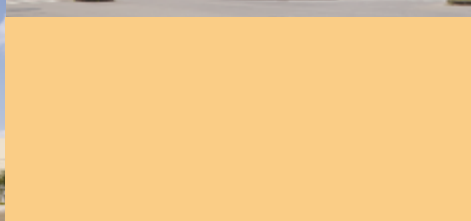




MAEDA

Corporation

Annual Report 2011



A MESSAGE FROM THE PRESIDENT



I am pleased to have this opportunity to report the Company's operating results for fiscal 2011, which ended March 31, 2011, the 66th year since Maeda's incorporation.

Koichi Obara, President and Representative Director

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The Japanese economy in the fiscal year under review was partially characterized by movement toward improved corporate earnings thanks to a recovery in export activity and manufacturing against a background of economic expansion in Asia. On the whole, however, amid a downturn in employment and personal income, a strong yen exchange rate, and prolonged deflation, manufacturing activities and personal consumption became static due to The Great East Japan Earthquake, resulting in an even tougher business climate.

In the construction industry, although there were signs of a partial recovery in private-sector residential project investments, public sector investment was impacted by budget cuts, shifting the industry into low gear all the while continuing to be a severe environment for orders.

Under the circumstances, the Company launched its Medium-Term Management Plan (FY2010 – FY2013) based on the fundamental philosophy of “becoming a company that earns the maximum level of trust from all its stakeholders,” as well as undertook efforts to improve its workmanship and strength in order acquisition. Along with breaking ground on the Iidabashi Station West Entrance District Redevelopment project and head office transfer; Maeda designated this construction project as its environmental management flagship. Accordingly, Maeda is aiming for zero CO₂ emissions at the construction stage and taking on environment vitalization activities.

The consolidated Group performance in the fiscal year under review included an 11.2% decline in net sales, year on year, to

over ¥291.8 billion, operating profit was over ¥1.9 billion, owing to a decrease in real estate and other business income, despite the health of the construction segment, while ordinary profit amounted over ¥1.3 billion. Furthermore, although we accounted for the compensation for transfer of property, associated with Iidabashi Station West Entrance District Redevelopment project, as an extraordinary gain, loss on valuation of investment securities, loss on valuation of real estate for sale and the provision of allowance for doubtful accounts were recorded as extraordinary loss, resulting in a net loss of ¥2.5 billion.

Construction

Consolidated net sales in the construction segment decreased 10.9% compared with the previous fiscal year, amounting to over ¥262.4 billion. Segment operating profit fell 39.7%, year on year, to over ¥3.1 billion, owing to the drop in sales despite an improvement in the total profit ratio of completed works on the back of strengthened workmanship.

Regarding the parent company, which accounts for most of the Maeda Group's construction operations, total orders for building projects grew 14.2%, year on year, to over ¥300.2 billion. Contributing to this increase were work orders for large-scale redevelopment projects within building works that grew 25.4% to ¥204.2 billion, despite a 4.1% drop in civil engineering works to ¥95.9 billion, owing to increased competition for domestic construction.

On a nonconsolidated basis, 30.2% of total orders were received from government and other public entities, with the remaining 69.8% obtained from private-sector companies.

Nonconsolidated total sales for completed projects in the construction sector decreased 13.2%, to somewhat over ¥241.4 billion, reflecting a 14.7% drop in building project sales, to somewhat over ¥139.7 billion, and a 11.1% decline in civil engineering project sales, to somewhat over ¥101.7 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, increased 19.5% year on year, to ¥361.2 billion.

Real Estate

Consolidated net sales in the real estate sector, comprising development centered on land and building rental and sales, dropped 44.2%, year on year, to over ¥7.2 billion owing to a decline in the number of condominium sales, and generated an operating loss of over ¥1.0 billion.

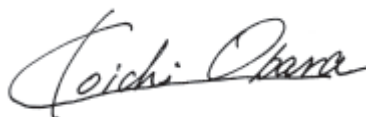
Other

In Maeda's other sector—encompassing a broad range of developing operations that are centered on construction-related operations and extend to service operations—recorded more than ¥22.2 billion in consolidated net sales, up 5.5%, year on year, yet due to a poor performance by a portion of the consolidated companies, generated an operating loss somewhat greater than ¥2.0 billion.

Regarding future trends, the immense and immeasurable impact of The Great East Japan Earthquake on the domestic economy, continued stagnation in manufacturing and personal consumption, concern over the appreciation of raw materials such as crude oil, and other such factors make it difficult to project the future direction of the economy. Moreover, we anticipate this prolonged sense of uncertainty to continue. With respect to the construction industry, although we anticipate a rise in public-sector investment toward post-earthquake restoration projects as well as investment from both the private and public sectors in disaster prevention, there is concern regarding the general refrain from new investments outside of Japan's disaster-stricken regions. In light of this, we are anticipating continued severity in the management environment.

Amid these circumstances, Maeda will maintain its income-oriented structure, work as a united entity toward promoting the Medium-Term Management Plan for Group sustainability, concentrate on ongoing efforts to boost workmanship and order acquisition, and work toward the future growth of profits by shedding contract work and globalizing. Also, in following the Maeda Environmental Management Manifesto, we will be making concerted efforts to provide comprehensive environmental services, promote development and expansion of environment-related technology in addition to environment contribution activities. Through these and other initiatives, we will do our utmost to promote Maeda's corporate development in a sustained and dynamic manner.

I wish to express my sincere gratitude to our stockholders for their continued and exceptional understanding and support.



June 2011
Koichi Obara
President and Representative Director

Profile of the Corporation

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 tun-

nels 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 completed the construction of Stonecutters Bridge—one of the world's longest cable-stayed bridges in 2009.

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 (Building Projects)



Shonan Shirayuri Gakuen Jr. High and High School Auditorium

This project entailed the construction of a new auditorium for a junior high and high school located near the popular tourist destination of Enoshima, Shonan. The auditorium has an occupancy of 1,200 people and is equipped with a full-scale stage and accompanying theater-quality audio and lighting equipment. Owing to the location of the construction site, which was situated among narrow streets in a residential area, Maeda was extremely conscientious of surrounding neighbors during construction.



Kemigawahama Residence

This 379-unit family residence is a four-minute walk from the Kemigawahama Station on the JR Keiyo Line. The building's environment-tailored design and construction lends itself to a lighter weight building, greater construction efficiency and improved productivity to realize a building with low environmental impact.

Review of Operations



ORIX Kawagoe Logistics Center

This is a large-scale, four-story logistics center with a total floor area of 58,982m². It was the first building constructed using the MaRCS II* construction method, (an integrated RCS style of construction developed by Maeda, The Zenitaka Corporation and Toyo Construction Co., Ltd.), which contributed to streamlining the construction of the building frame. While under construction, Maeda participated in a neighborhood cleanup and other such community activities, thereby boosting exchanges with the community.

*MaRCS II: A construction method that uses reinforced concrete (RC) columns that have a high compression force resiliency and steel (S) beams that are highly resilient to distortion and tension. This method is most beneficial in large-span construction projects.



Higashine Shiritsu Omori Elementary School

The construction of this school took place in Higashine, Yamagata Prefecture as a private finance initiative (PFI). With a total enrollment of 550 students, the school opened its doors in April 2011. Drawing on a 15-year history in the maintenance management business, the layout of the school was designed with clear and definitive zoning for maximum safety and security. The school has three main zones that include the elementary school area, the day care center area and an open area.

Completed Projects (Civil Engineering Projects)



Ken-O Expressway Shiroyama Hachioji Tunnel (Part 2) Construction

This project entailed the construction of a portion of the Shiroyama Hachioji Tunnel (3.6km in both directions) on the south side of the Hachioji-Minami Interchange of the Metropolitan Inner-City Expressway, also known as the Ken-O Expressway. The portion constructed by Maeda includes 1,579m in the direction of Tokyo and 1,563m in the opposing direction. Maeda made every effort to prevent noise, vibration and debris from affecting nearby residents during construction.



Road T3 and Associated Road Works

This project entailed the construction of a 2km viaduct and 3km arterial highway extension in the Sha Tin District as new additions to the network of roads that connect Hong Kong's New Territories and Kowloon Peninsula. In order to minimize strain on surrounding highways, Maeda used an off-site construction method in which bridge beams and support columns were constructed as sections that were later pieced together for completion on site.



Fiscal 2007 Kisei Line Magose Tunnel Construction

This project involved the construction of a 2,271.6m portion of the 21.2km-tunnel that runs between Owasekita IC and Miyama IC in Mie Prefecture. With the aim of reducing water turbidity and stabilizing water quality, an effluent treatment facility was employed. As one of Japan's heaviest rain zones, the tunnel is anticipated to function as an alternate route in case of disaster to prevent isolation of the region.



Hokuriku Shinkansen, Itoigawa Yokomachi, Terashima Viaduct

As construction of the Hokuriku Shinkansen, scheduled for completion in fiscal 2014, progresses, Maeda contributed a 1,339m-railway bridge located in the outlying area of the Itoigawa Station. While closely communicating with the nearby residential community during construction, Maeda was also mindful of preserving the quality of the viaduct, which is located along the Japan Sea coast, by taking steps to prevent salt erosion due to the effects of the ocean climate.

MAEDA NEWS

Environmental Management Efforts

Since April 2009, Maeda has emphasized the strategy of “being the No. 1 company in environmental management” as part of a three-year plan through fiscal 2013. As it aims to embody this image, it is engaged in various activities that place environmental management at the heart of corporate management, carried out through business operations as both a corporate citizen and an individual.

The following items showcase outside recognition of Maeda’s efforts and successes in environmental response during the current fiscal year.

>>> Environmental Management Ranking—2nd in construction industry category for second consecutive year

Ranking according to Nihon Keizai Shimbun (Nikkei Inc.) that evaluates approximately 4,400 publicly listed companies based on following five criteria: 1. environmental management promotion structure; 2. pollution countermeasures and biodiversity consideration and management; 3. resource recycling; 4. product countermeasures; and, 5. global-warming countermeasures.

>>> Top 100 Japanese Companies to Be Proud of—3rd in construction industry category out of 62 companies in all categories

One hundred companies selected by The Nippon Foundation for exemplifying commitment to CSR practices and information disclosure among mainly companies listed on the first section of the Tokyo Stock Exchange.

>>> Japan Environmental Management Awards, Environmental Management Category, Environmental Management Award of Excellence

Established in 2002 for the promotion of “environmental management development” and “creation of environment-oriented culture” and recognizes corporations and other organizations for excellence in environmental management.

>>> Eco-Unit Award Grand Prize and Nikkei Ecology Prize

The Tokyo Chamber of Commerce and Industry sponsor this award in recognition of “eco people,” businesses and groups that have passed an eco-screening test, as well as have shown superior dedication to environmental conservation and revitalization.

>>> Eco-Printing Grand Prize—Winner for second consecutive year

This prize was established in 2007 with the aim of enhancing eco printing quality, promoting its popularization and encouraging companies to eco print all corporate publications, including environmental reports, which they publish as part of their responsibility to society.



Eco-Unit Award ceremony



Status of separation and collection of steel piping used in the excavation of tunnels



Manufacture of such fair trade goods as coffee

Maeda's efforts on the frontline also gained recognition with the 2010 Reduce, Reuse, Recycle (3R) Promotion Council Chairman's Award, sponsored by the 3R Promotion Council. The prize acknowledges measures to reduce the generation of by-products at the Utatsu Tunnel construction site (Kanazawa City, Ishikawa Prefecture). The Company not only took active steps to utilize environment-friendly goods and eco products, but also to recycle old tires used to prevent dirt and soil from sliding down embankments at the construction site.

As an incentive employees and their families to get involved, Maeda developed its own eco point system called "Me-pon." Points can be exchanged for a variety of fair trade goods such as coffee, cookies and black pepper while simultaneously serving to illuminate and reinforce fair trade partnerships. The coffee Maeda offers in exchange for points is procured through an NPO that supports reestablishing the cultivation of a specific coffee variety from Sri Lanka that had not been cultivated for 140 years. Maeda is also providing independent assistance and support for environmental preservation initiatives by contributing to a sapling-planting fund and through participation in a tree-planting ceremony by local construction site workers in Sri Lanka.

In order to leave behind a plentiful environment for future generations, Maeda takes on committed efforts to "pay dividends to the planet" through a variety of social activities related to biodiversity preservation and revitalization. In the current fiscal year, Maeda made contributions to The Great East Japan Earthquake charities, totaling 48.73 million yen.

Further details including the Company's Environmental Accounting Report and CSR Report (Publication scheduled for July 2011) can be found at the Maeda Corporation homepage (<http://www.maeda.co.jp/csr/report/index.html>).

MAEDA NEWS

Hong Kong Railway Double-Order Project

Since the 1970's, Maeda has received many orders from the MTRC Corporation, Ltd. (MTRC) for work that included the Tsuen Wan, Island, Tung Chung, and Kwun Tong Lines. Following the MTR Guangzhou – Shenzhen – Hong Kong Express Rail Link (XRL) 823A tunnel construction order received in July last year, Maeda recently took another order in October for the adjacent 823B zone.

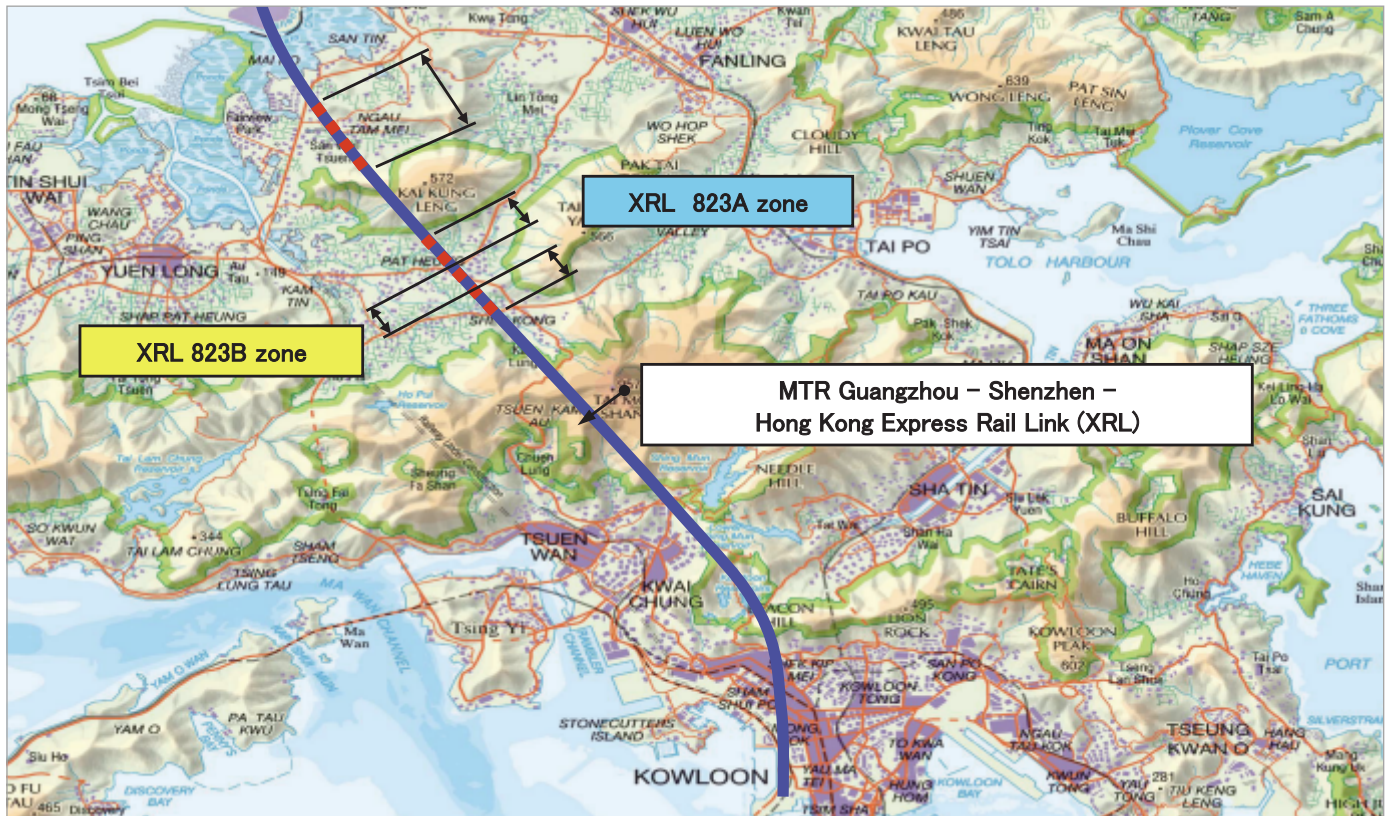
The geology surrounding 823A, where four tunnels will be built, consists of rock bed and layers of deposited sand. In the 823B zone, which will run through 823A, an emergency turnout (extended approximately 1,200m) for the underground XRL will be built using the open-cut construction method. Upgrades will also be made to the train-car base in the above-ground portion.

With inaugurations for both construction and shinkansen being hurried, Maeda has kept to a strict timeline for completion while ensuring product quality. Based on this performance, the Company plans to aggressively bid for another upcoming project that MTRC will take on in another zone.

Project Summary

Name: MTR Express Rail Link 823A, Tai Kong Po to Tse Uk Tsuen Tunnel
 Contractors: Joint venture between Maeda Corporation and China State Construction (70:30)
 Location: Kam Tin, New Territories, Hong Kong
 Timeline: July 19, 2010 – May 10, 2015

Name: MTR Express Rail Link 823B, Shek Kong Stabling and Emergency Rescue Siding
 Contractors: Joint venture between Maeda Corporation and China State Construction (70:30)
 Location: Kam Tin, New Territories, Hong Kong
 Timeline: October 25, 2010 – May 10, 2015

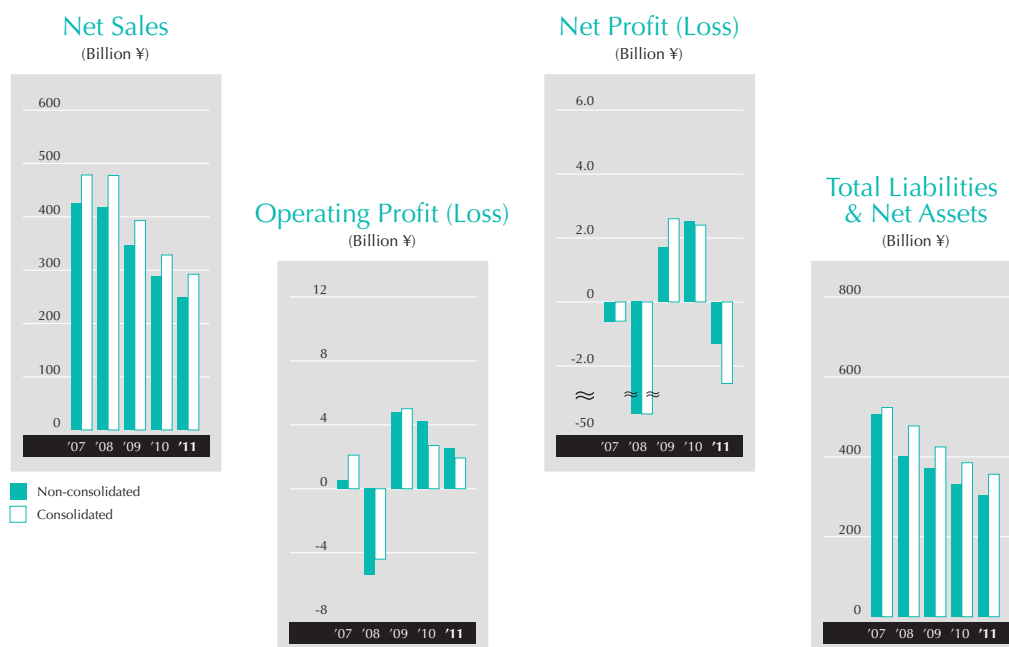


Consolidated Financial Highlights

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

	Millions of yen		Thousands of U.S. dollars (Note)
	2010	2011	2011
For the Year Ended March 31:			
Net sales	¥328,625	¥291,888	\$3,510,379
Operating profit	2,683	1,918	23,067
Net profit (loss)	2,376	(2,547)	(30,631)
As of March 31:			
Total liabilities & net assets	384,986	356,104	4,282,670
Total shareholders' equity	112,357	108,569	1,305,701

Note: U.S. dollar amounts in the financial statements are translated from yen, for convenience only, at the rate of ¥83.15=US\$1, the exchange rate prevailing on March 31, 2011.



Consolidated Balance Sheets

Maeda Corporation and Subsidiaries
March 31, 2010 and 2011

ASSETS	As of March 31		
	Millions of yen		Thousands of U.S. dollars (Note 4)
	2010	2011	2011
Current Assets:			
Cash and time deposits.....	¥ 29,217	¥ 26,473	\$ 318,376
Marketable securities (Notes 5 & 6)	20	-	-
Trade receivables:			
Notes	2,951	1,807	21,732
Accounts	111,862	107,250	1,289,837
Allowance for doubtful accounts	(1,458)	(990)	(11,906)
	113,355	108,067	1,299,663
Inventories (Notes 9 & 10)	51,502	45,838	551,269
Deferred tax assets (Note 13).....	77	72	866
Other current assets.....	29,797	23,282	280,000
Total Current assets	223,968	203,732	2,450,174
Investments and other assets:			
Investments in securities (Notes 5, 6 & 10)	53,048	44,212	531,714
Investments in and advances to unconsolidated subsidiaries and affiliates	33,784	34,644	416,645
Deferred tax assets (Note 13).....	90	81	974
Intangible fixed assets	1,338	888	10,679
Long-term loans receivable	4,669	4,305	51,774
Claims provable in bankruptcy and other	4,873	8,535	102,646
Other investments	5,310	5,458	65,640
Allowance for doubtful accounts	(5,415)	(6,231)	(74,937)
Total Investments and other assets	97,697	91,892	1,105,135
Property and equipment, at cost : (Note 10)			
Buildings and structures	61,708	58,592	704,654
Machinery and equipment	24,793	24,275	291,942
Vehicles	4,027	3,995	48,046
Tools, furniture and fixtures.....	6,944	6,801	81,792
Land.....	34,035	31,858	383,139
Construction in progress	—	3,041	36,573
Leased assets	325	340	4,089
	131,832	128,902	1,550,235
Accumulated depreciation	(68,511)	(68,422)	(822,874)
Property and equipment, net.....	63,321	60,480	727,361
TOTAL ASSETS	¥384,986	¥356,104	\$4,282,670

The accompanying notes are an integral part of the statements.

As of March 31

LIABILITIES & NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 4)
	2010	2011	2011
Current Liabilities:			
Short-term debt (Note 10)	¥ 62,857	¥ 47,327	\$ 569,176
Trade payables	44,563	49,195	591,642
Advances on construction work in progress	25,080	23,186	278,845
Accrued income taxes	443	373	4,486
Allowance for repairs and warranty.....	429	459	5,520
Accrued bonuses for employees	1,837	1,856	22,321
Accrued bonuses for directors.....	45	12	144
Reserve for defects on completed works.....	824	588	7,072
Allowance for losses on construction contracts	1,812	1,350	16,236
Reserve for indemnification for completed contracts in the past fiscal years.....	602	392	4,714
Other current liabilities	19,195	16,439	197,703
Total Current liabilities.....	157,687	141,177	1,697,859
Long-Term Liabilities:			
Long-term debt (Note 10).....	73,958	69,270	833,073
Reserve for retirement benefits (Note 12)	16,278	16,829	202,393
Deferred tax liabilities (Note 13)	7,005	4,590	55,202
Other long-term liabilities	3,784	5,799	69,741
Total Long-term liabilities	101,025	96,488	1,160,409
Commitments & Contingent Liabilities (Note 15)			
Net Assets			
Shareholders' equity:			
Common stock (Note 18)	23,455	23,455	282,081
Additional paid-in capital.....	31,710	31,710	381,359
Retained earnings	59,709	55,923	672,556
Treasury stock, at cost.....	(2,517)	(2,519)	(30,295)
Total Shareholders' equity.....	112,357	108,569	1,305,701
Accumulated other comprehensive income:			
Unrealized gain on investments in securities	10,181	6,430	77,330
Foreign currency translation adjustments	(92)	(30)	(361)
Total Accumulated other comprehensive income	10,089	6,400	76,969
Minority interests in consolidated subsidiaries:	3,828	3,470	41,732
Total Net assets.....	126,274	118,439	1,424,402
TOTAL LIABILITIES & NET ASSETS	¥384,986	¥356,104	\$4,282,670

The accompanying notes are an integral part of the statements.

Consolidated Statements of Income

Maeda Corporation and Subsidiaries
Years ended March 31, 2010 and 2011

For the Year Ended March 31

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2010	2011	2011
Net Sales	¥328,625	¥291,888	\$3,510,379
Cost of Sales	302,883	267,524	3,217,366
Gross profit	25,742	24,364	293,013
Selling, General and Administrative Expenses (Note 16)	23,059	22,446	269,946
Operating profit	2,683	1,918	23,067
Other income (expenses):			
Interest and dividend income	1,323	1,229	14,781
Interest expenses.....	(2,450)	(2,384)	(28,671)
Gain on sale of investments in securities.....	110	250	3,007
Loss on sale of investments in securities.....	(21)	(57)	(686)
Loss on valuation of investments in securities.....	(495)	(3,811)	(45,833)
Foreign exchange gain (loss)	532	(537)	(6,458)
Investment profit on equity method.....	1,704	1,370	16,476
Impairment loss on fixed assets (Note 8)	(115)	(530)	(6,374)
Provision for doubtful accounts.....	(115)	(1,056)	(12,700)
Loss on valuation of real estate held for sale.....	—	(1,060)	(12,748)
Gain on compensation for transfer of property.....	—	2,390	28,743
Provision of the reserve for indemnification for completed contracts in the past fiscal years	(815)	—	—
Other, net.....	(276)	(361)	(4,342)
	(618)	(4,557)	(54,805)
Profit (loss) before income taxes and minority interests.....	2,065	(2,639)	(31,738)
Income taxes:			
Current	324	213	2,561
Deferred.....	349	35	421
	673	248	2,982
Profit (loss) before minority interests	1,392	(2,887)	(34,720)
Minority interests in net loss of consolidated subsidiaries	984	340	4,089
Net profit (loss)	¥ 2,376	¥ (2,547)	\$ (30,631)
	Yen		U.S. dollars
Per share:			
Primary earnings	¥13.43	¥(14.39)	\$(0.17)

The accompanying notes are an integral part of the statements.

Consolidated Statements of Comprehensive Income

Maeda Corporation and Subsidiaries
Years ended March 31, 2010 and 2011

	For the Year Ended March 31		
	Millions of yen		Thousands of U.S. dollars (Note 4)
	2010	2011	2011
Profit (loss) before minority interests	¥1,392	¥(2,887)	\$(34,720)
Other comprehensive income:			
Unrealized gain (loss) on investments in securities	¥3,606	¥(3,560)	\$(42,814)
Share of other comprehensive income of the companies accounted for by equity method.....	84	7	84
Total other comprehensive income	3,690	(3,553)	(42,730)
Total Comprehensive income	¥5,082	¥(6,440)	\$(77,450)
Total Comprehensive income attributable to:			
Shareholders of Maeda Corporation	5,906	(6,237)	(75,009)
Minority interests.....	(824)	(203)	(2,441)

The accompanying notes are an integral part of the statements.

Consolidated Statements of Changes In Net Assets

Maeda Corporation and Subsidiaries
Years ended March 31, 2010 and 2011

	Millions of yen									
	Shareholders' equity					Accumulated other comprehensive income				
	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 Accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total Net assets
Balance at March 31, 2009	¥23,455	¥31,710	¥ 58,572	¥(2,516)	¥111,221	¥ 6,653	¥(93)	¥ 6,560	¥4,675	¥122,456
Changes during the current period:										
Cash dividends paid										
at ¥7.0 per share.....	—	—	(1,239)	—	(1,239)	—	—	—	—	(1,239)
Net profit for current period.....	—	—	2,376	—	2,376	—	—	—	—	2,376
Acquisition of treasury stock.....	—	—	—	(1)	(1)	—	—	—	—	(1)
Net changes other than shareholders' equity.....	—	—	—	—	—	3,528	1	3,529	(847)	2,682
Total changes during the current period.....	—	—	1,137	(1)	1,136	3,528	1	3,529	(847)	3,818
Balance at March 31, 2010	¥23,455	¥31,710	¥ 59,709	¥(2,517)	¥112,357	¥10,181	¥(92)	¥10,089	¥3,828	¥126,274
Changes during the current period:										
Cash dividends paid										
at ¥7.0 per share.....	—	—	(1,239)	—	(1,239)	—	—	—	—	(1,239)
Net loss for current period.....	—	—	(2,547)	—	(2,547)	—	—	—	—	(2,547)
Acquisition of treasury stock.....	—	—	—	(2)	(2)	—	—	—	—	(2)
Net changes other than shareholders' equity.....	—	—	—	—	—	(3,751)	62	(3,689)	(358)	(4,047)
Total changes during the current period.....	—	—	(3,786)	(2)	(3,788)	(3,751)	62	(3,689)	(358)	(7,835)
Balance at March 31, 2011	¥23,455	¥31,710	¥ 55,923	¥(2,519)	¥108,569	¥ 6,430	¥(30)	¥ 6,400	¥3,470	¥118,439

	Thousands of U.S. dollars (Note 4)									
	Shareholders' equity					Accumulated other comprehensive income				
	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 Accumulated other comprehensive income	Minority interests in consolidated subsidiaries	Total Net assets
Balance at March 31, 2010	\$ 282,081	\$ 381,359	\$ 718,088	\$(30,271)	\$ 1,351,257	\$ 122,441	\$(1,107)	\$ 121,334	\$ 46,037	\$ 1,518,628
Changes during the current period:										
Cash dividends paid										
at \$0.08 per share.....	—	—	(14,901)	—	(14,901)	—	—	—	—	(14,901)
Net loss for current period.....	—	—	(30,631)	—	(30,631)	—	—	—	—	(30,631)
Acquisition of treasury stock.....	—	—	—	(24)	(24)	—	—	—	—	(24)
Net changes other than shareholders' equity.....	—	—	—	—	—	(45,111)	746	(44,365)	(4,305)	(48,670)
Total changes during the current period.....	—	—	(45,532)	(24)	(45,556)	(45,111)	746	(44,365)	(4,305)	(94,226)
Balance at March 31, 2011	\$282,081	\$381,359	\$672,556	\$(30,295)	\$1,305,701	\$ 77,330	\$(361)	\$ 76,969	\$41,732	\$1,424,402

The accompanying notes are an integral part of the statements.

Consolidated Statements of Cash Flows

Maeda Corporation and Subsidiaries
Years ended March 31, 2010 and 2011

For the Year Ended March 31

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2010	2011	2011
Cash Flows from Operating Activities:			
Profit before income taxes and minority interests.....	¥ 2,065	¥ (2,639)	\$ (31,738)
Depreciation	6,502	4,913	59,086
Impairment loss on fixed assets.....	115	530	6,374
Increase (decrease) in allowance for doubtful accounts.....	(1,623)	941	11,317
Increase (decrease) in allowance for losses on construction contracts.....	(1,576)	(462)	(5,556)
Increase (decrease) in reserve for retirement benefits	(747)	551	6,627
Interest and dividend income	(1,323)	(1,229)	(14,781)
Interest expenses.....	2,450	2,384	28,671
Foreign exchange loss (gain)	(393)	(141)	(1,696)
Loss (gain) on sale of securities	(89)	(194)	(2,333)
Loss (gain) on valuation of investments in securities.....	484	3,851	46,314
(Increase) decrease in trade receivables.....	14,714	5,756	69,224
(Increase) decrease in construction work in progress.....	19,843	1,371	16,488
(Increase) decrease in other inventories.....	679	4,475	53,819
(Increase) decrease in consumption tax receivables.....	3,956	(3,482)	(41,876)
Increase (decrease) in trade payables	(19,076)	4,632	55,707
Increase (decrease) in advances on construction work in progress	(12,750)	(1,894)	(22,778)
Other	1,290	3,147	37,847
Sub total:.....	14,521	22,510	270,716
Receipt of interest and dividend income.....	1,548	1,623	19,519
Payment of interest expenses	(2,467)	(2,326)	(27,974)
Payment of income taxes	(251)	(265)	(3,187)
Cash flows from operating activities:	13,351	21,542	259,074
Cash Flows from Investing Activities:			
Proceeds from sale and redemption of marketable securities	522	20	241
Acquisition of property and equipment and intangible assets	(3,025)	(2,689)	(32,339)
Proceeds from sale of property and equipment and intangible assets.....	342	240	2,886
Acquisition of investments in securities	(3,031)	(3,134)	(37,691)
Proceeds from sale of investments in securities.....	725	2,231	26,831
Lending of long-term loans receivable	(400)	(79)	(950)
Collection of long-term loans receivable.....	413	326	3,921
Other	399	(64)	(770)
Cash flows from investing activities:	(4,055)	(3,149)	(37,871)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term loans.....	(17,727)	(20,511)	(246,675)
Increase in long-term loans.....	25,000	200	2,405
Repayment of long-term loans.....	(6,014)	(12,616)	(151,726)
Proceeds from issuance of bonds.....	5,755	13,025	156,645
Repayment of bonds	(15,000)	—	—
Payment of finance lease obligations.....	(77)	(85)	(1,022)
Payment of cash dividends.....	(1,239)	(1,239)	(14,901)
Acquisition of treasury stock.....	(1)	(1)	(12)
Payment of cash dividends to minority shareholders.....	(29)	—	—
Other	241	—	—
Cash flows from financing activities:.....	(9,091)	(21,227)	(255,286)
Exchange difference of cash and cash equivalents.....	(26)	(248)	(2,982)
Increase (decrease) in cash and cash equivalents.....	179	(3,082)	(37,065)
Cash and cash equivalents at beginning of the year.....	28,856	29,035	349,188
Cash and cash equivalents at end of the year	¥29,035	¥25,953	\$312,123

The accompanying notes are an integral part of the statements.

Notes to the Consolidated Financial Statements

Maeda Corporation and Subsidiaries

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

(1) Accounting principles and presentation

Maeda Corporation (the “Company”) and its consolidated subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and, its foreign subsidiaries maintain their books of account in conformity with those countries of domicile.

Effective April 1, 2008, the Company adopts the “Practical Solution to Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF No.18)”. In accordance with PITF No.18, the accompanying consolidated financial statements for the year ended March 31, 2009 have been prepared by using, the accounts of foreign consolidated subsidiaries prepared in accordance with either International Financial Reporting Standards (IFRS) or accounting principles generally accepted in the United States as adjusted for certain items. Until March 31, 2008, the accompanying consolidated financial statements had been prepared by using the accounts of foreign consolidated subsidiaries prepared in accordance with accounting principles generally accepted in their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of IFRS, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain amounts in the prior years’ financial statements have been reclassified to conform to the current year’s presentation.

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 20 subsidiaries (“controlling companies”, wherein the decision-making body of entity is controlled) as of March 31, 2011. The accompanying consolidated financial statements include the accounts of the Company and 8 significant subsidiaries, controlled directly or indirectly by the Company, as listed below:

Consolidated subsidiaries:

Name of subsidiary	Segment (Main business)	March 31, 2011		
		Equity ownership Percentage, Including indirect Ownership	Common stock Millions of yen	Thousands of U.S. dollars
Maeda Seisakusho Co., Ltd.	Other (Manufacturing, sales and rental of construction machinery and others)	43.0%	¥3,160	\$ 38,004
JM Corporation	Building	100.0	350	4,209
Fujimi Koken Co., Ltd.	Other (Production and sales of construction materials)	50.0	250	3,007
Fujimi Building Services Co., Ltd.	Building	75.0	100	1,203
Seiyu Estate Co., Ltd.	Real estate	98.8	50	601
Miyama Kogyo Co., Ltd.	Civil engineering	74.2	25	301
*Anonymous Association—				
Shinonome Residential Tower	Real estate	—	—	—
Anonymous Association—				
Aomi Seaside Project	Real estate	—	—	—

Note: The account closing date of Anonymous Association – Shinonome Residential Tower is April 30, and its account is adjusted according to the account closing date of the Company for consolidation purpose.

The accounts of the other 12 subsidiaries have not been consolidated with the Company because of the insignificant amount of total assets, net sales, net profit and retained earnings, but 3 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 inter-company 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.

Differences between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method are amortized by the straight-line method over periods not exceeding 5 years. However, immaterial goodwill and negative goodwill are charged or credited to income in the year of acquisition.

(4) Investments in unconsolidated subsidiaries and affiliates

As of March 31, 2011, the Company has 10 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 3 unconsolidated subsidiaries and 4 affiliates are accounted for by the equity method, under which the Company’s equity in the net profit of these affiliates is included in consolidated profit with appropriate elimination of inter-company profit as of March 31, 2011, 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.

Major unconsolidated subsidiary accounted by the equity method;

Thai Maeda Corporation Ltd.

Major affiliates accounted by the equity method;

Maeda Road Construction Co., Ltd.

Toyo Construction Co., Ltd.

Major unconsolidated subsidiary not accounted by the equity method;

Chiba City Consumer Life PFI Service Co., Ltd.

Major affiliate not accounted by the equity method;

Jindai Hospital Parking Service Co., Ltd.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Revenue recognition

Sales are recognized by the percentage-of-completion method for the construction contracts, whose profit/loss and stage of completion of the contracts can be estimated reliably at the balance sheet date, and by the completed-contract method for the other construction contracts.

Sales for the years ended March 31, 2010 and 2011 include ¥223,489 and ¥230,720 million (\$2,774,744 thousand) of sales on the percentage-of-completion method, respectively.

(2) Financial instruments

1) Securities

Bonds held to maturity: Amortized cost method

Other securities:

Securities with market value:

Market price method based on the market value as of the balance sheet date. (Net unrealized gains or losses on these securities are reported as a separate item in net assets at a net-of-tax

amount, and sales costs are calculated based on the moving average cost method.)

Securities without market value: Moving average cost method

2) 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 foreign 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 risks of interest rate and exchange rate fluctuations. 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, merchandise and finished products, project costs for development and others and materials in stock are stated at the specific identification cost (write-down according to decreased profitability method).

(4) Property and equipment

Depreciation costs of property and equipment are 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 costs are 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 Corporation Tax Act of Japan.

Depreciation costs of certain tangible assets held by certain

consolidated subsidiaries are computed in the proportion that production for a period relates to management's estimate of production.

(5) Leased assets

The leased assets with title-transfer to lessees in relation to the finance lease contracts are depreciated by the same method applicable to the Company's own fixed assets, but the leased assets without title-transfer are fully depreciated up to nil value by the straight-line method over the period of the lease contract.

Finance lease contracts without title-transfer to the lessee, which had commenced before the commencement year of the adoption of the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan (ASBJ) Statement No.13), out of the finance lease contracts without title-transfer are accounted for as ordinary operating lease contracts.

(6) Bond issuance expense

The expense for bond issue is fully amortized at once when it is expended.

(7) 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.

(8) Accrued bonuses for employees

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

(9) Accrued bonuses for directors

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

(10) 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.

(11) 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.

(12) Reserve for indemnification for completed contracts in the past fiscal years

A reserve has been provided for losses estimated in relation to the repair works and others of the contracts far beyond the defect liability periods.

(13) 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.

(14) Amortization of goodwill

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

In case that there is no significance in amount, goodwill is, however, amortized at once.

(15) 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 Accounting Changes

For the year ended March 31, 2010;

(1) Other securities with market value

Until the fiscal year ended March 31, 2009, other securities with market value had been reported based on the market value as of the balance sheet date. (Sales costs were calculated based on the moving average cost method and unrealized gains on these securities were reported as a separate item in net assets at a net-of-tax amount, while unrealized losses were included in net profit or loss for the period.)

Effective the fiscal year ended March 31, 2010, the Company changed to the "principled method" whereby securities with market value are reported based on the market value as of the balance sheet date. (Sales costs are calculated based on the moving average cost method and net unrealized gains or losses on these securities are reported as separate item in net assets at a net-of-tax amount.)

This method presents the profit or loss for the period more clearly, and makes comparison with other companies easier.

The effect of adopting this new method was to decrease profit before income taxes and minority interests by ¥881 million.

(2) Adoption of “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)”

The “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (Accounting Standards Board of Japan (ASBJ), Statement No.19 issued July 31, 2008)” has been adopted from the fiscal year ended March 31, 2010.

There was no effect on operating profit and profit before income taxes and minority interests, respectively, by adopting this new standard.

(3) Adoption of “Accounting Standard for Construction Contracts”

The “Accounting Standard for Construction Contracts” (ASBJ Statement No.15 issued December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18 issued December 27, 2007) have been adopted from the fiscal year ended March 31, 2010.

Under this accounting standard, the sales are recognized by the percentage-of-completion method for the construction contracts, whose profit/loss and stage of completion can be estimated reliably at the balance sheet date, and by the completed-contract method for the other construction contracts, though the percentage-of-completion method had been principally applied to the construction contracts of more than ¥100 million and construction periods longer than one year, with completed-contract method to the other contracts until March 31, 2009.

The sales of the construction contracts, which commenced on or before March 31, 2009, of more than ¥100 million and construction periods longer than one year are still recognized by the percentage-of-completion method, and the others are by the completed-contract method.

The effect of adopting this change was to increase sales by ¥6,880 million, operating profit and profit before income taxes and minority interests by ¥667 million, respectively.

For the year ended March 31, 2011;

(1) Adoption of Accounting Standard for Equity Method

Effective the fiscal year ended March 31, 2011, the “Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan (ASBJ), Statement No.16 issued March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates

Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force (PITF) No.24 issued March 10, 2008) have been adopted.

There is no effect on operating profit and loss before income taxes and minority interests, respectively, by adopting this new standard.

(2) Adoption of Accounting Standard for Asset Retirement Obligations

Effective the fiscal year ended March 31, 2011, the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18 issued March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21 issued March 31, 2008) have been adopted.

This effect of adopting this new standard is to decrease operating profit by ¥3 million (\$36 thousand), and to increase loss before income taxes and minority interests by ¥21 million (\$253 thousand), respectively.

(3) Adoption of Accounting Standard for Business Combination and others

Effective the fiscal year ended March 31, 2011, the “Accounting Standard for Business Combination” (ASBJ Statement No.21 issued December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 issued December 26, 2008), the “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No.23 issued December 26, 2008), the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 issued December 26, 2008), the “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16 announced December 26, 2008) and the “Revised Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10 issued December 26, 2008) have been adopted.

Supplemental Information:

Effective the fiscal year ended March 31, 2011, the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No.25 issued June 30, 2010) has been adopted.

The amounts of “Accumulated other comprehensive income” and “Total Accumulated other comprehensive income” as of March 31, 2010 present those of “Valuation and translation adjustments” and “Total Valuation and translation adjustments”, respectively.

4 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 ¥83.15 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2011. 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.

5 FINANCIAL INSTRUMENTS

(1) Financial instruments

1) Policy of financial instruments

The Company and its group raise funds mainly necessary for construction business according to its financial planning by means of borrowings from banks and bonds.

Transient surplus funds are operated by means of safe and secured financial instruments. The Company has a policy of utilizing derivative transactions in order to avoid the Company's exposure to the risks mentioned below, but not for trading or speculative purposes.

2) Financial instruments, risks and risks management

Notes and accounts of trade receivables are exposed to the credit risks of the clients. The Company attempts to reduce the risks of disability or delay in collection of debt by the routine confirmation of the debt balances and examination of credit standing of each client in accordance with the project award control procedures, the accounting rules and other rules of the Company. The consolidated subsidiaries manage the risks according to the Company's regulations.

Investments in securities for the year ended March 31, 2011 (Marketable securities and investments in securities for the year ended March 31, 2010) include mainly the securities of subsidiaries, affiliates, and business partners. Marketable securities of the business partners are exposed to the stock market fluctuation risks, and the Company, examining the fair values and financial status of such companies, makes continuous review of the possession situation, by taking a market and the relationship with such companies into consideration.

Trade payables and others as liabilities are to be paid mostly within one year. Part of foreign currency trade payables is exposed to the foreign exchange market fluctuation risks, but they are constantly within the amount of the same foreign cur-

rency trade receivables. Forward foreign exchange contracts are utilized against the payment for part of the amount fixed by the long-term contract in order to avoid the exchange rate fluctuation risks.

Loans and bonds are utilized for the purpose of operating fund (mainly from short-term debt) and investments in facilities and others (mainly from long-term debt), and the terms for redemption (repayment) are seven years at longest. Part of long-term debt is exposed to the interest rate fluctuation risks, and interest rate swaps transactions are utilized in order to fix interest. Forward foreign exchange contracts are utilized in order to hedge the exchange rate fluctuation risks against part of foreign currency loans.

The risks in funding liquidity are managed and controlled by monitoring and maintaining the funding liquidity in hand, and by preparing and reviewing the financial planning timely by the department in charge based on the reports from the subsidiaries, affiliates and the branches of the Company. Cash Management System (CMS) is operated among the consolidated subsidiaries and affiliates in order to promote mutual exploitation of surplus funds within the Company's group. It enhances efficiency of funding, and is useful for the maintenance and management of the funding liquidity in hand.

The derivative transactions are conducted and managed in accordance with the Company's regulations for authority for approval, and such transactions are conducted only with highly-rated financial institutions in order to reduce the credit risks.

The explanation for hedging instruments, hedged items, policy for hedge accounting and evaluation of effectiveness of hedging activities are provided in aforementioned "2) Derivatives" of "(2) Financial instruments" in Note "2. Summary of Significant Accounting Policies".

3) Supplemental explanation on fair value of financial instruments

The fair values of financial instruments are based on the fair market value. The financial instruments without market value, are evaluated by reasonable assessment, and such evaluations based on variable factors may be fluctuated by the adoption of the other assumptions.

(2) Fair value and other

Fair values of financial instruments, except for those recognized extremely difficult to be evaluated, as of March 31, 2010 and

2011 are summarized as follows;

March 31, 2010	Millions of yen		
	Book value	Fair value	Difference
(a) Cash and time deposits	¥ 29,217	¥ 29,217	¥ —
(b) Trade receivables	114,813	114,004	(809)
(c) Marketable securities and investments in securities	80,181	67,568	(12,613)
Assets Total:.....	¥224,211	¥210,789	¥(13,422)
(a) Trade payables	¥ 44,563	¥ 44,563	¥ —
(b) Short-term loans	62,857	62,857	—
(c) Corporate bonds	43,876	43,826	(50)
(d) Long-term loans	30,082	30,038	(44)
Liabilities Total:.....	¥181,378	¥181,284	¥ (94)
(a) Derivative transactions	¥ (13)	¥ (13)	¥ —

March 31, 2011	Millions of yen		
	Book value	Fair value	Difference
(a) Cash and time deposits	¥ 26,473	¥ 26,473	¥ —
(b) Trade receivables	109,057	108,314	(743)
(c) Investments in securities...	72,485	64,743	(7,742)
Assets Total:.....	¥ 208,015	¥ 199,530	¥ (8,485)
(a) Trade payables	¥ 49,195	¥ 49,195	¥ —
(b) Short-term loans	27,327	27,327	—
(c) Corporate bonds*.....	56,976	57,368	392
(d) Long-term loans	32,294	32,342	48
Liabilities Total:.....	¥ 165,792	¥166,232	¥ 440
(a) Derivative transactions** ..	¥ (0)	¥ (0)	¥ —

March 31, 2011	Thousands of U.S. dollars		
	Book value	Fair value	Difference
(a) Cash and time deposits	\$ 318,376	\$ 318,376	\$ —
(b) Trade receivables	1,311,570	1,302,634	(8,936)
(c) Investments in securities...	871,738	778,629	(93,109)
Assets Total:.....	\$2,501,684	\$2,399,639	\$(102,045)
(a) Trade payables	\$ 591,642	\$ 591,642	\$ —
(b) Short-term debt	328,647	328,647	—
(c) Corporate bonds*.....	685,220	689,934	4,714
(d) Long-term loans	388,382	388,959	577
Liabilities Total:.....	\$1,993,891	\$1,999,182	\$ 5,291
(a) Derivative transactions** ..	\$ (0)	\$ (0)	\$ —

* "(c) Corporate bonds" includes those to be redeemed within one year.

** The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

Notes: 1. Method of evaluation of financial instruments, securities and derivatives

Assets;

(a) Cash and time deposits

Cash and time deposits are stated at book value since all of time deposits are placed in a short term and their fair value is almost equivalent to the book value.

(b) Trade receivables - Notes and Accounts

Each trade receivable is evaluated by the present value discounted by the rate in consideration of the maturity period of each trade receivable classified by period and credit risk of each debtor.

(c) Investments in securities for the year ended March 31, 2011/(Marketable securities and investments in securities for the year ended March 31, 2010)

The values of stocks are based on market value, and the values of bonds are based on market value or the evaluations presented by the banking correspondents and others.

Liabilities;

(a) Trade payables and (b) short-term loans

Trade payables and short-term loans are stated at book value since they are settled in a short term and their fair value is almost equivalent to the book value.

(c) Corporate bonds

The values of bonds are based on market value.

The values of bonds without market value are evaluated by the present value of the principals and interests discounted by the rate in consideration of the remaining period of bonds and credit risks of issuers.

(d) Long-term loans

Long-term loans with floating interest rate are stated at book value since they are reflected by market rate in a short term and their fair value is almost equivalent to the book value.

Long-term loans with fixed interest rate are evaluated by the present value discounted by the expected rate applied to new loans equivalent to the principal and interest of present long-term loans with fixed interest rate.

Derivative transactions;

(a) Derivative transactions

Forward foreign exchange contracts are based on the evaluations and others presented by the financial institutions.

The fair values of interest rate swaps transactions designated as "hedging instruments" are included in the fair values of long-term loans since the fair values are accounted for together with the hedged long-term loans.

2. Financial instruments recognized extremely difficult to be evaluated

Unlisted stocks and others of ¥6,671 million as of March 31, 2010 at book value were not included in "Marketable securities and investments in securities" since their fair values were recognized extremely difficult to be evaluated without market value and there is no way to estimate their future cash flows.

Unlisted stocks and others of ¥6,371 million (\$7,621 thousand) as of March 31, 2011 at book value are not included in "Investments in securities" since their fair values are recognized extremely difficult to be evaluated without market value and there is no way to estimate their future cash flows.

3. Repayment schedule of trade receivables, marketable securities and investments in securities with fixed term and other

March 31, 2010	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
(1) Cash and time deposits	¥ 29,217	¥ —	¥ —	¥ —
(2) Trade receivables —				
Notes & Accounts	101,844	12,717	252	—
(3) Marketable securities and Investments in securities;				
Held-to-maturity securities				
National/Municipal bonds...	—	—	20	—
Corporate bonds.....	20	750	—	—
Other securities w/fixed term				
National/Municipal bonds...	—	100	—	—
Corporate bonds.....	—	821	—	242
Total:	¥131,081	¥14,388	¥272	¥242

March 31, 2011	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
(1) Cash and time deposits.....	¥ 26,473	¥ —	¥ —	¥ —
(2) Trade receivables — Notes & Accounts	93,000	15,192	746	119
(3) Investments in securities; Held-to-maturity securities National/Municipal bonds...	—	—	20	—
Corporate bonds.....	—	—	—	—
Other securities w/fixed term National/Municipal bonds...	—	100	200	—
Corporate bonds.....	—	712	—	245
Total:	¥119,473	¥16,004	¥966	¥364

March 31, 2011	Thousands of U.S. dollars			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
(1) Cash and time deposits.....	\$ 318,376	\$ —	\$ —	\$ —
(2) Trade receivables — Notes & Accounts	1,118,461	182,706	8,972	1,431
(3) Investments in securities; Held-to-maturity securities National/Municipal bonds...	—	—	241	—
Corporate bonds.....	—	—	—	—
Other securities w/fixed term National/Municipal bonds...	—	1,202	2,405	—
Corporate bonds.....	0	8,563	—	2,947
Total:	\$1,436,837	\$192,471	\$11,618	\$4,378

4. Repayment schedule of corporate bonds, long-term debt and lease obligation
Repayment schedule of corporate bonds, long-term loans and lease obligation is presented in "10. Short-Term Debt, Long-Term Debt and Lease Obligations".

Supplemental Information:

Effective the fiscal year ended March 31, 2010, the "Accounting Standard for Financial Instruments (Accounting Standards Board of Japan Statement No.10 issued March 10, 2008)" and the "Guidance on Disclosures about Fair Value of Financial Instruments (Accounting Standards Board of Japan Guidance No.19) issued March 10, 2008)" have been adopted.

6 FAIR VALUE INFORMATION ON MARKETABLE SECURITIES AND INVESTMENTS IN SECURITIES

Fair value information on marketable securities and investment in securities as of March 31, 2010 and 2011 are summarized as follows:

As of March 31, 2010;

(1) Held-to-maturity securities

March 31, 2010	Millions of yen		
	Book value	Fair value	Net
Securities with market value that exceed book value			
National/ Municipal bonds	¥ 20	¥ 20	¥ 0
Corporate bonds	244	262	18
Sub total:	¥264	¥282	¥18
Securities with market value that do not exceed book value			
National/ Municipal bonds	¥ —	¥ —	¥ —
Corporate bonds	520	511	(9)
Sub total:.....	¥520	¥511	¥ (9)
Total:.....	¥784	¥793	¥ 9

(2) Other securities

March 31, 2010	Millions of yen		
	Book value	Acquisition cost	Net
Other securities with book value that exceed acquisition cost			
Stocks.....	¥42,356	¥24,276	¥18,080
National/ Municipal bonds	102	100	2
Corporate bonds	—	—	—
Other	85	48	37
Sub total:	¥42,543	¥24,424	¥18,119
Other securities with book value that do not exceed acquisition cost			
Stocks.....	¥ 4,381	¥ 4,894	¥ (513)
National/ Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	478	507	(29)
Sub total:	4,859	5,401	(542)
Total:	¥47,402	¥29,825	¥17,577

Note: Unlisted stocks and others of ¥4,862 million at book value were not included in the "(2) Other securities" since their fair values were recognized extremely difficult to be evaluated without market quotations available.

(3) "Other securities" sold

Year ended March 31, 2010	Millions of yen		
	Amount sold	Gain	Loss
Stocks.....	¥327	¥ 96	¥(21)
Other	327	14	—
Total.....	¥654	¥110	¥(21)

(4) Impairment loss on other securities

Impairment loss of stocks without market value in other securities for the year ended March 31, 2010 amounted to ¥495 million.

As of March 31, 2011;

(1) Held-to-maturity securities

March 31, 2011	Millions of yen		
	Book value	Fair value	Net
Securities with market value that exceed book value			
National/ Municipal bonds	¥ 20	¥ 20	¥ 0
Corporate bonds	—	—	—
Sub total:	¥ 20	¥ 20	¥ 0
Securities with market value that do not exceed book value			
National/ Municipal bonds	¥ —	¥ —	¥ —
Corporate bonds	—	—	—
Sub total:	¥ —	¥ —	¥ —
Total:	¥ 20	¥ 20	¥ 0

March 31, 2011	Thousands of U.S. dollars		
	Book value	Fair value	Net
Securities with market value that exceed book value			
National/ Municipal bonds	\$241	\$241	\$ 0
Corporate bonds	—	—	—
Sub total:	\$241	\$241	\$ 0
Securities with market value that do not exceed book value			
National/ Municipal bonds	\$ —	\$ —	\$ —
Corporate bonds	—	—	—
Sub total:	\$ —	\$ —	\$ —
Total:	\$241	\$241	\$ 0

(2) Other securities

March 31, 2011	Millions of yen		
	Book value	Acquisition cost	Net
Other securities with book value that exceed acquisition cost			
Stocks.....	¥30,666	¥17,963	¥12,703
National/ Municipal bonds	309	301	8
Corporate bonds	—	—	—
Other	—	—	—
Sub total:	¥30,975	¥18,264	¥12,711
Other securities with book value that do not exceed acquisition cost			
Stocks.....	¥ 8,048	¥ 9,176	¥ (1,128)
National/ Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	403	457	(54)
Sub total:	¥ 8,451	¥ 9,633	¥ (1,182)
Total:	¥39,426	¥27,897	¥11,529

March 31, 2011	Thousands of U.S. dollars		
	Book value	Acquisition cost	Net
Other securities with book value that exceed acquisition cost			
Stocks.....	\$368,803	\$216,031	\$152,772
National/ Municipal bonds	3,716	3,620	96
Corporate bonds	—	—	—
Other	—	—	—
Sub total:	\$372,519	\$219,651	\$152,868
Other securities with book value that do not exceed acquisition cost			
Stocks.....	\$96,789	\$110,355	\$(13,566)
National/ Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	4,847	5,496	(649)
Sub total:	\$101,636	\$115,851	\$(14,215)
Total:	\$474,155	\$335,502	\$138,653

Note: Unlisted stocks and others of ¥4,766 million (\$57,318 thousand) at book value are not included in the “(2) Other securities” since their fair values are recognized extremely difficult to be evaluated without market quotations available.

(3) “Other securities” sold

Year ended March 31, 2011	Millions of yen		
	Amount sold	Gain	Loss
Stocks.....	¥ 251	¥126	¥(40)
Other	1,502	124	(8)
Total:	¥1,753	¥250	¥(48)

Year ended March 31, 2011	Thousands of U.S. dollars		
	Amount sold	Gain	Loss
Stocks.....	\$ 3,019	\$1,515	\$(481)
Other	18,064	1,491	(96)
Total:	\$21,083	\$3,006	\$(577)

(4) Impairment loss on other securities

Impairment loss on securities amounted to ¥3,811 million (\$45,833 thousand), including ¥3,754 million (\$45,147 thousand) of stocks with market value in other securities, ¥4 million (\$48 thousand) of stocks without market value in other securities and ¥53 million (\$637 thousand) of affiliates’ stocks for the year ended March 31, 2011.

(5) Securities which changed their purpose to hold

Held-to-maturity securities were partially sold before their maturity. As a result, all of the remaining securities of ¥446 million (\$5,364 thousand) classified as “Held-to-maturity securities” were re-classified as “other securities” in compliance with Article No.83 of “Practical Guidance on Accounting Standard for Financial Instruments” (Revision of Accounting Practice Committees Statement No.14 of the Japanese Institute of Certified Public Accountants).

Held-to-maturity securities sold during the year ended March 31, 2011 are as follows:

March 31, 2011	Millions of yen	Thousands of
		U.S. dollars
Cost of securities	¥500	\$6,013
Amount sold	497	5,977
Loss.....	¥ (3)	\$(36)

7 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments information as of March 31, 2010 and 2011 are summarized as follows:

(1) Derivative transactions not designated as “hedging instruments”

Currency-related transactions

March 31, 2010	Millions of yen			
	Contract amount	Over 1 year contract	Fair value	Unrealized profit (loss)
Off market transactions				
Forward foreign exchange contracts (Buy order)				
EUR.....	¥256	¥100	¥(14)	¥(14)
HKD.....	502	—	1	1
Total.....	¥758	¥100	¥(13)	¥(13)

March 31, 2011	Millions of yen			
	Contract amount	Over 1 year contract	Fair value	Unrealized profit (loss)
Off market transactions				
Forward foreign exchange contracts (Buy order)				
EUR.....	¥89	¥—	¥(1)	¥(1)
Total.....	¥89	¥—	¥(1)	¥(1)

March 31, 2011	Thousands of U.S. dollars			
	Contract amount	Over 1 year contract	Fair value	Unrealized profit (loss)
Off market transactions				
Forward foreign exchange contracts (Buy order)				
EUR.....	\$1,070	\$—	\$(12)	\$(12)
Total.....	\$1,070	\$—	\$(12)	\$(12)

Note: Forward foreign exchange contracts are based on the evaluations and others presented by the financial institutions.

(2) Derivative transactions designated as “hedging instruments”

Interest-rate-related transactions

March 31, 2010	Millions of yen			
	Hedged item	Contract amount	Over 1 year contract	Fair value
Deferral accounting as “hedging instruments”				
Interest rate swaps transactions				
Varied interest received and fixed interest paid	Long-term loans	¥27,450	¥18,150	See Note

March 31, 2011	Millions of yen			Fair value
	Hedged item	Contract amount	Over 1 year contract	
Deferral accounting as "hedging instruments"				
Interest rate swaps transactions				
Varied interest received and fixed interest paid	Long-term loans	¥18,350	¥17,550	See Note

March 31, 2011	Thousands of U.S. dollars			Fair value
	Hedged item	Contract amount	Over 1 year contract	
Deferral accounting as "hedging instruments"				
Interest rate swaps transactions				
Varied interest received and fixed interest paid	Long-term loans	\$220,686	\$211,064	See Note

Note: The fair values of interest rate swaps transactions designated as "hedging instruments" are included in the fair values of the long-term loans under the special hedge accounting method for interest rate swaps.

8 IMPAIRMENT LOSS ON FIXED ASSETS

Fixed assets for business use are grouped by a unit of business establishment, and its fixed assets for rent, golf courses and the fixed assets to be disposed are grouped based on an individual asset.

¥115 million of impairment loss on fixed assets for the year ended March 31, 2010 and ¥530 million (\$6,374 thousand) for the year ended March 31, 2011 are recorded since the book values of the properties have been reduced to the recoverable values due to the decreased profitability in an industrial segment of a consolidated subsidiary and the plummet of idle land prices.

Impairment losses on fixed assets for the years ended March 31, 2010 and 2011 are summarized as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Location	Type of assets	Use	
Nagano, and other	Land, buildings and machinery & equipment	Subsidiary's factory Idle	¥115 — —
Saitama, and other	Buildings, machinery & equipment, tools and other	Subsidiary's factory Idle	— ¥530 \$6,374
Total			¥115 ¥530 \$6,374

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 rates of 3.4% for the year ended March 31, 2010, and 3.7% for the year ended March 31, 2011.

9 INVENTORIES

Inventories as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Real estate held for sale.....	¥27,063	¥20,866	\$250,944
Merchandise and finished products..	1,497	988	11,882
Construction work in progress	16,084	14,713	176,945
Project costs for development & others.....	6,086	8,404	101,071
Materials in stock	772	867	10,427
Total:	¥51,502	¥45,838	\$551,269

Notes: 1. Inventories as of March 31, 2010 were written down according to decreased profitability method and ¥1,779 million of loss on write-down of inventories was included in "Cost of Sales" of Consolidated Statements of Income.
2. Inventories as of March 31, 2011 are written down according to decreased profitability method and ¥235 million (\$2,826 thousand) of loss on write-down of inventories is included in "Cost of Sales" of Consolidated Statements of Income.
3. The amount of construction work in progress corresponding to the contracts with estimate of loss is not offset with allowance for losses on construction contracts, and both are presented, respectively. The amount of construction work in progress corresponding to allowance for losses on construction contracts is ¥158 million (\$1,900 thousand).

10 SHORT-TERM DEBT, LONG-TERM DEBT AND LEASE OBLIGATIONS

Short-term debt and lease obligations due within one year as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Bank loans bearing interest with average rate 1.0% per annum	¥45,741	¥24,839	\$298,725
Current portion of long-term loans	17,116	22,488	270,451
Total short-term debt:	¥62,857	¥47,327	\$569,176
Lease obligations due within one year.....	¥ 84	¥ 85	\$ 1,022
Total:	¥62,941	¥47,412	\$570,198

Long-term debt and lease obligations as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Corporate bonds			
—Issued by Maeda Corporation			
1.81% 11th series bonds due in 2011	¥10,000	¥10,000	\$120,265
2.23% 12th series bonds due in 2013	5,000	5,000	60,132
1.71% 13th series bonds due in 2012	5,000	5,000	60,132
1.69% 14th series bonds due in 2012	5,000	5,000	60,132
2.24% 15th series bonds due in 2014	10,000	10,000	120,265
2.13% 16th series bonds due in 2012	3,000	3,000	36,079
1.28% 17th series bonds due in 2013	—	10,000	120,265
1.58% 18th series bonds due in 2014	—	3,000	36,079
—Issued by Anonymous Association Shinonome Residential Tower			
6-month TSR+1.25% 1st series bonds due in 2012	5,876	5,876	70,668
—Issued by JM Corporation			
0.55% 1st series bonds due in 2013	—	100	1,203
Subtotal.....	43,876	56,976	685,220
Long-term loans due in between 2012-2016 bearing interest with average rate 1.9% per annum	47,198	34,782	418,304
	91,074	91,758	1,103,524
Less -Portion due within one year	(17,116)	(22,488)	(270,451)
Total:	¥73,958	¥69,270	\$833,073
Lease obligations due after one year.....	¥ 386	¥ 316	\$ 3,800
Total:	¥74,344	¥69,586	\$836,873

Notes: 1. Lease obligations due within one year and lease obligations due after one year are included in “Other current liabilities” of “Current Liabilities”, and in “Other long-term liabilities” of “Long-Term Liabilities”, respectively since they are immaterial in amount.

2. Average rates of interest are calculated by weighted average method using the interest rates and the loan balance as of the year end. Average rates of interest of lease obligations are omitted since the balance of lease obligations in the balance sheets includes the interests thereof.

The annual maturities of long-term debt and lease obligation as of March 31, 2011 are as follows:

Year ending March 31	Millions of yen		Thousands of U.S. dollars	
	Long-term debt	Lease obligation	Long-term debt	Lease obligation
2012.....	¥22,488	¥ 85	\$ 270,451	\$1,022
2013.....	24,320	87	292,483	1,046
2014.....	33,100	77	398,076	926
2015.....	11,850	148	142,514	1,780
2016 and thereafter	—	4	—	48
Total:	¥91,758	¥401	\$1,103,524	\$4,822

The assets pledged as collateral for short-term debt and long-term debt as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Real estate held for sale.....	¥11,182	¥10,910	\$131,209
Project costs for			
development and others	5,819	7,570	91,040
Buildings and structures	1,034	973	11,702
Land.....	389	389	4,678
Investments in securities.....	1,269	1,956	23,524
Total:	¥19,693	¥21,798	\$262,153

The secured liabilities as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Short-term loans.....	¥ 7,880	¥ 6,752	\$ 81,203
Long-term loans.....	4,652	4,500	54,119
Corporate bonds	5,876	5,876	70,667
Other long-term liabilities.....	283	276	3,319
Total:	¥18,691	¥17,404	\$209,308

Supplemental Information:

1. The Company lent ¥14,328 million of stocks, included in “Investments in securities” of the balance sheets, to the securities company in exchange of cash under loan agreement as of March 31, 2010.
2. The Company entered into committed loan facility agreements in total amount of ¥20,000 million (\$240,529 thousand) with 5 banks. There is no outstanding balance under those agreements as of March 31, 2011.

11 LEASE TRANSACTIONS

Finance lease contracts without title-transfer

The finance lease contracts without title-transfer which had commenced before the commencement year of the adoption of the "Accounting Standard for Lease Transactions" as of March 31, 2010 and 2011 are presented as below;

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, 2010	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	¥ 25	¥ 12	¥ 13
Vehicles.....	334	220	114
Tools, furniture and fixtures	9	7	2
Total:.....	¥368	¥239	¥129

March 31, 2011	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	¥ 25	¥ 17	¥ 8
Vehicles.....	307	243	64
Tools, furniture and fixtures.....	5	4	1
Total:.....	¥337	¥264	¥73

March 31, 2011	Thousand of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	\$ 301	\$ 205	\$ 96
Vehicles.....	3,692	2,922	770
Tools, furniture and fixtures.....	60	48	12
Total:.....	\$4,053	\$3,175	\$878

The amount of acquisition cost is computed by the method that the lease payments include the interests thereon since the ratio of the outstanding minimum lease payments against the balance of the tangible assets at the year end is low.

The amounts of outstanding minimum lease payments as of March 31, 2010 and 2011, which include the portion of interest thereon, are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Minimum lease payments			
Within one year	¥ 57	¥47	\$565
Over one year.....	72	26	313
Total:	¥129	¥73	\$878

The amount of outstanding minimum lease payments is computed by the method that the lease payments include the interests thereon since the ratio of the outstanding minimum lease payments against the balance of the tangible assets at the year end is low.

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Lease rental expenses	¥ 87	¥59	\$710
Depreciation cost	87	59	710

Depreciation cost is computed by the straight-line method over the lease term of the leased assets up to nil value.

Finance lease contracts: (as lessee)

Leased assets include;

tangible assets, which mainly consist of the machinery for rental contracts in the construction machinery sales and related service business of a consolidated subsidiary Maeda Seisakusho Co., Ltd.

Depreciation cost of leased assets is computed by;

the straight-line method over the lease term of the leased assets up to nil value.

Operating lease contracts:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
(As lessee)			
Minimum lease payments			
Within one year	¥287	¥236	\$2,838
Over one year.....	550	404	4,859
	¥837	¥640	\$7,697

(As lessor)

Minimum lease payments			
Within one year	7	7	84
Over one year.....	79	73	878
Total:	¥ 86	¥ 80	\$ 962

12 RETIREMENT BENEFIT PLANS

The Company and its consolidated subsidiaries have a corporate pension plan and an employees' pension plan as defined benefit pension plan, in addition to a defined contribution pension plan and a lump sum payment 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, 2011, the Company and its consolidated subsidiaries, as a group, have a single corporate pension fund and a single employees' pension fund, and 7 companies of the group have the lump sum payment plan.

The reserves for retirement benefits as of March 31, 2010 and 2011 are analyzed as follows:

March 31	Millions of yen		Thousands of
	2010	2011	U.S. dollars
(a) Projected benefit obligations...	¥(50,023)	¥(48,707)	\$ (585,773)
(b) Plan assets	24,361	23,714	285,196
(c) Unfunded benefit obligations [(a)+(b)]	(25,662)	(24,993)	(300,577)
(d) Unrecognized actuarial differences	18,264	16,061	193,157
(e) Unrecognized prior service cost	(8,880)	(7,897)	(94,973)
Reserve for retirement benefits [(c)+(d)+(e)]	¥(16,278)	¥(16,829)	\$ (202,393)

Retirement benefits expenses related to the retirement benefits for the years ended March 31, 2010 and 2011 are as follows:

Year ended March 31	Millions of yen		Thousands of
	2010	2011	U.S. dollars
(a) Service cost.....	¥1,425	¥1,443	\$17,354
(b) Interest cost.....	991	1,000	12,027
(c) Expected return on plan assets.....	(436)	(487)	(5,857)
(d) Amortization of actuarial differences	2,218	2,114	25,424
(e) Amortization of prior service cost	(983)	(984)	(11,834)
Retirement benefits expenses [(a)+(b)+(c)+(d)+(e)]	3,215	3,086	37,114
(f) Contribution cost to defined contribution pension plan	491	494	5,941
Total [(a)+(b)+(c)+(d)+(e)+(f)]:	¥3,706	¥3,580	\$43,055

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

	2010	2011
(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

A consolidated subsidiary participates in a trading-association-type employees' pension fund (National Construction Industry Employees' Pension Fund), and its contribution to the pension fund is included above in "Retirement benefits expenses". The pension fund assets as of March 31, 2010 and 2011 are as follows:

Year ended March 31	Millions of yen		Thousands of
	2010	2011	U.S. dollars
(a) Pension fund assets.....	¥172,459	¥201,672	\$2,425,400
(b) Projected benefit obligations.....	242,475	221,341	2,661,948
(c) Balance [(a)-(b)]	¥(70,016)	¥(19,669)	\$ (236,548)

- Notes: 1. The amounts stated above as of March 31, 2010 and 2011 are based on the information as of the end of the previous fiscal year.
2. The consolidated subsidiary's portions of the National Construction Industry Employees' Pension Fund are 1.19% as of March 31, 2009, and 1.16% as of March 31, 2010.
3. The negative balance of ¥19,669 million (\$236,548 thousand) mainly comes from ¥8,703 million (\$104,666 thousand) of projected prior service cost and ¥13,216 million (\$158,942 thousand) of adjusted revaluation of assets.

13 INCOME TAXES

Significant components of deferred tax assets and liabilities as of March 31, 2010 and 2011 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Deferred tax assets:			
Net loss carried forward.....	¥16,045	¥15,008	\$180,493
Reserve for retirement benefits ..	6,797	7,019	84,414
Write-down of inventories	4,421	5,949	71,545
Impairment loss on fixed assets..	3,521	3,883	46,699
Allowance for doubtful accounts.....	2,427	2,984	35,887
Allowance for losses on construction contracts	737	553	6,651
Unrealized inter-company profit of fixed assets	207	214	2,574
Other	4,316	4,404	52,964
Total:	38,471	40,014	481,227
Less—Valuation allowance	(38,304)	(39,541)	(475,538)
Deferred tax assets	167	473	5,689
Deferred tax liabilities:			
Unrealized gain on investment ..	(7,005)	(4,905)	(58,990)
Other	—	(5)	(60)
Total deferred tax liabilities:...	(7,005)	(4,910)	(59,050)
Net deferred tax liabilities.....	¥ (6,838)	¥ (4,437)	\$ (53,361)

The details of the difference between the statutory tax rate and effective income tax rate as of March 31, 2010 and 2011 are as follows:

March 31	2010	2011
Statutory tax rate.....	40.7%	—
Decrease in taxes resulting from;		
Expenses not deductible for tax purposes.....	16.9	—
Income not deductible for tax purposes	(4.3)	—
Per capita levy	10.6	—
Investment profit on equity method	(33.6)	—
Less—Valuation allowance and other	2.3	—
Effective income tax rate	<u>32.6%</u>	—

The details of the difference as of March 31, 2011 are omitted since the Company registered ¥2,639 million (\$31,738 thousand) of loss before income taxes and minority interests.

14 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 distribution of retained earnings attributable to the year ended March 31, 2011 was duly resolved at General shareholders meeting held on June 28, 2011 as follows:

Year ended March 31, 2011	Millions of yen	Thousands of U.S. dollars
Cash dividends of ¥7.0 per share	¥1,239	\$14,901

15 COMMITMENTS AND CONTINGENT LIABILITIES

The contingent liabilities of the Company as of March 31, 2010 and 2011 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Endorsed trade notes receivable.....	¥ 566	¥1,244	\$14,961
Guarantees on securitized			
trade notes receivable.....	1,129	1,410	16,958
Letters of guarantee for affiliates	2,540	1,715	20,625
Other	1,715	1,670	20,084
Total:	<u>¥5,950</u>	¥6,039	\$72,628

16 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, 2010 and 2011 are as follows:

Year ended March 31,	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Salaries to employees	¥8,561	¥8,576	\$103,139
Retirement benefit expenses	1,211	1,159	13,939
Provision for bonuses			
for employees	796	805	9,681
Provision for doubtful accounts.....	266	633	7,613
Provision for bonuses			
for directors.....	45	12	144

17 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, 2010 and 2011 are as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Research and development expenses... ¥	1,787	¥1,610	\$19,363

18 CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS INFORMATION

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

	Thousands of shares	
	Outstanding stock	Treasury stock
	Type: Common stock	Common stock
Number of shares as of March 31, 2009:	185,213	8,235
Increase for the year ended March 31, 2010	—	5
Decrease for the year ended March 31, 2010...	—	—
Number of shares as of March 31, 2010:	<u>185,213</u>	<u>8,240</u>

Note: The increase in the number of treasury stock of 5 thousand common stocks consisted of 3 thousand due to the purchase of less-than-one-unit stocks and 1 thousand due to the change of the Company's equities in subsidiaries and affiliates.

	Thousands of shares	
	Outstanding stock	Treasury stock
	Type: Common stock	Common stock
Number of shares as of March 31, 2010:	185,213	8,240
Increase for the year ended March 31, 2011	—	6
Decrease for the year ended March 31, 2011...	—	—
Number of shares as of March 31, 2011:	<u>185,213</u>	<u>8,246</u>

Note: The increase in the number of treasury stock of 6 thousand common stocks consists of 5 thousand due to the purchase of less-than-one-unit stocks and 1 thousand due to the change of the Company's equities in subsidiaries and affiliates.

(2) Dividends

Cash dividends distributed during the year ended March 31, 2010

Cash dividends of ¥ 7.0 per common share at March 31, 2009 in total amount of ¥1,239 million out of the retained earnings were distributed to shareholders subject to the resolution of General shareholders meeting held on June 26, 2009.

Cash dividends to be distributed during the year ending March 31, 2011

Cash dividends of ¥ 7.0 (\$0.08) per common share at March 31, 2010 in total amount of ¥1,239 million (\$14,901 thousand) out of the retained earnings were distributed to shareholders subject to the resolution of General shareholders meeting held on June 25, 2010.

Cash dividends to be distributed during the year ending March 31, 2012

Cash dividends of ¥ 7.0 (\$0.08) per common share at March 31, 2011 in total amount of ¥1.239 million (\$14,901 thousand) out of the retained earnings are to be distributed to shareholders subject to the resolution of General shareholders meeting held on June 28, 2011.

19 CONSOLIDATED STATEMENTS OF CASH FLOWS INFORMATION

(1) Cash and cash equivalents at year end

The balances of “Cash and cash equivalents at end of the year” in the consolidated statements of cash flows for the years ended March 31, 2010 and 2011 are presented as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
“Cash and time deposits” balance in the consolidated balance sheets.....	¥29,217	¥26,473	\$318,376
Less—Time deposits exceeding the period of 3 months.....	(182)	(520)	(6,253)
Cash and cash equivalents at end of the year	¥29,035	¥25,953	\$312,123

20 INVESTMENT AND RENTAL PROPERTIES

The book value, increase or decrease in book value during the year, and fair value of rental properties for the year ended March 31, 2010 and 2011 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Book value as of March 31, 2009 ..	¥25,928		
Increase (decrease) during the year	(664)		
Book value as of March 31, 2010 ..	¥25,264	¥25,264	\$303,837
Increase (decrease) during the year		(1,650)	(19,844)
Book value as of March 31, 2011 ..		¥23,614	\$283,993
Fair value	¥28,614	¥26,738	\$321,563

For the year ended March 31, 2010;

The Company and its consolidated subsidiaries possessed rental properties like office buildings, complex facilities and others in Tokyo, Osaka prefecture, and the other major cities throughout Japan. Profit on rental properties for the year ended March 31, 2010 amounted to ¥571 million.

Notes: 1. Book value represented the acquisition cost less accumulated depreciation cost and cumulative impairment loss.
2. Decrease in book value resulted mainly from depreciation cost of buildings.
3. Fair value as of March 31, 2010 was based on real property appraisal from independent real property appraisers.

Supplemental Information:

Effective the fiscal year ended March 31, 2010, the “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (Accounting Standards Board of Japan (ASBJ), Statement No.20 issued November 28, 2008) and the “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No.23 issued November 28, 2008) had been adopted.

For the year ended March 31, 2011;

The Company and its consolidated subsidiaries possess rental properties like office buildings, complex facilities and others in Tokyo, Osaka prefecture, and the other major cities throughout Japan. Profit on rental properties for the year ended March 31, 2011 amounted to ¥591 million (\$7,108 thousand).

Notes: 1. Book value represents the acquisition cost less accumulated depreciation cost and cumulative impairment loss.
2. Decrease in book value results mainly from depreciation cost of buildings.
3. Fair value as of March 31, 2011 is based on real property appraisal from independent real property appraisers.

21 SEGMENT INFORMATION AND OTHER

The segment information of the Company for the year ended March 31, 2010 and March 31, 2011 are presented as follows:

(1) Industry segment information

Year ended March 31, 2010	Millions of yen				
	Construction	Real estate	Other	Elimination/ Corporate	Consolidated
I. Net sales and operating profit					
Net sales:					
(1) Sales to outside customers.....	¥292,912	¥12,946	¥22,767	¥ —	¥328,625
(2) Intersegment sales	4,252	24	4,344	(8,620)	—
Total.....	297,164	12,970	27,111	(8,620)	328,625
Operating expenses....	291,557	13,574	28,201	(7,390)	325,942
Operating profit (loss)	¥ 5,607	¥ (604)	¥(1,090)	¥(1,230)	¥ 2,683
II. Assets, depreciation, impairment loss on fixed assets and capital expenditure					
Assets	¥286,200	¥54,286	¥25,424	¥19,076	¥384,986
Depreciation	3,859	829	1,808	6	6,502
Impairment loss on fixed assets.....	—	—	115	—	115
Capital expenditure...	1,751	68	1,265	(83)	3,001

Notes: 1. Industry segment information

- (a) The industry segments were determined in consideration of Japan Standardized Industrial Classification and the classification of sales in consolidated statements of income.
Real estate segment was isolated from the sale of development and others in consideration of its significance.
- (b) The Company operated principally in the following four industrial segments:
Construction..... Civil engineering, building, and other businesses related to construction work
Real estate Sales and renting of real estates
Other Production and sales of construction machinery and concrete secondary products
Related service businesses and other
2. Unallocated operating expenses included in the column "Elimination/Corporate" of "Operating expenses" was ¥952 million, which mainly consisted of the administrative expenses of the Company's headquarters.
3. Corporate assets included in the column "Elimination/Corporate" of "Assets" was ¥31,736 million, which mainly consisted 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.

(2) Geographic segment information

The disclosure of geographic segment information was omitted since the amounts of sales and assets in Japan for the years ended March 31, 2010 exceeded 90% of the consolidated sales and assets.

(3) Export sales and sales by overseas subsidiaries

The disclosure of a detail of overseas sales was omitted since the amounts of overseas sales for the years ended March 31, 2010 were less than 10% of the consolidated sales.

(4) Segment information

1) Summary of reportable segments;

The reportable segments of the Company's group are components for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors of the Company to make decisions about resource allocation and assess performance.

The operations of the Company's group consist of the business and services operated by the operational divisions of the Company and consolidated subsidiaries, and are composed of four operating segments as follows;

- Building..... Contract work for building and other related services
Civil engineering... Contract work for civil engineering and other related services
Real estate Sales and renting of real estates and other related services

Other Production and sales of construction machinery and concrete secondary products, and other related services

2) Net sales, profit (loss), and other by segment

The accounting policies of the reportable operating segments are substantially the same as those described in "Summary of Significant Accounting Policies". Profit (loss) of reportable segments are evaluated based on operating profit (loss). Inter-segment sales are among the consolidated subsidiaries, and are recorded at the same prices used in transactions with third parties.

3) Reportable segments information

Year ended March 31, 2010	Millions of yen					Consolidated statements of income
	Building	Civil engineering	Real estate	Other	Adjustment	
Net sales						
Sales to outside customers	¥181,105	¥113,516	¥12,947	¥21,057	¥ —	¥328,625
Inter-segment sales	4,342	6	22	3,709	(8,079)	—
Total:	185,447	113,522	12,969	24,766	(8,079)	328,625
Profit (loss) by segment	¥ 5,107	¥ 64	¥ (864)	¥ (1,347)	¥ (277)	¥ 2,683
Other						
Depreciation	¥ 2,489	¥ 1,807	¥ 318	¥ 1,931	¥ (43)	¥ 6,502
Impairment loss on fixed assets.....	—	—	—	115	—	115

- Notes: 1. "Adjustment" of "Profit (loss) by segment" included - ¥277 million of Inter-segment transaction.
2. "Profit (loss) by segment" was adjusted in accordance with the Operating profit (loss) of Consolidated Statements of Income.
3. The amount of assets in each segment was not listed since corporate assets were not allocated to each segment.

Year ended March 31, 2011	Millions of yen					Consolidated statements of income
	Building	Civil engineering	Real estate	Other	Adjustment	
Net sales						
Sales to outside customers	¥159,653	¥102,810	¥ 7,219	¥22,206	¥ —	¥291,888
Inter-segment sales	456	192	23	2,479	(3,150)	—
Total:	160,109	103,002	7,242	24,685	(3,150)	291,888
Profit (loss) by segment	¥ 1,093	¥ 2,023	¥ (1,079)	¥ (296)	¥ 177	¥ 1,918
Other						
Depreciation	¥ 1,937	¥ 1,308	¥ 218	¥ 1,544	¥ (94)	¥ 4,913
Impairment loss on fixed assets.....	—	—	—	530	—	530

Thousands of U.S. dollars						
Year ended March 31, 2011	Building	Civil engineering	Real estate	Other	Adjustment	Consolidated
Net sales						
Sales to outside customers	\$1,920,060	\$1,236,440	\$ 86,819	\$267,060	\$ —	\$3,510,379
Inter-segment sales	5,484	2,309	277	29,813	(37,883)	—
Total:	\$1,925,544	\$1,238,749	\$ 87,096	\$296,873	\$(37,883)	\$3,510,379
Profit (loss) by segment	\$ 13,145	\$ 24,330	\$(12,977)	\$(3,560)	\$ 2,129	\$ 23,067
Other						
Depreciation	\$ 23,295	\$ 15,731	\$ 2,622	\$ 18,569	\$ (1,131)	\$ 59,086
Impairment loss						
on fixed assets	—	—	—	6,374	—	6,374

Notes: 1. "Adjustment" of "Profit (loss) by segment" includes ¥177 million (\$2,129 thousand) of Inter-segment transaction.
2. "Profit (loss) by segment" is adjusted in accordance with the Operating profit (loss) of Consolidated Statements of Income.
3. The amount of assets in each segment is not listed since corporate assets were not allocated to each segment.

Supplemental Information:

Effective the fiscal year ended March 31, 2011, the "Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (ASBJ Statement No.17 issued March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segment of an Enterprise and Related Information" (ASBJ Guidance No.20 issued March 21, 2008) have been adopted.

(5) Related information

For the year ended March 31, 2011;

- 1) Geographic segment information
 - (a) Sales

The disclosure of geographic segment information is omitted since the amount of sales to outside customers in Japan for the year ended March 31, 2011 exceeds 90% of the sales in the Consolidated Statements of Income.

- (b) Fixed assets

The disclosure of geographic segment information is omitted since the amount of fixed assets in Japan for the year ended March 31, 2011 exceeds 90% of fixed assets in the Consolidated Balance Sheets

- 2) Major customer segment information

The disclosure of major customer segment information is omitted since the amount of sales to any customer for the year ended March 31, 2011 does not occupy more than 10% of the sales to outside customers in the Consolidated Statements of Income.

(6) Impairment loss on fixed assets by segment

For the year ended March 31, 2011;

Year ended March 31	Thousands of	
	Millions of yen	U.S. dollars
	2011	2011
Building	¥ —	\$ —
Civil engineering	—	—
Real estate	—	—
Other	530	6,374
Adjustment	—	—
Consolidated Statements of Income	¥530	\$6,374

(7) Amortization and residual value of goodwill information

Segment information of amortization and residual value of goodwill is omitted since the amount is immaterial.

(8) Profit on negative goodwill information

Segment information of profit on negative goodwill is omitted since the amount is immaterial.

22 RELATED PARTY INFORMATION

(1) Related party transactions

Transactions with related party for the years ended March 31, 2010 and 2011 are as follows:

For the year ended March 31, 2010;

Related Party : Masaru Matsuzaki
Attribution : Auditor
Type of business : Lawyer
Voting right held : —
Nature of transaction : Legal service
Amount of transaction : ¥23 million

Note: Lawyer's reward was determined in consideration of actual legal cases handled.

For the year ended March 31, 2011;

Not applicable

(2) Major affiliate

Maeda Road Construction Co., Ltd. is a major affiliate as of March 31, 2010 and 2011, and the summary of its financial statements are as follows;

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Total current assets	¥ 91,852	¥ 89,763	\$1,079,531
Total non-current assets.....	78,133	76,307	917,703
Total current liabilities.....	¥ 42,877	¥ 35,498	\$ 426,915
Total long-term liabilities	6,790	7,272	87,457
Total net assets	¥120,318	123,300	\$1,482,862
Net sales	¥176,061	173,184	\$2,082,790
Profit before income taxes.....	12,248	8,937	107,480
Net profit	7,052	4,950	59,531

23 AMOUNTS PER SHARE INFORMATION

March 31	Yen		U.S. dollars
	2010	2011	2011
Net assets per share.....	¥691.89	¥ 649.66	\$ 7.81
Earnings per share	13.43	(14.39)	(0.17)

Note: Diluted earnings per share are omitted since there were no dilutive potential common stocks in existence during the years ended March 31, 2010 and 2011.

The above information is calculated based on the following facts:

March 31	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Net profit (loss)	¥2,376	¥ (2,547)	\$(30,631)
Amount not attributable to common shareholders.....	—	—	—
Net profit (loss) attributable to common shareholders.....	¥2,376	¥ (2,547)	\$(30,631)

For the year ended March 31	Thousands of stocks	
	2010	2011
Average number of shares	176,975	176,971



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho,
Chiyoda-ku, Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197

Report of Independent Auditors

The Board of Directors
Maeda Corporation

We have audited the accompanying consolidated balance sheets of Maeda Corporation and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Maeda Corporation and consolidated subsidiaries at March 31, 2011 and 2010, 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.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 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 4.

Ernst & Young ShinNihon LLC

June 27, 2011

A member firm of Ernst & Young Global Limited

Outline of the Corporation

(As of March 31, 2011)

Year of Establishment

1919

Date of Incorporation

November 6, 1946

Number of Employees

2,748

Authorized Shares

635,500,000

Outstanding Shares

185,213,602

Paid-in Capital

¥23,455 million

Stock Listing

First Section of the Tokyo Stock Exchange

Head Office

Sarugakucho Bldg.
2-8-8, Sarugakucho Chiyoda-ku,
Tokyo 101-0064, Japan
Tel: (81)-3-3265-5551
Fax: (81)-3-5217-9611
URL: <http://www.maeda.co.jp/>

Board of Directors

(As of June 28, 2011)

Chairman and Director

Yasuji Maeda

Vice Chairman and Director

Tadashi Hirota

President and Representative Director

Koichi Obara

Executive Vice President and Representative Director

Masayoshi Ejiri

Directors

Soji Maeda
Kojiro Fukuta
Makoto Nagao

Representative Director

Akihiro Kakinuma

Directors

Hirota Nishikawa
Yoshihiko Hayasaka
Toshiaki Shoji

Outside Directors

Toru Hambayashi
Akira Watanabe

Corporate Auditors (full-time)

Yutaka Tokui
Toshiaki Inazu
Hideyuki Wada

Outside Auditor

Masaru Matsuzaki
Motohiro Sato

Executive Officers

(As of June 28, 2011)

President and Chief Executive Officer

Koichi Obara

Executive Vice President

Masayoshi Ejiri

Senior Managing Officers

Soji Maeda
Kojiro Fukuta
Makoto Nagao
Yasuiku Hase

Managing Officers

Akihiko Kakinuma
Hirota Nishikawa
Yoshihiko Hayasaka
Toshiaki Shoji
Hiroshi Yokota
Takayuki Okui
Toru Ogura
Yuji Hatakama

Executive Officers

Yoshinobu Sugimoto
Masakatsu Kato
Yoshiyasu Nomura
Toshihisa Aoki
Masakazu Kawanobe
Toshifumi Kakuda
Yuzo Inamura
Tetsuji Nishimoto
Masaharu Katsumata
Kazunari Kibe
Hiroyuki Yanagita
Yasuhiko Imaizumi
Nobuya Hirakawa
Yoichi Kawashima

Head Office

Sarugakucho Bldg. 2-8-8, Sarugakucho
Chiyoda-ku, Tokyo 101-0064, Japan
Tel: (81)-3-3265-5551
Fax: (81)-3-5217-9611
URL: <http://www.maeda.co.jp/>

Hong Kong Office

Rooms 1601-1605, New East Ocean Centre,
9 Science Museum Road, T.S.T. East,
Kowloon, Hong Kong,
S.A.R., People's Republic of China
Tel: (852)-2369-9267
Fax: (852)-2724-4046

Bangkok Office

18th Floor, Thaniya Plaza Building,
52 Silom Road, Suriyawong, Bangrak,
Bangkok 10500, Thailand
Tel: (66)-2-231-2470/2
Fax: (66)-2-231-2473

Phnom Penh Office

Trapang Chhouk Village,
Tak Thla Commune,
Russe Keo District,
Phnom Penh, Cambodia
Tel: (855)-23-884456/7
Fax: (855)-23-884458

Hanoi Office

4F, 45 Trieu Viet Vuong Street,
Hai Ba Trung District,
Hanoi, Vietnam
Tel: (84)-4-3943-6311/2
Fax: (84)-4-3943-6314

Guam Office

Room D, Maeda Pacific Corporation Bldg.,
150 Harmon Sink Road,
Tamuning, Guam 96911, U.S.A.
Tel: (1)-671-649-7617
Fax: (1)-671-649-7620

Beijing Office

Beijing Hotel, Room No. D-4311A,
No. 33 Dong Chang An Street,
Beijing, People's Republic of China
Tel: (86)-10-6525-9523
Fax: (86)-10-6523-2394

Delhi Office

No. B-310 Third Floor, Statesman House,
148 Barakhamba Road,
New Delhi-110 001, India
Tel: (91)-11-4352-3002-4
Fax: (91)-11-4352-3005

U.S.A. Office

39209 West Six Mile Road, Suite 204,
Livonia, Michigan 48152-2660, U.S.A.
Tel: (1)-734-462-2230

Taiwan Office

Room 321, Shanghai Airport City
Terminal Mansion, 1600 West Nanjing Road,
Shanghai, People's Republic of China
Tel: (86)-21-6249-6112
Fax: (86)-21-6249-6117

Sri Lanka Office

No. 73, Jawatta Road, Colombo 05,
Sri Lanka
Tel: (94)-11-255-3866
Fax: (94)-11-452-8260

◆ Branches:

**Hokkaido, Tohoku, Kanto,
Tokyo Building,
Tokyo Civil Engineering,
Hokuriku, Chubu,
Kansai, Chugoku, Kyushu, Hong Kong**

Principal Subsidiaries and Affiliates

Overseas:

- ◆ **Thai Maeda Corporation, Ltd.**
- ◆ **Maeda Vietnam Co., Ltd.**
- ◆ **Maeda (Beijing) Business Consulting Co., Ltd.**
- ◆ **Maeda Corporation India Private 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 Co., Ltd.**



Maeda Corporation

Sarugakucho Bldg. 2-8-8, Sarugakucho, Chiyoda-ku, Tokyo 101-0064, Japan

Tel: (03) 3265-5551 Fax: (03) 5217-9611

<http://www.maeda.co.jp/>