes communication among related parties easier.

Examples of the use of TPMs® include the receipt of orders for comprehensive coverage of repair work in branches scattered around the country (about 50 locations) to create systems for sharing information among parties placing orders, designers, supervisors, and construction companies and making quick decisions. Use of TPMs® results in a 50% increase in productivity compared to previous methods. Maeda has set a target for increasing orders for TPMs® this fiscal year to 30 systems, which will be about twice the number of orders won in the previous year. Maeda is actively marketing TPMs® not only for building construction applications but also for civil engineering construction involving construction at multiple locations as well as for inspection operations and other applications.

Compilation and Publication of a Collection of Interviews with Architects

Maeda's Architectural Design Department has compiled a collection of interviews with architects entitled *M x M 2007: Architects Give Their Views for Prescriptions for Urban Areas*, and it was published in December 2007.

With the theme of "What is a city?," Maeda conducted a series of interviews with 10 leading architects who are engaged in urban projects around the world. Although interest is rising in such urban-related topics as large-scale projects for redevelopment of urban areas and attracting the Olympic Games to Tokyo, even when considering the problem of the decline and decay of regional areas, an understanding of urban areas is indispensable. This concept was used as the launching point for the interviews.

This collection of interviews was three years in the making, from the initial concept to planning and final publication. Interviews were conducted not only with Japanese but also with non-Japanese architects, and they talked about their specific ideas about what cities should be. This collection of interviews is also being introduced by commentators as a collaborative project (involving design and construction issues) between Maeda and leading architects.



Architects Interviewed for the Compilation

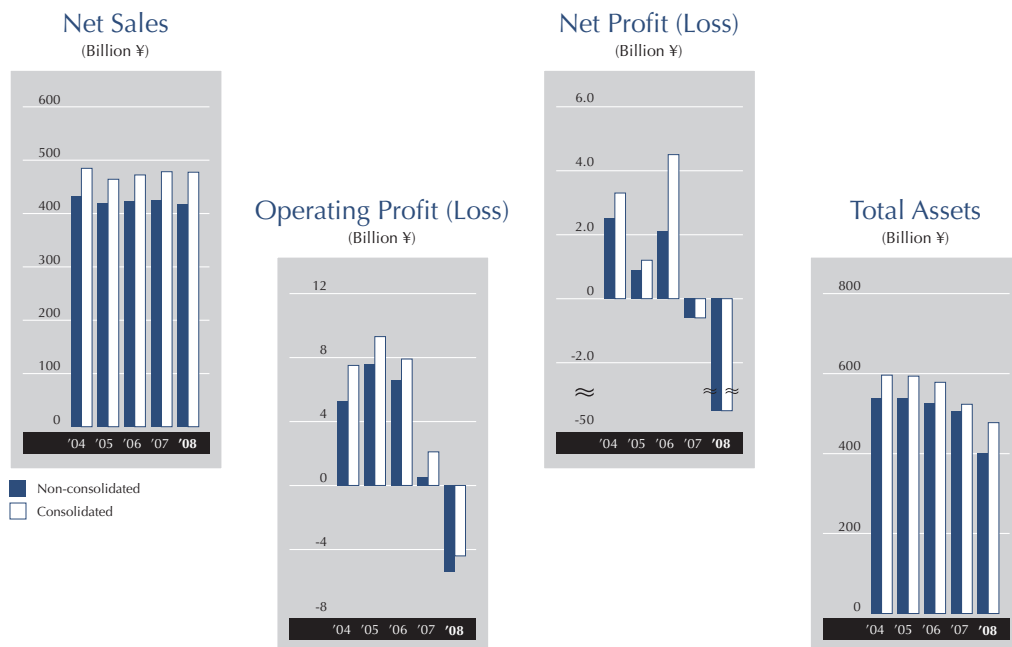
Fumiko Maki, Kiyonari Kikutake, Tadao Ando, Hiroshi Naito, Kengo Kuma, Rem Koolhaas, William Pederson, Michael Graves, Jon Jerde, Bred Steel

CONSOLIDATED FINANCIAL HIGHLIGHTS

Maeda Corporation and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Thousands of U.S. dollars (Note)
	2007	2008	2008
For the year:			
Net sales.....	¥478,031	¥477,476	\$4,765,705
Operating profit (loss).....	2,071	(4,373)	(43,647)
Net loss.....	(633)	(45,807)	(457,201)
At year-end:			
Total assets.....	552,928	453,130	4,522,707
Total shareholders' equity.....	156,909	109,843	1,096,347

Note: U.S. dollar amounts in the financial statements are translated from yen, for convenience only, at the rate of ¥100.19=US\$1, the exchange rate prevailing on March 31, 2008.



CONSOLIDATED BALANCE SHEETS

Maeda Corporation and Consolidated Subsidiaries
March 31, 2007 and 2008

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2008	2008
Current Assets:			
Cash and time deposits (Note 8).....	¥ 27,583	¥ 26,408	\$ 263,579
Marketable securities (Note 4).....	1,462	1,520	15,171
Trade receivables:			
Notes.....	16,971	22,201	221,589
Accounts.....	130,797	134,446	1,341,910
Allowance for doubtful accounts.....	(650)	(931)	(9,292)
	147,118	155,716	1,554,207
Inventories (Note 7).....	123,839	60,062	599,481
Deferred tax assets (Note 11).....	11,339	438	4,372
Other current assets.....	33,988	28,585	285,308
Total Current assets.....	345,329	272,729	2,722,118
Investments and other assets:			
Investments in securities (Notes 4 and 8).....	94,025	72,995	728,566
Investments in and advances to unconsolidated subsidiaries and affiliates.....	30,432	31,633	315,730
Deferred tax assets (Note 11).....	213	237	2,366
Other investments.....	27,982	20,400	203,613
Allowance for doubtful accounts.....	(9,783)	(4,291)	(42,829)
Total Investments and other assets.....	142,869	120,974	1,207,446
Property and equipment, at cost (Note 8):			
Buildings and structures.....	62,294	59,710	595,968
Machinery and equipment.....	24,128	23,232	231,879
Ship and vehicles.....	4,441	3,792	37,848
Tools, furniture and fixtures.....	7,602	6,861	68,480
Land.....	32,836	29,905	298,483
Construction in progress.....	52	145	1,447
	131,353	123,645	1,234,105
Accumulated depreciation.....	(66,623)	(64,218)	(640,962)
Property and equipment, net.....	64,730	59,427	593,143
TOTAL ASSETS	¥552,928	¥453,130	\$4,522,707

The accompanying notes are an integral part of these statements.

LIABILITIES & NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2008	2008
Current Liabilities:			
Short-term debt (Note 8).....	¥ 48,440	¥ 44,884	\$ 447,989
Trade payables.....	70,795	72,223	720,860
Advances on construction work in progress.....	111,573	58,081	579,709
Accrued income taxes.....	816	418	4,172
Allowance for repairs and warranty.....	722	655	6,538
Accrued bonuses for employees.....	2,479	2,091	20,870
Accrued bonuses for directors.....	36	27	270
Reserve for defects on completed works.....	320	620	6,188
Allowance for losses on construction contracts.....	3,592	6,180	61,683
Allowance for losses on penal charges and other.....	480	48	479
Other current liabilities.....	24,455	35,104	350,374
Total Current liabilities.....	263,708	220,331	2,199,132
Long-Term Liabilities:			
Long-term debt (Note 8).....	56,951	61,213	610,969
Reserve for retirement benefits (Note 10).....	18,464	17,951	179,170
Deferred tax liabilities (Note 11).....	9,275	13,683	136,571
Other long-term liabilities.....	8,135	5,468	54,576
Total Long-term liabilities.....	92,825	98,315	981,286
Commitments and Contingent Liabilities (Note 13)			
Net Assets			
Shareholders' equity:			
Common stock (Note 16).....	23,455	23,455	234,105
Additional paid-in capital.....	31,710	31,710	316,499
Retained earnings.....	104,236	57,190	570,815
Treasury stock, at cost.....	(2,492)	(2,512)	(25,072)
Total Shareholders' equity.....	156,909	109,843	1,096,347
Valuation and translation adjustments:			
Unrealized gain on investments in securities.....	33,759	19,508	194,710
Foreign currency translation adjustments.....	(32)	(78)	(779)
Total Valuation and translation adjustments.....	33,727	19,430	193,931
Minority interests in consolidated subsidiaries.....	5,759	5,211	52,011
Total Net assets.....	196,395	134,484	1,342,289
TOTAL LIABILITIES & NET ASSETS.....	¥552,928	¥453,130	\$4,522,707

CONSOLIDATED STATEMENTS OF INCOME

Maeda Corporation and Consolidated Subsidiaries
Years ended March 31, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2008	2008
Net Sales	¥478,031	¥477,476	\$4,765,705
Cost of Sales	446,788	454,154	4,532,927
Gross profit.....	31,243	23,322	232,778
Selling, General and Administrative Expenses	29,172	27,695	276,425
Operating profit (loss)	2,071	(4,373)	(43,647)
Other income (expenses):			
Interest and dividend income.....	1,666	1,954	19,503
Interest expenses	(2,144)	(2,324)	(23,196)
Gain on sale of securities.....	1,194	7	70
Loss on valuation of investments in securities	(430)	(4,546)	(45,374)
Foreign exchange gain (loss).....	(107)	813	8,115
Investment profit on equity method	819	1,756	17,527
Impairment loss on fixed assets (Note 5).....	(294)	(4,683)	(46,741)
Extra payments for early retirement	—	(5,744)	(57,331)
Appraisal loss of real estate held for sale	—	(1,675)	(16,718)
Losses on penal charges and other	(480)	—	—
Overseas typhoon casualty loss.....	(636)	(102)	(1,018)
Other, net.....	(1,099)	(1,947)	(19,433)
	(1,511)	(16,491)	(164,596)
Profit (loss) before income taxes and minority interests.....	560	(20,864)	(208,244)
Income taxes:			
Current.....	814	461	4,601
Reversal of income taxes in the previous fiscal year.....	(797)	—	—
Deferred	1,070	24,936	248,887
	1,087	25,397	253,488
Loss before minority interests.....	(527)	(46,261)	(461,732)
Minority interests in net loss (income) of consolidated subsidiaries	(106)	454	4,531
Net loss.....	¥ (633)	¥(45,807)	\$ (457,201)
		Yen	U.S. dollars (Note 3)
Per share:			
Primary earnings.....	¥(3.73)	¥(258.73)	\$(2.58)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Maeda Corporation and Consolidated Subsidiaries
Years ended March 31, 2007 and 2008

	Millions of yen									
	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Total Shareholders' equity	Unrealized gain on investments in securities	Foreign currency translation adjustments	Total Valuation and translation adjustments	Minority interests in consolidated subsidiaries	Total Net assets
Balance at March 31, 2006	¥23,455	¥31,666	¥106,470	¥(4,726)	¥156,865	¥28,280	¥(46)	¥28,234	¥4,048	¥189,147
Changes during the current period:										
Cash dividends paid										
at ¥9.0 per share	—	—	(1,526)	—	(1,526)	—	—	—	—	(1,526)
Bonuses to directors	—	—	(75)	—	(75)	—	—	—	—	(75)
Net profit (loss)										
for current period	—	—	(633)	—	(633)	—	—	—	—	(633)
Acquisition of treasury stock	—	—	—	(4)	(4)	—	—	—	—	(4)
Disposal of treasury stock	—	44	—	2,238	2,282	—	—	—	—	2,282
Net changes other than shareholders' equity	—	—	—	—	—	5,479	14	5,493	1,711	7,204
Total changes during the current period	—	44	(2,234)	2,234	44	5,479	14	5,493	1,711	7,248
Balance at March 31, 2007	¥23,455	¥31,710	¥104,236	¥(2,492)	¥156,909	¥33,759	¥(32)	¥33,727	¥5,759	¥196,395
Changes during the current period:										
Cash dividends paid										
at ¥7.0 per share	—	—	(1,240)	—	(1,240)	—	—	—	—	(1,240)
Increase by a newly consolidated subsidiary	—	—	1	—	1	—	—	—	—	1
Net profit (loss)										
for current period	—	—	(45,807)	—	(45,807)	—	—	—	—	(45,807)
Acquisition of treasury stock	—	—	—	(5)	(5)	—	—	—	—	(5)
Increase of treasury stock by change of equities in subsidiaries and affiliates	—	—	—	(15)	(15)	—	—	—	—	(15)
Net changes other than shareholders' equity	—	—	—	—	—	(14,251)	(46)	(14,297)	(548)	(14,845)
Total changes during the current period	—	—	(47,046)	(20)	(47,066)	(14,251)	(46)	(14,297)	(548)	(61,911)
Balance at March 31, 2008	¥23,455	¥31,710	¥ 57,190	¥(2,512)	¥109,843	¥19,508	¥(78)	¥19,430	¥5,211	¥134,484

	Thousands of U.S. dollars (Note 3)									
	Shareholders' equity					Valuation and translation adjustments				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Total Shareholders' equity	Unrealized gain on investments in securities	Foreign currency translation adjustments	Total Valuation and translation adjustments	Minority interests in consolidated subsidiaries	Total Net assets
Balance at March 31, 2007	\$234,105	\$316,499	\$1,040,383	\$(24,873)	\$1,566,114	\$336,950	\$(319)	\$336,631	\$57,481	\$1,960,226
Changes during the current period:										
Cash dividends paid										
at \$0.07 per share	—	—	(12,377)	—	(12,377)	—	—	—	—	(12,377)
Increase by a newly consolidated subsidiary	—	—	10	—	10	—	—	—	—	10
Net profit (loss)										
for current period	—	—	(457,201)	—	(457,201)	—	—	—	—	(457,201)
Acquisition of treasury stock	—	—	—	(50)	(50)	—	—	—	—	(50)
Increase of treasury stock by change of equities in subsidiaries and affiliates	—	—	—	(149)	(149)	—	—	—	—	(149)
Net changes other than shareholders' equity	—	—	—	—	—	(142,240)	(460)	(142,700)	(5,470)	(148,170)
Total changes during the current period	—	—	(469,568)	(199)	(469,767)	(142,240)	(460)	(142,700)	(5,470)	(617,937)
Balance at March 31, 2008	\$234,105	\$316,499	\$ 570,815	\$(25,072)	\$1,096,347	\$194,710	\$(779)	\$193,931	\$52,011	\$1,342,289

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Maeda Corporation and Consolidated Subsidiaries
Years ended March 31, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2008	2008
Cash Flows from Operating Activities:			
Profit (loss) before income taxes and minority interests	¥ 560	¥(20,864)	\$(208,244)
Depreciation	6,291	6,252	62,401
Impairment loss on fixed assets	294	4,683	46,741
Increase (decrease) in allowance for doubtful accounts	(297)	213	2,126
Increase (decrease) in allowance for losses on construction contracts	(3,532)	2,588	25,831
Decrease in reserve for retirement benefits	(2,354)	(3,155)	(31,490)
Interest and dividend income	(1,666)	(1,954)	(19,503)
Interest expenses	2,144	2,324	23,196
Foreign exchange gain	(209)	(1,645)	(16,419)
Loss (gain) on sale of securities	(1,194)	14	140
Loss on valuation of investments in securities	430	4,546	45,374
Increase in trade receivables	(19,448)	(8,879)	(88,622)
Decrease in construction work in progress	51,096	58,287	581,765
Decrease (increase) in other inventories	(6,246)	5,490	54,796
Decrease (increase) in trade payables	(1,689)	1,428	14,253
Decrease in advances on construction work in progress	(21,677)	(53,492)	(533,906)
Other	2,842	13,853	138,267
Subtotal	5,345	9,689	96,706
Receipt of interest and dividend income	2,019	3,168	31,620
Payment of interest expenses	(2,150)	(2,284)	(22,797)
Payment of income taxes	(4,457)	(750)	(7,486)
Cash flows from operating activities	757	9,823	98,043
Cash Flows from Investing Activities:			
Acquisition of marketable securities	(806)	(1,500)	(14,972)
Proceeds from sale of marketable securities	826	1,349	13,464
Acquisition of property and equipment and intangible assets	(6,448)	(4,779)	(47,699)
Proceeds from sale of property and equipment and intangible assets	1,463	19	190
Acquisition of investments in securities	(6,512)	(8,838)	(88,212)
Proceeds from sale of investments in securities	1,277	490	4,891
Proceeds from sale of a subsidiary's stocks bringing a change of the scope of consolidation	1,956	—	—
Lending of long-term loans receivable	(930)	(543)	(5,420)
Collection of long-term loans receivable	353	1,068	10,660
Other	41	587	5,859
Cash flows from investing activities	(8,780)	(12,147)	(121,239)
Cash Flows from Financing Activities:			
Increase in short-term debt	737	5,898	58,868
Borrowing of long-term debt	1,290	10,500	104,801
Repayment of long-term debt	(3,025)	(809)	(8,075)
Proceeds from issuance of bonds	25,000	—	—
Repayment of bonds	(15,500)	(13,000)	(129,753)
Payment of cash dividends	(1,526)	(1,239)	(12,367)
Proceeds from sale of treasury stocks	158	—	—
Acquisition of treasury stocks	(4)	(5)	(50)
Payment of cash dividends to minority shareholders	(45)	(47)	(469)
Cash flows from financing activities	7,085	1,298	12,955
Exchange difference of cash and cash equivalents	163	(239)	(2,385)
Decrease in cash and cash equivalents	(775)	(1,265)	(12,626)
Cash and cash equivalents at beginning of year	27,781	27,005	269,538
Cash and cash equivalents increased by newly consolidated subsidiary	—	134	1,337
Cash and cash equivalents at end of year	¥27,006	¥ 25,874	\$258,249

The accompanying notes are an integral part of these statements.

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

(1) Accounting principles and presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Maeda Corporation (the “Company”) and its consolidated subsidiaries in accordance with the provisions set forth in the Corporation Law of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

(2) Scope of consolidation

The Company has 18 subsidiaries (“controlling companies,” wherein the decision-making body of entity is controlled) as of March 31, 2008. The accompanying consolidated financial statements include the accounts of the Company and six significant subsidiaries, controlled directly or indirectly by the Company, as listed below:

Name of subsidiary	Equity ownership percentage, including indirect ownership	March 31, 2008	
		Capital stock	
		Millions of yen	Thousands of U.S. dollars
Maeda Seisakusho Co., Ltd. ...	43.0%	¥3,160	\$31,540
Fujimi Koken Co., Ltd.	50.0	250	2,495
JM Corporation.....	100.0	250	2,495
Fujimi Building Services Co., Ltd.	75.0	100	998
Seiyu Estate Co., Ltd.	98.8	50	499
Miyama Kogyo Co., Ltd.	74.2	25	250

The accounts of the remaining 12 subsidiaries have not been consolidated with the Company because of the insignificant amount of total assets, net sales, net income and retained earnings, but four of the unconsolidated subsidiaries are accounted for by the equity method.

(3) Consolidation and elimination

For the purposes of preparing the consolidated financial statements, all significant intercompany transactions, account balances and unrealized profits among the Company and its consolidated subsidiaries have been eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

The cost of investments in the common stock of consolidated subsidiaries is eliminated with the underlying equity in net assets of such subsidiaries. The differences between the cost of the investments in subsidiaries and the amount of underlying equity in net assets of the subsidiaries are expensed out as incurred due to the immaterial amount.

(4) Investments in unconsolidated subsidiaries and affiliates

As of March 31, 2008, the Company has nine affiliates (“influencing companies,” wherein the financial and operating or business decision-making body of an entity that is not a subsidiary can be influenced to a material degree).

Investments in four unconsolidated subsidiaries and four affiliates are accounted for by the equity method, under which the Company’s equity in the net income of these affiliates is included in consolidated profit with appropriate elimination of intercompany profit as of March 31, 2008 and for the year then ended. The remaining investments in unconsolidated subsidiaries and affiliates are stated at cost since the investments do not have a material effect on consolidated net profit and retained earnings in the consolidated financial statements.

(5) Remeasurement of assets and liabilities of subsidiaries

The Company adopts the “full-fair-value method” that the full portion of the assets and liabilities of the subsidiaries is marked to fair value as of the acquisition of control.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Revenue recognition

Sales are principally recognized on the percentage-of-completion method except for those contracts of less than ¥100 million (\$998 thousand) for short-term (less than one year), which are on the completed-contract method.

Sales for the year ended March 31, 2008 include ¥255,712 million (\$2,552,271 thousand) of sales on the percentage-of-completion method.

(2) Financial instruments

(a) Securities

Bonds held to maturity: Amortized cost method

Available-for-sale securities:

Securities with market quotation available:

Market price method based on the fair market value as of the date of the balance sheet. (Sales costs are calculated based on the moving average cost method.)

In the case of the Company and certain subsidiaries: Unrealized gains on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount, and unrealized losses on these securities are included in net profit or loss for the period.

In the case of certain consolidated subsidiaries: Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount.

Securities without market quotation:

Moving average cost method

(b) Derivatives

All derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise, except for derivatives that are designated as "hedging instruments."

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

The derivatives designated as hedging instruments by the Company are principally interest rate swaps and forward exchange contracts. The related hedged items are trade accounts receivable and payable, long-term bank loans, and debt securities issued by the Company.

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

The Company evaluates 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.

(3) Inventories

Construction work in progress is stated at the specific identification cost. Real estate held for sale is stated at the lower of specific identification cost or market. Other inventories are stated at cost determined by the moving average method. Real estate for sale and other inventories held by certain consolidated subsidiaries are stated at the specific identification cost.

(4) Property and equipment

Depreciation of property and equipment is computed by the declining balance method over the estimated useful lives of respective assets except for buildings (not including facilities annexed to buildings) acquired after April 1, 1998, whose depreciation is computed by the straight-line method over the estimated useful lives of respective assets.

Useful lives and residual values of property and equipment are in accordance with the Income Tax Law of Japan.

Depreciation of certain tangible assets held by certain consolidated subsidiaries is computed in the proportion that production for a period relates to management's estimate of ultimate production.

Changes in the accounting policy

The depreciation of property and equipment acquired after April 1, 2007 is computed in accordance with the depreciation method defined in the Income Tax Law of Japan revised in 2007.

This change increases the operating loss and the loss before income taxes and minority interests by ¥220 million (\$2,196 thousand), respectively.

The residual value of the property and equipment, which were acquired before March 31, 2007 and fully depreciated to the allowable limit, is depreciated on a straight-line basis over 5 years in accordance with the Income Tax Law of Japan revised in 2007.

This change increases the operating loss and the loss before income taxes and minority interests by ¥213 million (\$2,126 thousand), respectively.

One of the consolidated subsidiaries, Maeda Seisakusho Co., Ltd., has changed the method of accounting for depreciation of the self-propelled operating machines for rent, from the declining-balance method to the straight-line method on April 1, 2007.

This change decreases the operating loss and the loss before income taxes and minority interests by ¥372 million (\$3,713 thousand), respectively.

(5) Allowance for doubtful accounts

The Company and consolidated subsidiaries provide the allowance for doubtful accounts by the method which uses the percentage of its own actual experience of bad debt loss written off against the balance of total receivables plus the amount deemed necessary to cover individual accounts estimated to be uncollectible.

(6) Accrued bonuses for employees

Accrued bonuses for employees represents the estimated amount of bonuses to employees attributable to their services rendered within the period.

(7) Accrued bonuses for directors

Accrued bonuses for directors represents the estimated amount of bonuses to directors attributable to their services rendered within the period.

(8) Reserve for defects on completed works

A reserve has been provided based on the previous fiscal year's record in respect of the expenses for defect liabilities of the completed works.

(9) Allowance for losses on construction contracts

An allowance for losses on construction contracts has been provided based on an estimate of the total losses which can be anticipated for the future and beyond in respect of construction contracts on which eventual losses are deemed inevitable and amounts thereof can reasonably be estimated.

(10) Allowance for losses on penal charges and other

An allowance for losses on penal charges and other in connection with violation of the Antitrust Law of Japan has been provided based on an estimate from reference cases.

(11) Reserve for retirement benefits

The accrued retirement benefit represents the estimated present value of projected benefit obligations and plan assets for the employees.

Unrecognized actuarial differences are amortized on a straight-line basis over 10 to 15 years from the following fiscal year.

Unrecognized prior service costs are amortized on a straight-line basis over 15 years.

(12) Accounting for leases

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by the method that is applicable to ordinary operating leases.

(13) Amortization of goodwill

Goodwill or negative goodwill is amortized on a straight-line basis over 5 years.

In case that there is no materiality in amount, goodwill or negative goodwill is, however, amortized at once.

(14) Cash and cash equivalents

For the preparation of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of overdrafts, all highly liquid investments with maturities of three months or less and commercial paper.

3 U.S. DOLLAR AMOUNTS

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥100.19=U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2008. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4 MARKET VALUE INFORMATION

Market value information on marketable securities and investment in securities as of March 31, 2007 and 2008 is summarized as follows:

(1) Market Value of Bonds Held to Maturity

Not applicable

(2) Available-for-Sale Securities with Defined Values

March 31, 2007	Millions of yen		
	Acquisition cost	Book value	Net
Securities with book values that exceed acquisition cost:			
Stocks.....	¥28,000	¥85,312	¥57,312
National/Municipal bonds	—	—	—
Corporate bonds.....	498	499	1
Other	497	538	41
Subtotal.....	¥28,995	¥86,349	¥57,354
Securities with book values that do not exceed acquisition cost:			
Stocks.....	¥ 2,772	¥ 2,447	¥ (325)
National/Municipal bonds	202	200	(2)
Corporate bonds.....	304	302	(2)
Other	652	641	(11)
Subtotal.....	3,930	3,590	(340)
Total	¥32,925	¥89,939	¥57,014

Note: ¥107 million of the loss on impairment of available-for-sale securities with defined values for the year ended March 31, 2007 was recorded.

March 31, 2008	Millions of yen		
	Acquisition cost	Book value	Net
Securities with book values that exceed acquisition cost:			
Stocks.....	¥22,977	¥56,634	¥33,657
National/Municipal bonds	100	100	0
Corporate bonds.....	—	—	—
Other	104	110	6
Subtotal.....	¥23,181	¥56,844	¥33,663
Securities with book values that do not exceed acquisition cost:			
Stocks.....	¥12,946	¥ 8,825	¥ (4,121)
National/Municipal bonds	—	—	—
Corporate bonds.....	—	—	—
Other	1,479	1,162	(317)
Subtotal.....	14,425	9,987	(4,438)
Total	¥37,606	¥66,831	¥29,225

March 31, 2008	Thousands of U.S. dollars		
	Acquisition cost	Book value	Net
Securities with book values that exceed acquisition cost:			
Stocks.....	\$229,334	\$565,266	\$335,932
National/Municipal bonds	998	998	0
Corporate bonds	—	—	—
Other	1,038	1,098	60
Subtotal	\$231,370	\$567,362	\$335,992
Securities with book values that do not exceed acquisition cost:			
Stocks.....	\$129,215	\$ 88,083	\$(41,132)
National/Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	14,762	11,598	(3,164)
Subtotal	143,977	99,681	(44,296)
Total	\$375,347	\$667,043	\$291,696

Note: ¥523 million (\$5,220 thousand) of the loss on impairment of available-for-sale securities with defined values for the year ended March 31, 2008 is recorded.

Unrealized gain on securities is recorded as a separate component of the net assets, net of tax.

(3) "Available-for-sale Securities" sold

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Amount sold.....	¥1,006	¥31	\$309
Gains	839	7	70
Losses.....	(2)	(21)	(210)

(4) Major components and book values of securities without market value

Book value as of March 31	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Bonds held to maturity:			
Overseas unlisted bonds.....	¥ —	¥ 100	\$ 998
Domestic unlisted bonds	320	1,100	10,979
Other securities:			
Unlisted stocks	5,228	5,236	52,261
Overseas unlisted bonds.....	—	250	2,495
Beneficiary rights in monetary trust			
	—	1,000	9,981

Notes: 1. ¥124 million of the loss on impairment of other securities without market value for the year ended March 31, 2007 was recorded.

2. ¥115 million (\$1,148 thousand) of the loss on impairment of other securities without market value for the year ended March 31, 2008 is recorded.

(5) Repayment schedule for Available-for-sale securities and Bonds held to maturity

Book value as of March 31	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Within 1 year	¥1,462	¥1,520	\$15,171
Over 1 year and within 5 years	167	893	8,913
Over 5 years and within 10 years	271	170	1,697
Over 10 years.....	400	1,139	11,368

5 IMPAIRMENT LOSS ON FIXED ASSETS

The Company and its consolidated companies group its fixed assets for business use by a unit of business establishment, and its fixed assets for rent, golf courses and the fixed assets to be disposed are grouped individually.

¥4,683 million (\$46,741 thousand) of impairment loss on fixed assets is recorded because the Company has changed the purpose of use of a property and subsidiaries have reduced the book values of the properties to the recoverable values owing to the deterioration of the secondary concrete products business and the real estate renting business.

Impairment loss on fixed assets for the years ended March 31, 2007 and 2008 consist of the followings:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Tokyo metropolitan area:			
Land, buildings and other:			
For business	¥ —	¥2,827	\$28,216
For rent	204	1,438	14,353
For other	85	—	—
Other:			
Land and buildings:			
For business and other	5	418	4,172
Total.....	¥294	¥4,683	\$46,741

The recoverable amounts of the fixed assets are the larger of: (1) their net realizable values based on amounts determined by valuations made in accordance with real estate appraisal standards or publicly assessed land values in the case of less material properties, or (2) the present values of expected future cash flows from on-going utilization and subsequent disposition of the fixed assets based on a discount rate of 4.4%.

6 DERIVATIVE FINANCIAL INSTRUMENTS

(1) Outline of derivative transactions

(a) Description of derivative transactions

The Company enters into currency-related derivative transactions, such as forward foreign exchange contracts, and interest-rate-related derivative transactions, such as interest rate swap transactions.

(b) Policies on derivative transactions

In principle, the Company enters into derivative transactions that have underlying assets and liabilities and does not enter into derivative transactions for the purpose of obtaining a gain on sale or speculative transactions.

(c) Purpose of derivative transactions

The Company enters into currency-related derivative transactions, such as forward foreign exchange contracts, for the purpose of avoiding exchange rate risk in the future markets related to the demand for and collection of foreign currency denominated funds. The Company enters into interest-rate-related derivative transactions, such as interest rate swap transactions, for the purpose of avoiding risks of interest rate fluctuations in the future markets due to changes in market interest rates.

(d) Risks of derivative transactions

The Company enters into forward foreign exchange contracts for the purpose of fixing the yen amount of fund-raising costs. Accordingly, there is no risk of fluctuation in exchange rates. Interest rate swap transactions are exposed to risks of fluctuation in market interest rates. The counterparties of derivative transactions are limited to creditworthy international financial institutions. Accordingly, the management believes that there are no credit risks such as default of counterparties.

(e) Risk management of derivative transactions

The president determines the fundamental policies on derivative transactions of the Company. Executions of the transactions are performed by the accounting department after receiving approval from the managing director of the administrative division. The current status of derivative transactions is reported to the managing director in charge.

(f) Supplemental explanations on "Fair value of derivative financial instruments"

"Contractual value or notional principal amount" included in "Fair value information of derivative financial instruments" represents notional contract amounts or amounts for calculation purposes of the derivative transactions and do not represent the volume of risk of derivative transactions.

(2) Fair value information on derivative financial instruments

Not applicable

7 INVENTORIES

As of March 31, 2007 and 2008, inventories consist of the followings:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Construction work in progress.....	¥108,182	¥49,895	\$498,004
Real estate held for sale.....	12,861	7,108	70,945
Other inventories.....	2,796	3,059	30,532
	¥123,839	¥60,062	\$599,481

8 SHORT-TERM DEBT AND LONG-TERM DEBT

As of March 31, 2007 and 2008, short-term debt consists of the followings:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Bank loans bearing interest with average rate of 2.3% per annum...	¥34,632	¥38,645	\$385,717
Current portion of long-term loans....	13,808	6,239	62,272
	¥48,440	¥44,884	\$447,989

As of March 31, 2007 and 2008, long-term debt consists of the followings:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
10-year TSR+0.15% 1st series bonds due in 2008.....	¥ 3,000	¥ —	\$ —
1.60% 6th series bonds due in 2008	5,000	5,000	49,905
1.16% 7th series bonds due in 2007	10,000	—	—
0.79% 10th series bonds due in 2009	15,000	15,000	149,716
1.81% 11th series bonds due in 2011	10,000	10,000	99,811
2.23% 12th series bonds due in 2013	5,000	5,000	49,905
1.71% 13th series bonds due in 2012	5,000	5,000	49,905
1.69% 14th series bonds due in 2012	5,000	5,000	49,905
Long-term loans due in between 2009-2013 bearing interest with average rate of 1.7% per annum	12,759	22,452	224,094
	70,759	67,452	673,241
Less—Portion due within one year ...	(13,808)	(6,239)	(62,272)
	¥56,951	¥61,213	\$610,969

The annual maturities of long-term debt as of March 31, 2008 are as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010.....	¥15,281	\$152,520
2011.....	10,280	102,605
2012.....	20,152	201,138
2013.....	10,500	104,801
2014 and thereafter	5,000	49,905
	¥61,213	\$610,969

The assets pledged as collateral for short-term debt and long-term debt as of March 31, 2007 and 2008 are summarized as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Buildings and structures.....	¥2,234	¥2,144	\$21,399
Land.....	1,363	1,363	13,604
Investments in securities.....	1,839	1,784	17,806
Total.....	¥5,436	¥5,291	\$52,809

The secured liabilities as of March 31, 2007 and 2008 are summarized as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Short-term debt.....	¥5,709	¥8,639	\$86,226
Long-term debt.....	1,751	713	7,117
Other long-term liabilities.....	304	297	2,964
Total.....	¥7,764	¥9,649	\$96,307

9 LEASE TRANSACTIONS

Lease rental expenses under finance lease contracts without ownership-transfer for the years ended March 31, 2007 and 2008 are summarized as follows:

Year ended March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Lease rental expenses.....	¥162	¥111	\$1,108

The amounts of outstanding minimum lease payments as of March 31, 2007 and 2008, which include the portion of interest thereon, are summarized as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Finance leases:			
Minimum lease payments			
Within one year.....	¥107	¥ 92	\$ 918
Over one year.....	147	193	1,927
Total.....	¥254	¥285	\$2,845

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Operating leases:			
Minimum lease payments			
Within one year.....	¥190	¥ 91	\$ 908
Over one year.....	110	61	609
Total.....	¥300	¥152	\$1,517

Acquisition cost, accumulated depreciation, net book value and depreciation expenses of leased assets, which include the portion of interest thereon, are summarized as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Acquisition cost.....	¥576	¥588	\$5,869
Accumulated depreciation.....	322	303	3,024
Net book value.....	¥254	¥285	\$2,845
Depreciation.....	¥162	¥111	\$1,108

Depreciation is computed on the straight-line method over the lease term of the leased assets.

10 RETIREMENT BENEFIT PLANS

The Company and its consolidated subsidiaries have a corporate pension plan and an employees' pension plan as a defined benefit pension plan, in addition to a defined contribution pension plan and a retirement allowance plan.

The Company and its consolidated subsidiaries may pay extra severance pay, which is not subject to the pension obligation mathematically calculated in accordance with the retirement benefit accounting to employees on retirement and others.

As of March 31, 2008, the Company and its consolidated subsidiaries, as a group, have a single corporate pension fund and a single employees' pension fund, and 6 companies of the group have the retirement allowance plan.

The reserve for retirement benefits as of March 31, 2007 and 2008 is analyzed as follows:

March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
(a) Projected benefit obligations ..	¥(54,676)	¥(54,501)	\$(543,976)
(b) Plan assets	31,940	28,701	286,465
(c) Unfunded benefit obligations			
[(a)+(b)].....	(22,736)	(25,800)	(257,511)
(d) Unrecognized actuarial			
differences	16,102	18,696	186,605
(e) Unrecognized prior			
service cost	(11,830)	(10,847)	(108,264)
Accrued severance indemnities			
[(c)+(d)+(e)].....	¥(18,464)	¥(17,951)	\$(179,170)

Net pension expenses related to the retirement benefits for the years ended March 31, 2007 and 2008 are as follows:

Year ended March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
(a) Service cost	¥1,963	¥1,575	\$15,720
(b) Interest cost	1,234	1,093	10,909
(c) Expected return on plan assets ...	(608)	(639)	(6,378)
(d) Amortization of actuarial			
differences.....	1,650	1,593	15,900
(e) Amortization of prior			
service cost	(1,019)	(983)	(9,811)
Net pension expense			
[(a)+(b)+(c)+(d)+(e)].....	3,220	2,639	26,340
(f) Loss on transfer to defined			
contribution pension plan.....	225	—	—
(g) Contribution cost to defined			
contribution pension plan.....	95	577	5,759
(h) Extra payment for			
early retirement.....	—	5,311	53,009
Total [(a)+(b)+(c)+(d)+(e)+(f)+(g)] ..	¥3,540	¥8,527	\$85,108

A consolidated subsidiary joins a trading-association-type employees' pension fund, and its contribution to such a pension fund is included in the above "Net pension expense," and the reserve for the whole of the pension fund as of March 31, 2007 is as follows:

Year ending March 31,	Millions of yen		Thousands of
			U.S. dollars
(a) Pension fund reserved.....	¥234,769		\$2,343,238
(b) Projected benefit obligations.....	230,853		2,304,152
(c) Balance [(a)-(b)]	¥ 3,916		\$ 39,086

Note: The proportion of the participants of a consolidated subsidiary in the whole of the pension fund is 1.09% as of March 31, 2007.

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

	2007	2008
(a) Method of attributing the projected benefits to periods of services.....	Straight-line basis	Straight-line basis
(b) Discount rate.....	2.0%	2.0%
(c) Expected rate of return on plan assets.....	2.0%	2.0%
(d) Amortization of unrecognized actuarial differences	Over 10 to 15 years (expenses from the next year)	Over 10 to 15 years (expenses from the next year)
(e) Amortization of unrecognized prior service cost	15 years	15 years

11 INCOME TAXES

As of March 31, 2007 and 2008, significant components of deferred tax assets and liabilities are as follows:

March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
Deferred tax assets:			
Net loss carried forward.....	¥ 4,131	¥ 9,203	\$ 91,855
Reserve for retirement benefits...	7,460	7,477	74,628
Write-down of inventories.....	3,282	6,404	63,919
Impairment loss on fixed assets...	2,416	4,168	41,601
Allowance for losses on construction contracts	1,462	2,515	25,102
Allowance for doubtful accounts...	2,063	1,101	10,989
Unrealized intercompany profit of fixed assets	329	209	2,086
Other	8,988	8,919	89,021
Total	30,131	39,996	399,201
Less—Valuation allowance	(4,518)	(39,321)	(392,464)
Deferred tax assets	25,613	675	6,737
Deferred tax liabilities:			
Unrealized gain on investment.....	(23,336)	(13,683)	(136,570)
Total deferred tax liabilities...	(23,336)	(13,683)	(136,570)
Net deferred tax assets	¥ 2,277	¥(13,008)	\$(129,833)

The details of the difference between the statutory tax rate and effective income tax rate as of March 31, 2007 were as follows:

Statutory tax rate	40.7%
Increase in taxes resulting from:	
Expenses not deductible for income tax purposes.....	91.7
Income not deductible for income tax purposes.....	(37.0)
Per capita levy.....	42.6
Reversal of income taxes in the previous fiscal year	(142.4)
Less—Valuation allowance and so on	198.6
Effective income tax rate	194.2%

The details of the difference between the statutory tax rate and effective income tax rate as of March 31, 2008 are omitted because of loss before income taxes and minority interests for the year ended at March 31, 2008.

12 SHAREHOLDERS EQUITY

The Corporation Law of Japan provides that an amount equivalent to 10% of the amount of the deduction from surplus as a result of the payment of dividends of surplus be recorded as capital reserves or retained earnings reserves, until the sum of the capital reserves and the retained earnings reserves equals 25% of the capital stock amount. Such a distribution of dividends of surplus can be made by resolution of a shareholders meeting, or by the Board of Directors if certain conditions are met.

The following distribution of retained earnings applicable to the year ended March 31, 2008 was duly approved at General shareholders meeting held on June 27, 2008:

Year ended March 31, 2008	Millions of yen	Thousands of
		U.S. dollars
Cash dividends of ¥7 per share	¥1,239	\$12,367

13 COMMITMENTS AND CONTINGENT LIABILITIES

The contingent liabilities of the Company as of March 31, 2007 and 2008 are summarized as follows:

March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
Endorsed trade notes receivable...	¥12,079	¥ 7,922	\$ 79,070
Liquidated trade notes receivable ...	3,596	2,778	27,727
Letters of guarantee for affiliates....	1,607	1,684	16,808
Other	7,115	2,954	29,484
Total	¥24,397	¥15,338	\$153,089

14 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Major items of the selling, general and administrative expenses in the consolidated statements of income for the years ended March 31, 2007 and 2008 are as follows:

Year ended March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
Salaries to employees.....	¥11,580	¥10,933	\$109,123
Retirement benefit expenses.....	1,218	1,160	11,578
Provision for bonuses	1,403	1,098	10,959
Provision for doubtful accounts...	93	532	5,310

15 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in the selling, general and administrative expenses and manufacturing costs for the years ended March 31, 2007 and 2008 are as follows:

Year ended March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
Research and development expenses.....	¥1,559	¥1,577	\$15,740

16 CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS INFORMATION

(1) Type and number of stocks outstanding and treasury stock

	Thousands of stocks	
	Outstanding stocks	Treasury stock
	Type: Common stocks	Common stocks
Number of shares as of March 31, 2006.....	185,213	15,663
Increase for the year ended March 31, 2007	—	8
Decrease for the year ended March 31, 2007	—	(7,511)
Number of stocks as of March 31, 2007	185,213	8,160

Notes: 1. The increase in the number of treasury stock of 8 thousand common stocks is due to purchase of less-than-one-unit stocks.

2. The decrease in the number of treasury stock of 7,511 thousand common stocks consists of 283 thousand due to sale by a consolidated subsidiary, and 7,228 thousand due to the fact that Hikarigaoka Corporation changed its status from a consolidated subsidiary to an affiliate accounted for by the equity method due to sale of its stocks by the other consolidated subsidiary.

	Thousands of stocks	
	Outstanding stocks	Treasury stock
	Type: Common stocks	Common stocks
Number of shares as of March 31, 2007.....	185,213	8,160
Increase for the year ended March 31, 2008	—	63
Decrease for the year ended March 31, 2008	—	—
Number of stocks as of March 31, 2008	185,213	8,223

Note: The increase in the number of treasury stock of 63 thousand common stocks consists of 10 thousand due to purchase of less-than-one-unit stocks and 53 thousand due to the change of the Company's equities in subsidiaries and affiliates.

(2) Dividends

(a) Cash dividends distributed during the year ended March 31, 2007

Cash dividends of ¥9.0 per common stock at March 31, 2007 in total amount of ¥1,526 million were distributed to shareholders subject to the resolution of General shareholders meeting held on June 29, 2006.

(b) Cash dividends distributed during the year ended March 31, 2008

Cash dividends of ¥7.0 (\$0.07) per common stock at March 31, 2007 in total amount of ¥1,239 million (\$12,367 thousand) were distributed to shareholders subject to the resolution of General shareholders meeting held on June 28, 2007.

(c) Cash dividends to be distributed during the year ending March 31, 2009

Cash dividends of ¥7.0 (\$0.07) per common stock at March 31, 2008 in total amount of ¥1,239 million (\$12,367 thousand) out of the retained earnings are to be distributed to shareholders subject to the resolution of General shareholders meeting held on June 27, 2008.

17 CONSOLIDATED STATEMENTS OF CASH FLOWS INFORMATION

(1) Cash and cash equivalents at year-end

The balances of "Cash and cash equivalents at end of year" in the consolidated statements of cash flows for the years ended March 31, 2007 and 2008 are presented as follows:

March 31,	Millions of yen		Thousands of
	2007	2008	U.S. dollars
"Cash and time deposits" balance			
in the consolidated balance sheets...	¥27,583	¥26,408	\$263,579
Less—Time deposits exceeding the period of 3 months.....	(577)	(534)	(5,330)
Cash and cash equivalents at end of year	¥27,006	¥25,874	\$258,249

18 SEGMENT INFORMATION

(1) Industry Segment Information

The Company operates principally in the following two industrial segments:

- Construction...Civil engineering, building and other businesses related to construction work
- OtherProduction and sales of construction machinery and concrete secondary products
Sales and renting of real estates
Related service businesses and other

The segment information of the Company for the year ended March 31, 2007 was presented below:

	Year ended March 31, 2007			
	Millions of yen			
	Construction	Other	Elimination/ Corporate	Consolidated
I. Net sales and operating income				
Net sales:				
(1) Sales to outside customers	¥435,611	¥42,420	¥ —	¥478,031
(2) Intersegment sales	1,261	9,316	(10,577)	—
Total	436,872	51,736	(10,577)	478,031
Operating expenses.....	435,826	49,943	(9,809)	475,960
Operating income (loss)	¥ 1,046	¥ 1,793	¥ (768)	¥ 2,071
II. Assets, depreciation, impairment loss on fixed assets and capital expenditure				
Assets.....	¥455,128	¥67,922	¥29,878	¥552,928
Depreciation.....	3,668	2,636	(13)	6,291
Impairment loss on fixed assets.....	—	294	—	294
Capital expenditure	2,988	4,233	(933)	6,288

Notes: 1. Unallocated operating expenses included in the column "Elimination/Corporate" of "Operating expenses" was ¥968 million, which mainly consisted of the administrative expenses of the Company's headquarters.

Notes: 2. Corporate assets included in the column "Elimination/Corporate" of "Assets" was ¥37,419 million, which mainly consisted of management surplus fund (cash, deposits and securities), long-term investment fund (investments in securities, etc.) and the assets under the administrative department of the Company's headquarters.

Notes: 3. The "Accounting standard for the directors' bonuses" (Corporate Accounting Standard No. 4 dated November 29, 2005) was adopted from the previous fiscal year. This change decreased "Operating profit" of "Construction" by ¥8 million and of "Other" by ¥28 million.

The segment information of the Company for the year ended March 31, 2008 is presented below:

	Year ended March 31, 2008			
	Millions of yen			
	Construction	Other	Elimination/ Corporate	Consolidated
I. Net sales and operating income				
Net sales:				
(1) Sales to outside customers	¥428,888	¥48,588	¥ —	¥477,476
(2) Intersegment sales	430	5,347	(5,777)	—
Total	429,318	53,935	(5,777)	477,476
Operating expenses.....	434,060	52,790	(5,001)	481,849
Operating income (loss)	¥ (4,742)	¥ 1,145	¥ (776)	¥ (4,373)
II. Assets, depreciation, impairment loss on fixed assets and capital expenditure				
Assets.....	¥367,859	¥58,251	¥27,020	¥453,130
Depreciation.....	4,320	2,004	(72)	6,252
Impairment loss on fixed assets.....	2,350	2,360	(27)	4,683
Capital expenditure	2,544	2,567	(230)	4,881

	Year ended March 31, 2008			
	Thousands of U.S. dollars			
	Construction	Other	Elimination/ Corporate	Consolidated
I. Net sales and operating income				
Net sales:				
(1) Sales to outside customers	\$4,280,746	\$484,959	\$ —	\$4,765,705
(2) Intersegment sales	4,292	53,368	(57,660)	—
Total	4,285,038	538,327	(57,660)	4,765,705
Operating expenses	4,332,368	526,899	(49,915)	4,809,352
Operating income (loss)	\$ (47,330)	\$ 11,428	\$ (7,745)	\$ (43,647)
II. Assets, depreciation, impairment loss on fixed assets and capital expenditure				
Assets	\$3,671,614	\$581,405	\$269,688	\$4,522,707
Depreciation	43,118	20,002	(719)	62,401
Impairment loss on fixed assets	23,455	23,555	(269)	46,741
Capital expenditure	25,392	25,621	(2,296)	48,717

Notes: 1. Unallocated operating expenses included in the column "Elimination/Corporate" of "Operating expenses" is ¥952 million (\$9,502 thousand), which mainly consist of the administrative expenses of the Company's headquarters.

Notes: 2. Corporate assets included in the column "Elimination/Corporate" of "Assets" is ¥31,303 million (\$312,436 thousand), which mainly consist of management surplus fund (cash, deposits and securities), long-term investment fund (investments in securities, and other) and the assets under the administrative department of the Company's headquarters.

Notes: 3. The depreciation of property and equipment acquired after April 1, 2007 is computed in accordance with the depreciation method defined in the Income Tax Law of Japan revised in 2007. This change increases "Operating loss" of "Construction" by ¥169 million (\$1,687 thousand), but decreases "Operating profit" of "Other" by ¥51 million (\$509 thousand).

Notes: 4. The residual value of the property and equipment, which were acquired before March 31, 2007 and fully depreciated to the allowable limit, is depreciated on a straight-line basis over 5 years in accordance with the Income Tax Law of Japan revised in 2007.

This change increases "Operating loss" of "Construction" by ¥168 million (\$1,677 thousand) but decreases "Operating profit" of "Other" by ¥45 million (\$449 thousand), respectively.

Notes: 5. One of the consolidated subsidiaries, Maeda Seisakusho Co., Ltd., has changed the method of accounting for depreciation of the self-propelled operating machines for rent, from the declining balance method to the straight-line method on April 1, 2007.

This change increases "Operating profit" of "Other" by ¥372 million (\$3,713 thousand).

(2) Geographic segment information

Since the amounts of sales in Japan for the years ended March 31, 2007 and 2008 exceed 90% of the consolidated amounts, the disclosure of geographic segment information is omitted.

(3) Export sales and sales by overseas subsidiaries

Since the amounts of overseas sales for the years ended March 31, 2007 and 2008 are less than 10% of the consolidated sales, the disclosure of details of overseas sales is omitted.

19 PER SHARE INFORMATION

March 31,	Yen		U.S. dollars
	2007	2008	2008
Net assets per share	¥1,076.71	¥730.40	\$7.29
Earnings per share	(3.73)	(258.73)	(2.58)

Note: Diluted earnings per share are not presented because there were no dilutive potential common stocks in existence for the years ended March 31, 2007 and 2008.

The above information is calculated based on the following facts:

March 31,	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Net loss	¥(633)	¥(45,807)	\$(457,201)
Amount not attributable to common shareholders	—	—	—
Net loss attributable to common shareholders	¥(633)	¥(45,807)	\$(457,201)

During the fiscal year of	Thousands	
	2007	2008
Average number of stocks	169,746	177,047



Report of Independent Auditors

The Board of Directors
Maeda Corporation

We have audited the accompanying consolidated balance sheet of Maeda Corporation and consolidated subsidiaries as of March 31, 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the year ended March 31, 2008, all expressed in yen. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of Maeda Corporation and consolidated subsidiaries for the year ended March 31, 2007 were audited by other auditors whose report dated June 28, 2007, expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Maeda Corporation and consolidated subsidiaries at March 31, 2008, 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.

As described in Note 2, to the consolidated financial statements, Maeda Sersakusho Co., Ltd., a consolidated subsidiary, changed its method of accounting for depreciation of the self-propelled operating machines for rent, from the declining balance method to the straight-line method on April 1, 2007.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon

June 17, 2008

Outline of the Corporation

(As of March 31, 2008)

Year of Establishment

1919

Date of Incorporation

November 6, 1946

Number of Employees

3,386

Authorized Shares

635,500,000

Outstanding Shares

185,213,602

Paid-in Capital

¥23,455 million

Stock Listing

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(As of June 27, 2008)

President and Representative Director

Yasuji Maeda

Representative Director

Tadashi Hirota

Directors

Masayoshi Ejiri

Soji Maeda

Representative Director

Yasuiku Hase

Directors

Kojiro Fukuta

Makoto Nagao

Hiroataka Nishikawa

Koichi Obara

Toru Ogura

Hidetsugu Ooe

Toru Hanbayashi

Akira Watanabe

Corporate Auditors

Yutaka Tokui

Toshio Kato

Ken Nakanishi

Masaru Matsuzaki

Toshiyuki Watanabe

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(As of June 27, 2008)

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Executive Vice President

Tadashi Hirota

Senior Managing Officers

Masayoshi Ejiri

Soji Maeda

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Yokohama, Hokuriku, Chubu,
Kansai, Chugoku, Kyushu**

Principal Subsidiaries and Affiliates

Overseas:

- ◆ **MKK Technologies, Inc.**
- ◆ **Thai Maeda Corporation, Ltd.**
- ◆ **Maeda Vietnam Co., Ltd.**

Domestic:

- ◆ **Maeda Road Construction Co., Ltd.**
- ◆ **Toyo Construction Co., Ltd.**
- ◆ **Maeda Seisakusho Co., Ltd.**
- ◆ **Hikarigaoka Corporation**
- ◆ **Fujimi Koken Co., Ltd.**
- ◆ **Seiyu Estate Co., Ltd.**
- ◆ **Fujimi Building Services Co., Ltd.**
- ◆ **Miyama Kogyo Co., Ltd.**
- ◆ **JM (Japanese Management)
Corporation**
- ◆ **Koho Corporation**



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