

SECURITIES REPORT

(Report under Section 1, Article 24 of the Financial Instruments and Exchange Law)

Fiscal Year (45th Term)

(from January 1, 2007 to December 31, 2007)

CTI Engineering Co., Ltd.

21-1, Nihonbashi-hamacho 3-chome, Chuo-ku, Tokyo

(941-172)

45th Term (from January 1, 2007 to December 31, 2007)

SECURITIES REPORT

1. This securities report is the one obtained by attaching the table of contents to the paginating data on the securities report compiled under Article 24 Section 1 of the Financial Instruments and Exchange Law, which was submitted through the Electronic Disclosure for Investors' Network (EDINET) stipulated in Article 27 Section 30.2 of the Law, and by outputting and printing the data.
2. This report does not include documents attached to the securities report submitted using the method mentioned above, but the audit reports are inserted at the end of this report.

(The above-mentioned audit reports are omitted from the English translation.)

CTI Engineering Co., Ltd.

Contents

	Page
	(Japanese original)
45th Term SECURITIES REPORT	
[Cover]	1
Part1: CORPORATE INFORMATION	2
CHAPTER 1: General	2
1. Changes in Major Management Indices	2
2. Chronology	4
3. Business Contents.....	5
4. Situation of Subsidiary	6
5. Situation of employees	6
CHAPTER 2: BUSINESS SITUATION	7
1. Outline of Results	7
2. Production, orders received and sales	8
3. Our tasks ahead.....	9
4. Business risks.....	9
5. Important agreement related to the management.....	9
6. Research and development.....	9
7. Analysis of financial conditions and business performance	10
CHAPTER 3: FACILITIES & EQUIPMENT	11
1. Outline of Investment into Facilities and Equipment	11
2. Major facilities and equipment	11
3. New Construction or Removal Plan for Equipment	11
CHAPTER 4: STATUS OF THE COMPANY	12
1. Status of Shares	12
2. Acquirement of Treasury Stocks.....	15
3. Dividend Policy.....	16
4. Change in Stock Price	16
5. Executive Management.....	17
6. Corporate governance	21
CHAPTER 5: STATUS OF ACCOUNTING	24
1. Consolidated Financial Statements and Other Materials.....	25
2. Non-Consolidated Financial Statements and Other Materials.....	50
Chapter 6: Shareholder Related Information	71
Chapter 7: Reference Material	72
1. Parent Company Information	72
2. Other References	72
Part2: SURETY COMPANY INFORMATION	73

Cover

Document submitted	Securities report
Legal basis	Section 1, Article 24 of the Financial Instruments and Exchange Law
Recipient of document	Director of the Kanto Local Finance Bureau
Date of submission	March 28, 2008
Fiscal Year	45th term (from January 1, 2007 to December 31, 2007)
Company name	CTI Engineering Co., Ltd.
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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Part 1: CORPORATE INFORMATION

CHAPTER 1: General

1. Changes in Major Management Indices

(1) Consolidated Management Indices of the Company

Fiscal year		41st term	42nd term	43rd term	44th term	45th term
Fiscal year-end		December 2003	December 2004	December 2005	December 2006	December 2007
Sales amount	(million yen)	27,749	25,771	28,166	28,977	30,613
Ordinary profit	(million yen)	1,756	1,536	1,662	1,366	1,614
Net income	(million yen)	885	813	755	698	756
Net assets	(million yen)	16,270	16,971	17,697	18,164	18,561
Total assets	(million yen)	30,898	32,620	30,377	30,015	30,486
Net assets per share	(yen)	1,148.25	1,197.86	1,248.99	1,277.83	1,307.23
Net income per share	(yen)	61.34	56.23	51.78	49.35	53.49
Net income per share after adjustment of potential shares	(yen)	–	–	–	–	–
Net worth ratio	(%)	52.7	52.0	58.3	60.2	60.7
Profit ratio of net worth	(%)	5.6	4.9	4.4	3.9	4.1
Price earnings ratio	(times)	8.41	12.66	20.70	15.60	14.02
Cash flow from operating business activities	(million yen)	240	1,918	-1,854	-601	258
Cash flow from investment activities	(million yen)	-100	-753	591	-398	-281
Cash flow from financial activities	(million yen)	-1,872	-223	-22	-328	-78
Closing balance of cash and cash equivalents	(million yen)	9,206	10,142	8,875	7,576	7,471
Number of employees (plus average number of temporary employees)	(persons)	1,029 (371)	1,037 (378)	1,094 (430)	1,239 (409)	1,332 (413)

Note:

1. Sales amount does not include consumption tax
2. Net income per share after adjustment of potential shares is not entered because no potential shares have been issued.

(2) Non-Consolidated Management Indices of the Company

Fiscal year		41st term	42nd term	43rd term	44th term	45th term
Fiscal year-end		December 2003	December 2004	December 2005	December 2006	December 2007
Sales amount	(million yen)	26,801	25,050	27,083	27,406	27,948
Ordinary profit	(million yen)	1,717	1,538	1,628	1,383	1,455
Net income	(million yen)	875	818	742	733	714
Capital stock	(million yen)	3,025	3,025	3,025	3,025	3,025
Number of outstanding shares	(shares)	14,159,086	14,159,086	14,159,086	14,159,086	14,159,086
Net assets	(million yen)	16,161	16,867	17,580	18,018	18,391
Total assets	(million yen)	30,363	32,042	29,569	28,926	28,570
Net assets per share	(yen)	1,140.58	1,190.51	1,240.72	1,273.35	1,299.73
Cash Dividend per share (Interim dividend per share)	(yen)	12.00 (-)	12.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)
Net income per share	(yen)	60.68	56.56	50.85	51.80	50.48
Net income per share after adjustment of potential shares	(yen)	-	-	-	-	-
Net worth ratio	(%)	53.2	52.6	59.5	62.3	64.4
Profit ratio of net worth	(%)	5.5	5.0	4.3	4.1	3.9
Price earnings ratio	(times)	8.50	12.58	21.08	14.86	14.86
Divided Payout ratio	(%)	19.7	21.2	31.5	30.9	31.7
Number of employees (plus average number of temporary employees)	(persons)	978 (371)	985 (378)	1,036 (430)	1,083 (409)	1,159 (407)

Note:

1. Sales amount does not include consumption tax.
2. Net income per share after adjustment of potential shares is not entered because no potential shares have been issued.

2. Chronology

Date	Outline
April 1963	Established “Kensetsu Giken KK” in Ginza-nishi (Ginza 3-chome at present), Chuo-ku, Tokyo to conduct engineering consulting business
April 1963	Started business at the Head Office and Osaka Office in Minami-ku (Chuo-ku at present), Osaka at the same time as company establishment
February 1964	Changed trading name to “KK Kensetsu Gijutsu Kenkyujo (= CTI Engineering Co., Ltd.)”
December 1964	Registered at the Ministry of Construction as a construction consultant (No. 39-133)
June 1967	Opened Fukuoka Liaison Office (Fukuoka Office at present) in Fukuoka-shi, Fukuoka
April 1969	Moved the Head Office to Nihonbashi-koamicho, Chuuo-ku, Tokyo
September 1973	Moved the Head Office to Nihonbashi-honcho, Chuo-ku, Tokyo
January 1975	Opened Overseas Project Office (Overseas Department at present) in the Head Office to increase the number of oversea project orders
April 1976	Opened Sendai Liaison Office (Sendai Office at present) in Sendai, Miyagi
September 1976	Opened Nagoya Liaison Office (Chubu Office at present) in Nakamura-ku, Nagoya
April 1977	Opened Hiroshima Liaison Office (Chugoku Office at present) in Hiroshima-shi, Hiroshima
July 1980	Opened Okinawa Liaison Office (Okinawa Office at present) in Urazoe-shi, Okinawa
April 1983	Opened Niigata Liaison Office (Hokuriku Office at present) in Niigata-shi, Niigata and Takamatsu Liaison Office (Shikoku Office at present) in Takamatsu-shi, Kagawa
December 1983	Established “CTI Chousasekkei KK” to be exclusively engaged in construction management projects
June 1988	Opened Sapporo Liaison Office (Hokkaido Office at present) in Chuo-ku, Sapporo
July 1989	Opened Front Department to be in charge of hydraulic model experiments for dams, rivers and erosion control
April 1991	Opened Tokyo Office (Tokyo Head Office at present) in Nihonbashi-honcho, Chuo-ku, Tokyo in preparation for larger-scale business
April 1994	Opened CM Headquarters in the Head Office to participate in “Construction Management (CM) “ business acting as an agent in construction projects ranging from planning and design through to selection of constructor and construction control
June 1994	Registered over-the-counter stock with the Japan Securities Dealers Association
August 1996	Changed organization of the Front Dept. and opened Tsukuba Research Center in Tsukuba-shi, Ibaragi
October 1996	Stock listed on the Second Section of the Tokyo Stock Exchange
September 1997	Constructed the Company’s own building, which focuses on environment-consciousness, in Chuo-ku, Fukuoka as the first base-isolated building in Kyushu
March 1999	Established CTI Engineering International Co., Ltd. to isolate overseas operations making it independent of other operations
April 1999	Assigned the goodwill of the overseas division to the CTI Engineering International
June 1999	Stock listed on the First Section of the Tokyo Stock Exchange
December 1999	Established Management Techno Co., Ltd. to be exclusively engaged in management businesses
April 2000	Opened Management Business Department to be in charge of management business
April 2001	Construction of the Company’s own environmentally friendly headquarters in Omiya City (presently Saitama City), Saitama Prefecture.
April 2003	CTI Academy Co., Ltd. was established to specialize in training, the conducting of seminars, and other businesses.
April 2004	CTI Chousasekkei was renamed as AURA Engineering Co., Ltd.
May 2005	In the company’s 60th year of operations, the head office was relocated to Nihonbashi Hamacho, Chuo-ku, Tokyo.
June 2006	On June 1, 2006, the Fukuoka Association of Land Readjustment transferred its commercial operations to the Company’s wholly owned subsidiary, Fukuoka Land Readjustment Co., Ltd. (Newly founded and started operation on June 1, 2006)

3. Business Contents

The Company's group consists of CTI Engineering Co., Ltd. (hereinafter "the Company") and other subsidiaries all of which are engaged in engineering consulting business related to public works for rivers, dams, roads, environment and information, etc. In the settlement of the current term, there is two consolidated subsidiaries and no affiliated company carried by the equity method.

Descriptions of the Company's group businesses, including the Company and other related companies, are shown as follows:

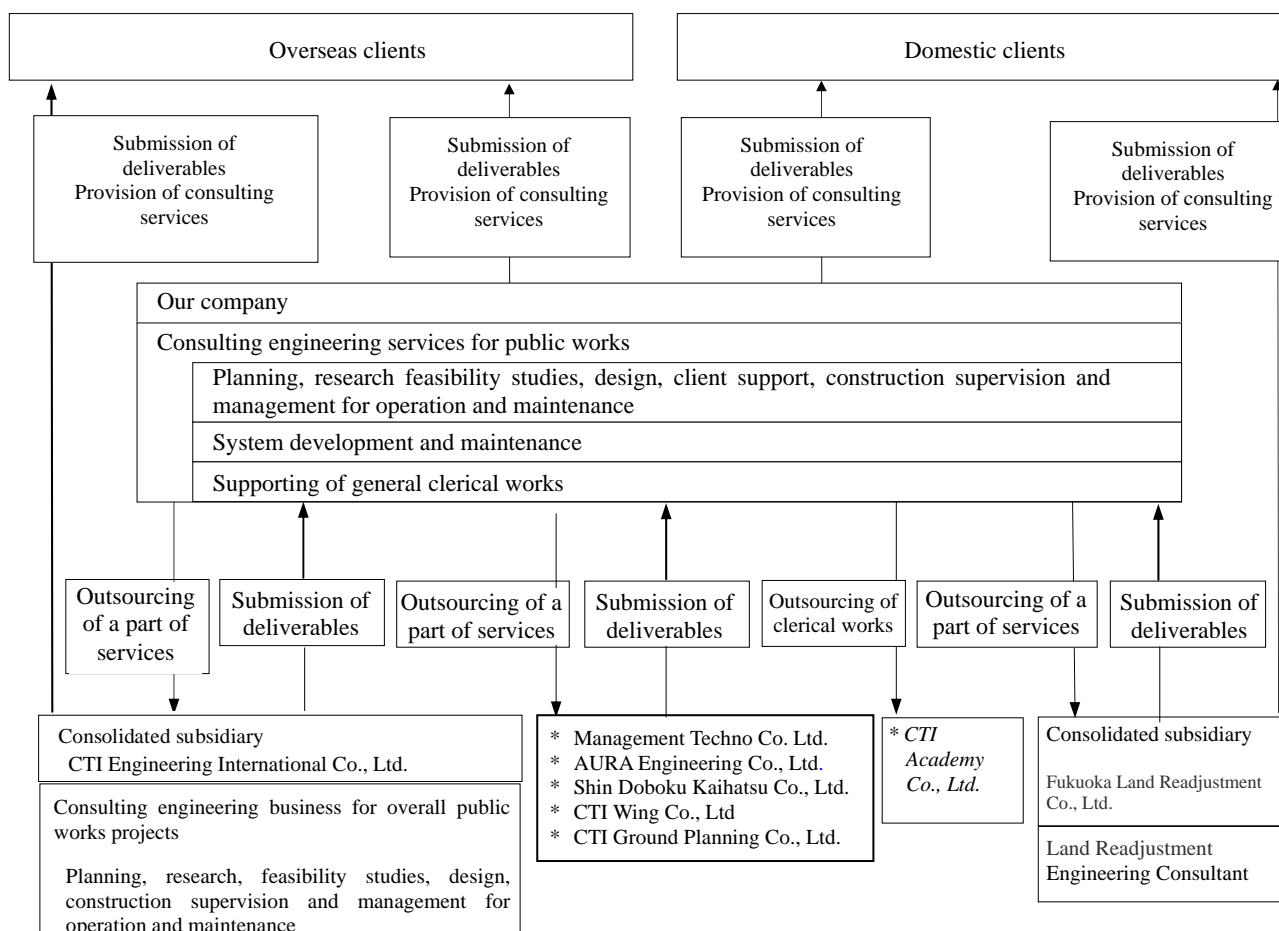
(i) Domestic operations

Consulting engineering services including planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general clerical works, and land readjustment works. With the exception of land readjustment works, handled by the Company's subsidiary Fukuoka Land Readjustment Co., Ltd., the Company is in control of all other operations.

(ii) Overseas operations

Consulting engineering services for overall public works projects including project finding, formulation of master plans, planning, research, feasibility studies, design, construction supervision and management for operation and maintenance in overseas market make up the main areas of Company's overseas business operations. The Company is in charge of these services together with its subsidiary CTI Engineering International Co., Ltd.

The above description can be shown in the business chart below.



Note: Subsidiaries marked with asterisks are excluded from consolidation range due to a lower degree of importance concerning scale.

4. Situation of Subsidiary

Company name	Address	Capital (thousand yen)	Major business contents	Voting right ratio (%)	Relation contents
Consolidated subsidiary CTI Engineering International Co., Ltd.	Chuo-ku, Tokyo	100,000	Engineering consulting for overseas market	70.0	Receiving orders for engineering consulting services in overseas markets with the Company. The Company guarantees some debts. Shared Auditors and debt guarantee. In addition to receiving orders from the Company for construction consulting, directly receives orders for land readjustment works.
Consolidated subsidiary Fukuoka Land Readjustment Co., Ltd.	Chuo-ku, Tokyo	100,000	Land Readjustment Engineering Consulting	100.0	

Note: CTI Engineering International Co., Ltd. relocated its office to Koto-ku, Tokyo on February 1, 2008.

5. Situation of employees

(1) Consolidation basis

Number of employees (persons)	1,332(413)
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Note: "Number of employees" shows the number of regular workers. For temporary employees, the average number of additional temporary workers for the year is shown in ().

(2) Non-consolidation basis

Number of employees (persons)	Age on average (years old)	Average length of employment (years)	Average yearly wage (yen)
1,159 (407)	40.69	11.57	8,115,877

Note:

- "Number of employees" shows the number of regular workers. For temporary employees, the average number of additional temporary workers for the year is shown in ().
- The average yearly wage contains bonus and extra wages.

(3) Situation of labor union

At the submitting company, a labor union has been organized as follows:

- Name: Labor Union of CTI Engineering
- Umbrella organization: National Federation of Construction Engineering Worker's Unions for Japan
- Number of union members: 696 (as of December 31, 2007)
- Other: There is no matter in particular to be mentioned, and labor-management relations are maintained in a stable manner based on mutual trust.

CHAPTER 2: BUSINESS SITUATION

1. Outline of Results

(1) Results

In this consolidated fiscal year, the Japanese economy remained uncertain. Corporate revenues improved on the back of higher capital investment, while falling housing starts and climbing prices of crude oil and raw materials remained as causes for concern.

In the construction consultancy industry, in which the Group is involved, the number of orders placed using the “Proposal System” (a selection system based on engineering ability) expanded greatly, while overall public spending continued to decline as a result of the strict budget constraints on national and local governments. Under these circumstances, the polarizing effects of price competition and quality competition on orders became increasingly prominent.

Against this background, the Group emphasized its efforts to improve engineering skills through the acquisition of brilliant human resources and the development and succession of technology, and to develop organization systems and effective personnel deployment for the further enforcement of mobility within the East Japan and West Japan blocks, in order to strengthen the quality and responsive power to the “Proposal System.” Thanks to this approach, orders received through the “Proposal System” accounted for nearly half of the total orders received on an increasing trend. Following the increase in orders received through the “Proposal System,” the Company expects the “Successful Bidding System under Comprehensive Evaluation” (a selection system based on the comprehensive evaluation of technical proposals and prices) to substantially increase as well. Thus, market circumstances that will potentially enable the Company to make the utmost use its competitive advantage in advanced technologies have been created. Meanwhile, in consideration of the severe price competition that continues to constrain local governments, the Company will promote structural reforms for further cost-saving.

In the meantime, orders received have been coming in steadily to Kensetsu Giken International Co., Ltd., a firm that engages in overseas projects together with the Company, and Fukuoka Land Readjustment Co., Ltd., a firm that has started business targeting expansion in the urban business sector.

As a result, in this consolidated fiscal year, orders received were 32,037 million yen, a YoY increase of 8.0%, income from completed sales was 30,613 million yen, a YoY increase of 5.6%, ordinary profit was 1,614 million yen, a YoY increase of 18.1%, and net income was 756 million yen, a YoY increase of 8.4%.

(2) Cash Flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased YoY by 104 million yen, to a total of 7,471 million yen.

(Cash flow from operating activities)

Net cash obtained from operating activities was 258 million yen (net cash used for operating activities for the previous consolidated fiscal year: 601 million yen). The major item was an increase in net income before tax as a result of an increase in sales.

(Cash flow from investment activities)

Net cash used for investment activities was 281 million yen (Consolidated YoY decrease of 29.3%).

Major items were income and expenses relating to the trading of investment in securities of 120 million yen and net increases from repayment of loans of 156 million yen.

(Cash flow from financial activities)

Net cash used for financial activities was 78 million yen (Consolidated YoY decrease of 76.1%). The major item, dividend payments of 226 million yen, was offset by an increase of 150 million yen as a result of a net increase in short-term borrowings.

2. Production, orders received and sales

The Company's group is engaged in a single business as engineering consulting and incidental services. The Company does not have business categories other than this, and its statements below are shown with a single segment.

(1) Production results

Category	Current consolidated fiscal year (From January 1, 2007 to December 31, 2007) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,613	5.6
Total	30,613	5.6

Note: The amounts are calculated according to the sales prices.

(2) Order receiving situation

Category	Current consolidated fiscal year (From January 1, 2007 to December 31, 2007)			
	Orders received (million yen)	Change from the same term in previous year (%)	Orders in hand (million yen)	Change from the same term in previous year (%)
Engineering consulting	32,037	8.0	29,504	5.1
Total	32,037	8.0	29,504	5.1

Note: The amounts are calculated according to the sales prices.

(3) Sales results

1) Sales results

Category	Current consolidated fiscal year (From January 1, 2007 to December 31, 2007) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,613	5.6
Total	30,613	5.6

Note: The amounts are calculated according to the sales prices.

2) Sales results by client

In the current consolidated fiscal year, the clients representing at least 10% of the total sales results are as follows:

Client	Previous consolidated fiscal year (From January 1, 2006 to December 31, 2006)		Current consolidated fiscal year (From January 1, 2007 to December 31, 2007)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
National Government	11,269	38.9	13,019	42.5

3. Our tasks ahead

Public works spending has been decreased every year. Meanwhile, the social infrastructures massively constructed in the high-growth period are rapidly aging, and there are thus concerns that such aging will result in a huge blow to economic society. Accordingly, some say that the decreases in public works spending should be stopped. However, the amount allocated by the national government in its proposed 2008 budget for public works spending has continued to be decreased by 3% compared to the previous year. The Company, on the assumption of continued severe management conditions, has addressed internal reform towards the improvement of customer satisfaction and productivity, and has shown some successful results. The Company will continue to overcome increasingly intense competition in both engineering ability and price, and will further ensure that its recovery trend in terms of orders received continues.

The year 2008 is the last year of STEP-08, the mid-term business plan. The Company will continue its heavy emphasis on the strategies listed below in order to maintain a solid business base for a new mid-term business plan under a new vision (PH00S2015).

- 1) The Company will continue its strategy of increasing the number of brilliant engineers in order to improve its engineering competitiveness, while at the same time increasing price competitiveness through cost reduction measures such as outsourcing management.
- 2) The Company will continue its active expansion, with special emphasis on the international sector, the management sector, and the urban-related sector.
- 3) The Company will endeavour to ensure high quality by promoting the reinforcement and enhancement of the “Step Review” system, which, as a quality assurance system, verifies and checks each step of service, and the “Proof Engineer” system, which has been introduced as an in-house inspection system for independent verifications.
- 4) The Company will reinforce its approach to new energy areas in order to address global warming, a worldwide urgent issue.

The Company will establish organization systems in which all officers and employees are able to bring the best out of their abilities. The Company management also continues its best effort towards the future in pursuit of systems to bring together professionals who share a sense of social leadership in both engineering skills and social morals to meet and fulfill their social missions.

4. Business risks

The Group’s business depends greatly on public works, so its business performance may be affected by public works trends.

5. Important arrangement related to the management

Not applicable

6. Research and development

The Group develops business and carries out research and development both in Japan and abroad.

Specifically, investment areas are divided into new business areas and new client needs (strategic research and

research into commercialization), and research and development.

During the current consolidated fiscal year, the Group invested a total of 612 million yen to carry out research and development on the following major subjects:

1) Strategic research

- Research in international business
- Research in national land and culture (local government body infrastructure accounting modeling, communications technology, heat islands, ubiquitous computing, micro bubble, soft structure, new energy and energy-saving measures, future road policy, tourism business, welfare and education business, and medical alliance business)

2) New business model research (management business, strategic maintenance, action strategy under the Kyoto Protocol, environment business model, environmental systems, and water systems)

3) Technology research (traffic estimate service, tunnel-related research, eco-road technologies, IT investment cost-reduction methods, Ariake Sea environmental rehabilitation, next-generation road transport systems, road-related risks, urban environmental improvement in water supply, earthquake resistance of river structures, new businesses in service areas, and the application of satellite data to disaster prevention)

7. Analysis of financial conditions and business performance

(1) Financial conditions

(Assets)

At the end of the current consolidated fiscal year, the Group's total assets totaled 30,486 million yen, for an increase of 1.6% compared to the previous year.

The major item was an increase in expenses prepaid for uncompleted services resulting from an increase in the balance of services carried forward.

(Liabilities)

Total liabilities at the end of this consolidated fiscal year were 11,925 million yen, for an increase of 0.6% compared to the end of the previous year.

The major item was an increase in short-term borrowings for covering operating expenses.

(Net Assets)

At the end of the current consolidated fiscal year, net assets totaled 18,561 million yen, for an increase of 2.2% over a year earlier. This is mainly because net income for the current term was reported.

(2) Business performance

As of the end of this consolidated fiscal year, orders received amounted to 32,037 million yen, a YoY increase of 8.0%.

While income from completed services was 30,613 million yen, a YoY increase of 5.6%, ordinary profit increased YoY 18.1% to 1,614 million yen, and net income for this consolidated fiscal year increased by 8.4% to 756 million yen. Ordinary profit exceeded the projection at the beginning of this consolidated fiscal year, while net income for this fiscal year finished below the projection at the beginning of this consolidated fiscal year.

The major items were an increase in extraordinary loss resulting from retirement benefit expenses and an increase in tax expenses resulting from the reversal of deferred tax assets.

(3) Cash flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased by 104 million yen compared to the end of the previous year, totaling 7,471 million yen.

Net cash obtained from operating activities was 258 million yen (net cash used for operating activities for the previous consolidated fiscal year: 601 million yen). The major item was an increase in net income before tax as a result of an increase in sales.

Net cash used for investment activities was 281 million yen (a YoY decrease of 29.3%). Major items were income and expenses relating to the trading of investment in securities of 120 million yen and net increases from repayment of loans of 156 million yen.

Net cash used for financial activities was 78 million yen (a YoY decrease of 76.1%). The major item, dividend payments of 226 million yen, was offset by an increase of 150 million yen as a result of a net increase in short-term borrowings.

CHAPTER 3: FACILITIES & EQUIPMENT

1. Outline of Investment into Facilities and Equipment

The Group committed 34 million yen in capital investment to strengthen customer-oriented sales and improve its business operations environment. In this consolidated fiscal year, there was no investment in, sale or disposal of facilities that had a major influence on the Company's operational capabilities.

2. Major facilities and equipment

Major facilities and equipment of the Company's group are as shown below.

(1) Company submitting the report

As of December 31, 2007

Establishment (location)	Business line	Book value (million yen)					Number of employees (persons)
		Buildings and structures	Machinery and delivery equipment	Land (area: m ²)	Other	Total	
Head Office (Chuo-ku, Tokyo)	General administrati on facilities	8	1	—	10	21	95 (5)
Tokyo Head Office (Chuo-ku, Tokyo)	Office	42	—	—	64	107	294 (75)
Tokyo Head Office Saitama Office (Urawa-ku, Saitama)	Office	919	0	772 (1,978)	38	1,730	127 (41)
Research Center Tsukuba (Tsukuba-shi, Ibaraki)	Office and laboratory facilities	404	27	1,937 (50,605)	5	2,375	41 (19)
Yono Dormitory (Chuo-ku, Saitama)	Welfare facilities	319	—	820 (1,565)	2	1,142	— (—)
Kyushu Office (Chuo-ku, Fukuoka)	Office	486	4	1,025 (1,136)	9	1,526	125 (47)

Note: 1. Land area of Research Center Tsukuba includes the area of 14,895 m² leased from a party other than the consolidated company.

2. The number of temporary employees is given in () with the average additional number for the year.

(2) Subsidiaries in Japan

Not applicable.

(3) Subsidiaries out of Japan

Not applicable.

3. New Construction or Removal Plan for Equipment

The Company plans to relocate the office building for its Osaka Head Office in May 2008.

The Company estimates new construction costs, etc. for equipment, etc. of 200 million yen relating to this relocation, and plans to appropriate its own funds for this relocation.

In addition, this relocation has no effect on production capacity.

CHAPTER 4: STATUS OF THE COMPANY

1. Status of Shares

(1) Total Number of Shares, etc.

(i) Total Number of Shares

Type	Total number of shares to be issued (shares)
Common stock	40,000,000
Total	40,000,000

(ii) Number of Shares Issued

Type	Issued shares as of the end of the fiscal year (shares) (December 31, 2007)	Issued shares as of the date for submission (shares) (March 28, 2008)	Listed stock exchanges or securities dealers association at which the Company's stock is registered	Details
Common stock	14,159,086	14,159,086	Tokyo Stock Exchange First Section	–
Total	14,159,086	14,159,086	–	–

(2) Stock options, etc.

Not applicable.

(3) Rights Plan

Not applicable.

(4) Change in total number of shares issued and capital stock

Date	Increase/decrease in the total number of shares issued (shares)	Total number of shares issued (shares)	Increase/decrease in capital (million yen)	Capital (million yen)	Increase/decrease in capital reserve (million yen)	Capital reserve (million yen)
February 19, 1999 (Note)	1,287,189	14,159,086	–	3,025	–	4,122

Note: Increase due to stock splits at a ratio of 1 for 1.1 shares

(5) Shareholders

As of December 31, 2007

Category	Distribution of shares (Number of shares per unit: 100 shares)								Shares below a unit (shares)
	Government and local public entities	Financial institutions	Financial instruments firm	Other corporations	Foreign corporations etc.		Individuals etc.	Total	
					Other than Individuals	Individuals			
Number of shareholders (persons)	–	30	21	94	39	2	2,427	2,613	–
Number of shares held (units)	–	41,223	1,788	12,751	11,595	190	73,571	141,118	47,286
Shareholding ratio (%)	–	29.2	1.3	9.1	8.2	0.1	52.1	100.0	–

Note:

1. Among treasury stocks (9,220 stocks), 92 units are counted as “Individuals etc.” and 20 stocks are counted as “Shares below a unit” in the table above.
2. “Other corporations” and “Shares below a unit” in the table above include 45 units of shares and 72 shares held by the Securities Custody and Transfer Organization respectively.

(6) Major shareholders

As of December 31, 2007

Name	Address	Number of shares held (thousand)	Ratio of the number of shares held against the number of shares issued (%)
CTI Engineering Employees' Stock-sharing Association	21-1, Nihonbashi-hamacho 3-chome, Chuo-ku, Tokyo	1,730	12.2
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	1,001	7.1
Japan Trusty Service Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	558	3.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	464	3.3
State Street Bank and Trust Company 505019 (Standing proxy: Mizuho Corporate Bank, Ltd.)	AIB INTERNATIONAL CENTRE P.O.BOX 518 IFSC DUBLIN, IRELAND (6-7 Nihonbashi-kabutocho, Chuo-ku, Tokyo)	385	2.7
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo (11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo)	354	2.5
Sumitomo Life Insurance Company (Standing proxy: Japan Trustee Services Bank, Ltd.)	18-24, Tsukiji 7-chome, Chuo-ku, Tokyo (8-11, Harumi 1-chome, Chuo-ku, Tokyo)	300	2.1
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	269	1.9
Dai-ichi Mutual Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, 1.5Tokyo)	269	1.9

Name	Address	Number of shares held (thousand)	Ratio of the number of shares held against the number of shares issued (%)
CBNYDFA International Cap Value Portfolio (Standing proxy: Citibank, N.A. Tokyo Branch)	1299 OCEAN AVENUE, 11F, SANTA MONICA, CA 90401 USA (3-14, Higashi-Shinagawa 2- chome, Shinagawa-ku, Tokyo)	211	1.5
Total	—	5,545	39.2

Note: All shares held in The Master Trust and Bank of Japan, Ltd. (trust account) and 287 thousand shares held in Japan Trusty Service Bank, Ltd. (trust account) are shares related to trust operations.

(7) Voting rights

(i) Issued Shares

As of December 31, 2007

Category	Number of shares (stock)	Number of voting rights (votes)	Details
Nonvoting shares	–	–	–
Shares with limited voting rights (Treasury stocks, etc.)	–	–	–
Shares with limited voting rights (Other)	–	–	–
Shares with complete voting rights (Treasury stocks, etc)	(Treasury stocks) Ordinary stocks 9,200	–	–
Shares with complete voting rights (Other)	Ordinary stocks 14,102,600	141,026	–
Shares below a unit	Ordinary stocks 47,286	–	–
Total number of shares issued	14,159,086	–	–
Voting rights of total shareholders	–	141,026	–

Note:

1. Included in “Shares with complete voting rights (other)” are 4,500 shares (45 votes) registered in the name of the Japan Securities Depository Center, Inc.
2. Included in “Shares below a unit” are 20 treasury stocks held by the Company.

(ii) Treasury Stocks, etc.

As of December 31, 2007

Name of owners	Address of owners	Number of shares held in its own name (shares)	Number of shares held disguised ownership (shares)	Total number of shares held (shares)	Ratio of the shares held against the total number of shares issued (%)
CTI Engineering Co., Ltd.	21-1, Nihonbashi-hamacho 3-chome, Chuo-ku, Tokyo	9,200	–	9,200	0.1
Total	–	9,200	–	9,200	0.1

(8) Contents of the stock option system

Not applicable.

2. Acquisition of Treasury Stocks

Types of Shares Acquisition of ordinary shares in accordance with Article 155.7 of the Company Law.

(1) Acquisition of Shares by Resolution at a General Shareholders Meeting

None.

(2) Acquisition of Shares by Resolution at a Board of Directors Meeting

None.

(3) Items not related to Resolutions at a General Shareholders Meeting or Board of Directors Meeting

Category	No. of Shares	Total Price (Yen)
Treasury stock acquired in this fiscal year.	785	699,712
Treasury stock acquired in this period.	83	55,550

Note: Treasury stock acquired in this period do not include shares acquired that were less than one transaction unit from March 1, 2008 to the date of the submission of this Securities Report.

(4) Disposal and Holding of Acquired Treasury Stock

Category	This Fiscal Year		This Period	
	No. of Shares	Total Amount Received on Divestiture (Yen)	No. of Shares	Total Amount Received on Divestiture (Yen)
Treasury stock acquired by public subscription.	—	—	—	—
Treasury stock extinguished.	—	—	—	—
Treasury stock acquired due to transfers from mergers, share swaps and company split-offs	—	—	—	—
Other	—	—	—	—
Held Treasury Stock	9,220	—	9,303	—

Note: Treasury stock acquired in this period does not include shares acquired that were less than one transaction unit from March 1, 2008 to the date of the submission of this Securities Report.

3. Dividend Policy

The Company determines dividends by resolution at a General Shareholders Meeting. While the Company's Articles of Incorporation, pursuant to Article 454.5 of the Company Law, allow payment of interim dividends, as a general rule, dividends are paid once a year.

In determining dividends, while considering returns to investors, it is critical to maintain an appropriate level of retained earnings to ensure stable operations, as a construction consultancy engaged in operations of a highly public nature, Retained earnings are for future use to ensure the necessary funds for business expansion, to execute new operations systems for future public works which are predicted to expand, and for priority investment in new fields of technology related to the environment, urban planning, and new energy.

As in the past, based on a stable dividend policy, the Company will continue to provide returns on shareholder investment by taking into account the dividend payment ratio.

Note: In respect of the dividend for the record date, December 31, 2007, at the 45th Ordinary General Shareholders Meeting held on March 27, 2008, it was resolved to pay a dividend of 16 yen per share (Total dividend payment amount 226 million yen).

4. Change in Stock Price

(1) Highest and lowest stock prices for the past five fiscal years

Fiscal year	41st term	42nd term	43rd term	44th term	45th term
Fiscal year end	December 2003	December 2004	December 2005	December 2006	December 2007
Highest (yen)	598	757	1,199	1,196	1,040
Lowest (yen)	455	502	630	650	715

Note: The highest and lowest stock prices are those marked on the First Section of the Tokyo Stock Exchange.

(2) Highest and lowest stock prices by month for the past six months

Month	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
Highest (yen)	954	900	839	828	793	814
Lowest (yen)	860	750	715	740	716	750

Note: The highest and lowest stock prices are those marked on the First Section of the Tokyo Stock Exchange.

5. Executive Management

Board member position	Company position	Name	Date of birth	Career	Term of office (Note no.)	Number of shares held (thousand)
Chairman & Representative Director		Yumio Ishii	December 4, 1935	<p>March 1963 Retired from Civil Engineering Research Laboratory</p> <p>April 1963 Joined CTI Engineering</p> <p>June 1975 General Manager, Water Resources Div. I</p> <p>May 1982 Director & Member of the Board</p> <p>June 1988 Managing Director</p> <p>March 1991 Senior Managing Director and Tokyo Office Branch Administrator</p> <p>March 1994 Vice President & Representative Director</p> <p>March 1995 President & Representative Director</p> <p>March 2003 Chairman & Representative Director (present post)</p>	1	97
President & Representative Director		Kazuya Oshima	July 8, 1946	<p>April 1969 Joined CTI Engineering</p> <p>April 1991 General Manager, Water Resources Div. II, Tokyo Office</p> <p>April 1994 Chief, Human Intelligence Dept., Tokyo Office</p> <p>March 1995 Director & Member of the Board</p> <p>April 1997 Deputy Branch Administrator, Tokyo Office</p> <p>March 1998 Managing Director</p> <p>April 1999 Tokyo Office Branch Administrator</p> <p>March 2000 Senior Managing Director</p> <p>March 2001 Vice President</p> <p>March 2002 Vice President & Representative Director</p> <p>March 2003 President & Representative Director (present post)</p>	1	59
Vice President & Representative Director	Principal, Osaka Head Office	Tetsuzo Okada	November 28, 1945	<p>June 1976 Retired from "Shin-Nihon Gijutsu Consultant Corp."</p> <p>July 1976 Joined CTI Engineering</p> <p>April 1991 General Manager, Highway & Bridges Div. II Osaka Office</p> <p>April 1995 Deputy Chief, Road & Traffic Dept. Osaka Office</p> <p>March 1997 Director & Member of the Board and Chief, Road & Traffic Dept. Tokyo Office</p> <p>April 1999 Deputy Branch Administrator, Tokyo Office</p> <p>March 2000 Managing Director and Chief, Headquarters Business Development Dept.</p> <p>March 2003 Senior Managing Director and Administrator of Tokyo Head Office</p> <p>March 2005 Vice President</p> <p>April 2005 Principal, Osaka Head Office (present post)</p> <p>March 2008 Vice President & Representative Director (present post)</p>	1	31

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Vice President & Director	Principal, Tokyo Head Office	Kazunori Yoshioka	January 4, 1946	June 2002 July 2002 March 2003 March 2005 April 2005 March 2007	Retired from the Japan Institute of Construction Engineering Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Managing Director and Chief of Headquarters Research & Development Dept. Senior Managing Director Principal, Tokyo Head Office (present post) Vice President (present post)	1	10
Vice President & Director	Chief, Headquarters Engineering Dept.	Hiroshi Ide	November 12, 1943	April 1968 April 1990 April 1993 April 1997 March 1998 March 1999 March 2000 April 2001 March 2003 March 2005 April 2005 March 2008	Joined CTI Engineering General Manager, Urban & Regional Planning Div. Human Intelligence Dept. General Affairs Div. General Manager, Tokyo Office General Manager, General Affairs Div., Headquarters Management Dept. Director & Member of the Board Chief, Headquarters Management Dept. Managing Director Branch Administrator of Tohoku Office Branch Administrator of Osaka Office Senior Managing Director Chief, Headquarters Engineering Dept. (present post) Vice President & Director (present post)	1	37
Managing Director	Chief, Headquarters Business Development Dept.	Reiichi Abe	November 4, 1949	April 1974 April 1994 April 1997 April 1999 March 2000 March 2003	Joined CTI Engineering General Manager, Water Resources Div. I, Water Resources Dept., Tokyo Office Chief, Water Resources Dept., Tokyo Office Deputy Branch Administrator, Osaka Office Director & Member of the Board Managing Director and Chief of Headquarters Business Development Dept. (present post)	1	26
Managing Director	Chief, Management Business Dept.	Yoshihito Sabase	December 23, 1949	April 1974 April 1993 April 1997 March 1999 March 2000 April 2000 March 2003 March 2005 April 2007	Joined CTI Engineering General Manager, Information Technology Div., Human Intelligence Dept., Tokyo Office Chief, Information & Construction Management Headquarters Tokyo Office Chief, Construction Management Headquarters Director & Member of the Board Management Business Dept. Branch Administrator Managing Director (present post) and General Manager of Headquarters Operation Development Dept. President & Representative Director of Management Techno Co., Ltd. In charge of Management Business Dept. (present post)	1	21

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Managing Director	Principal, Kyushu Office and Okinawa Office	Konomu Uchimura	March 11, 1950	April 1974 April 1994 April 1997 April 1999 March 2000 April 2001 March 2003 March 2006	Joined CTI Engineering General Manager, Water Resources Div. II, Water Resources Dept., Tokyo Office Chief, Human Intelligence Dept., Tokyo Office Deputy Branch Administrator, Tokyo Office Director & Member of the Board Chief, Headquarters Management Dept. Managing Director (present post) Principal, Kyushu Office and Okinawa Office (present post)	1	20
Managing Director	Chief, Headquarters Management Dept.	Kazuo Murata	September 26, 1951	April 1978 April 1997 April 1999 April 2001 March 2003 April 2003 April 2004 March 2006	Joined CTI Engineering General Manager, Water Resources Div. V, Water Resources Dept. Tokyo Office Chief, Water Resources Dept., Tokyo Office Deputy Branch Administrator, Tokyo Head Office Director, Member of the Board and Chief of Headquarters Quality Management Dept. President & Representative Director of CTI Academy (present post) General Manager of Management Planning Dept. and Deputy Chief of Management Div. Managing Director, General Manager of Management Dept. (present post)	1	19
Managing Director	Principal, Chubu Office	Yasuki Komatsu	October 15, 1951	April 1976 April 1998 April 1999 April 2001 March 2003 April 2003 March 2006	Joined CTI Engineering General Manager, Road Planning Div., Road and Traffic Dept., Tokyo Office Chief, Road and Traffic Dept., Tokyo Office Deputy Branch Administrator, Tokyo Head Office Director & Member of the Board Deputy Administrator, Tokyo Head Office Managing Director, Principal of Chubu Office (present post)	1	18
Managing Director	Deputy Chief, Headquarters Engineering Dept.	Kunihiko Harada	December 7, 1947	June 2006 June 2006 March 2007	Retired from Teito Kosokudo Kotsu Eidan (Presently Tokyo Metro Co., Ltd.) Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Managing Director, Deputy Chief, Headquarters Engineering Dept. (present post)	1	4
Managing Director	Deputy Chief, Headquarters Engineering Dept.	Tsuneo Uesaka	January 1, 1948	July 2006 August 2006 March 2007	Retired from Japan Dam Engineering Center. Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept Managing Director, Deputy Chief, Headquarters Engineering Dept. (present post)	1	3

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Director		Keiichi Koya	October 1, 1949	April 1974 April 1994 April 1997 April 1999 March 2000 March 2004 Feb. 2006	Joined CTI Engineering General Manager, Environment & Systems Engineering Div., Water Resources Dept. Osaka Office Chief, Water Resources Dept. Osaka Office Deputy Branch Administrator, Fukuoka Office Director & Member of the Board (present post) Branch Administrator, Chugoku Office President and Representative Director, CTI Wing Co., Ltd. (present post)	1	17
Director	Principal, Tohoku Office	Koji Nukazawa	December 9, 1947	May 2001 May 2001 March 2002 April 2002 March 2003	Retired from Civil Engineering Research Laboratory Joined CTI Engineering as Chief Engineer, Headquarters Research & Development Dept. Director & Member of the Board (present post) Chief of Headquarters Quality Management Dept. Principal of Tohoku Office (present post)	1	12
Director	Deputy Principal, Tokyo Head Office	Asao Yu	January 17, 1955	April 1979 April 1997 April 2003 March 2005 April 2005 March 2006	Joined CTI Engineering General Manager of Technical Dept. of Nagoya Branch, Tokyo Office Deputy Branch Administrator, Tokyo Head Office Director (present post) Deputy Principal, Tokyo Head Office (present post) General Manager of Management Planning Dept. (present post)	1	9
Director	Deputy Chief, Headquarters Engineering Dept.	Hiroyori Toyooka	October 5, 1947	April 2005 April 2005 March 2006	Retired from Economic Research Association Joined CTI Engineering, Deputy Chief, Headquarters Engineering Dept. (present post) Director (present post)	1	3
Director	Deputy Principal, Tokyo Head Office	Norio Tomonaga	September 15, 1953	April 1979 April 1998 April 2004 March 2006	Joined CTI Engineering General Manager, Road Div. Technical Dept. IV of Tokyo Office. Deputy Chief of Tokyo Head Office Director, Deputy Principal, Tokyo Head Office (present post)	1	17
Director	Deputy Principal, Osaka Head Office	Hideaki Kurita	January 1, 1954	April 1979 April 1998 April 2004 April 2005 March 2006	Joined CTI Engineering General Manager, Technical Dept. of Hiroshima Branch, Osaka Office. Deputy General Manager of Osaka Office Deputy Principal, Tokyo Head Office (present post) Director (present post)	1	9

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Director	Deputy Chief, Headquarters Engineering Dept.	Masahumi Yamamoto	April 18, 1949	March 2006 April 2006 March 2007	Retired from Foundation of River & Watershed Environment Management Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Director, Deputy Chief, Headquarters Engineering Dept. (Present post)	1	3
Statutory Auditor		Naomi Kanemaru	January 2, 1946	April 1964 April 1989 April 1998 April 2003 March 2006 March 2007	Joined CTI Engineering Manager Engineering Div. 6 Deputy Branch Administrator, Nagoya Office Deputy Chief, Headquarters Business Development Dept. Retired Internal Auditor (Present post)	2	23
Auditor		Ken Kamitakahara	February 2, 1944	April 1968 April 1991 April 1996 April 2000 March 2001 April 2001 November 2001 March 2003 March 2006	Joined CTI Engineering General Manager, Water Resources Div. I, Tokyo Office Deputy Chief, Engineering and Development Dept. Deputy Branch Administrator, Tohoku Office Director & Member of the Board Deputy Branch Administrator, Tokyo Head Office President & Representative Director, CTI Environment Techno Co., Ltd. Branch Administrator of Chubu Office of CTI Engineering Auditor (present post)	3	26
Auditor		Kunihiro Horiuchi	April 24, 1943	April 1968 April 1992 April 1996 June 1997 April 1999 March 2000	Appointed as Public Prosecutor Public Prosecutor of Tokyo High Public Prosecutor's Office Public Prosecutor of the Supreme Public Prosecutor's Office Opened Horiuchi General Law Office (present post) Professor at the Law Department, Tokai University (present post) Auditor, CTI Engineering (present post)	2	-
Auditor		Tomoo Araki	January 1, 1936	April 1965 April 1974 April 1981 April 1989 June 1993 March 1996 February 1998 January 2001 March 2001 April 2001	Appointed as Assistant Judge Prosecutor of Tokyo District Public Prosecutor's Office Judge of Tokyo District Court Judge of Tokyo High Court Director of Tokyo Legal Affairs Bureau Director of Toyama District and Domestic Relations Courts General Judge of Tokyo High Court Registered as attorney (Tokyo Daiichi Law Office) (present post) Auditor, CTI Engineering (present post) Professor at the Law Department, Ryutsu Keizai University (present post)	2	-
Total							473

- Note:
- 1 From March 27, 2008 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2009.
 - 2 From March 28 2007 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2010.
 - 3 From March 29, 2006 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2009.
 - 4 Auditors, Kunihiro Horiuchi and Tomoo Araki, are external auditors pursuant to Article 2.16 of the Company Law.
 - 5 To ensure that the Company fully satisfies all conditions set forth under applicable laws a reserve auditor was appointed pursuant to Article 329.2 of the Company Law. The history of that auditor is as stated below.

Name	Date of Birth	History		Term of office (Note no.)	No. of shares held (Thousand)
Kyoko Kikuchi	April 20, 1951	April 1985 April 1988 April 1991 April 2000 September 2000	Tokai University Legal Research Assistant Tokai University Faculty of Law Full-time tutor Tokai University Faculty of Law Assistant Professor Tokai University Faculty of Law Professor (Present post) Licensed attorney (Present post)	1	—

- Note:
- 1 From March 28, 2007 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2010.
 - 2 The reserve auditor, Kyoko Kikuchi, is an external auditor as stipulated under Article 2.16 of the Company Law.

6. Corporate governance

(1) Basic policy of corporate governance

As stated in our corporate mission statement, the Company is a construction consultant that plays a role in providing the infrastructure vital for the improvement of the lifestyles of all people. As a member of the construction consultancy profession, it is the Company's basic management policy to conduct its operations in a neutral and independent manner, and to protect the lifestyle enjoyed by ordinary citizens who are the end users of this infrastructure. Therefore, the Company believes that it is necessary to increase the transparency of its management and the effectiveness of its internal control.

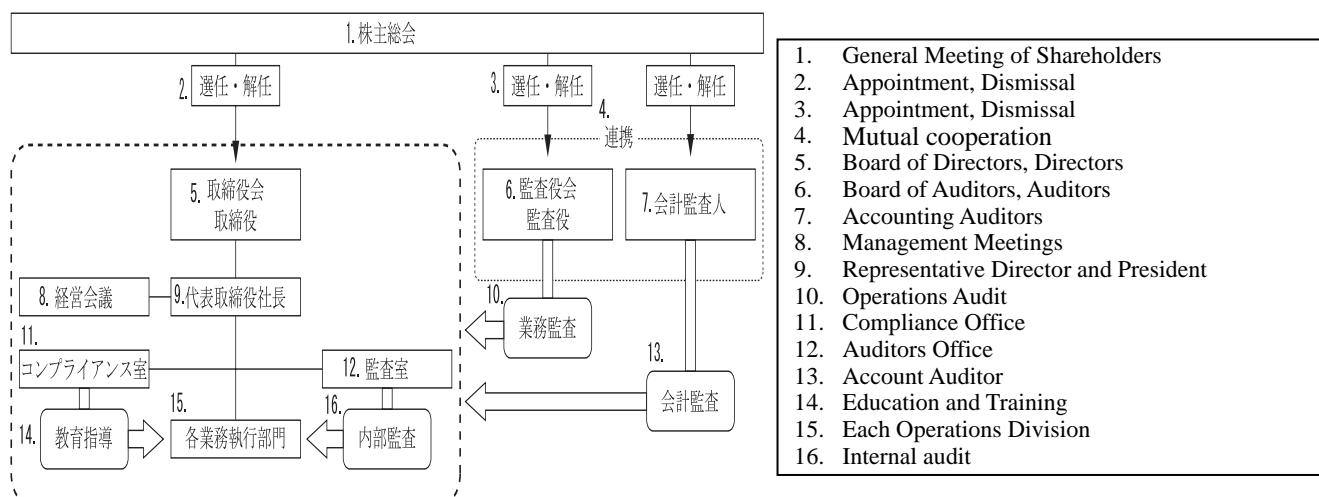
(2) Implementation of corporate governance measures

1) The role of our corporate bodies

Board of Directors meetings, as a general rule, are held once a month. The Board, in addition to passing resolutions on important business matters and other items also required under law, is also responsible for the overall supervision of the conduct of the Company's business. Further, the Board thoroughly discusses both internal and external issues. No external directors have been appointed.

The Company has appointed Auditors. The Auditors, in addition to attendance at Board of Directors meetings and other important meetings within the Company, audits corporate conduct as an independent body. At present 2 of the 4 Auditors are legal practitioners who have been appointed as external Auditors. The appointment of legal practitioners, with their high level of expertise and professional ethics, means that advice can be actively provided at an early stage of the decision-making process and ensures that the audit process is extremely thorough.

The roles of the various bodies within the Company are as shown below.



2) Internal control system

A Compliance Office and Audit Office that are under the direct control of the President have been established, as has a corporate framework that ensures legal compliance by strengthening internal control systems. In addition, one of the legal practitioners appointed as an External Auditor has been requested to provide independent advice to any staff member with concerns as a means of further strengthening the company's in-house operations monitoring system. Furthermore, by entering into consulting agreements with a number of legal firms, the Company has established a system that ensures the timely provision of appropriate advice.

As a further safeguard the Company regularly seeks the advice of its auditing firms to ensure the appropriate handling of all matters before any problems arise.

3) Improvement of the risk management system

Risk management of our service's quality is undertaken by Headquarter Engineering Dept. and that of other general matters by the Headquarter Management Dept.

4) Internal, external and accounts auditing

Internal audits are performed by the Audit Office that has the authority to request additional personnel as required. At present the Audit Office staff is comprised of 1 Audit officer and 4 assisting staff members. Planned internal comprehensive operational audits are performed annually on all divisions and departments within the Company.

Based on directives from the Board of Auditors, the Auditor performs the audit with his/her assisting staff. Both internal and external Auditors actively contribute to the decision-making process in its early stages to ensure thorough implementation of the Company's auditing system. The Board of Auditors also works in close cooperation with the Accounts Auditor, holding discussions as required, to ensure that both operations and accounting audit functions are mutually strengthened.

The Company has entered into an auditing agreement with Ernst & Young ShinNihon as Accounting Auditor. Since April 2007, the CPAs Shuji Ota, Katsuhiko Hara and Hiroaki Kosugi have been jointly responsible for audits in respect of the consolidated fiscal year. The auditors' support staff (9 persons) is mainly comprised of CPA's and assistant CPA's.

5) Executives' compensation

Details	Amount (million)
Directors' compensation	342
Auditors' compensation	45

Notes: 1. The Company has not appointed any external director.

2. In addition to the above directors' compensation, salaries (including bonuses) for the portion of services that directors, also an employee, rendered as an employee totaled 96 million yen.

6) Auditing firm's compensation

Details	Amount (million)
Compensation for duties performed as stipulated under Article 2.1 of the Certified Public Accountants Law.	24
Compensation for other services (Advisory service on the establishment, operation and evaluation of the internal control system)	1

(3) Implementation of the Company's corporate governance systems in the last year

During the fiscal year ending December 2007, 13 Board of Directors and 12 Board of Auditors meetings were held.

To strengthen compliance systems, the Board of Directors in May 2006, resolved to implement the items set forth in Article 362.4.6 (concerning internal control systems) of the Company Law and through their implementation is dedicated to further improving compliance.

In addition to performing the appropriate control of insider information and holding investor meetings, the Company continues to maintain its policy of transparency in business dealings by actively disclosing information in a timely and appropriate manner through avenues such as press releases and dissemination on its website.

(4) Agreements set forth in Article 427, Paragraph 1 of the Company Law (Liability Limitation Agreements)

Not applicable.

(5) Election and dismissal of directors

The fixed number of directors is twenty-two (22) without necessary qualifications. The Company sets forth in its Articles of Incorporation that resolutions for the election of directors shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights. In addition, the Company has not amended the requirements for resolutions to dismiss directors set forth in the Company Law.

(6) Resolutions set forth in Article 309, Paragraph 2 of the Company Law (Special Resolutions)

The Company sets forth in its Articles of Incorporation that the resolutions set forth in Article 309, Paragraph 2 of the Company Law may be adopted by two-thirds (2/3) or more of the votes of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights. This provision is set forth to ensure that the Company avoids any situation in which it is unable to propose resolutions at a General Shareholders Meeting because a quorum is not present.

(7) Matters set forth to be resolved by a Board of Directors Meeting in lieu of resolutions at a General Shareholders Meeting, and the reason therefor

The Company sets forth in its Articles of Incorporation that the distribution of surplus set forth in Article 454, Paragraph 5 of the Company Law shall be determined by resolution at a Board of Directors Meeting. This provision is set forth because, in order to distribute surplus as set forth in Article 454, Paragraph 5 of the Company Law, the said article requires the Company to stipulate in its Articles of Corporation that such distribution of surplus may be made by a resolution at a Board of Directors Meeting.

CHAPTER 5: STATUS OF ACCOUNTING

1. Preparation of the Consolidated Financial Statements and Non-consolidated Financial Statements

(1) The Company's consolidated financial statements are prepared in accordance with the "Regulations on the terminology, forms and method of preparation of consolidated financial statements" (Ordinance of Ministry of Finance No.28 of 1976, hereinafter referred to as the "Regulations on Consolidated Financial Statements").

Further, the financial statements for the previous consolidated fiscal year (from January 1, 2006 to December 31, 2006) were prepared pursuant to pre-amended regulations concerning consolidated fiscal statements, while the financial statements for this consolidated fiscal year (from January 1, 2007 to December 31, 2007) were prepared pursuant to the amended regulations.

(2) The Company's non-consolidated financial statements are prepared in accordance with the "Regulations on the terminology, forms and method of preparation of financial statements" (Ordinance of Ministry of Finance No. 59, 1963, hereinafter referred to as the "Regulations on Financial Statements").

Further, the financial statements for the previous consolidated fiscal year (from January 1, 2006 to December 31, 2006) were prepared pursuant to pre-amended regulations concerning consolidated fiscal statements, while the financial statements for this consolidated fiscal year (from January 1, 2007 to December 31, 2007) were prepared pursuant to the amended regulations.

2. Audit Report

In accordance with the provisions of article 193-2 of the Securities and Exchange Law, the consolidated financial statements for the previous consolidated fiscal year (from January 1, 2006 to December 31, 2006) and the financial statements for the previous fiscal year (from January 1, 2006 to December 31, 2006) were audited by Misuzu Audit Corporation and the Company received those audit reports. Further, in accordance with the provisions of article 193-2, paragraph 1 of the Financial Instruments and Exchange Law, the consolidated financial statements for this consolidated fiscal year (from January 1, 2007 to December 31, 2007) and the financial statements for this fiscal year (from January 1, 2007 to December 1, 2007) were audited by Ernst & Young ShinNihon and the Company received those audit reports.

The Company has changed accounting auditors as follows:

The consolidated financial statements for the previous consolidated fiscal year (from January 1, 2006 to December 31, 2006) and the financial statements for the previous fiscal year (from January 1, 2006 to December 1, 2006): Misuzu Audit Corporation

The consolidated financial statements for this consolidated fiscal year (from January 1, 2007 to December 31, 2007) and the financial statements for this fiscal year (from January 1, 2007 to December 31, 2007): Ernst & Young ShinNihon

[The above mentioned audit reports, which are inserted at the end of the Japanese original, are omitted from the English translation.]

1. Consolidated Financial Statements and Other Materials

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheet

Category	Note No.	Previous Consolidated Fiscal Year (as of December 31, 2006)		Current Consolidated Fiscal Year (as of December 31, 2007)		
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	
(Assets)						
I Current assets						
1. Cash and bank deposits		5,264		5,356		
2. Notes receivable and other receivables		952		901		
3. Marketable Securities		2,611		2,114		
4. Prepaid expenses		9,468		10,149		
5. Deferred tax assets		331		340		
6. Other		470		659		
7. Allowance for doubtful accounts		-8		-28		
Total current Assets		19,090	63.6	19,493	63.9	
II Fixed assets						
(1) Tangible fixed assets						
1. Buildings and structures		4,342		4,353		
Accumulated depreciation		2,004	2,337	2,132	2,221	
2. Machinery and transportation equipment		273		273		
Accumulated depreciation		228	44	234	38	
3. Land			4,581		4,581	
4. Other		737		746		
Accumulated depreciation		554	182	594	151	
Total tangible fixed assets			7,146		6,993	23.0
(2) Intangible fixed assets						
1. Goodwill			113		88	
2. Other			266		245	
Total intangible fixed assets			379		333	1.1
(3) Investments and other assets						
1. Investment in securities	*1		1,108		1,150	
2. Long-term loans receivable			12		6	
3. Deferred tax assets			777		601	
4. Prepaid pension cost			197		515	
5. Other			1,309		1,405	
6. Allowance for doubtful accounts			—		-2	
7. Allowance for investment loss			-6		-10	
Total investments and other assets			3,399		3,665	12.0
Total fixed assets			10,925		10,993	36.1
Total assets			30,015		30,486	100.0

Category	Note No.	Previous Consolidated Fiscal Year (as of December 31, 2006)		Current Consolidated Fiscal Year (as of December 31, 2007)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
(Liabilities)					
I Current liabilities					
1. Accounts payable		1,170		1,144	
2. Short-term borrowings		300		450	
3. Accrued income taxes		264		351	
4. Advances received		7,499		7,067	
5. Reserve for bonuses		498		550	
6. Reserve for bonuses to directors		43		51	
7. Allowance for losses in operations		125		99	
8. Other		1,195		1,404	
Total current liabilities		11,097	37.0	11,119	36.5
II Fixed liabilities					
1. Long-term accounts payable		316		310	
2. Reserve for retirement benefit		395		445	
3. Other		41		50	
Total fixed liabilities		753	2.5	805	2.6
Total liabilities		11,851	39.5	11,925	39.1
(Net assets)					
I Shareholders' equity					
1 Capital		3,025	10.1	3,025	9.9
2 Capital surplus		4,122	13.7	4,122	13.5
3 Profit surplus		10,690	35.6	11,220	36.8
4 Treasury stock		-5	-0.0	-6	-0.0
Total shareholders equity		17,832	59.4	18,362	60.2
II Valuation and translation differences					
1 Other valuation difference on available-for-sale securities		249	0.8	134	0.5
Total valuation and translation adjustment		249	0.8	134	0.5
III Minority interest					
Total net assets		18,164	60.5	18,561	60.9
Total liabilities and net assets		30,015	100.0	30,486	100.0

(ii) Consolidated Profit and Loss Account

Category	Note No.	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)			Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)		
		Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)
I Sales							
Income from completed services			28,977	100.0		30,613	100.0
II Cost of sales							
Cost of completed services			21,750	75.1		22,854	74.7
Gross profit			7,226	24.9		7,758	25.3
III Selling, general and administrative expenses	*1 *2		5,918	20.4		6,279	20.5
Operating income			1,308	4.5		1,479	4.8
IV Non-operating revenues							
1. Interest earned		19			40		
2. Dividend earned		9			17		
3. House rent earned		32			43		
4. Insurance dividends earned		4			18		
5. Exchange rate gains		3			—		
6. Gain on exemption of consumption taxes		—			38		
7. Other		29	100	0.3	26	185	0.7
V Non-operating expenses							
1. Interest expense		3			3		
2. Commission paid		28			6		
3. Loss on surrender		9			—		
4. Unrealized loss on investment in securities		—			16		
5. Exchange rate losses		—			17		
Other		1	41	0.1	6	50	0.2
Ordinary profit			1,366	4.7		1,614	5.3
VI Extraordinary gain							
1. Gain on sales of investment in securities			—	—		105	0.3
VII Extraordinary loss							
1. Loss from fixed assets disposal	*3	0			—		
2. Business establishment relocation expenses		2			10		
3. Retirement benefit expenses		—			51		
4. Unrealized loss on membership		3			—		
5. Provision of allowance for doubtful account		—			24		
6. Provision of allowance for investment loss		6			10		
7. Other		0	13	0.0	3	100	0.3
Net income before income tax			1,353	4.7		1,618	5.3
Corporation tax, inhabitants taxes and enterprise tax		556			596		
Deferred income taxes etc.		94	651	2.3	282	878	2.9
Minority interest in profit of consolidated Companies			3	0.0		-16	-0.1
Current net income			698	2.4		756	2.5

(iii) Statement of Fluctuations in Consolidated Shareholders' Equity

Previous consolidated fiscal year (From January 1, 2006 to December 31, 2006)

	Shareholders Equity				
	Capital	Capital Surplus	Profit Surplus	Treasury Stock	Total Shareholders Equity
Amount as of December 31, 2005 (million yen)	3,025	4,122	10,259	-5	17,402
Fluctuations during this consolidated fiscal year (million yen)					
Dividend surplus (Appropriation of retained earnings)	—	—	-226	—	-226
Bonus to directors (Appropriation of retained earnings)	—	—	-22	—	-22
Net income	—	—	698	—	698
Acquisition of treasury stock	—	—	—	-0	-0
Reduction due to increase in consolidated subsidiaries	—	—	-19	—	-19
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	—	—	—	—	—
Total fluctuations during this consolidated fiscal year (million yen)	—	—	430	-0	430
Amount as of December 31, 2006 (million yen)	3,025	4,122	10,690	-5	17,832

	Valuation and Translation Differences		Minority Interest	Total Net Assets
	Other valuation difference on available-for-sale securities	Total of Valuation and Translation Differences		
Amount as of December 31, 2005 (million yen)	294	294	80	17,777
Fluctuations during this consolidated fiscal year (million yen)				
Dividend surplus (Appropriation of retained earnings)	—	—	—	-226
Bonus to Directors (Appropriation of retained earnings)	—	—	—	-22
Net income	—	—	—	698
Acquisition of treasury stock	—	—	—	-0
Reduction due to increase in consolidated subsidiaries	—	—	—	-19
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	-45	-45	2	-42
Total fluctuations during this consolidated fiscal year (million yen)	-45	-45	2	387
Amount as of December 31, 2006 (million yen)	249	249	82	18,164

Current consolidated fiscal year (From January 1, 2007 to December 31, 2007)

	Shareholders Equity				
	Capital	Capital Surplus	Profit Surplus	Treasury Stock	Total Shareholders Equity
Amount as of December 31, 2006 (million yen)	3,025	4,122	10,690	-5	17,832
Fluctuations during this consolidated fiscal year (million yen)					
Dividend surplus	—	—	-226	—	-226
Net income	—	—	756	—	756
Acquisition of treasury stock	—	—	—	-0	-0
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	—	—	—	—	—
Total fluctuations during this consolidated fiscal year (million yen)	—	—	530	-0	529
Amount as of December 31, 2007 (million yen)	3,025	4,122	10,220	-6	18,362

	Valuation and Translation Differences		Minority Interest	Total Net Assets
	Other valuation difference on available-for-sale securities	Total of Valuation and Translation Differences		
Amount as of December 31, 2006 (million yen)	249	249	82	18,164
Fluctuations during this consolidated fiscal year (million yen)				
Dividend surplus	—	—	—	-226
Net income	—	—	—	756
Acquisition of treasury stock	—	—	—	-0
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	-114	-114	-18	-133
Total fluctuations during this consolidated fiscal year (million yen)	-114	-114	-18	396
Amount as of December 31, 2007 (million yen)	134	134	63	18,561

(v) Consolidated Cash Flow Statement

		Previous Consolidated Fiscal Year (From January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (From January 1, 2007 to December 31, 2007)
Category	Note No.	Amount (million yen)	Amount (million yen)
I Cash flow from operating activities			
Current net income before income tax		1,353	1,618
Depreciation and amortization		320	295
Goodwill amortization		12	25
Increase in allowance for doubtful accounts		8	21
Increase (decrease) in reserve for retirement benefit		-161	49
Increase in prepaid pension cost		-197	-317
Decrease in reserve for directors' retirement benefits		-366	—
Increase in reserve for bonuses		35	51
Increase in reserve for bonuses to directors		43	7
Increase (decrease) in allowance for losses in operations		125	-26
Increase in allowance for investment loss		6	10
Increase (decrease) in long-term accounts payable		316	-6
Interest and dividend earned		-29	-57
Interest payable		3	3
Foreign exchange loss		6	2
Other non-operating income		—	-1
Other non-operating expenses		9	1
Unrealized loss on investment in securities		—	16
Loss from fixed assets disposal		0	—
Profit from sales of securities		—	-105
Unrealized loss on membership		3	—
Other extraordinary loss		—	3
Decrease (increase) in sales account		-105	49
Increase in prepaid expenses on uncompleted work		-520	-681
Increase in other current assets		-38	-9
Increase (decrease) in account payable		157	-26
Decrease in advances received from incomplete services		-902	-432
Payment of bonuses to directors		-22	—
Increase (decrease) in other current liabilities		-55	209
Increase in other fixed liabilities		1	8
Subtotal		6	713
Received interest and dividend		29	51
Interest payment		-2	-3
Payment of corporation income tax etc.		-634	-503
Cash flow used for operating activities		-601	258

		Previous Consolidated Fiscal Year (From January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (From January 1, 2007 to December 31, 2007)
Category	Note No.	Amount (million yen)	Amount (million yen)
II Cash flow from investment activities			
Payments for acquisition of marketable securities		—	-2,992
Proceeds from redemption of marketable securities		—	3,000
Payments for acquisition of investment in securities		-247	-284
Proceeds from sales of investment in securities		—	164
Payments for acquisition of tangible fixed assets		-53	-33
Proceeds from sales of tangible fixed assets		0	—
Payments for acquisition of intangible fixed assets		-59	-78
Repayments for loans		-340	-414
Income from loan collection		221	258
Payments for underwrite securities of affiliate		-90	-90
Payments for acquisition of shares of affiliated companies		—	-37
Proceeds from liquidation of affiliated companies		—	30
Income from cancellation of time deposits		—	300
Other payments for investment		-86	-112
Other income from investment		257	10
Cash flow provided by (used for) investment activities		-398	-281
III Cash flow from financial activities			
Income from short-term borrowing		1,350	1,400
Payment of short-term borrowing		-1,450	-1,250
Payment of long-term borrowing		-0	-0
Dividend payment		-226	-226
Dividend payment for minority shareholders		-1	-1
Cash flow used for financial activity		-328	-78
IV Effect in fluctuation of exchange rate for cash and cash equivalents		-6	-2
V Decrease in cash and cash equivalents		-1,334	-104
VI Opening balance of cash and cash equivalents		8,875	7,576
VII Increase in cash and cash equivalent for increase in consolidated subsidiaries		35	—
VIII Closing balance of cash and cash equivalents		7,576	7,471

Basic Important Matters for Preparation of Consolidated Financial Statement

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
1. Consolidation range	<p>(1) Number of consolidated subsidiaries: 2 Name of the consolidated subsidiary: Kensetsu Giken International Co., Ltd. Fukuoka Land Readjustment Co., Ltd. (On June 1, 2006 as the Fukuoka Association of Land Readjustment transferred a portion of its operations to Fukuoka Land Readjustment Co., Ltd. (Newly founded and started operation on June 1, 2006) Given the increased importance of this company from this consolidated fiscal year, it is within the consolidation scope.)</p> <p>(2) Number of non-consolidated subsidiaries: 8 Non-consolidated subsidiaries: Management Techno Co., Ltd Construction Technologies Research Geological Environment Co., Ltd AURA Engineering Co., Ltd. CTI Academy Co., Ltd Shin Doboku Kaihatsu Co., Ltd. CTI Wing Co., Ltd CTI Ground Planning Co., Ltd. CTI Mates Fukuoka Co., Ltd</p> <p>(3) Reason why the non-consolidated subsidiaries are excluded from consolidation range: All of these non-consolidated subsidiaries are small and their total assets, sales, net income or loss, surplus and other of the current term do not largely influence the consolidated financial statements.</p>	<p>(1) Number of consolidated subsidiaries: 2 Name of the consolidated subsidiary: Kensetsu Giken International Co., Ltd. Fukuoka Land Readjustment Co., Ltd.</p> <p>(2) Number of non-consolidated subsidiaries: 6 Non-consolidated subsidiaries: Management Techno Co., Ltd AURA Engineering Co., Ltd. CTI Academy Co., Ltd Shin Doboku Kaihatsu Co., Ltd. CTI Wing Co., Ltd CTI Ground Planning Co., Ltd. (Construction Technologies Research Geological Environment Co., Ltd and CTI Mates Fukuoka Co., Ltd were dissolved on June 29, 2007.)</p> <p>(3) Reason why the non-consolidated subsidiaries are excluded from consolidation range: As at present.</p>
2. Application of equity method	<p>(1) Number of non-consolidated subsidiaries to which the equity method is applied: The equity method is not applied to any non-consolidated subsidiary.</p>	<p>(1) Number of non-consolidated subsidiaries to which the equity method is applied: As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>3. Fiscal year of the consolidated subsidiary</p> <p>4. Accounting standard (1) Valuation base and valuation method of important assets</p>	<p>(2) Non-consolidated subsidiaries to which the equity method is not applied</p> <p>Management Techno Co., Ltd., Construction Technologies Research Geological Environment Co., Ltd., AURA Engineering Co., Ltd., CTI Academy Co., Ltd., Shin Doboku Kaihatsu Co., Ltd., CTI Wing Co., Ltd., CTI Ground Planning Co., Ltd., and CTI Mates Fukuoka Co., Ltd. have only a slight influence on the consolidated net income or loss and the profit surplus respectively, and do not have much importance as a whole. Therefore, they are excluded from the application range of the equity method.</p> <p>The fiscal year of the consolidated subsidiary ends on the consolidated closing date.</p> <p>1) Securities Other securities - With fair value Calculated on the market value method based upon stock market prices as of the fiscal year-end. (Unrealized gains or losses have been dealt with according to the direct capital imputation method, while value of products sold has been calculated according to the moving average method.) - With no fair value Cost method by moving average method.</p> <p>2) Inventories Prepaid expenses for uncompleted services -- Cost method by job cost system</p>	<p>(2) Non-consolidated subsidiaries to which the equity method is not applied</p> <p>Management Techno Co., Ltd., AURA Engineering Co., Ltd., CTI Academy Co., Ltd., Shin Doboku Kaihatsu Co., Ltd., CTI Wing Co., Ltd., and CTI Ground Planning Co., Ltd. have only a slight influence on the consolidated net income or loss and the profit surplus respectively, and do not have much importance as a whole. Therefore, they are excluded from the application range of the equity method.</p> <p>As at present.</p> <p>1) Securities As at present.</p> <p>2) Inventories As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
(2) Depreciation and amortization method of important depreciable assets	<p>1) Tangible fixed assets -- Declining balance method. However, the straight-line method is adopted for the buildings (excluding the facilities attached to the buildings) acquired on and after April 1, 1998.</p> <p>Further, the average life expectancy is as set forth below. Buildings: 15 - 50 years</p>	<p>1) Tangible fixed assets -- Declining balance method. However, the straight-line method is adopted for the buildings (excluding the facilities attached to the buildings) acquired on and after April 1, 1998.</p> <p>Further, the average life expectancy is as set forth below. Buildings: 15 - 50 years</p> <p>(Changes in accounting policy)</p> <p>Tangible fixed assets acquired on and after April 1, 2007 are depreciated by the new methods under the amended Corporate Tax Law in accordance with the amendment of the Corporate Tax Law (the Law for Partial Amendment of the Individual Tax Law, etc., Law No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Law, Cabinet Order No. 83 of March 30, 2007).</p> <p>The adoption of this method did not have any significant effect on profit or loss for the current consolidated fiscal year.</p>
(3) Entry standard of important reserves and allowances	<p>2) Intangible fixed assets ... Straight-line method. For software, the straight-line method based on the usable period in the Company (5 years) is adopted.</p> <p>1) Reserve for doubtful accounts To prepare for any loss by bad debts, in respect of ordinary credit, for the loan loss ratio as regards credit designated as being in danger of becoming irrecoverable, the possibility of each item being recovered is considered and the amount deemed irrecoverable is recorded.</p> <p>2) Allowance for investment loss Calculated according the amount deemed necessary to allow for possible future losses on shares of affiliates held, taking into account net asset value.</p>	<p>2) Intangible fixed assets ... Straight-line method. As at present.</p> <p>1) Reserve for doubtful accounts As at present.</p> <p>2) Allowance for investment loss As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>(4) Accounting treatment of important lease transactions</p> <p>(5) Other important matters for preparation of the consolidated financial statements</p> <p>5. Valuation of assets and liabilities of the consolidated subsidiary</p> <p>6. Goodwill amortization</p>	<p>3) Reserve for bonuses To prepare for bonus payment to employees, the Company enters the reserve for bonuses according to the estimated payment amount standard.</p> <p>4) Reserve for bonuses to directors Calculated on forecasted payment amount to prepare for bonus payments to Directors.</p> <p>5) Allowance for losses in operations Calculated according to the forecasted losses due to incomplete services at the end of consolidated fiscal year in preparation for future losses related to ordered works.</p> <p>6) Reserve for retirement allowances To prepare for retirement benefits for employees, these were recorded based upon the obligations to pay retirement benefits and the forecast amount of pension assets as at the end of this consolidated accounting year. As regards the accounting disparity, expenses shall be disposed of from the next fiscal year by the fixed amount method that shall use a predetermined number of years (5 years) within the average remaining employment period for those employees that were employed at the time of its occurrence.</p> <p>The Company also established a retirement benefit trust. Except for the cases where the ownership of the leased assets is transferred to leases, financial lease transactions are treated according to the method for ordinary lease transactions.</p> <p>1) Accounting treatment of consumption tax Tax exclusion method is adopted.</p> <p>For valuation of assets and liabilities of the consolidated subsidiary, the overall current value method is adopted.</p> <p>Goodwill is amortized as regulated over 5 years using the straight-line method.</p>	<p>3) Reserve for bonuses As at present.</p> <p>4) Reserve for bonuses to directors As at present.</p> <p>5) Allowance for losses in operations As at present.</p> <p>6) Reserve for retirement allowances As at present.</p> <p>As at present.</p> <p>1) Accounting treatment of consumption tax As at present.</p> <p>As at present.</p> <p>As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
7. Range of fund in the consolidated cash flow account	The fund (cash and cash equivalents) in the consolidated cash flow account comprises cash in hand, bank deposit which can be withdrawn at any time and short-term investment which can be easily realized and takes only a low risk about value fluctuation and for which the refund date comes within 3 months from the acquisition date.	As at present.

Changes to Important Items in the Preparation of Consolidated Financial Statements

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>1. Accounting Standards for Impairment Loss on Fixed Assets</p> <p>From this consolidated fiscal year “Accounting Standards for Impairment Loss on Fixed Assets” (“Opinion Paper concerning the Establishment of Accounting Standards for Impairment Loss on Fixed Assets”) (Corporate Accounting Standards Committee, Aug. 9, 2002) and the “Application Guidelines for Accounting Standards for Impairment Loss on Fixed Assets” (Corporate Accounting Standards Application Guideline No.6, Oct. 31, 2003) are applicable. This application has no effect on profit and loss for this consolidated fiscal year.</p> <p>2. Accounting Standards for Bonus to Directors</p> <p>Directors’ bonuses in accordance with a previous proposal for appropriation of retained earnings as approved at a General Meeting of Shareholders were accounted for by a reduction in the retained earnings. However, from this consolidated fiscal year, based on the “Accounting Standards for Directors’ Bonuses” (Corporate Accounting Standards No.4, Nov. 29, 2005), they are accounted for as costs at the time they arise. As a result under selling general and administrative expenses the Reserve for bonuses to directors increased by 43 million yen and operating income, ordinary profit, and net income before income tax all decreased by 43 million yen.</p> <p>3. Accounting Standards for Net Assets in the Balance Sheet</p> <p>From this consolidated fiscal year “Accounting Standards for Net Assets Shown in the Balance Sheet” (Corporate Accounting Standards No.5, Dec. 9, 2005) and “Application Guidelines for Accounting Standards for Net Assets shown in the Balance Sheet” (Corporate Accounting Standards Application Guideline No.8, Dec. 9, 2005) are applicable. Further the amount previously under the item “Total capital” is 18,082 million yen. Further due to an amendment to the consolidated financial statements regulations, in respect of the item net assets in the consolidated balance sheet, this has been accounted for using the amended consolidated financial statements regulations.</p>	<hr style="border: 0.5px solid black;"/>

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>4 . Accounting Standards for Business Combination</p> <p>From this consolidated fiscal year, the accounting has been carried out using a method in conformance with “Accounting Standards for Business Combination” (Corporate Accounting Standards Committee, Oct. 31, 2003) and the “Application Guidelines for Accounting Standards in respect of Business Combination and Accounting Standards in respect of Corporate Split-Off, etc.” (Corporate Accounting Standards Application Guideline No.10, Dec. 27, 2005).</p>	

Change in presentation of accounts

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>(Consolidated Profit and Loss Statement)</p> <p>1. In the previous consolidated fiscal year “Loss on Surrender” was included under “Other” in non-operating expenses. However as this amount is now more than 10/100 of non-operating expenses, from this consolidated fiscal year it is listed as a separate item. Further in the previous consolidated fiscal year “Insurance Cancellation Loss” was 0 million yen</p>	

Additional Information

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>1. Establishment of an Allowance for Losses in Operations</p> <p>For the Company and its consolidated subsidiaries, as losses relating to ordered works have been increasing in financial importance, the amount forecasted as necessary as of the end of this consolidated fiscal year has been set aside. As a result Cost of sales increased by 125 million yen and operating income, ordinary profit, and net income before income tax decreased by 125 million yen.</p> <p>2. Abolition of Directors Retirement Benefits</p> <p>Previously for the Company and its consolidated subsidiary, CTI Engineering International Co., Ltd. the required amount payable at the end of a period as payment of a reward for services for retiring directors in accordance with its in-house regulations was accounted for under the reserve for directors’ retirement benefits. However, at the Company’s Board of Directors meeting held on Feb. 23, 2006, and the Board of Directors meeting of its consolidated subsidiary, CTI Engineering International Co., Ltd. held on Feb. 22, 2006, it was resolved to abolish the directors retirement benefits systems. Further at the Company’s ordinary General Meeting of Shareholders held on March 29, 2006 and the ordinary General Meeting of Shareholders of its consolidated subsidiary, CTI Engineering International Co., Ltd., held on March 24, 2006, it was resolved that for directors still serving at the time of the conclusion of those meetings that the retirement benefits payable on that date be paid upon the resignation of each of those directors. Accordingly the in-house regulations for the payment of directors retirement benefits were repealed and from this</p>	

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
consolidated fiscal year all amounts in the reserve for directors retirement benefits were withdrawn and transferred to “Long-term accounts payable” and listed under fixed liabilities.	

Notes:

(Notes on Consolidated Balance Sheet)

Previous Consolidated Fiscal Year (as of December 31, 2006)	Current Consolidated Fiscal Year (as of December 31, 2007)
*1 For non-consolidated companies Marketable securities 170 million yen	*1 For non-consolidated companies Marketable securities 234 million yen
2 Warranty for liabilities Warranty for the Company's employees' liabilities of 107 million yen borrowed from banks	2 Warranty for liabilities Warranty for the Company's employees' liabilities of 102 million yen borrowed from banks

(Notes on Consolidated Profit and Loss Account)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)									
*1 Major items and amounts among selling, general and administrative expenses are as follows: Wages and allowances 2,103 million yen Bonuses 331 Transferred reserve for bonuses 135 Reserve for bonuses to directors 43 Retirement allowances 9 Retirement benefit expenses 166 Transferred reserve for directors' retirement benefits 15 Research and investigation expenses 560 Allowance for doubtful accounts 8	*1 Major items and amounts among selling, general and administrative expenses are as follows: Wages and allowances 2,220 million yen Bonuses 337 Transferred reserve for bonuses 149 Reserve for bonuses to directors 51 Retirement allowances 0 Retirement benefit expenses 127 Research and investigation expenses 612 Allowance for doubtful accounts 5									
*2	*2 The research and investigation expenses included in selling, general and administrative expenses 612 million yen									
*3 Loss from fixed assets disposal can be broken down as follows:	*3									
<table border="1"> <thead> <tr> <th></th> <th>Loss from fixed assets write-off (million yen)</th> <th>Total (million yen)</th> </tr> </thead> <tbody> <tr> <td>Tangible fixed assets etc.</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Total (million yen)	Tangible fixed assets etc.	0	0	Total	0	0	
	Loss from fixed assets write-off (million yen)	Total (million yen)								
Tangible fixed assets etc.	0	0								
Total	0	0								

(Statement of Fluctuations in Consolidated Shareholders' Equity)

Previous Consolidated Fiscal Year (From January 1, 2006 to December 31, 2006)

1 Issued shares

Type of Share	As of the end of the previous consolidated fiscal year	Increase	Decrease	As of the end of the consolidated fiscal year
Ordinary Shares	14,159,086	-	-	14,159,086

2 Treasury stock

Type of Share	As of the end of the previous consolidated fiscal year	Increase	Decrease	As of the end of the consolidated fiscal year
Ordinary Shares	7,914	521	-	8,435

Note: The increase in the amount of treasury stock of 521 shares was due to acquisition of shares constituting less than one transaction unit.

3 New share subscription acquisition rights

No applicable items.

4 Dividends

(1) Dividend payment amount

Resolution	Type of Share	Total Dividend Amount (million yen)	Dividend Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders March 29, 2006	Ordinary Shares	226	16	December 31, 2005	March 30, 2006

(2) Within shares held on the record date of this consolidated fiscal year, the "effective date" will fall on the next consolidated fiscal year.

Resolution	Type of Share	Source of Dividends	Total Dividend Amount (million yen)	Dividend Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders March 28, 2007	Ordinary Shares	Profit surplus	226	16	December 31, 2006	March 29, 2007

Current Consolidated Fiscal Year (From January 1, 2007 to December 31, 2007)

1 Issued shares

Type of Share	As of the end of the previous consolidated fiscal year	Increase	Decrease	As of the end of the consolidated fiscal year
Ordinary Shares	14,159,086	-	-	14,159,086

2 Treasury stock

Type of Share	As of the end of the previous consolidated fiscal year	Increase	Decrease	As of the end of the consolidated fiscal year
Ordinary Shares	8,435	785	-	9,220

Note: The increase in the amount of treasury stock of 785 shares was due to acquisition of shares constituting less than one transaction unit.

- 3 New share subscription acquisition rights
No applicable items.

4 Dividends

(1) Dividend payment amount

Resolution	Type of Share	Total Dividend Amount (million yen)	Dividend Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders March 28, 2007	Ordinary Shares	226	16	December 31, 2006	March 29, 2007

(2) Within shares held on the record date of this consolidated fiscal year, the “effective date” will fall on the next consolidated fiscal year.

Resolution	Type of Share	Source of Dividends	Total Dividend Amount (million yen)	Dividend Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders March 27, 2008	Ordinary Shares	Profit surplus	226	16	December 31, 2007	March 28, 2008

(Notes on Consolidated Cash Flow Account)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
1. Relation between the closing balance of the cash and cash equivalents and the amounts for items described on the Consolidated Balance Sheet <p style="text-align: right;">(as of December 31, 2006)</p>	1. Relation between the closing balance of the cash and cash equivalents and the amounts for items described on the Consolidated Balance Sheet <p style="text-align: right;">(as of December 31, 2007)</p>
Cash and bank deposit account 5,264 million yen	Cash and bank deposit account 5,356 million yen
Marketable securities account 2,611	Marketable securities account 2,114
Fixed term deposits with a redemption period exceeding 3 months. -300	
Total 7,576	Total 7,471

(Notes on Lease Arrangements)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)																																
Financial lease transactions other than those by which the ownership of the leased assets is to be transferred to leases 1. Assumed acquisition cost, accumulated depreciation and closing balance of the leased assets	Financial lease transactions other than those by which the ownership of the leased assets is to be transferred to leases 1. Assumed acquisition cost, accumulated depreciation and closing balance of the leased assets																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%;">Acquisition cost(million yen)</th> <th style="width: 15%;">Accumulated depreciation (million yen)</th> <th style="width: 15%;">Closing balance(million yen)</th> </tr> </thead> <tbody> <tr> <td>Tangible fixed assets etc.</td> <td style="text-align: center;">161</td> <td style="text-align: center;">69</td> <td style="text-align: center;">91</td> </tr> <tr> <td>Intangible fixed assets etc.</td> <td style="text-align: center;">15</td> <td style="text-align: center;">3</td> <td style="text-align: center;">11</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: center; border-top: 1px solid black;">176</td> <td style="text-align: center; border-top: 1px solid black;">73</td> <td style="text-align: center; border-top: 1px solid black;">103</td> </tr> </tbody> </table>		Acquisition cost(million yen)	Accumulated depreciation (million yen)	Closing balance(million yen)	Tangible fixed assets etc.	161	69	91	Intangible fixed assets etc.	15	3	11	Total	176	73	103	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%;">Acquisition cost(million yen)</th> <th style="width: 15%;">Accumulated depreciation (million yen)</th> <th style="width: 15%;">Closing balance(million yen)</th> </tr> </thead> <tbody> <tr> <td>Tangible fixed assets etc.</td> <td style="text-align: center;">164</td> <td style="text-align: center;">86</td> <td style="text-align: center;">78</td> </tr> <tr> <td>Intangible fixed assets etc.</td> <td style="text-align: center;">21</td> <td style="text-align: center;">10</td> <td style="text-align: center;">11</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: center; border-top: 1px solid black;">186</td> <td style="text-align: center; border-top: 1px solid black;">96</td> <td style="text-align: center; border-top: 1px solid black;">90</td> </tr> </tbody> </table>		Acquisition cost(million yen)	Accumulated depreciation (million yen)	Closing balance(million yen)	Tangible fixed assets etc.	164	86	78	Intangible fixed assets etc.	21	10	11	Total	186	96	90
	Acquisition cost(million yen)	Accumulated depreciation (million yen)	Closing balance(million yen)																														
Tangible fixed assets etc.	161	69	91																														
Intangible fixed assets etc.	15	3	11																														
Total	176	73	103																														
	Acquisition cost(million yen)	Accumulated depreciation (million yen)	Closing balance(million yen)																														
Tangible fixed assets etc.	164	86	78																														
Intangible fixed assets etc.	21	10	11																														
Total	186	96	90																														
2. Unexpired lease payment at the end of term Within one year 46 million yen Over one year 57 <hr/> Total 104	2. Unexpired lease payment at the end of term Within one year 48 million yen Over one year 43 <hr/> Total 91																																
3. Lease payments, assumed depreciation, and assumed interest payments Lease payments 46 million yen Assumed depreciation 43 Assumed interest 2 payment	3. Lease payments, assumed depreciation, and assumed interest payments Lease payments 56 million yen Assumed depreciation 53 Assumed interest 3 payment																																
4. Calculation method of assumed depreciation Straight-line method using the lease period as the service life and considering the residual value to be zero.	4. Calculation method of assumed depreciation As at present.																																

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>5. Calculation method of assumed interest payments</p> <p>The difference between total lease payments and acquisition costs of the leased assets is considered the assumed interest. Interest method is used for its allocation to each period</p>	<p>5. Calculation method of assumed interest payments</p> <p>As at present.</p>

(Notes on Marketable Securities)

1. Other securities with fair value

Classification	Type	Previous Consolidated Fiscal Year (as of December 31, 2006)			Current Consolidated Fiscal Year (as of December 31, 2007)		
		Acquisition Cost (million yen)	Consolidated Balance Sheet Recorded Amount (million yen)	Amount Difference (million yen)	Acquisition Cost (million yen)	Consolidated Balance Sheet Recorded Amount (million yen)	Amount Difference (million yen)
Those whose acquisition cost exceeded the amount recorded on the consolidated balance sheet	(1) Shares	459	879	420	536	732	195
	(2) Bonds and Notes	-	-	-	-	-	-
	(3) Other	-	-	-	-	-	-
	Subtotal	459	879	420	536	732	195
Those whose acquisition cost did not exceed the amount recorded on the consolidated balance sheet	(1) Shares	17	17	-0	164	141	-23
	(2) Bonds and Notes	-	-	-	-	-	-
	(3) Other	-	-	-	-	-	-
	Subtotal	17	17	-0	164	141	-23
Total		476	896	420	701	873	172

2. Other securities sold during the previous consolidated fiscal year and the current consolidated fiscal year

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)			Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)		
Proceeds Amount (million yen)	Total Gains on Sales (million yen)	Total Loss on Sales (million yen)	Proceeds Amount (million yen)	Total Gains on Sales (million yen)	Total Loss on Sales (million yen)
-	-	-	670	109	0

3. Details of major securities with no fair value

Types	Previous Consolidated Fiscal Year (as of December 31, 2006)	Current Consolidated Fiscal Year (as of December 31, 2007)
	Consolidated Balance Sheet Recorded Amount (million yen)	Consolidated Balance Sheet Recorded Amount (million yen)
(1) Other securities		
(i) Non-listed Shares (excluding over-the-counter shares)	40	41
(ii) Money Management Fund	703	704
(iii) Medium-term government securities fund	706	709
(iv) Free Financial Fund	700	701
(v) Other	500	-

4. Within other securities, predicted redemption value after this settlement date of the consolidated accounts for those bonds that have reached maturity and those that will be held until the end of term.

Not applicable.

(Notes on Derivatives Transactions)

In the previous (January 1, 2006 to December 31, 2006) and current (January 1, 2007 to December 31, 2007) consolidated fiscal years, the Group did not use any derivative transactions, and therefore, there is no applicable information.

(Notes on Retirement Benefit)

1. Outline of the current retirement benefit system

The Company and its consolidated subsidiaries have established an employees' pension fund of a fixed-benefit type, an approved superannuation fund system, a defined benefit corporate pension system, and a lump sum retirement benefit system.

In respect of the employees' pension fund system the Company and CTI Engineering International Co., Ltd. joined the construction consultants pension fund (jointly established) in 1971. Fukuoka Land Readjustment Co., Ltd. joined the Japan Federation of Survey Planning Association's pension fund (jointly established) in 1972.

In addition, in the case of the retirement of present employees, there are cases where a retirement amount is paid even if the calculations performed in accordance with the retirement benefit accounting show no financial obligation to pay a retirement benefit.

The Company also established a retirement benefit trust during this consolidated accounting fiscal year.

2. Retirement Benefit Obligations and Related Accounting Items

	Previous Consolidated Fiscal Year (as of December 31, 2006) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2007) (million yen)
(1) Retirement Benefit Obligations	-7,580	-7,970
(2) Pension Assets	5,862	6,448
(3) Retirement Benefit Trust	1,510	1,417
(4) Outstanding Accumulated Retirement Benefit Obligations: (1) + (2) + (3)	-207	-103
(5) Unrealized disposal amount arising from disparity at the time of change in accounting standards	-	-
(6) Previously unrecognized accounting disparities.	8	173
(7) Previously unrecognized pre-existing employment obligations (Obligation reduction amount)	-	-
(8) Consolidated Balance Sheet Recorded Net Amount: (4) + (5) + (6) + (7)	-198	70
(9) Previously Paid Pension Assets	197	515
(10) Retirement Benefit Reserves: (8) - (9)	-395	-445

Notes: 1. Besides the above pension funds, the pension assets computed as a percentage of installment contributions in the comprehensive-type pension fund scheme totaled 9,776 million yen in the previous term's consolidated report and 9,870 million yen in the current term's consolidated report.

2. When computing retirement benefit obligations, the Company and one of its consolidated subsidiaries adopt the general method, and the other consolidated subsidiary adopts the simplified method.

3. Retirement Benefit Costs and Related Accounting Items

	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006) (million yen)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007) (million yen)
Retirement Benefit Costs	705	636
(1) Labor costs	469	565
(2) Interest costs	148	152
(3) Expected operating profit (Subtracted)	130	147
(4) Cost disposal amount arising from disparity at the time of change in accounting standards	-	-
(5) Cost disposal Amount arising from accounting disparity	208	58
(6) Temporarily paid retirement amount	9	7

Notes: 1. Besides the above listed expenses for retirement allowances, the payments into the comprehensive-type pension fund (borne by corporation) were 375 million yen for the previous fiscal year's consolidated report and 462 million yen for this fiscal year's consolidated report.

2. Retirement benefit costs of the consolidated subsidiaries which adopt the simplified method are included in "(1) Labor costs."

4. Items Related to Accounting Standards for Retirement Benefit Obligations

Items related to accounting standards for retirement benefit obligations of the Company and the consolidated subsidiaries which adopt the general method are as follows:

	Previous Consolidated Fiscal Year (as of December 31, 2006) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2007) (million yen)
(1) Discount percentage	2.0%	2.0%
(2) Expected operating profit percentage	2.0%	2.0%
(3) Retirement benefits forecast	Periodic fixed amount standard.	Periodic fixed amount standard.
(4) No. of years for disposal of disparity arising from accounting.	5 years from the next consolidated fiscal year.	5 years from the next consolidated fiscal year.
(5) No. of years for disposal of previous labor obligation.	_____	_____

(Stock Options)

No applicable items.

Item	Previous Consolidated Fiscal Year (as of December 31, 2006)	Current Consolidated Fiscal Year (as of December 31, 2007)
effect accounting	Non-inclusion of gains, including dividends received -0.28	Non-inclusion of gains, including dividends received -0.35
	Allowance account 1.95	No entry of loss from bonuses to directors 2.45
	Other -0.49	Loss brought forward -1.66
	Bearing rate of corporation tax or the like after application of tax effect accounting 48.12	Allowance account 7.41
		Other 0.25
		Bearing rate of corporation tax or the like after application of tax effect accounting 54.28

(Segment Information)

The previous consolidated fiscal year (from January 1, 2006 to December 31, 2006) and the current consolidated fiscal year (from January 1, 2007 to December 31, 2007).

Segment Information by Business Type

The Company's group is engaged in a single business of engineering consulting and incidental services. The Company does not have any other business type and have nothing to be described here.

Segment Information by Location

The Company does not have any consolidated subsidiary located in any country or area outside of Japan or any important overseas branch. The Company has nothing to be described here.

Sales in Overseas Market

Sales in overseas market are below 10% of the consolidated sales amount and are omitted here.

Transactions with related parties

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
_____	_____

(Business Combination)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)

- 1 Acquired original business name and outline of business, main reason for business acquisition, acquisition date, and legally stipulated acquisition method.
 - (1) Acquired business name and outline of business
Transfer by the Fukuoka Association of Land Readjustment under a special account for works related to urban planning and land readjustment.
 - (2) Main reason for business acquisition
To support the transfer of the urban planning and land readjustment operation from a previous juridical foundation, Fukuoka Association of Land Readjustment, to a for-profit corporation under special account support and to strengthen the Group's urban division.
 - (3) Acquisition date
June 1, 2006
 - (4) Legally Stipulated Acquisition method
Business transfer
- 2 Consolidated financial statement period in which the business acquisition is included
From July 1, 2006 to December 31, 2006
- 3 Acquisition cost and details
Acquisition cost 150 million yen (Details: Cash 150 million yen)
- 4 Amount of goodwill, reason for acquisition, amortization method, and period
 - (1) Amount of goodwill
128 million yen
 - (2) Reason for acquisition
Expected revenue generation through future business development.
 - (3) Amortization method and period
Goodwill is amortized as regulated over 5 years using the straight-line method.
- 5 Accepted assets and liabilities on the date of business acquisition and main details
 - Assets
Current Assets 224 million yen
Fixed Assets 22 million yen
Total 246 million yen
 - Liabilities
Current Liabilities 225 million yen
Total 225 million yen
- 6 Estimated amount of influence on the consolidated profit and loss statement assuming completion of business acquisition on the commencement date of the consolidated fiscal year
This is not included in the calculated estimate because forecast is difficult due to fluctuations due to reliance on individual sub-contract revenue in the calculation period.

Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)

No applicable items.

(Information per Share)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
Net assets per share 1,277.83 yen	Net assets per share 1,307.23 yen
Current net income per share 49.35 yen	Current net income per share 53.49 yen
Current net income per share after adjustment of potential shares is not stated because the Company has not issued any bonds with stock options or convertible bonds.	As at present.

Note: Basis of calculation of current term net income per share and current term net income per share after adjustment of potential shares

Item	Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
Current term net income in the consolidated income statement (million yen)	698	756
Current term net income related to common shares (million yen)	698	756
Breakdown of major amounts not belonging to ordinary shareholders (million yen)	—	—
Amounts not belonging to ordinary shareholders (million yen)	—	—
Average number of common shares for the entire fiscal year (shares)	14,150,872	14,150,217
Breakdown of major current term net income adjustments used to calculate current term net income per share after adjustment of potential shares (million yen)	—	—
Current term net income adjustments (million yen)	—	—
Breakdown of major increases in the number of common shares used to calculate current term net income per share after adjustment of potential shares (million yen)	—	—
Increase in the number of common shares (shares)	—	—
Outline of potential shares that were not included in the calculation of current term net income per share after adjustment of potential shares because they did not have dilution effects	—	—

(Important Matters Generated Later)

Previous Consolidated Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)
_____	_____

(v) Supplemental Specifications for Consolidated Financial Statements

Corporate bonds specification

Not applicable.

Specifications about borrowings

Category	Previous term closing balance (million yen)	Current term closing balance (million yen)	Average rate (%)	Repayment deadline
Short-term borrowings	300	450	1.31	-
Long-term borrowings to be repaid within 1 year	-	-	-	-
Long-term borrowings except those to be repaid within 1 year	-	-	-	-
Other Interest-bearing Liabilities	-	-	-	-
Total	300	450	-	-

Note:

In respect of the average interest ratio, outstanding borrowings amounts at the end of the term are set forth at a weighted average percentage.

(2) Other

Not applicable.

2. Non-Consolidated Financial Statements and Other Materials

(1) Non-Consolidated Financial Statements

(i) Non-Consolidated Balance Sheet

Category	Note No.	Previous Fiscal Year (as of December 31, 2006)		Current Fiscal Year (as of December 31, 2007)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
(Assets)					
I Current assets					
1. Cash and bank deposits		4,986		4,842	
2. Completed work receivables		805		707	
3. Marketable securities		2,611		2,114	
4. Prepaid expenses		8,333		8,793	
5. Advance payment		120		134	
6. Deferred tax assets		306		319	
7. Short-term loans	* 1	858		636	
8. Other		82		134	
9. Allowance for doubtful account		-8		-28	
Total current Assets		18,094	62.6	17,654	61.8
II Fixed assets					
(1) Tangible fixed assets					
1. Buildings		3,603		3,614	
Accumulated depreciation		1,560	2,042	1,666	1,948
2. Structures		714		714	
Accumulated depreciation		434	280	454	260
3. Machinery and equipment		235		235	
Accumulated depreciation		196	38	202	32
4. Vehicle and transportation equipment		20		18	
Accumulated depreciation		17	2	17	1
5. Furniture and fixtures		717		726	
Accumulated depreciation		539	178	578	147
6. Land		4,581		4,581	
Total tangible fixed assets		7,124	24.6	6,972	24.4
(2) Intangible fixed assets					
1. Leasehold		16		16	
2. Software		215		194	
3. Telephone rights		22		22	
4. Right of using special facilities		1		1	
5. Other		0		0	
Total intangible fixed assets		257	0.9	235	0.8
(3) Investments and other assets					
1. Investment in securities		936		913	
2. Shares of affiliated companies		341		405	
3. Investments		3		3	
4. Long-term deposit		600		600	
5. Long-term loan to employees		12		6	
6. Long-term prepaid cost		14		16	
7. Deferred tax assets		727		575	
8. Lease and guarantee deposit		569		629	
9. Membership		54		52	

Category	Note No.	Previous Fiscal Year (as of December 31, 2006)		Current Fiscal Year (as of December 31, 2007)		
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	
10. Prepaid pension cost			197		515	
11. Other			0		0	
12. Allowance for investment loss			- 6		-10	
Total investments and other assets			3,451	11.9	3,707	13.0
Total fixed assets			10,832	37.4	10,915	38.2
Total assets			28,926	100.0	28,570	100.0

Category	Note No.	Previous Fiscal Year (as of December 31, 2006)		Current Fiscal Year (as of December 31, 2007)	
		Amount (million yen)	(%)	Amount (million yen)	Ratio (%)
(Liabilities)					
I Current liabilities					
1. Accounts payable for services	* 1	1,259		1,145	
2. Accounts payable		217		264	
3. Accrued income taxes		263		299	
4. Accrued consumption taxes		115		180	
5. Accrued expenses		504		537	
6. Advances received		7,035		6,074	
7. Deposits received		268		358	
8. Revenue received in advance		8		9	
9. Reserve for bonuses		470		519	
10. Reserve for bonuses to directors		43		51	
11. Allowance for losses in operations		85		95	
Total current liabilities		10,273	35.5	9,535	33.4
II Fixed liabilities					
1. Long-term accounts payable		273		266	
2. Reserve for retirement benefits		319		326	
3. Other		41		50	
Total fixed liabilities		634	2.2	643	2.2
Total liabilities		10,908	37.7	10,178	35.6
(Net assets)					
I Shareholders' equity					
1 Capital		3,025	10.5	3,025	10.6
2 Capital surplus					
(1) Capital reserve		4,122		4,122	
Total capital surplus		4,122	14.2	4,122	14.4
3 Profit surplus					
(1) Profit reserve		176		176	
(2) Other profit surplus					
General reserve		8,700		8,700	
Profit surplus brought forward		1,750		2,237	
Total profit surplus		10,626	36.7	11,114	38.9
4 Treasury stock		-5	-0.0	-6	-0.0
Total shareholders equity		17,769	61.4	18,256	63.9
II Valuation and translation differences					
1 Other valuation difference on available-for-sale securities		249	0.9	134	0.5
Total valuation and translation adjustment		249	0.9	134	0.5
Total net assets		18,018	62.3	18,391	64.4
Total liabilities and net assets		28,926	100.0	28,570	100.0

(ii) Non-Consolidated Profit and Loss Account

Category	Note No.	Previous Fiscal Year (from January 1, 2006 to December 31, 2006)		Current Fiscal Year (from January 1, 2007 to December 31, 2007)			
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)		
I Sales							
Income from completed services			27,406	100.0	27,948	100.0	
II Cost of sales							
Cost of completed services			20,459	74.7	20,754	74.3	
Gross profit			6,947	25.3	7,193	25.7	
III Selling, general and administrative expenses							
1. Directors' remuneration		288		337			
2. Salaries and allowances		2,011		2,065			
3. Bonuses		323		333			
4. Provision of reserve for bonuses		132		139			
5. Provision of Reserve for bonuses to directors		43		51			
6. Retirement allowances		1		0			
7. Retirement benefit expenses		163		124			
8. Provision of reserve for directors' retirement benefits		10		-			
9. Legal welfare expenses		425		458			
10. Traveling expenses		327		321			
11. Tax and public imposts		124		129			
12. Depreciation		73		64			
13. Rent expenses		313		346			
14. Research and investigation expenses	* 1	560		614			
15. Provision of allowance for doubtful account		8		3			
16. Loss on bad debt		-		1			
17. Other		816	5,625	20.5	872	5,863	20.9
Operating income			1,321	4.8	1,330	4.8	
IV Non-operating revenues							
1. Interest earned	* 2	14		20			
2. Dividend earned	* 2	13		20			
3. Interest from securities		4		24			
4. Rent earned	* 2	32		43			
5. Insurance dividends earned		4		18			
6. Other		29	99	0.3	24	152	0.5
V Non-operating expenses							
1. Interest expense		1		-			
2. Commissions paid		28		6			
3. Loss on surrender		7		-			
4. Unrealized loss on investment in securities		-		16			
5. Exchange rate losses		-		2			
6. Other		0	37	0.1	2	27	0.1
Ordinary profit			1,383	5.0	1,455	5.2	
VI Extraordinary gain							
1. Gain on sales of investment in securities			-	-	105	0.4	
VI Extraordinary loss							
1. Loss from fixed assets disposal	* 3	0		-			
2. Office moving cost		-		10			
3. Unrealized loss on membership		3		-			
4. Provision of allowance for doubtful account	* 4	-		24			
5. Provision of allowance for investment loss	* 4	6		10			
6. Other		0	10	0.0	3	48	0.2
Net income before income tax			1,372	5.0	1,511	5.4	
Corporation tax, inhabitants tax and enterprise tax		547		542			
Deferred income taxes etc.		92	639	2.3	255	797	2.8
Current net income			733	2.7	714	2.6	

Cost Specifications for Completed Services

Category	Note No.	Previous Fiscal Year (from January 1, 2006 to December 31, 2006)			Current Fiscal Year (from January 1, 2007 to December 31, 2007)		
		Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)
I Labor cost							
1. Salaries		5,988			6,223		
2. Bonuses		900			944		
3. Provision of reserve for bonuses		320			360		
4. Retirement benefit expense		502			418		
5. Other		1,189	8,899	43.5	1,271	9,218	43.4
II Amount paid to subcontractors			7,901	38.6		8,356	39.4
III Expenses							
1. Traveling expenses		995			1,034		
2. Printing and copying expenses		723			666		
3. Expendables cost		201			214		
4. Rents		828			876		
5. Depreciation		132			117		
6. Provision of allowance for losses in operations		85			10		
7. Other		697	3,664	17.9	719	3,639	17.2
Current general business expenses			20,465	100.0		21,214	100.0
Opening expenses prepaid for uncompleted services			8,327			8,333	
Total			28,792			29,547	
Closing expenses prepaid for uncompleted services			8,333			8,793	
Current cost of completed services			20,459			20,754	

(Footnote)

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
Cost accounting is according to the job order costing method.	Same as the previous year.

(iv) Statement of Fluctuations in Shareholders' Equity

Previous Fiscal Year (From January 1, 2006 to December 31, 2006)

	Shareholders' Equity						
	Capital	Capital Surplus		Profit Reserve	Profit Surplus		Total Profit Surplus
		Capital Reserve	Total Capital Surplus		Other Profit Surplus		
					Special Reserve	Profit Surplus Carried Forward	
Amount as of December 31, 2005 (Million yen)	3,025	4,122	4,122	176	8,300	1,665	10,142
Fluctuations during this fiscal year (Million yen)							
Dividend surplus (Appropriation of retained earnings)	-	-	-	-	-	-226	-226
Bonus to directors (Appropriation of retained earnings)	-	-	-	-	-	-22	-22
Special reserve	-	-	-	-	400	-400	-
Net income	-	-	-	-	-	733	733
Acquisition of treasury stock	-	-	-	-	-	-	-
Fluctuations during this fiscal year for items other than shareholders equity (Net amount)	-	-	-	-	-	-	-
Total fluctuations during this fiscal year (Million yen)	-	-	-	-	400	84	484
Amount as of December 31, 2006 (Million yen)	3,025	4,122	4,122	176	8,700	1,750	10,626

	Shareholders Equity		Valuation and Translation Differences		Total Net Assets
	Treasury Stock	Total Shareholders Equity	Other valuation differences on available-for-sale securities	Total of Valuation and Translation Differences	
Amount as of December 31, 2006 (Million yen)	-5	17,285	294	294	17,580
Fluctuations during this fiscal year (Million yen)					
Dividend surplus (Appropriation of retained earnings)	-	-226	-	-	-226
Bonus to directors (Appropriation of retained earnings)	-	-22	-	-	-22
Special Reserve	-	-	-	-	-
Net income	-	733	-	-	733
Acquisition of treasury stock	-0	-0	-	-	-0
Fluctuations during this fiscal year for items other than shareholders equity (Net amount)	-	-	-45	-45	-45
Total fluctuations during this fiscal year (Million yen)	-0	483	-45	-45	438
Amount as of December 31, 2007 (Million yen)	-5	17,769	249	249	18,018

Current Fiscal Year (From January 1, 2007 to December 31, 2007)

	Shareholders' Equity						
	Capital	Capital Surplus		Profit Surplus			
		Capital Reserve	Total Capital Surplus	Profit Reserve	Other Profit Surplus		Total Profit Surplus
					Special Reserve	Profit Surplus Carried Forward	
Amount as of December 31, 2006 (Million yen)	3,025	4,122	4,122	176	8,700	1,750	10,626
Fluctuations during this fiscal year (Million yen)							
Dividend surplus	-	-	-	-	-	-226	-226
Net income	-	-	-	-	-	714	714
Acquisition of treasury stock	-	-	-	-	-	-	-
Fluctuations during this fiscal year for items other than shareholders equity (Net amount)	-	-	-	-	-	-	-
Total fluctuations during this fiscal year (Million yen)	-	-	-	-	-	487	487
Amount as of December 31, 2007 (Million yen)	3,025	4,122	4,122	176	8,700	2,237	11,114

	Shareholders Equity		Valuation and Translation Differences		Total Net Assets
	Treasury Stock	Total Shareholders Equity	Other valuation differences on available-for-sale securities	Total of Valuation and Translation Differences	
Amount as of December 31, 2006 (Million yen)	-5	17,769	249	249	18,018
Fluctuations during this fiscal year (Million yen)					
Dividend surplus	-	-226	-	-	-226
Net income	-	714	-	-	714
Acquisition of treasury stock	-0	-0	-	-	-0
Fluctuations during this fiscal year for items other than shareholders equity (Net amount)	-	-	-114	-114	-114
Total fluctuations during this fiscal year (Million yen)	-0	487	-114	-114	372
Amount as of December 31, 2007 (Million yen)	-6	18,256	134	134	18,391

Important Accounting Policy

Item	Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
1. Valuation base and method for securities	<p>(1) Shares in subsidiaries and affiliates Cost method according to moving average method.</p> <p>(2) Other securities * With fair value Calculated on the market value method based upon stock market prices as of the fiscal year-end. (Unrealized gains or losses have been dealt with according to the direct net assets imputation method, while value of products sold has been calculated according to the moving average method.) * With no fair value Cost method according to moving average method.</p>	<p>(1) Shares in subsidiaries and affiliates As at present.</p> <p>(2) Other securities As at present.</p>
2. Valuation base and method for inventories	Expenses prepaid for uncompleted services Cost method by job cost system	Expenses prepaid for uncompleted services As at present.
3. Depreciation of fixed assets	<p>(1) Tangible fixed assets -- Declining balance method However, straight-line method is applied to the buildings (excluding the facilities attached to them) acquired on and after April 1, 1998. Further, the average life expectancy is as set forth below. Buildings: 15 - 50 years</p>	<p>(1) Tangible fixed assets -- Declining balance method However, straight-line method is applied to the buildings (excluding the facilities attached to them) acquired on and after April 1, 1998. Further, the average life expectancy is as set forth below. Buildings: 15 - 50 years (Changes in accounting policy) Tangible fixed assets acquired on and after April 1, 2007 are depreciated by the new methods under the amended Corporate Tax Law in accordance with the amendment of the Corporate Tax Law (the Law for Partial Amendment of the Individual Tax Law, etc., Law No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Law, Cabinet Order No. 83 of March 30, 2007). The adoption of this method did not have any significant effect on profit or loss for the current fiscal year.</p>

Item	Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>4. Accounting for and reserves</p>	<p>(2) Intangible fixed assets ... Straight-line method For the software, however, the straight-line method according to the useful period in the Company (5 years) is adopted.</p> <p>(1) Allowance for doubtful accounts In respect of ordinary credit, for the loan loss ratio as regards credit designated as being in danger of becoming irrecoverable, the possibility of each item being recovered is considered and the amount deemed irrecoverable is recorded to prepare for possible loss caused by bad debts.</p> <p>(2) Allowance for investment loss Calculated according to the amount deemed necessary to allow for possible future losses on shares of affiliates held, taking into account net asset value.</p> <p>(3) Reserve for bonuses To prepare for bonus payment to employees, the Company enters the reserve for bonuses according to the estimated payment amount standard.</p> <p>(4) Reserve for bonus to directors Calculated on forecast payment amount to prepare for bonus payments to Directors.</p> <p>(5) Allowance for losses in operations Calculated according to the forecasted losses due to incomplete services at the end of fiscal year in preparation for future losses related to ordered works.</p> <p>(6) Reserve for retirement benefits To prepare retirement benefits for employees, these were recorded based upon the obligations to pay retirement benefits and the forecast amount of pension assets as at the end of this consolidated accounting year. As regards the accounting disparity, expenses shall be disposed of from the next consolidated accounting year by the fixed amount method that shall use a predetermined number of years (5 years) within the average remaining employment period for those employees that were employed at the time of its occurrence. The Company also established a retirement benefit trust.</p>	<p>(2) Intangible fixed assets As at present.</p> <p>(1) Allowance for doubtful accounts As at present.</p> <p>(2) Allowance for investment loss As at present.</p> <p>(3) Reserve for bonuses As at present.</p> <p>(4) Reserve for bonus to directors As at present.</p> <p>(5) Allowance for losses in operations As at present.</p> <p>(6) Reserve for retirement benefits As at present.</p>

Item	Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
5. Accounting for leases	Finance lease transactions other than those by which the ownership of the leased assets is to be transferred to lessees are treated by the accounting method conform to that for ordinary rental transaction.	As at present.
6. Accounting for consumption taxes	Tax exclusion method is adopted.	As at present.

Changes to Accounting Method

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>1. Accounting Standards for Impairment Losses on Fixed Assets</p> <p>From this fiscal year “Accounting Standards for Impairment Losses on Fixed Assets” (“Opinion paper concerning the establishment of Accounting Standards for Impairment Losses on Fixed Assets”) (Corporate Accounting Standards Committee, Aug. 9, 2002) and the “Application Guidelines for Accounting Standards for Impairment Losses on Fixed Assets” (Corporate Accounting Standards Application Guideline No.6, Oct. 31, 2003) are applicable. This application has no effect on profit and loss for this fiscal year.</p> <p>2. Accounting Standards for Directors’ Bonuses</p> <p>Directors’ bonuses in accordance with a previous proposal for appropriation of retained earnings as approved at a General Meeting of Shareholders were accounted for by a reduction in the retained earnings. However, from this fiscal year, based on the “Accounting Standards for Directors’ Bonuses” (Corporate Accounting Standards No.4, Nov. 29, 2005), they are accounted for as costs at the time they arise. As a result under selling general and administrative expenses, the reserve for bonuses to directors increased by 43 million yen and operating income, ordinary profit and net income before income tax all decreased by 43 million yen.</p> <p>3. Accounting Standards for Net Assets in the Balance Sheet</p> <p>From this fiscal year “Accounting Standards for Net Assets shown in the Balance Sheet” (Corporate Accounting Standards No.5, Dec. 9, 2005) and “Application Guidelines for Accounting Standards for Net Assets shown in the Balance Sheet” (Corporate Accounting Standards Application Guideline No.8, Dec. 9, 2005) are applicable. The amount corresponds to what was previously listed under total capital.</p> <p>Further, due to an amendment to the financial statements regulations, in respect of the item net assets in the balance sheet, this has been accounted for using the amended financial statements regulations.</p>	

Change in presentation of accounts

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>1. "Exchange gain," which was recorded as a separate item in the accounts for the previous consolidated fiscal year, is now included under "Other" in this consolidated fiscal year, as this amount is less than 10/100 of non-operating revenues. The amount of "Exchange gain" in this consolidated fiscal year totaled 0 million yen.</p> <p>2. In the previous fiscal year "Loss on surrender" was included under "Other" in non-operating expenses. However as this amount is now more than 10/100 of non-operating expenses, from this fiscal year it is listed as a separate item. Further in the previous fiscal year "Loss on surrender" was 0 million yen.</p>	

Additional Information

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
<p>1. Establishment of an Allowance for Losses in Operations</p> <p>For the Company, as losses related to ordered works have been increasing in financial importance, the amount forecasted as necessary as at the end of this fiscal year has been set aside. As a result sales costs increased by 85 million yen and operating income, ordinary profit and net income before income tax decreased by 85 million yen.</p> <p>2. Abolition of Directors Retirement Benefits</p> <p>Previously for the Company the required amount payable at the end of a period as payment of a reward for services for retiring directors in accordance with its in-house regulations was accounted for under the reserve for directors' retirement benefits. However, at the Company's Board of Directors meeting held on Feb. 23, 2006, it was resolved to abolish the directors retirement benefits system. Further at the Company's ordinary General Meeting of Shareholders held on March 29, 2006, it was resolved that for directors still serving at the time of the conclusion of that meeting, that the retirement benefits payable on that date be paid upon the resignation of each of those directors.</p> <p>Accordingly the in-house regulations for the payment of directors retirement benefits were</p>	

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
repealed and from this fiscal year all amounts in the reserve for directors retirement benefits were withdrawn and transferred to “Long-term accounts payable” and listed under fixed liabilities	

Notes

(Note on Balance Sheet)

Previous Fiscal Year (as of December 31, 2006)	Current Fiscal Year (as of December 31, 2007)								
<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Shot-term loan receivable</td> <td style="text-align: right;">857 million yen</td> </tr> <tr> <td>Account payable-trade</td> <td style="text-align: right;">362 million yen</td> </tr> </table> <p>2 Guarantee of debts</p> <p>The Company guarantees its employees' borrowing from banks (99 million yen) and, the borrowing from banks and advancement of Kensetsu Giken International from banks (342 million yen).</p>	Shot-term loan receivable	857 million yen	Account payable-trade	362 million yen	<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Shot-term loan receivable</td> <td style="text-align: right;">634 million yen</td> </tr> <tr> <td>Account payable-trade</td> <td style="text-align: right;">380 million yen</td> </tr> </table> <p>2 Guarantee of debts</p> <p>The Company guarantees bank loans to its employees (96 million yen), banks loans to the employees of Kensetsu Giken International (6 million yen), and a performance guarantee insurance agreement of the Fukuoka Association of Land Readjustment (3 million yen).</p>	Shot-term loan receivable	634 million yen	Account payable-trade	380 million yen
Shot-term loan receivable	857 million yen								
Account payable-trade	362 million yen								
Shot-term loan receivable	634 million yen								
Account payable-trade	380 million yen								

(Note on Profit and Loss Statement)

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)																									
<p>* 2 Within non-operating profits, the total amount of profit from affiliated companies was 39 million yen, mainly comprised of the following major items.</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Received interest</td> <td style="text-align: right;">7 million yen</td> </tr> <tr> <td>Received dividends</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Received rent income</td> <td style="text-align: right;">21</td> </tr> </table> <p>* 3 Loss from fixed assets disposal can be broken down as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%;">Loss from fixed assets write-off (million yen)</th> <th style="width: 20%;">Total (million yen)</th> </tr> </thead> <tbody> <tr> <td>Furniture and fixtures</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>* 4 _____</p>	Received interest	7 million yen	Received dividends	5	Received rent income	21		Loss from fixed assets write-off (million yen)	Total (million yen)	Furniture and fixtures	0	0	Total	0	0	<p>* 1 The research and investigation expenses included in selling, general and administrative expenses 614 million yen</p> <p>* 2 Within non-operating profits, the total amount of profit from affiliated companies was 64 million yen, mainly comprised of the following major items.</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Received interest</td> <td style="text-align: right;">12 million yen</td> </tr> <tr> <td>Received dividends</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Received rent income</td> <td style="text-align: right;">38</td> </tr> </table> <p>* 3 _____</p> <p>* 4 Within extraordinary loss, the total amount of loss from affiliated companies was 38 million yen, which mainly consisted of the following major items.</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Provision of allowance for doubtful account</td> <td style="text-align: right;">24 million yen</td> </tr> <tr> <td>Provision of allowance for investment loss</td> <td style="text-align: right;">10 million yen</td> </tr> </table>	Received interest	12 million yen	Received dividends	7	Received rent income	38	Provision of allowance for doubtful account	24 million yen	Provision of allowance for investment loss	10 million yen
Received interest	7 million yen																									
Received dividends	5																									
Received rent income	21																									
	Loss from fixed assets write-off (million yen)	Total (million yen)																								
Furniture and fixtures	0	0																								
Total	0	0																								
Received interest	12 million yen																									
Received dividends	7																									
Received rent income	38																									
Provision of allowance for doubtful account	24 million yen																									
Provision of allowance for investment loss	10 million yen																									

(Notes on Statement of Fluctuations in Shareholders' Equity)

Previous Fiscal Year (From January 1, 2006 to December 31, 2006)

1 Treasury stock

Type of Share	As of the end of the previous fiscal year	Increase	Decrease	As of the end of the fiscal year
Ordinary Shares	7,914	521	—	8,435

Note: The increase in the amount of treasury stock of 521 shares was due to acquisition of shares constituting less than one transaction unit.

Current Fiscal Year (From January 1, 2007 to December 31, 2007)

1 Treasury stock

Type of Share	As of the end of the previous fiscal year	Increase	Decrease	As of the end of the fiscal year
Ordinary Shares	8,435	785	—	9,220

Note: The increase in the amount of treasury stock of 785 shares was due to acquisition of shares constituting less than one transaction unit.

(Notes on lease arrangements)

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)				Current Fiscal Year (from January 1, 2007 to December 31, 2007)			
Finance lease transactions other than those by which the ownership of the leased assets is to be transferred to lessees				Finance lease transactions other than those by which the ownership of the leased assets is to be transferred to lessees			
1. Assumed data as to acquisition cost, accumulated depreciation and closing balance				1. Assumed data as to acquisition cost, accumulated depreciation and closing balance			
	Acquisition cost (million yen)	Accumulated depreciation (million yen)	Closing balance (million yen)		Acquisition cost (million yen)	Accumulated depreciation (million yen)	Closing balance (million yen)
Furniture and fixtures	148	62	85	Furniture and fixtures	141	73	68
Software	11	1	10	Software	11	4	6
Total	159	63	96	Total	153	78	74
2. Unexpired lease payment at the end of term				2. Unexpired lease payment at the end of term			
Within one year 43 million yen				Within one year 41 million yen			
Over one year 54				Over one year 34			
Total 97				Total 76			
3. Lease payments, assumed depreciation, and assumed interest payments				3. Lease payments, assumed depreciation, and assumed interest payments			
Lease payments 42 million yen				Lease payments 48 million yen			
Assumed depreciation 40				Assumed depreciation 46			
Assumed interest payments 2				Assumed interest payments 2			
4. Calculation method of assumed depreciation				4. Calculation method of assumed depreciation			
Straight-line method using the lease period as the service life and considering the residual value to be zero.				As at present.			
5. Calculation method of assumed interest payments				5. Calculation method of assumed interest payments			
The difference between total lease payments and acquisition costs of the leased assets is considered the assumed interest. Interest method is used for its allocation to each period.				As at present.			

(Notes on securities)

Previous Fiscal Year (as of December 31, 2006)	Current Fiscal Year (as of December 31, 2007)
Current market value was not used for any of the subsidiaries.	As at present.

(Notes on tax effect accounting)

Item	Previous Fiscal Year (as of December 31, 2006)	Current Fiscal Year (as of December 31, 2007)		
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)			
	Accrued enterprise tax	26 million yen	Accrued enterprise tax	29 million yen
	Allowance for losses in operations	34	Allowance for losses in operations	39
	Social insurance premiums for bonuses	22	Social insurance premiums for bonuses	27
	Reserve for bonuses	191	Reserve for bonuses	211
	Other	31	Other	22
	Total	306	Subtotal	329
			Allowance account	-10
			Total	319
		Deferred tax assets (fixed assets)		
	Reserve for retirement allowances	660 million yen	Reserve for retirement allowances	516 million yen
	Long-term accounts payable	111	Long-term accounts payable	108
	Unrealized loss of securities	91	Unrealized loss of securities	48
	Unrealized loss on membership	26	Other	14
	Other	9	Subtotal	688
	Total	898	Allowance account	-58
			Total	629
		Deferred tax liabilities (fixed liabilities)		
	Unrealized gains or losses on other securities	170 million yen	Unrealized gains or losses on other securities	54 million yen
	Subtotal	170	Subtotal	54
Net deferred tax assets	727 million yen	Net deferred tax assets	575 million yen	

Item	Previous Fiscal Year (as of December 31, 2006)	Current Fiscal Year (as of December 31, 2007)
2. Breakdown by major item of causes leading to any material difference between the legal effective tax rate and the bearing rate of corporation tax or the like after adoption of tax effect accounting	Legal effective tax rate 40.69%	Legal effective tax rate 40.69%
	(Adjustment)	(Adjustment)
	No entry of loss from entertainment expense etc. 1.12	No entry of loss from entertainment expense etc. 0.89
	Per capita inhabitant tax 4.83	Per capita inhabitant tax 4.51
	No entry of profit from dividend earned etc. -0.27	No entry of profit from dividend earned etc. -0.37
	Other 0.24	No entry of loss from bonuses to directors 2.54
	Bearing rate of corporation tax or the like after application of tax effect accounting 46.61	Allowance account 4.52
		Other -0.02
		Bearing rate of corporation tax or the like after application of tax effect accounting 52.76

(Information per share)

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
Net assets per share 1,273.35 yen	Net assets per share 1,299.73 yen
Current net income per share 51.80 yen	Current net income per share 50.48 yen
Current net income per share after adjustment of potential shares is not stated because there no potential shares.	As at present.

Note: Basis of calculation of current term net income per share and current term net income per share after adjustment of potential shares

Item	Previous Fiscal Year (January 1, 2006 to December 31, 2006)	Current Fiscal Year (January 1, 2007 to December 31, 2007)
Current term net income in the income statement (million yen)	733	714
Current term net income related to common shares (million yen)	733	714
Breakdown of major amounts not belonging to ordinary shareholders (million yen)	-	-
Amounts not belonging to ordinary shareholders (million yen)	-	-
Average number of common shares for the entire fiscal year (shares)	14,150,872	14,150,217
Breakdown of major current term net income adjustments used to calculate current term net income per share after adjustment of potential shares (million yen)	-	-
Current term net income adjustments (million yen)	-	-
Breakdown of major increases in the number of common shares used to calculate current term net income per share after adjustment of potential shares (million yen)	-	-
Increase in the number of common shares (shares)	-	-
Outline of potential shares that were not included in the calculation of current term net income per share after adjustment of potential shares because they did not have dilution effects	-	-

(Important matters generated later)

Previous Fiscal Year (from January 1, 2006 to December 31, 2006)	Current Fiscal Year (from January 1, 2007 to December 31, 2007)
_____	_____

(iv) Supplemental specifications

Specifications of securities

Shares

		Issuer name	Number of shares	Book value on balance sheet (million yen)
Investment securities	Other Investment securities	Mitsubishi UFJ Financial Group, Inc.	145,000	151
		Kokusai Kogyo Holdings Co., Ltd	256,000	129
		OYO Corporation	98,566	125
		T&D Holdings, Inc.	19,200	110
		Maezawa Kasei Industries Co., Ltd.	36,000	47
		Ube Material Industries, Ltd.	136,000	45
		Asia Air Survey Co., Ltd.	102,000	44
		Mizuho Financial Group, Inc.	81	43
		CHODAI CO., LTD.	105,000	38
		West Japan System Construction Corp.	74,000	25
		Other (18 issues)	248,046	151
Total			1,219,893	913

Other

		Issuer name	Investment amount etc. (shares)	Book value on balance sheet (million yen)
Marketable securities	Other Marketable securities	KOKUSAI Asset Management Co., Ltd. (Money Management Fund)	200,485,386	200
		Nomura Asset Management Co., Ltd. (Money Management Fund)	503,791,558	503
		(Free Financial Fund)	501,145,319	501
		Mitsubishi UFJ Asset Management Co., Ltd. (Medium-term government securities fund)	709,097,432	709
		Daiwa Securities Investment Trust Consignment Co., Ltd. (Free Financial Fund)	200,456,684	200
		Total	2,114,976,379	2,114

Specifications of tangible fixed assets and other

Type of assets	Opening balance (million yen)	Increase during the year (million yen)	Decrease during the year (million yen)	Closing balance (million yen)	Accumulated depreciation or amortization (million yen)	Amortization in the current term (million yen)	Closing balance after deduction (million yen)
Tangible fixed assets							
Buildings	3,603	14	3	3,614	1,666	108	1,948
Structures	714	–	–	714	454	19	260
Machinery and equipment	235	–	–	235	202	5	32
Vehicle and delivery equipment	20	–	1	18	17	0	1
Furniture and fixtures	717	16	7	726	578	46	147
Land	4,581	–	–	4,581	–	–	4,581
Total tangible fixed assets	9,873	31	12	9,891	2,918	181	6,972
Intangible fixed assets							
Leasehold	16	–	–	16	–	–	16
Software	465	73	–	539	344	95	194
Telephone right	22	–	–	22	–	–	22
Right of using special facilities	6	–	–	6	5	0	1
Leasehold	1	–	–	1	0	0	0
Total intangible fixed assets	512	73	–	586	351	95	235
Long-term prepaid expenses	31	8	0	39	23	6	16
Deferred assets							
–	–	–	–	–	–	–	–
Total deferred assets	–	–	–	–	–	–	–

Specifications of allowances and reserves

Category	Opening balance (million yen)	Increase during the year (million yen)	Decrease during the year (Use with purpose) (million yen)	Decrease during the year (Other) (million yen)	Closing balance (million yen)
Allowance for doubtful account	8	28	8	–	28
Allowance for investment loss	6	10	6	–	10
Reserve for bonuses	470	519	470	–	519
Reserve for bonuses to directors	43	51	43	–	51
Allowance for losses in operations	85	95	85	–	95

(2) Details of major assets/liabilities

1) Assets section

(i) Cash and bank deposits

Category	Amount (million yen)
Cash on hand	3
Type of bank deposits	
Checking deposit	4,342
Ordinary deposit	493
Special deposit	2
Subtotal	4,838
Total	4,842

(ii) Accounts receivable from completed services

(a) Breakdown by client

Client	Amount (million yen)
Japanese Government	205
Republic of the Philippines	72
East Nippon Expressway Company Limited	33
Shiga-ken Kankyo Jigyo Kosha	28
Hyogo Prefecture	27
Yamaguchi Prefecture	25
Kyoto Prefecture	23
Fukui Prefecture	22
Kyoto City	21
Japan Dam Engineering Center	19
Other	227
Total	707

(b) Generation, collection and remaining of accounts receivable

Balance brought forward (million yen) (A)	Generation in current term (million yen) (B)	Collected amount in current term (million yen) (C)	Balance carried forward (million yen) (D)	Collection ratio (%)	Days of remaining (days) (A)+(D)
				$\frac{(C)}{(A)+(B)} \times 100$	$\frac{2}{(B)}$ 365
805	2,609	2,707	707	79.3	105.8

Note:

1. Though the tax exclusion method is applied to accounting of consumption taxes, the above amounts include consumption tax.
2. The amount of generation in current term does not include the amount entered as the advances received.

(iii) Prepaid expenses for uncompleted services

Category	Amount (million yen)
Labor cost	3,949
Subcontractor cost	3,104
Expense	1,738
Total	8,793

2) Liabilities

(i) Accounts payable—Trade

Service provider	Amount (million yen)
CTI Grand Planning Co., Ltd.	119
CTI Wing Co., Ltd	103
Shin Doboku Kaihatsu Co., Ltd.	52
CTI Engineering International Co., Ltd.	50
AURA Engineering Co., Ltd.	35
Mikuniya Corporation	20
Fuji Xerox Co., Ltd.	20
Management Techno Co., Ltd.	18
Manpower Japan Co., Ltd.	17
SP-KEN Co., Ltd.	16
Other	690
Total	1,145

(ii) Advances received

Client	Amount (million yen)
Japanese Government	2,891
Hyogo Prefecture	398
Shizuoka Prefecture	137
Fukui Prefecture	120
Miyazaki Prefecture	112
Central Nippon Expressway Company Limited	88
Yamanashi Prefecture	84
Nagasaki Prefecture	83
Yamaguchi Prefecture	78
Aomori Prefecture	78
Other	1,999
Total	6,074

(3) Other

There is no applicable information.

Chapter 6: Shareholder Related Information

Fiscal year	January 1 to December 31
Ordinary general meeting of shareholders	In March
Record date	December 31
Classes of share certificate	One hundred (100) shares One thousand (1,000) shares Ten thousand (10,000) shares
Record date of dividends from surplus	June 30, December 31
Unit of shares	100 shares
Stock transfer	
Place of transfer	Stock Transfer Agency Division Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Service offices	Head office and branches Mitsubishi UFJ Trust and Banking Corporation
Transfer fee	Free of charge
New certificate issuance fee	Free of charge
Purchase of shares below one unit of shares	
Place of purchase	Stock Transfer Agency Division Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Service office	Head office and branches Mitsubishi UFJ Trust and Banking Corporation
Service charge for purchase	Free of charge
Media of public notice	The Company's notices are published on its website. However, where due to unforeseen circumstances website publication is not possible, notices will be published in the Nihon Keizai Shimbun. The Company's website for public notices is as follows: http://www.ctie.co.jp/
Privilege to shareholders	None

Chapter 7: Reference Material

1. Parent Company Information

The Company has no parent company.

2. Other References

The Company submitted the following documents in the period from the beginning of the current fiscal year to the submission date of this Securities Report.

(1) Amendment to Securities Report	Fiscal year (43rd fiscal year)	from January 1, 2005 to December 31, 2005	Submitted to the director of the Kanto Local Finance Bureau on March 26, 2007.
(2) Securities Report and accompanying documents	Fiscal year (44th fiscal year)	from January 1, 2006 to December 31, 2006	Submitted to the director of the Kanto Local Finance Bureau on March 29, 2007.
(3) Semiannual Securities Report	(during the 45th fiscal year)	from January 1, 2007 to June 30 2007	Submitted to the director of the Kanto Local Finance Bureau on September 21, 2007.

Part2: SURETY COMPANY INFORMATION

Not applicable.