

SECURITIES REPORT

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

Fiscal Year (46th Term)

(from January 1, 2008 to December 31, 2008)

CTI Engineering Co., Ltd.

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

(941-172)

46th Term (from January 1, 2008 to December 31, 2008)

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 Act, which was submitted through the Electronic Disclosure for Investors' Network (EDINET) stipulated in Article 27 Section 30.2 of the Act, 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.

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Document submitted	Securities report
Legal basis	Section 1, Article 24 of the Financial Instruments and Exchange Act
Recipient of document	Director of the Kanto Local Finance Bureau
Date of submission	March 27, 2009
Fiscal Year	46th term (from January 1, 2008 to December 31, 2008)
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Contact	Kazuo Murata, Managing Director
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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		42nd term	43rd term	44th term	45th term	46th term
Fiscal year-end		December 2004	December 2005	December 2006	December 2007	December 2008
Sales amount	(million yen)	25,771	28,166	28,977	30,613	30,786
Ordinary profit	(million yen)	1,536	1,662	1,366	1,614	1,330
Net income	(million yen)	813	755	698	756	600
Net assets	(million yen)	16,971	17,697	18,164	18,561	18,812
Total assets	(million yen)	32,620	30,377	30,015	30,486	30,852
Net assets per share	(yen)	1,197.86	1,248.99	1,277.83	1,307.23	1,327.14
Net income per share	(yen)	56.23	51.78	49.35	53.49	42.45
Net income per share after adjustment of potential shares	(yen)	–	–	–	–	–
Net worth ratio	(%)	52.0	58.3	60.2	60.7	60.8
Profit ratio of net worth	(%)	4.9	4.4	3.9	4.1	3.2
Price earnings ratio	(times)	12.66	20.70	15.60	14.02	16.42
Cash flow from operating business activities	(million yen)	1,918	-1,854	-601	258	457
Cash flow from investment activities	(million yen)	-753	591	-398	-281	-208
Cash flow from financial activities	(million yen)	-223	-22	-328	-78	-279
Closing balance of cash and cash equivalents	(million yen)	10,142	8,875	7,576	7,471	7,417
Number of employees (plus average number of temporary employees)	(persons)	1,037 (378)	1,094 (430)	1,239 (409)	1,332 (413)	1,415 (491)

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		42nd term	43rd term	44th term	45th term	46th term
Fiscal year-end		December 2004	December 2005	December 2006	December 2007	December 2008
Sales amount	(million yen)	25,050	27,083	27,406	27,948	27,833
Ordinary profit	(million yen)	1,538	1,628	1,383	1,455	1,235
Net income	(million yen)	818	742	733	714	574
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)	16,867	17,580	18,018	18,391	18,639
Total assets	(million yen)	32,042	29,569	28,926	28,570	28,547
Net assets per share	(yen)	1,190.51	1,240.72	1,273.35	1,299.73	1,317.81
Cash Dividend per share (Interim dividend per share)	(yen)	12.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)
Net income per share	(yen)	56.56	50.85	51.80	50.48	40.61
Net income per share after adjustment of potential shares	(yen)	-	-	-	-	-
Net worth ratio	(%)	52.6	59.5	62.3	64.4	65.3
Profit ratio of net worth	(%)	5.0	4.3	4.1	3.9	3.1
Price earnings ratio	(times)	12.58	21.08	14.86	14.86	17.16
Divided Payout ratio	(%)	21.2	31.5	30.9	31.7	39.4
Number of employees (plus average number of temporary employees)	(persons)	985 (378)	1,036 (430)	1,083 (409)	1,159 (407)	1,218 (456)

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, Chuo-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” (CTI AURA Co., Ltd. at present) 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, Ibaraki
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.
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)
January 2008	Established Wuhan CTI-CRSRI Engineering & Environment Co., Ltd. to implement environmental consulting services with Changjiang River Scientific Research Institute

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

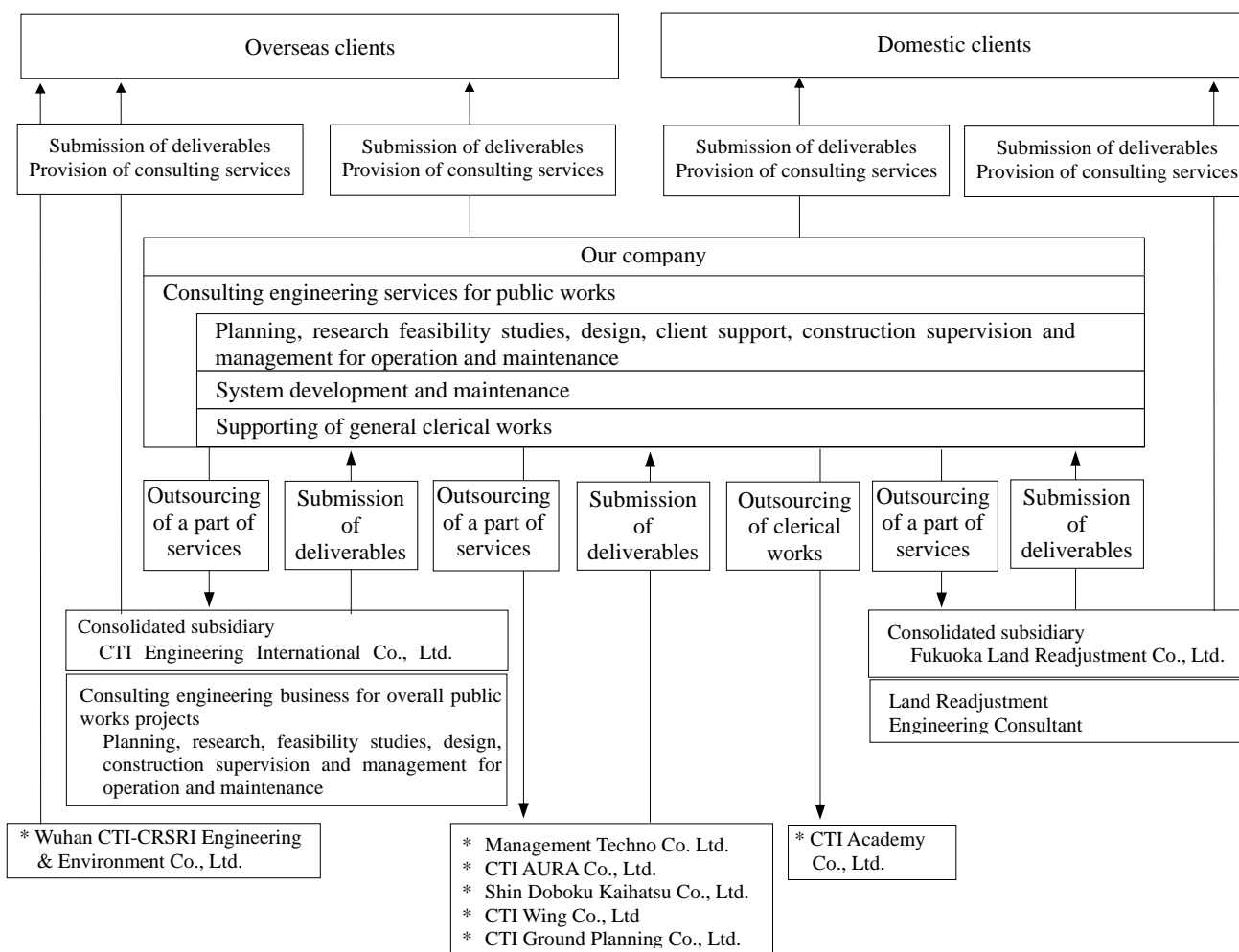
Consulting engineering services including planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general clerical works, and land 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.

Furthermore, the Company's subsidiary, Wuhan CTI-CRSRI Engineering & Environment Co., Ltd., is in charge of water environmental consulting services in China.

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	

5. Situation of employees

(1) Consolidation basis

Number of employees (persons)	1,415(491)
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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)
1,218 (456)	40.89	12.33	7,932,842

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: 736 (as of December 31, 2008)
- 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

The Japanese economy slid sharply backwards this consolidated fiscal year amidst the slowdown of the global economy resulting from the financial crisis touched off in the U.S.A. Looking ahead, there is growing concern about further deterioration of the Japanese economy due to weaker corporate revenues resulting from radical changes in stock and foreign exchange markets and the rapidly worsening employment situation.

In construction consultancy, the industry in which the Group is involved, the diminishing trend in public works spending remains unchecked, following the downward trend of the domestic economy as a whole. The provisional tax rate on revenue sources earmarked for road improvements temporarily lost effect last April, resulting in a drastic decrease in the total number of orders received in the construction consultancy industry, including those received by the Company. Price competition for orders by local governments and others continues to intensify, while the overall trend in competition has shifted from price to quality more than ever, with the widespread adoption of the “Proposal System” (a selection system based on engineering ability). As a result, the industry has entered an era when ‘total ability’ in construction consulting becomes a touchstone.

Against this backdrop, the Group refined its sophisticated engineering ability, its greatest strength, as a matter of course, while continuing to acquire brilliant human resources. The Group also strengthened company-wide collaboration and established an organizational structure expected to strategically and efficiently respond to the growing number of bids solicited through the “Proposal System.” Thanks to this approach, orders received through the “Proposal System” accounted for over half of the orders received in total.

Last January, the Company established Wuhan CTI-CRSRI Engineering & Environment Co., Ltd., a China-based joint venture company specialized in environmental projects, in order to pursue its mid- and long-term strategy of promoting international operations. The Company expects an expansion of orders received in China, where enormous demand in the environmental preservation sector is projected. It is our firm belief that we can contribute to environmental preservation in China by providing our advanced consulting services for the water environment sector.

In spite of the efforts stated above, orders received were restrained, mainly due to repressed investment in public works spending and the fall in the unit price of orders received as a result of increasingly intense price competition.

As a consequence, orders received during this consolidated fiscal year were 30,146 million yen, a YoY decrease of 5.9%, and income from completed services was 30,786 million yen, a YoY increase of 0.6%. Ordinary profit, meanwhile, was 1,330 million yen, down by 17.6% YoY, mainly as a result of an increase in the number of human resources to ensure high quality and reinforce engineering competitiveness, and payment for a prior investment for engineering development. Net income was 600 million yen, down by 20.7% YoY, mainly as a result of loss on valuation of securities amidst the economic and financial turmoil domestically and overseas.

(2) Cash Flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased YoY by 54 million yen, to a total of 7,417 million yen.

(Cash flow from operating activities)

Net cash obtained from operating activities was 457 million yen, a YoY increase of 76.9%. The major item was an increase in advances received from uncompleted services of 443 million yen as a result of an increase in sub-contract revenue.

(Cash flow from investment activities)

Net cash used for investment activities was 208 million yen, a YoY decrease of 25.9%. The major item was a 180 million yen payment for the acquisition of tangible fixed assets in relation to the relocation, etc. of the office building for the Osaka Head Office.

(Cash flow from financial activities)

Net cash used for financial activities was 279 million yen, a YoY increase of 255.8%. The major item was dividend payments of 226 million yen.

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, 2008 to December 31, 2008) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,786	0.6
Total	30,786	0.6

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

(2) Order receiving situation

Category	Current consolidated fiscal year (From January 1, 2008 to December 31, 2008)			
	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	30,146	-5.9	28,864	-2.2
Total	30,146	-5.9	28,864	-2.2

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

(3) Sales results

1) Sales results

Category	Current consolidated fiscal year (From January 1, 2008 to December 31, 2008) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,786	0.6
Total	30,786	0.6

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, 2007 to December 31, 2007)		Current consolidated fiscal year (From January 1, 2008 to December 31, 2008)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
National Government	13,019	42.5	14,007	45.5

3. Our tasks ahead

The amount allocated by the national government in its proposed 2009 budget for public works spending has decreased substantially (by about 5%) compared to the amount allocated in fiscal 2008, and the circumstances for orders received are expected to remain severe and adverse. Meanwhile, as a prescription for the once-in-a-century financial crisis, dauntless efforts to increase public works spending are being discussed everywhere in the world. Though the situation remains uncertain as a whole, the Company expects that a "Successful Bidding System based on Comprehensive Evaluation" (a selection system based on comprehensive evaluations of technical proposals and prices) will gain momentum in step with the "Proposal System."

The Company has established a flexible management culture to help it win out in the competition in terms of both engineering ability and price. The chief targets of the system are to reinforce engineering ability, strengthen business prowess, and establish a low-cost structure. The Company will fully exercise its capabilities in anticipation of intense competition and volatile public works spending.

Fiscal 2009 is the first year of "Challenge 2011," a new mid-term business plan based on the Company's third mid- and long-term vision (PH00S2015). To achieve the goals of Challenge 2011, the Company will promote the strategies listed below.

1) Strategic development per sector

The Company will maintain and improve its share of the existing main sectors and aggressively expand the following four sectors of focus: the international sector, the management sector, the urban-related sector, and the environment-related sector. The Company will also be beefing up activities for new sectors such as resources and energy by making full use of the technologies and experience it has accumulated over the years.

2) Ensuring high quality

The assurance of high quality is crucial for victory in the engineering competition. To this end, the Company will increase the number of brilliant engineers, continue to promote human resource development, and reinforce and enhance its in-house systems in every way possible to ensure quality control. Specifically, the Company will increase the number of "Proof Engineers" engaged under the in-house inspection system introduced in 2005 for independent verifications, and thereby endeavor to prevent mistakes in design and other operations, and to improve the evaluation points applied by clients for deliverables.

3) Reinforcement of management system

In addition to further reinforcing its audit system to ensure the effectiveness of internal audits, the Company will also steadily implement its internal control system to respond to potential risks internally and externally.

The Company will keep all of its officers and employees alert to the challenges of this stormy age by committing them to the execution of management and business functions as a company-wide team. The Company will also practice socially fair corporate activities and continue to make efforts as a leader in the industry.

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 606 million yen to carry out research and development on the following major subjects:

1) Strategic research

- Research in international business
- Research in urban business
- Research in national land and culture (future road policy, water policy, administrative management, support system for medical welfare, generation of the culture business, methods for developing human resources, ubiquitous computing, syntactic groundwater, network base for international human resources, revitalization of the Nihombashi area)

2) New business model research (management business, strategic maintenance, measures against global warming, sustainable society, environmental business model)

3) Technology research (new developments for the logistics business, road-related risks, next-generation road transport information, new businesses in service areas, comfort evaluation for running on road, urban environmental improvement in the water supply, the development of a mathematical ecological model, system for a sound food chain, system for evaluating the aerial environment, Ariake Sea environmental rehabilitation, information system for river disaster prevention, object model, measures against snow and ice, earthquake resistance of river structures, the application of satellite data to disaster prevention, the simplified method for recognition of vehicle identification numbers, BCP development methods for local governments, space information society, the administration of disaster risk, comprehensive dirt dynamic model, the estimation of dirt poured into dams, next-generation dirt alarm and evacuation system, method for promoting measures against sewer infiltration, the assessment of urban policy in life, and the establishment of sewer treatment plants)

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 30,852 million yen, for an increase of 1.2% 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 12,039 million yen, for an increase of 1.0% compared to the end of the previous year.

The major item was an increase in advances received from uncompleted services.

(Net Assets)

At the end of the current consolidated fiscal year, net assets totaled 18,812 million yen, for an increase of 1.4% 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 30,146 million yen, a YoY decrease of 5.9%.

Income from completed services was 30,786 million yen, a YoY increase of 0.6%, while ordinary profit decreased by 17.6% YoY to 1,330 million yen, and net income for this consolidated fiscal year decreased by 20.7% YoY to 600 million yen.

The major underlying factors were an increase in the number of human resources to ensure high quality and reinforce engineering competitiveness, payment for a prior investment for engineering development, and loss on valuation of securities as a result of the economic and financial turmoil domestically and overseas.

(3) Cash flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased by 54 million yen compared to the end of the previous year, totaling 7,417 million yen.

Net cash obtained from operating activities was 457 million yen, a YoY increase of 76.9%. The major item was an increase in advances received from uncompleted services of 443 million yen as a result of an increase in sub-contract revenue.

Net cash used for investment activities was 208 million yen, a YoY decrease of 25.9%. The major item was a 180 million yen payment for the acquisition of tangible fixed assets in relation to the relocation, etc. of the office building for the Osaka Head Office.

Net cash used for financial activities was 279 million yen, a YoY increase of 255.8%. The major item was dividend payments of 226 million yen.

CHAPTER 3: FACILITIES & EQUIPMENT

1. Outline of Investment into Facilities and Equipment

The Group committed 179 million yen in capital investment to strengthen customer-oriented sales and improve its business operations environment.

The Company finished relocating the office building for its Osaka Head Office in May of last year, as planned at the end of the previous consolidated fiscal year. The new construction costs for equipment, etc. relating to this relocation were 185 million yen, including the costs for capitalization. Logistics and other related costs necessary for this relocation were 33 million yen. The Company appropriated its own funds to cover these costs. Meanwhile, expenses for the disposal of facilities and equipment were 17 million yen. This relocation has had no effect on the Company's production capacity.

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, 2008

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 administration facilities	7	0	—	17	26	87 (7)
Tokyo Head Office (Chuo-ku, Tokyo)	Office	37	—	—	56	93	313 (95)
Tokyo Head Office Saitama Office (Urawa-ku, Saitama)	Office	887	0	772 (1,978)	33	1,693	139 (54)
Research Center Tsukuba (Tsukuba-shi, Ibaraki)	Office and laboratory facilities	381	23	1,937 (50,605)	7	2,350	40 (17)
Yono Dormitory (Chuo-ku, Saitama)	Welfare facilities	300	—	820 (1,565)	1	1,122	— (—)
Kyushu Office (Chuo-ku, Fukuoka)	Office	459	4	1,025 (1,136)	7	1,496	128 (50)

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 estimates a capital investment of 244 million yen in IT-related equipment during the current consolidated fiscal year, and plans to appropriate its own funds for this investment. In addition, this capital investment 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, 2008)	Issued shares as of the date for submission (shares) (March 27, 2009)	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	Number of shares in one voting unit: 100 shares
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, 2008

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)	–	26	18	97	47	2	2,351	2,541	–
Number of shares held (units)	–	40,191	1,333	14,215	9,984	190	75,252	141,165	42,586
Shareholding ratio (%)	–	28.5	0.9	10.1	7.1	0.1	53.3	100.0	–

Note:

1. Among treasury stocks (14,592 stocks), 145 units are counted as “Individuals etc.” and 92 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 41 units of shares and 72 shares held by the Securities Custody and Transfer Organization respectively.

(6) Major shareholders

As of December 31, 2008

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	1,749	12.4
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	953	6.7
Japan Trusty Service Bank, Ltd. (trust account 4G)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	508	3.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	464	3.3
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
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)	353	2.5
Japan Trusty Service Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	339	2.4
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, Tokyo)	269	1.9
Total	—	5,563	39.3

Note: All shares held in The Master Trust and Bank of Japan, Ltd. (trust account) and in Japan Trusty Service Bank, Ltd. (trust account 4G) and 333 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, 2008

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 14,500	–	–
Shares with complete voting rights (Other)	Ordinary stocks 14,102,000	141,020	–
Shares below a unit	Ordinary stocks 42,586	–	–
Total number of shares issued	14,159,086	–	–
Voting rights of total shareholders	–	141,020	–

Note:

1. Included in “Shares with complete voting rights (other)” are 4,100 shares (41 votes) registered in the name of the Japan Securities Depository Center, Inc.
2. Included in “Shares below a unit” are 92 treasury stocks held by the Company.

(ii) Treasury Stocks, etc.

As of December 31, 2008

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	14,500	–	14,500	0.1
Total	–	14,500	–	14,500	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 Companies Act.

(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.	5,372	3,331,544
Treasury stock acquired in this period.	339	204,014

Note: Treasury stock acquired in this period do not include shares acquired that were less than one transaction unit from March 1, 2009 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	14,592	—	14,931	—

Note: Treasury stock acquired in this period does not include shares acquired that were less than one transaction unit from March 1, 2009 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 Companies Act, 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, 2008, at the 46th Ordinary General Shareholders Meeting held on March 26, 2009, 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	42nd term	43rd term	44th term	45th term	46th term
Fiscal year end	December 2004	December 2005	December 2006	December 2007	December 2008
Highest (yen)	757	1,199	1,196	1,040	741
Lowest (yen)	502	630	650	715	500

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 2008	August 2008	September 2008	October 2008	November 2008	December 2008
Highest (yen)	720	701	721	670	658	697
Lowest (yen)	620	564	572	541	570	570

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 & Director		Yumio Ishii	December 4, 1935	March 1963 April 1963 June 1975 May 1982 June 1988 March 1991 March 1994 March 1995 March 2003 March 2009	Retired from Civil Engineering Research Laboratory Joined CTI Engineering General Manager, Water Resources Div. I Director & Member of the Board Managing Director Senior Managing Director and Tokyo Office Branch Administrator Vice President & Representative Director President & Representative Director Chairman & Representative Director Chairman & Director (present post)	1	101
President & Representative Director		Kazuya Oshima	July 8, 1946	April 1969 April 1991 April 1994 March 1995 April 1997 March 1998 April 1999 March 2000 March 2001 March 2002 March 2003	Joined CTI Engineering General Manager, Water Resources Div. II, Tokyo Office Chief, Human Intelligence Dept., Tokyo Office Director & Member of the Board Deputy Branch Administrator, Tokyo Office Managing Director Tokyo Office Branch Administrator Senior Managing Director Vice President & Director Vice President & Representative Director President & Representative Director (present post)	1	65
Vice President & Representative Director	Principal, Osaka Head Office	Tetsuzo Okada	November 28, 1945	June 1976 July 1976 April 1991 April 1995 March 1997 April 1999 March 2000 March 2003 March 2005 April 2005 March 2008	Retired from "Shin-Nihon Gijutsu Consultant Corp." Joined CTI Engineering General Manager, Highway & Bridges Div. II Osaka Office Deputy Chief, Road & Traffic Dept. Osaka Office Director & Member of the Board and Chief, Road & Traffic Dept. Tokyo Office Deputy Branch Administrator, Tokyo Office Managing Director and Chief, Headquarters Business Development Dept. Senior Managing Director and Administrator of Tokyo Head Office Vice President & Director Principal, Osaka Head Office (present post) Vice President & Representative Director (present post)	1	33

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Vice President & Representative Director	Principal, Tokyo Head Office	Kazunori Yoshioka	January 4, 1946	June 2002 July 2002 March 2003 March 2005 April 2005 March 2007 March 2009	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 & Director Vice President & Representative Director (present post)	1	12
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	29
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	24
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	22
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	22

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
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	22
Managing Director	Principal, Research Center For Sustainable Communities	Kunihiko Harada	December 7, 1947	June 2006 June 2006 March 2007 April 2008	Retired from Teito Kosokudo Kotsu Eidan (Presently Tokyo Metro Co., Ltd.) Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Managing Director (present post), Deputy Chief, Headquarters Engineering Dept. Principal, Research Center For Sustainable Communities (present post)	1	7
Managing Director	Chief, Headquarters Engineering Dept.	Tsuneo Uesaka	January 1, 1948	July 2006 August 2006 March 2007 April 2008	Retired from Japan Dam Engineering Center. Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept Managing Director (present post), Deputy Chief, Headquarters Engineering Dept. Chief, Headquarters Engineering Dept. (present post)	1	5
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	15
Director	Deputy Principal, Tokyo Head Office	Asao Yu	January 17, 1955	April 1979 April 1997 April 2003 March 2005 April 2005	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)	1	11
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	5
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	19
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 (present post) Deputy Principal, Tokyo Head Office (present post) Director (present post)	1	12
Director	Deputy Principal, Osaka Head Office and Principal, Chugoku Office	Masahumi Yamamoto	April 18, 1949	March 2006 April 2006 March 2007 April 2008	Retired from Foundation of River & Watershed Environment Management Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Director (present post), Deputy Chief, Headquarters Engineering Dept. Deputy Principal, Osaka Head Office and Principal, Chugoku Office (present post)	1	5

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Statutory Auditor		Tetsuo Hotta	February 27, 1950	April 1973 April 1997 April 2002 April 2006 March 2009	Joined CTI Engineering General Manager, Water Resources Div. I, Tokyo Office Chief Advisory Engineer, Water Resources Dept., Tokyo Head Office Chief Advisory Engineer, Headquarters Research & Development Dept. Statutory Auditor (present post)	2	—
Auditor		Naomi Kanemaru	January 2, 1946	April 1964 April 1989 April 1998 April 2003 March 2006 March 2007 March 2009	Joined CTI Engineering Manager Engineering Div. 6 Deputy Branch Administrator, Nagoya Office Deputy Chief, Headquarters Business Development Dept. Retired Statutory Auditor Auditor (present post)	3	25
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)	3	—
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)	3	—
Total							441

- Notes: 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 26, 2009 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2012.
- 3 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.
- 4 Auditors, Kunihiro Horiuchi and Tomoo Araki, are external auditors pursuant to Article 2.16 of the Companies Act.
- 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 Companies Act. 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 Companies Act.

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.

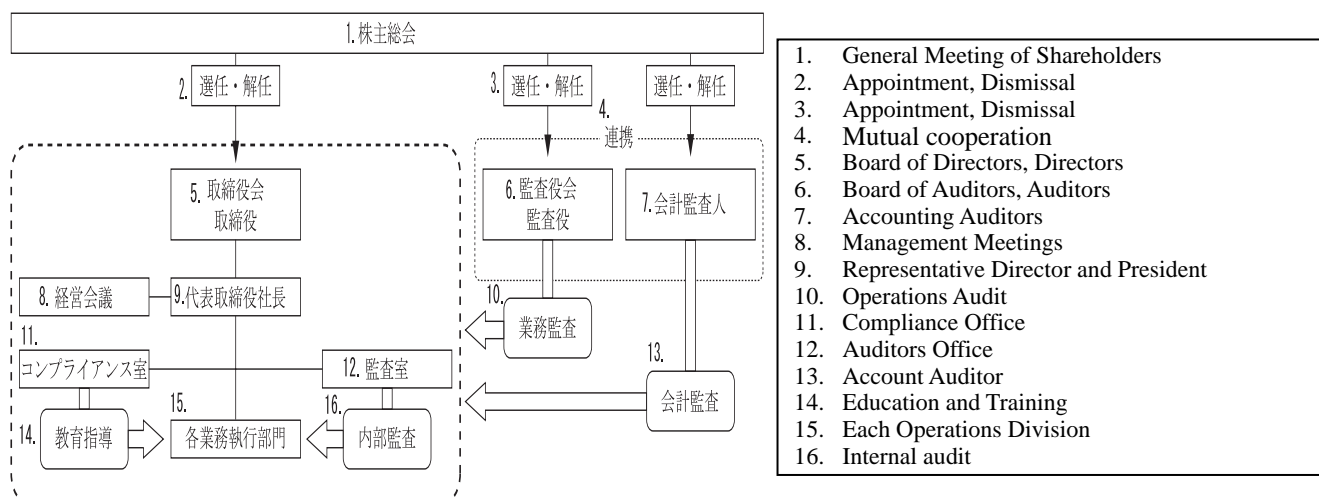
(2) Implementation of corporate governance measures

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 2 Audit officers 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 LLC 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 (10 persons) is mainly comprised of CPA's and assistant CPA's.

5) Executives' compensation

Details	Amount (million)
Directors' compensation	368
Auditors' compensation	37

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 88 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 Act.	27
Compensation for other services (Advisory service on the establishment, operation and evaluation of the internal control system)	2

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

During the fiscal year ended December 2008, 14 Board of Directors and 13 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 Companies Act and made an amendment to

the items in April 2008. We are always dedicated to further improving compliance through their implementation.

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 Companies Act (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 Companies Act.

(6) Resolutions set forth in Article 309, Paragraph 2 of the Companies Act (Special Resolutions)

The Company sets forth in its Articles of Incorporation that the resolutions set forth in Article 309, Paragraph 2 of the Companies Act 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 Companies Act 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 Companies Act, 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, 2007 to December 31, 2007) were prepared pursuant to pre-amended regulations concerning consolidated fiscal statements, while the financial statements for this consolidated fiscal year (from January 1, 2008 to December 31, 2008) 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, 2007 to December 31, 2007) were prepared pursuant to pre-amended regulations concerning consolidated fiscal statements, while the financial statements for this consolidated fiscal year (from January 1, 2008 to December 31, 2008) were prepared pursuant to the amended regulations.

2. Audit Report

In accordance with the provisions of 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements for the previous consolidated fiscal year (from January 1, 2007 to December 31, 2007) and the financial statements for the previous fiscal year (from January 1, 2007 to December 31, 2007) were audited by Ernst & Young ShinNihon and the Company received those audit reports. Further, the consolidated financial statements for this consolidated fiscal year (from January 1, 2008 to December 31, 2008) and the financial statements for this fiscal year (from January 1, 2008 to December 1, 2008) were audited by Ernst & Young ShinNihon LLC and the Company received those audit reports.

Ernst & Young ShinNihon was renamed Ernst & Young ShinNihon LLC on July 1, 2008, as the type of audit corporation is changed.

[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, 2007)		Current Consolidated Fiscal Year (as of December 31, 2008)		
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	
(Assets)						
I Current assets						
1. Cash and bank deposits		5,356		2,908		
2. Notes receivable and other receivables		901		979		
3. Marketable securities		2,114		4,508		
4. Prepaid expenses		10,149		10,659		
5. Deferred tax assets		340		317		
6. Other		659		681		
7. Allowance for doubtful accounts		-28		-30		
Total current assets		19,493	63.9	20,023	64.9	
II Fixed assets						
(1) Tangible fixed assets						
1. Buildings and structures		4,353		4,299		
Accumulated depreciation		2,132	2,221	2,153	2,145	
2. Machinery and transportation equipment		273		270		
Accumulated depreciation		234	38	239	31	
3. Land			4,581		4,581	
4. Other		746		814		
Accumulated depreciation		594	151	616	197	
Total tangible fixed assets			6,993		6,956	22.6
(2) Intangible fixed assets						
1. Goodwill			88		62	
2. Other			245		199	
Total intangible fixed assets			333		261	0.8
(3) Investments and other assets						
1. Investment in securities	*1		1,150		881	
2. Long-term loans receivable			6		3	
3. Deferred tax assets			601		610	
4. Prepaid pension cost			515		704	
5. Other	*1		1,405		1,422	
6. Allowance for doubtful accounts			-2		-1	
7. Allowance for investment loss			-10		-10	
Total investments and other assets			3,665		3,610	11.7
Total fixed assets			10,993		10,828	35.1
Total assets			30,486		30,852	100.0

Category	Note No.	Previous Consolidated Fiscal Year (as of December 31, 2007)		Current Consolidated Fiscal Year (as of December 31, 2008)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
(Liabilities)					
I Current liabilities					
1. Accounts payable		1,144		903	
2. Short-term borrowings		450		400	
3. Accrued income taxes		351		370	
4. Advances received		7,067		7,511	
5. Reserve for bonuses		550		499	
6. Reserve for bonuses to directors		51		49	
7. Allowance for losses in operations		99		108	
8. Other		1,404		1,340	
Total current liabilities		11,119	36.5	11,184	36.2
II Fixed liabilities					
1. Long-term accounts payable		310		310	
2. Reserve for retirement benefit		445		477	
3. Other		50		67	
Total fixed liabilities		805	2.6	855	2.8
Total liabilities		11,925	39.1	12,039	39.0
(Net assets)					
I Shareholders' equity					
1. Capital		3,025	9.9	3,025	9.8
2. Capital surplus		4,122	13.5	4,122	13.3
3. Profit surplus		11,220	36.8	11,595	37.6
4. Treasury stock		-6	-0.0	-9	-0.0
Total shareholders equity		18,362	60.2	18,733	60.7
II Valuation and translation differences					
1. Other valuation difference on available-for-sale securities		134	0.5	38	0.1
Total valuation and translation adjustment		134	0.5	38	0.1
III Minority interest		63	0.2	41	0.2
Total net assets		18,561	60.9	18,812	61.0
Total liabilities and net assets		30,486	100.0	30,852	100.0

(ii) Consolidated Profit and Loss Account

Category	Note No.	Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)		Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
I Sales					
Income from completed services		30,613	100.0	30,786	100.0
II Cost of sales					
Cost of completed services		22,854	74.7	23,187	75.3
Gross profit		7,758	25.3	7,599	24.7
III Selling, general and administrative expenses	*1 *2	6,279	20.5	6,363	20.7
Operating income		1,479	4.8	1,236	4.0
IV Non-operating revenues					
1. Interest earned		40		48	
2. Dividend earned		17		19	
3. House rent earned		43		50	
4. Insurance dividends earned		18		19	
5. Gain on exemption of consumption taxes		38		—	
6. Other		26	0.7	31	0.6
V Non-operating expenses					
1. Interest expense		3		4	
2. Commission paid		6		5	
3. Unrealized loss on investment in securities		16		—	
4. Exchange rate losses		17		64	
5. Other		6	0.2	1	0.3
Ordinary profit		1,614	5.3	1,330	4.3
VI Extraordinary gain					
1. Compensation for transfer		—		168	
2. Gain on sales of investment in securities		105		37	
3. Other		—	0.3	3	0.7
VII Extraordinary loss					
1. Loss from fixed assets disposal	*3	—		20	
2. Business establishment relocation expenses		10		49	
3. Retirement benefit expenses		51		—	
4. Unrealized loss on investment in securities		—		154	
5. Provision of allowance for doubtful account		24		—	
6. Provision of allowance for investment loss		10		—	
7. Other		3	0.3	1	0.7
Net income before income tax		1,618	5.3	1,313	4.3
Corporation tax, inhabitants taxes and enterprise tax		596		672	
Deferred income taxes etc.		282	2.9	63	2.4
Minority interest in profit of consolidated Companies		-16	-0.1	-22	-0.1
Current net income		756	2.5	600	2.0

(iii) Statement of Fluctuations in Consolidated Shareholders' Equity

Previous 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

Current consolidated fiscal year (From January 1, 2008 to December 31, 2008)

	Shareholders Equity				
	Capital	Capital Surplus	Profit Surplus	Treasury Stock	Total Shareholders Equity
Amount as of December 31, 2007 (million yen)	3,025	4,122	11,220	-6	18,362
Fluctuations during this consolidated fiscal year (million yen)					
Dividend surplus	—	—	-226	—	-226
Net income	—	—	600	—	600
Acquisition of treasury stock	—	—	—	-3	-3
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	—	—	—	—	—
Total fluctuations during this consolidated fiscal year (million yen)	—	—	374	-3	370
Amount as of December 31, 2008 (million yen)	3,025	4,122	11,595	-9	18,733

	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, 2007 (million yen)	134	134	63	18,561
Fluctuations during this consolidated fiscal year (million yen)				
Dividend surplus	—	—	—	-226
Net income	—	—	—	600
Acquisition of treasury stock	—	—	—	-3
Fluctuations during this consolidated fiscal year for items other than shareholders equity (Net amount)	-96	-96	-22	-118
Total fluctuations during this consolidated fiscal year (million yen)	-96	-96	-22	251
Amount as of December 31, 2008 (million yen)	38	38	41	18,812

(v) Consolidated Cash Flow Statement

		Previous Consolidated Fiscal Year (From January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (From January 1, 2008 to December 31, 2008)
Category	Note No.	Amount (million yen)	Amount (million yen)
I Cash flow from operating activities			
Current net income before income tax		1,618	1,313
Depreciation and amortization		295	297
Goodwill amortization		25	25
Increase in allowance for doubtful accounts		21	1
Increase in reserve for retirement benefit		49	32
Increase in prepaid pension cost		-317	-189
Increase (decrease) in reserve for bonuses		51	-50
Increase (decrease) in reserve for bonuses to directors		7	-1
Increase (decrease) in allowance for losses in operations		-26	9
Increase in allowance for investment loss		10	—
Decrease in long-term accounts payable		-6	—
Interest and dividend earned		-57	-67
Interest payable		3	4
Foreign exchange loss		2	23
Other non-operating income		-1	—
Other non-operating expenses		1	—
Unrealized loss on investment in securities		16	154
Compensation for transfer		—	-168
Loss from fixed assets disposal		—	20
Profit from sales of securities		-105	-37
Other extraordinary loss		3	1
Decrease (increase) in sales account		49	-77
Increase in prepaid expenses on uncompleted work		-681	-509
Increase in other current assets		-9	-58
Decrease in account payable		-26	-243
Increase (decrease) in advances received from incomplete services		-432	443
Increase (decrease) in other current liabilities		209	-66
Increase in other fixed liabilities		8	17
Subtotal		713	874
Received interest and dividend		51	69
Interest payment		-3	-4
Proceeds from compensation for transfer		—	168
Payment of corporation income tax etc.		-503	-650
Cash flow provided by operating activities		258	457

		Previous Consolidated Fiscal Year (From January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (From January 1, 2008 to December 31, 2008)
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		-284	-68
Proceeds from sales of investment in securities		164	94
Payments for acquisition of tangible fixed assets		-33	-180
Payments for acquisition of intangible fixed assets		-78	-44
Repayments for loans		-414	-373
Income from loan collection		258	381
Payments for underwrite securities of affiliate		-90	-20
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		-112	-156
Other income from investment		10	157
Cash flow used for investment activities		-281	-208
III Cash flow from financial activities			
Income from short-term borrowing		1,400	1,400
Payment of short-term borrowing		-1,250	-1,450
Acquisition of treasury stock		-0	-3
Dividend payment		-226	-226
Dividend payment for minority shareholders		-1	—
Cash flow used for financial activity		-78	-279
IV Effect in fluctuation of exchange rate for cash and cash equivalents		-2	-23
V Decrease in cash and cash equivalents		-104	-54
VI Opening balance of cash and cash equivalents		7,576	7,471
VII Closing balance of cash and cash equivalents	*1	7,471	7,417

Basic Important Matters for Preparation of Consolidated Financial Statement

Item	Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
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.</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: 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: 7 Non-consolidated subsidiaries: Management Techno Co., Ltd CTI AURA Co., Ltd. CTI Academy Co., Ltd Shin Doboku Kaihatsu Co., Ltd. CTI Wing Co., Ltd CTI Ground Planning Co., Ltd. Wuhan CTI-CRSRI Engineering & Environment Co., Ltd. (AURA Engineering Co., Ltd. was renamed as CTI AURA Co., Ltd. on April 1, 2008.)</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>(2) Non-consolidated subsidiaries to which the equity method is not applied 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>(1) Number of non-consolidated subsidiaries to which the equity method is applied: As at present.</p> <p>(2) Non-consolidated subsidiaries to which the equity method is not applied Management Techno Co., Ltd., CTI AURA Co., Ltd., CTI Academy Co., Ltd., Shin Doboku Kaihatsu Co., Ltd., CTI Wing Co., Ltd., CTI Ground Planning Co., Ltd., and Wuhan CTI-CRSRI Engineering & Environment 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>

Item	Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
<p>3. Fiscal year of the consolidated subsidiary</p> <p>4. Accounting standard</p> <p>(1) Valuation base and valuation method of important assets</p> <p>(2) Depreciation and amortization method of important depreciable assets</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>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. 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 Act in accordance with the amendment of the Corporate Tax Act (the Act for Partial Amendment of the Individual Tax Act, etc., Act No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Act, 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 consolidated fiscal year.</p> <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>As at present.</p> <p>1) Securities As at present.</p> <p>2) Inventories As at present.</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. Further, the average life expectancy is as set forth below. Buildings: 17 – 50 years (Changes in accounting policy) Tangible fixed assets acquired on or before March 31, 2007 are depreciated evenly over a period of five years starting from the fiscal year following the fiscal year when the final depreciable limit was reached, in accordance with the amendment of the Corporate Tax Act (the Act for Partial Amendment of the Individual Tax Act, etc., Act No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Act, 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 consolidated fiscal year.</p> <p>2) Intangible fixed assets -- Straight-line method. As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
(3) Entry standard of important reserves and allowances	<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>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.</p>	<p>1) Reserve 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 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>

Item	Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
(4) Accounting treatment of important lease transactions	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.	As at present.
(5) Other important matters for preparation of the consolidated financial statements	1) Accounting treatment of consumption tax Tax exclusion method is adopted.	1) Accounting treatment of consumption tax As at present.
5. Valuation of assets and liabilities of the consolidated subsidiary	For valuation of assets and liabilities of the consolidated subsidiary, the overall current value method is adopted.	As at present.
6. Goodwill amortization	Goodwill is amortized as regulated over 5 years using the straight-line method.	As at present.
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.

Change in presentation of accounts

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
-----	(Consolidated Profit and Loss Statement) 1. In the previous consolidated fiscal year, "Unrealized loss on investment in securities" was recorded as a separate item in non-operating expenses. However, from this consolidated fiscal year, it is recorded as "Unrealized loss on investment in securities" in extraordinary loss because of its increased monetary significance.

(Statement of Fluctuations in Consolidated Shareholders' Equity)

Previous 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

Current Consolidated Fiscal Year (From January 1, 2008 to December 31, 2008)

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	9,220	5,372	–	14,592

Note: The increase in the amount of treasury stock of 5,372 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 27, 2008	Ordinary Shares	226	16	December 31, 2007	March 28, 2008

(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 26, 2009	Ordinary Shares	Profit surplus	226	16	December 31, 2008	March 27, 2009

(Notes on Consolidated Cash Flow Account)

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
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>	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, 2008)</p>
Cash and bank deposit account 5,356 million yen	Cash and bank deposit account 2,908 million yen
Marketable securities account 2,114	Marketable securities account 4,508
<u>Total</u> 7,471	<u>Total</u> 7,417

(Notes on Lease Arrangements)

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)																																				
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: 15%;"></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><u>Total</u></td> <td style="text-align: center;">186</td> <td style="text-align: center;">96</td> <td style="text-align: center;">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	<u>Total</u>	186	96	90	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></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>Buildings and structures in tangible fixed assets</td> <td style="text-align: center;">9</td> <td style="text-align: center;">8</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Tangible fixed assets etc.</td> <td style="text-align: center;">250</td> <td style="text-align: center;">108</td> <td style="text-align: center;">142</td> </tr> <tr> <td>Intangible fixed assets etc.</td> <td style="text-align: center;">22</td> <td style="text-align: center;">12</td> <td style="text-align: center;">9</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: center;">282</td> <td style="text-align: center;">128</td> <td style="text-align: center;">153</td> </tr> </tbody> </table>		Acquisition cost(million yen)	Accumulated depreciation (million yen)	Closing balance (million yen)	Buildings and structures in tangible fixed assets	9	8	1	Tangible fixed assets etc.	250	108	142	Intangible fixed assets etc.	22	12	9	<u>Total</u>	282	128	153
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2. Unexpired lease payment at the end of term Within one year 48 million yen Over one year 43 <u>Total</u> 91	2. Unexpired lease payment at the end of term Within one year 63 million yen Over one year 91 <u>Total</u> 155																																				
3. Lease payments, assumed depreciation, and assumed interest payments Lease payments 56 million yen Assumed depreciation 53 Assumed interest payment 3	3. Lease payments, assumed depreciation, and assumed interest payments Lease payments 74 million yen Assumed depreciation 70 Assumed interest payment 4																																				
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.																																				
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.	5. Calculation method of assumed interest payments As at present.																																				

(Notes on Marketable Securities)

1. Other securities with fair value

Classification	Type	Previous Consolidated Fiscal Year (as of December 31, 2007)			Current Consolidated Fiscal Year (as of December 31, 2008)		
		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	536	732	195	221	284	62
	(2) Bonds and Notes	–	–	–	–	–	–
	(3) Other	–	–	–	–	–	–
	Subtotal	536	732	195	221	284	62
Those whose acquisition cost did not exceed the amount recorded on the consolidated balance sheet	(1) Shares	164	141	-23	319	300	-19
	(2) Bonds and Notes	–	–	–	–	–	–
	(3) Other	–	–	–	–	–	–
	Subtotal	164	141	-23	319	300	-19
Total		701	873	172	541	585	43

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

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)			Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)		
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	94	37	–

3. Details of major securities with no fair value

Types	Previous Consolidated Fiscal Year (as of December 31, 2007)	Current Consolidated Fiscal Year (as of December 31, 2008)
	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)	41	41
(ii) Money Management Fund	704	–
(iii) Medium-term government securities fund	709	–
(iv) Free Financial Fund	701	3,506
(v) Other	–	1,002

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, 2007 to December 31, 2007) and current (January 1, 2008 to December 31, 2008) 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, 2007) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2008) (million yen)
(1) Retirement Benefit Obligations	-7,970	-8,184
(2) Pension Assets	6,448	6,128
(3) Retirement Benefit Trust	1,417	922
(4) Outstanding Accumulated Retirement Benefit Obligations: (1) + (2) + (3)	-103	-1,134
(5) Previously unrecognized accounting disparities.	173	1,361
(6) Previously unrecognized pre-existing employment obligations (Obligation reduction amount)	-	-
(7) Consolidated Balance Sheet Recorded Net Amount: (4) + (5) + (6)	70	226
(8) Prepaid Pension Cost	515	704
(9) Retirement Benefit Reserves: (7) – (8)	-445	-477

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 9,870 million yen in the previous 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, 2007 to December 31, 2007) (million yen)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008) (million yen)
Retirement Benefit Costs	636	714
(1) Labor costs	565	595
(2) Interest costs	152	158
(3) Expected operating profit (Subtracted)	147	157
(5) Cost disposal Amount arising from accounting disparity	58	111
(6) Temporarily paid retirement amount	7	6

Notes: 1. Besides the above listed expenses for retirement allowances, the payments into the comprehensive-type pension fund (borne by corporation) were 462 million yen for the previous 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, 2007) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2008) (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.	-----	-----

5. Items Related to Employees' Pension Fund

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)												
1 -----	<p>1 Accumulation in the overall system (as of March 31, 2008)</p> <table border="1"> <thead> <tr> <th></th> <th>Japan Civil Engineering Consultants Pension Fund (million yen)</th> <th>All Japan Surveying Enterprises Multi Employers Pension Fund (million yen)</th> </tr> </thead> <tbody> <tr> <td>Pension assets</td> <td>141,971</td> <td>155,926</td> </tr> <tr> <td>Obligations to pay retirement benefits based on calculation of pension finance</td> <td>179,858</td> <td>169,304</td> </tr> <tr> <td>Balance</td> <td>-37,887</td> <td>-13,378</td> </tr> </tbody> </table>		Japan Civil Engineering Consultants Pension Fund (million yen)	All Japan Surveying Enterprises Multi Employers Pension Fund (million yen)	Pension assets	141,971	155,926	Obligations to pay retirement benefits based on calculation of pension finance	179,858	169,304	Balance	-37,887	-13,378
	Japan Civil Engineering Consultants Pension Fund (million yen)	All Japan Surveying Enterprises Multi Employers Pension Fund (million yen)											
Pension assets	141,971	155,926											
Obligations to pay retirement benefits based on calculation of pension finance	179,858	169,304											
Balance	-37,887	-13,378											
2 -----	<p>2 Percentage of total salaries of the Group to the overall system (as of March 31, 2008)</p> <table border="1"> <tbody> <tr> <td>Japan Civil Engineering Consultants Pension Fund</td> <td>6.33%</td> </tr> <tr> <td>All Japan Surveying Enterprises Multi Employers Pension Fund</td> <td>0.32%</td> </tr> </tbody> </table>	Japan Civil Engineering Consultants Pension Fund	6.33%	All Japan Surveying Enterprises Multi Employers Pension Fund	0.32%								
Japan Civil Engineering Consultants Pension Fund	6.33%												
All Japan Surveying Enterprises Multi Employers Pension Fund	0.32%												
3 -----	<p>3 Supplementary explanation</p> <p>1) Japan Civil Engineering Consultants Pension Fund</p> <p>The major reasons for the balance described in 1 above were the balance of pre-existing employment obligations based on the calculation of pension finance of 33,761 million yen, surplus, and shortage of 4,126 million yen. The pre-existing employment obligations under this system are amortized by the annuity repayment method over 20 years.</p> <p>Additionally, the percentage described in 2 above was not identical to the Group's actual percentage.</p>												

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
<p>-----</p>	<p>2) All Japan Surveying Enterprises Multi Employers Pension Fund</p> <p>Major reasons for the balance described in 1 above were the balance of pre-existing employment obligations based on the calculation of pension finance of 10,279 million yen, surplus, and shortage of 3,099 million yen.</p> <p>The pre-existing employment obligations under this system are amortized by the annuity repayment method over 20 years.</p> <p>Additionally, the percentage described in 2 above was not identical to the Group's actual percentage.</p> <p>(Additional Information)</p> <p>"Partial Amendments to Accounting Standard for Retirement Benefits (Part 2)" (Statement of Financial Accounting Standards No. 14, May 15, 2007) are applied from this consolidated fiscal year.</p>

(Stock Options)

No applicable items.

(Tax Effect Accounting)

Item	Previous Consolidated Fiscal Year (as of December 31, 2007)	Current Consolidated Fiscal Year (as of December 31, 2008)
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)	Deferred tax assets (current assets)
	Accrued enterprise tax 33 million yen	Accrued enterprise tax 34 million yen
	Allowance for losses in operations 40	Allowance for losses in operations 44
	Bonuses and social insurance 29	Bonuses and social insurance 26
	Reserve for bonuses 224	Reserve for bonuses 203
	Other 23	Other 24
	Subtotal 351	Subtotal 333
	Allowance account -10	Allowance account -16
	Total 340	Total 317
	Deferred tax liability (Current liability)	
	Accrued enterprise tax 0 million yen	
	Total 0	
	Net deferred tax assets 340 million yen	
	Deferred tax assets (fixed assets)	Deferred tax assets (fixed assets)
	Reserve for retirement allowances 565 million yen	Reserve for retirement allowances 521 million yen
	Loss brought forward 11	Loss brought forward 48
	Long-term accounts payable 126	Long-term accounts payable 126
	Loss on valuation of available-for-sell securities 48	Loss on valuation of available-for-sell securities 111
	Other 15	Other 16
	Subtotal 768	Subtotal 824
Allowance account -112	Allowance account -208	
Total 656	Total 616	
Deferred tax liabilities (fixed liabilities)	Deferred tax liabilities (fixed liabilities)	
Unrealized gains or losses on other securities 54 million yen	Unrealized gains or losses on other securities 5 million yen	
Subtotal 54	Subtotal 5	
Net deferred tax assets 601 million yen	Net deferred tax assets 610 million yen	
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 application of tax effect accounting	Legal effective tax rate (Adjustment) 40.69%	Legal effective tax rate (Adjustment) 40.69%
	No entry of loss from entertainment expense etc. 1.03	No entry of loss from entertainment expense etc. 0.92
	Per capita inhabitant tax 4.46	Per capita inhabitant tax 5.74
	Non-inclusion of gains, including dividends received -0.35	Non-inclusion of gains, including dividends received -0.36
	No entry of loss from bonuses to directors 2.45	No entry of loss from bonuses to directors 1.58
	Loss brought forward -1.66	Allowance account 8.53
	Allowance account 7.41	Other -1.09
	Other 0.25	Bearing rate of corporation tax or the like after application of tax effect accounting 56.01
	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, 2007 to December 31, 2007) and the current consolidated fiscal year (from January 1, 2008 to December 31, 2008).

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, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
-----	-----

(Business Combination)

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

No applicable items.

Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)

No applicable items.

(Information per Share)

Previous Consolidated Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
Net assets per share 1,307.23 yen	Net assets per share 1,327.14 yen
Current net income per share 53.49 yen	Current net income per share 42.45 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, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
Current term net income in the consolidated income statement (million yen)	756	600
Current term net income related to common shares (million yen)	756	600
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)	14,150,217	14,148,337
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, 2007 to December 31, 2007)	Current Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)
-----	-----

(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	450	400	1.51	-
Long-term borrowings to be repaid within 1 year	-	-	-	-
Lease obligations to be repaid within 1 year	-	-	-	-
Long-term borrowings except those to be repaid within 1 year	-	-	-	-
Lease obligations except those to be repaid within 1 year	-	-	-	-
Other Interest-bearing Liabilities	-	-	-	-
Total	450	400	-	-

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, 2007)		Current Fiscal Year (as of December 31, 2008)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
(Assets)					
I Current assets					
1. Cash and bank deposits		4,842		2,508	
2. Notes receivable		—		4	
3. Completed work receivables		707		727	
4. Marketable securities		2,114		4,508	
5. Prepaid expenses		8,793		8,999	
6. Advance payment		134		172	
7. Deferred tax assets		319		312	
8. Short-term loans	* 1	636		454	
9. Other		134		96	
10. Allowance for doubtful account		-28		-30	
Total current Assets		17,654	61.8	17,755	62.2
II Fixed assets					
(1) Tangible fixed assets					
1. Buildings		3,614		3,560	
Accumulated depreciation		1,666	1,948	1,673	1,887
2. Structures		714		714	
Accumulated depreciation		454	260	472	242
3. Machinery and equipment		235		235	
Accumulated depreciation		202	32	207	27
4. Vehicle and transportation equipment		18		16	
Accumulated depreciation		17	1	15	0
5. Furniture and fixtures		726		793	
Accumulated depreciation		578	147	602	191
6. Land			4,581		4,581
Total tangible fixed assets			6,972		6,931
(2) Intangible fixed assets					
1. Leasehold			16		16
2. Software			194		148
3. Telephone rights			22		22
4. Right of using special facilities			1		1
5. Other			0		0
Total intangible fixed assets			235		189
(3) Investments and other assets					
1. Investment in securities			913		625
2. Shares of affiliated companies			405		425
3. Investments in capital of subsidiaries and affiliates			—		25
4. Investments			3		3
5. Long-term deposit			600		600
6. Long-term loan to employees			6		3
7. Long-term prepaid cost			16		19
8. Deferred tax assets			575		584
9. Lease and guarantee deposit			629		638
10. Membership			52		51
11. Prepaid pension cost			515		704
12. Other			0		0
13. Allowance for investment loss			-10		-10
Total investments and other assets			3,707	13.0	3,671
Total fixed assets			10,915	38.2	10,792
Total assets			28,570	100.0	28,547

Category	Note No.	Previous Fiscal Year (as of December 31, 2007)		Current Fiscal Year (as of December 31, 2008)	
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
(Liabilities)					
I Current liabilities					
1. Accounts payable for services	* 1	1,145		904	
2. Accounts payable		264		196	
3. Accrued income taxes		299		336	
4. Accrued consumption taxes		180		197	
5. Accrued expenses		537		524	
6. Advances received		6,074		6,106	
7. Deposits received		358		288	
8. Revenue received in advance		9		7	
9. Reserve for bonuses		519		491	
10. Reserve for bonuses to directors		51		49	
11. Allowance for losses in operations		95		97	
12. Other		—		5	
Total current liabilities		9,535	33.4	9,205	32.2
II Fixed liabilities					
1. Long-term accounts payable		266		266	
2. Reserve for retirement benefits		326		367	
3. Other		50		67	
Total fixed liabilities		643	2.2	701	2.5
Total liabilities		10,178	35.6	9,907	34.7
(Net assets)					
I Shareholders' equity					
1. Capital		3,025	10.6	3,025	10.6
2. Capital surplus					
(1) Capital reserve		4,122		4,122	
Total capital surplus		4,122	14.4	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		2,237		2,586	
Total profit surplus		11,114	38.9	11,462	40.2
4. Treasury stock		-6	-0.0	-9	-0.0
Total shareholders equity		18,256	63.9	18,601	65.2
II Valuation and translation differences					
1. Other valuation difference on available—for—sale securities		134	0.5	38	0.1
Total valuation and translation adjustment		134	0.5	38	0.1
Total net assets		18,391	64.4	18,639	65.3
Total liabilities and net assets		28,570	100.0	28,547	100.0

(ii) Non-Consolidated Profit and Loss Account

Category	Note No.	Previous Fiscal Year (from January 1, 2007 to December 31, 2007)		Current Fiscal Year (from January 1, 2008 to December 31, 2008)			
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)		
I Sales							
Income from completed services			27,948	100.0	27,833	100.0	
II Cost of sales							
Cost of completed services			20,754	74.3	20,788	74.7	
Gross profit			7,193	25.7	7,044	25.3	
III Selling, general and administrative expenses							
1. Directors' remuneration		337			353		
2. Salaries and allowances		2,065			2,086		
3. Bonuses		333			325		
4. Provision of reserve for bonuses		139			125		
5. Provision of reserve for bonuses to directors		51			49		
6. Retirement allowances		0			—		
7. Retirement benefit expenses		124			174		
8. Legal welfare expenses		458			494		
9. Traveling expenses		321			314		
10. Tax and public imposts		129			133		
11. Depreciation		64			66		
12. Rent expenses		346			368		
13. Research and investigation expenses	* 1	614			607		
14. Provision of allowance for doubtful account		3			4		
15. Loss on bad debt		1			—		
16. Other		872	5,863	20.9	853	5,956	21.4
Operating income			1,330	4.8		1,088	3.9
IV Non-operating revenues							
1. Interest earned	* 2	20			14		
2. Dividend earned	* 2	20			19		
3. Interest from securities		24			30		
4. Rent earned	* 2	43			50		
5. Insurance dividends earned		18			18		
6. Other		24	152	0.5	30	164	0.6
V Non-operating expenses							
1. Commissions paid		6			5		
2. Unrealized loss on investment in securities		16			—		
3. Exchange rate losses		2			10		
4. Other		2	27	0.1	0	17	0.1
Ordinary profit			1,455	5.2		1,235	4.4
VI Extraordinary gain							
1. Compensation for transfer		—			168		
2. Gain on sales of investment in securities		105			37		
3. Other		—	105	0.4	3	209	0.8
VI Extraordinary loss							
1. Loss from fixed assets disposal	* 3	—			18		
2. Office moving cost		10			37		
3. Unrealized loss on investment in securities		—			154		
4. Provision of allowance for doubtful account	* 4	24			—		
5. Provision of allowance for investment loss	* 4	10			—		
6. Other		3	48	0.2	1	211	0.8
Net income before income tax			1,511	5.4		1,232	4.4
Corporation tax, inhabitants tax and enterprise tax		542			610		
Deferred income taxes etc.		255	797	2.8	47	657	2.3
Current net income			714	2.6		574	2.1

Cost Specifications for Completed Services

Category	Note No.	Previous Fiscal Year (from January 1, 2007 to December 31, 2007)		Current Fiscal Year (from January 1, 2008 to December 31, 2008)			
		Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)
I Labor cost							
1. Salaries		6,223		6,469			
2. Bonuses		944		972			
3. Provision of reserve for bonuses		360		347			
4. Retirement benefit expense		418		490			
5. Other		1,271	9,218	43.4	1,323	9,603	45.7
II Amount paid to subcontractors			8,356	39.4		7,807	37.2
III Expenses							
1. Traveling expenses		1,034			960		
2. Printing and copying expenses		666			563		
3. Expendables cost		214			291		
4. Rents		876			939		
5. Depreciation		117			121		
6. Provision of allowance for losses in operations		10			1		
7. Other		719	3,639	17.2	706	3,584	17.1
Current general business expenses			21,214	100.0		20,995	100.0
Opening expenses prepaid for uncompleted services			8,333			8,793	
Total			29,547			29,788	
Closing expenses prepaid for uncompleted services			8,793			8,999	
Current cost of completed services			20,754			20,788	

(Footnote)

Previous Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
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, 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

Current Fiscal Year (From January 1, 2008 to December 31, 2008)

	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, 2007 (Million yen)	3,025	4,122	4,122	176	8,700	2,237	11,114
Fluctuations during this fiscal year (Million yen)							
Dividend surplus	-	-	-	-	-	-226	-226
Net income	-	-	-	-	-	574	574
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)	-	-	-	-	-	348	348
Amount as of December 31, 2008 (Million yen)	3,025	4,122	4,122	176	8,700	2,586	11,462

	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, 2007 (Million yen)	-6	18,256	134	134	18,391
Fluctuations during this fiscal year (Million yen)					
Dividend surplus	-	-226	-	-	-226
Net income	-	574	-	-	574
Acquisition of treasury stock	-3	-3	-	-	-3
Fluctuations during this fiscal year for items other than shareholders equity (Net amount)	-	-	-96	-96	-96
Total fluctuations during this fiscal year (Million yen)	-3	344	-96	-96	248
Amount as of December 31, 2008 (Million yen)	-9	18,601	38	38	18,639

Important Accounting Policy

Item	Previous Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
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 (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 Act in accordance with the amendment of the Corporate Tax Act (the Act for Partial Amendment of the Individual Tax Act, etc., Act No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Act, 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> <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) 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: 17 – 50 years (Changes in accounting policy) Tangible fixed assets acquired on or before March 31, 2007 are depreciated evenly over a period of five years starting from the fiscal year following the fiscal year when the final depreciable limit was reached, in accordance with the amendment of the Corporate Tax Act (the Act for Partial Amendment of the Individual Tax Act, etc., Act No. 6 of March 30, 2007 and the Partial Amendment of the Order for Enforcement of the Corporate Tax Act, 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> <p>(2) Intangible fixed assets As at present.</p>

Item	Previous Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
4. Accounting for allowances and reserves	<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>(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>
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.

Change in presentation of accounts

Previous Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
-----	(Non-Consolidated Profit and Loss Statement) 1. In the previous fiscal year, "Unrealized loss on investment in securities" was recorded as a separate item in non-operating expenses. However, from this fiscal year, it is recorded as "Unrealized loss on investment in securities" in extraordinary loss because of its increased monetary significance.

Notes

(Note on Balance Sheet)

Previous Fiscal Year (as of December 31, 2007)	Current Fiscal Year (as of December 31, 2008)								
<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">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	<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Shot-term loan receivable</td> <td style="text-align: right;">454 million yen</td> </tr> <tr> <td>Account payable-trade</td> <td style="text-align: right;">305 million yen</td> </tr> </table> <p>2 Guarantee of debts</p> <p>The Company guarantees bank loans to its employees (92 million yen), banks loans to the employees of Kensetsu Giken International (5 million yen), and lease agreements of Tokyochuo.net, a specified nonprofit corporation (11 million yen).</p>	Shot-term loan receivable	454 million yen	Account payable-trade	305 million yen
Shot-term loan receivable	634 million yen								
Account payable-trade	380 million yen								
Shot-term loan receivable	454 million yen								
Account payable-trade	305 million yen								

(Note on Profit and Loss Statement)

Previous Fiscal Year (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)																											
<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%; border-collapse: collapse;"> <tr> <td style="width: 70%;">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>	Received interest	12 million yen	Received dividends	7	Received rent income	38	<p>* 1 The research and investigation expenses included in selling, general and administrative expenses 607 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%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Received interest</td> <td style="text-align: right;">8 million yen</td> </tr> <tr> <td>Received dividends</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Received rent income</td> <td style="text-align: right;">47</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; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">Loss from fixed assets write-off (million yen)</th> <th style="text-align: center;">Total (million yen)</th> </tr> </thead> <tbody> <tr> <td>Buildings</td> <td style="text-align: center;">14</td> <td style="text-align: center;">14</td> </tr> <tr> <td>Vehicle and transportation equipment.</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">18</td> <td style="text-align: center;">18</td> </tr> </tbody> </table> <p>* 4 -----</p>	Received interest	8 million yen	Received dividends	4	Received rent income	47		Loss from fixed assets write-off (million yen)	Total (million yen)	Buildings	14	14	Vehicle and transportation equipment.	0	0	Furniture and fixtures	3	3	Total	18	18
Received interest	12 million yen																											
Received dividends	7																											
Received rent income	38																											
Received interest	8 million yen																											
Received dividends	4																											
Received rent income	47																											
	Loss from fixed assets write-off (million yen)	Total (million yen)																										
Buildings	14	14																										
Vehicle and transportation equipment.	0	0																										
Furniture and fixtures	3	3																										
Total	18	18																										
<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%; border-collapse: collapse;"> <tr> <td style="width: 70%;">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>	Provision of allowance for doubtful account	24 million yen	Provision of allowance for investment loss	10 million yen																								
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, 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.

Current Fiscal Year (From January 1, 2008 to December 31, 2008)

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	9,220	5,372	—	14,592

Note: The increase in the amount of treasury stock of 5,372 shares was due to acquisition of shares constituting less than one transaction unit.

(Notes on lease arrangements)

Previous Fiscal Year (from January 1, 2007 to December 31, 2007)				Current Fiscal Year (from January 1, 2008 to December 31, 2008)			
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	141	73	68	Buildings	9	8	1
Software	11	4	6	Furniture and fixtures	233	99	133
Total	153	78	74	Software	14	8	5
				Total	257	116	141
2. Unexpired lease payment at the end of term				2. Unexpired lease payment at the end of term			
Within one year 41 million yen				Within one year 58 million yen			
Over one year 34				Over one year 85			
Total 76				Total 143			
3. Lease payments, assumed depreciation, and assumed interest payments				3. Lease payments, assumed depreciation, and assumed interest payments			
Lease payments 48 million yen				Lease payments 66 million yen			
Assumed depreciation 46				Assumed depreciation 62			
Assumed interest payments 2				Assumed interest payments 4			
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, 2007)	Current Fiscal Year (as of December 31, 2008)
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, 2007)	Current Fiscal Year (as of December 31, 2008)		
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)			
	Accrued enterprise tax	29 million yen	Accrued enterprise tax	31 million yen
	Allowance for losses in operations	39	Allowance for losses in operations	39
	Social insurance premiums for bonuses	27	Social insurance premiums for bonuses	26
	Reserve for bonuses	211	Reserve for bonuses	199
	Other	22	Other	24
	Subtotal	329	Subtotal	321
	Allowance account	-10	Allowance account	-8
	Total	319	Total	312
	Deferred tax assets (fixed assets)		Deferred tax assets (fixed assets)	
	Reserve for retirement allowances	516 million yen	Reserve for retirement allowances	476 million yen
	Long-term accounts payable	108	Long-term accounts payable	108
	Unrealized loss of securities	48	Unrealized loss of securities	111
	Other	14	Other	15
	Subtotal	688	Subtotal	711
	Allowance account	-58	Allowance account	-122
	Total	629	Total	589
Deferred tax liabilities (fixed liabilities)		Deferred tax liabilities (fixed liabilities)		
Unrealized gains or losses on other securities	54 million yen	Unrealized gains or losses on other securities	5 million yen	
Subtotal	54	Subtotal	5	
Net deferred tax assets	575 million yen	Net deferred tax assets	584 million yen	
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 (Adjustment)	40.69%	Legal effective tax rate (Adjustment)	40.69%
	No entry of loss from entertainment expense etc.	0.89	No entry of loss from entertainment expense etc.	0.97
	Per capita inhabitant tax	4.51	Per capita inhabitant tax	5.75
	No entry of profit from dividend earned etc.	-0.37	No entry of profit from dividend earned etc.	-0.38
	No entry of loss from bonuses to directors	2.54	No entry of loss from bonuses to directors	1.68
	Allowance account	4.52	Allowance account	5.15
	Other	-0.02	Other	-0.48
	Bearing rate of corporation tax or the like after application of tax effect accounting	52.76	Bearing rate of corporation tax or the like after application of tax effect accounting	53.38

(Information per Share)

Previous Fiscal Year (from January 1, 2007 to December 31, 2007)		Current Fiscal Year (from January 1, 2008 to December 31, 2008)	
Net assets per share	1,299.73 yen	Net assets per share	1,317.81 yen
Current net income per share	50.48 yen	Current net income per share	40.61 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 (from January 1, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
Current term net income in the income statement (million yen)	714	574
Current term net income related to common shares (million yen)	714	574
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)	14,150,217	14,148,337
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, 2007 to December 31, 2007)	Current Fiscal Year (from January 1, 2008 to December 31, 2008)
-----	-----

(iv) Supplemental specifications

Specifications of securities

Shares

		Issuer name	Number of shares	Book value on balance sheet (million yen)
Investment securities	Other Investment securities	OYO Corporation	98,566	116
		Mitsubishi UFJ Financial Group, Inc.	145,000	79
		T&D Holdings, Inc.	19,200	71
		NIPPON JOGESUIDO SEKKEI CO., LTD.	500	34
		Maezawa Kasei Industries Co., Ltd.	36,000	32
		CHODAI CO., LTD.	105,000	26
		WESCO Inc.	200,072	26
		Ube Material Industries, Ltd.	136,000	25
		Asia Air Survey Co., Ltd.	102,000	24
		Chuo Securities Co., Ltd.	60,000	24
		Other (19 issues)	441,304	164
Total			1,343,642	625

Other

		Issuer name	Investment amount etc. (shares)	Book value on balance sheet (million yen)
Marketable securities	Other Marketable securities	KOKUSAI Asset Management Co., Ltd. (Free Financial Fund)	1,502,836,672	1,502
		Nomura Asset Management Co., Ltd. (Free Financial Fund)	1,002,333,529	1,002
		Mitsubishi UFJ Asset Management Co., Ltd. (Mitsubishi UFJ Cash Fund)	1,002,157,052	1,002
		Daiwa Securities Investment Trust Consignment Co., Ltd. (Free Financial Fund)	1,001,576,497	1,001
Total			4,508,903,750	4,508

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	3,614	59	113	3,560	1,673	105	1,887
Structures	714	–	–	714	472	18	242
Machinery and equipment	235	–	–	235	207	4	27
Vehicle and delivery equipment	18	–	2	16	15	0	0
Furniture and fixtures	726	106	38	793	602	59	191
Land	4,581	–	–	4,581	–	–	4,581
Total tangible fixed assets	9,891	166	155	9,902	2,970	188	6,931
Intangible fixed assets							
Leasehold	16	–	–	16	–	–	16
Software	471	43	–	514	365	88	148
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	518	43	–	561	372	88	189
Long-term prepaid expenses	30	10	0	39	20	6	19
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	28	8	-	6	30
Allowance for investment loss	10	-	-	-	10
Reserve for bonuses	519	491	519	-	491
Reserve for bonuses to directors	51	49	51	-	49
Allowance for losses in operations	95	97	95	-	97

Note: The decrease in allowance for doubtful account during the year (Other) consists of reversal, etc. of allowance for doubtful account calculated by the mark to market method.

(2) Details of major assets/liabilities

1) Assets section

(i) Cash and bank deposits

Category	Amount (million yen)
Cash on hand	4
Type of bank deposits	
Checking deposit	2,136
Ordinary deposit	355
Special deposit	11
Subtotal	2,504
Total	2,508

(ii) Accounts receivable from completed services

(a) Breakdown by client

Client	Amount (million yen)
Japanese Government	140
Hyogo Prefecture	73
Fukui Prefecture	63
Hanshin Expressway Company Limited	52
Republic of the Philippines	50
Mie Prefecture	38
Central Nippon Expressway Company Limited	33
YAMAICHITECHNO Co., Ltd.	30
Republic of Indonesia	26
East Nippon Expressway Company Limited	24
Other	192
Total	727

(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)
				$\frac{(C)}{(A)+(B)} \times 100$	$\frac{2}{(B)}$ 366
707	3,414	3,394	727	82.3	76.9

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	4,414
Subcontractor cost	2,809
Expense	1,775
Total	8,999

2) Liabilities

(i) Accounts payable—Trade

Service provider	Amount (million yen)
CTI Grand Planning Co., Ltd.	111
CTI Engineering International Co., Ltd.	62
CTI Wing Co., Ltd.	51
Shin Doboku Kaihatsu Co., Ltd.	36
CTI AURA Co., Ltd.	32
Kochi Computing Center Co., Ltd.	28
OTSUKA CORPORATION	18
Mikuniya Corporation	15
Fuji Xerox Co., Ltd.	14
Manpower Japan Co., Ltd.	12
Other	519
Total	904

(ii) Advances received

Client	Amount (million yen)
Japanese Government	2,665
Hyogo Prefecture	244
Nagasaki Prefecture	124
Aomori Prefecture	116
Shizuoka Prefecture	111
Central Nippon Expressway Company Limited	108
Kanagawa Prefecture	101
Saga Prefecture	98
Miyazaki Prefecture	93
Kyushu Electric Power Company, Incorporated	87
Other	2,354
Total	6,106

(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 (Note)	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 (Note)	
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

Note: In line with the enforcement of the "Act for Partial Amendments to the Act Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities" (Act No. 88 of 2004), the Company amended the Share Handling Regulations effective on January 5, 2009 by a resolution of the meeting of the Board of Directors held on December 11, 2008. Accordingly, there are no relevant matters existing.

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) Securities Report and accompanying documents	Fiscal year (45th fiscal year)	from January 1, 2007 to December 31, 2007	Submitted to the director of the Kanto Local Finance Bureau on March 28, 2008.
(2) Semiannual Securities Report	(during the 46th fiscal year)	from January 1, 2008 to June 30 2008	Submitted to the director of the Kanto Local Finance Bureau on September 26, 2008.

Part2: SURETY COMPANY INFORMATION

Not applicable.

