

# SECURITIES REPORT

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

**Fiscal Year (47th Term)**

(from January 1, 2009 to December 31, 2009)

**CTI Engineering Co., Ltd.**

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

(941-172)

47th Term (from January 1, 2009 to December 31, 2009)

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# SECURITIES REPORT

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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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## Cover

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 26, 2010
Fiscal Year	47th term (from January 1, 2009 to December 31, 2009)
Company name	CTI Engineering Co., Ltd.
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Contact	Hideaki Kurita, Chief, Headquarters Management Dept.
Place Available for Public Inspection	Osaka Head Office of CTI Engineering Co., Ltd. (6-7, Doshomachi 1-chome, Chuo-ku, Osaka) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

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		43rd term	44th term	45th term	46th term	47th term
Fiscal year-end		December 2005	December 2006	December 2007	December 2008	December 2009
Sales amount	(million yen)	28,166	28,977	30,613	30,786	31,374
Ordinary profit	(million yen)	1,662	1,366	1,614	1,330	1,281
Net income	(million yen)	755	698	756	600	630
Net assets	(million yen)	17,697	18,164	18,561	18,812	19,196
Total assets	(million yen)	30,377	30,015	30,486	30,852	29,970
Net assets per share	(yen)	1,248.99	1,277.83	1,307.23	1,327.14	1,352.78
Net income per share	(yen)	51.78	49.35	53.49	42.45	44.56
Net income per share after adjustment of potential shares	(yen)	–	–	–	–	–
Net worth ratio	(%)	58.3	60.2	60.7	60.8	63.8
Profit ratio of net worth	(%)	4.4	3.9	4.1	3.2	3.3
Price earnings ratio	(times)	20.70	15.60	14.02	16.42	10.39
Cash flow from operating business activities	(million yen)	-1,854	-601	258	457	-760
Cash flow from investment activities	(million yen)	591	-398	-281	-208	-536
Cash flow from financial activities	(million yen)	-22	-328	-78	-279	-402
Closing balance of cash and cash equivalents	(million yen)	8,875	7,576	7,471	7,417	5,717
Number of employees (plus average number of temporary employees)	(persons)	1,094 (430)	1,239 (409)	1,332 (413)	1,415 (491)	1,423 (509)

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		43rd term	44th term	45th term	46th term	47th term
Fiscal year-end		December 2005	December 2006	December 2007	December 2008	December 2009
Sales amount	(million yen)	27,083	27,406	27,948	27,833	28,050
Ordinary profit	(million yen)	1,628	1,383	1,455	1,235	1,079
Net income	(million yen)	742	733	714	574	510
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)	17,580	18,018	18,391	18,639	18,880
Total assets	(million yen)	29,569	28,926	28,570	28,547	27,195
Net assets per share	(yen)	1,240.72	1,273.35	1,299.73	1,317.81	1,334.97
Cash Dividend per share (Interim dividend per share)	(yen)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)
Net income per share	(yen)	50.85	51.80	50.48	40.61	36.08
Net income per share after adjustment of potential shares	(yen)	-	-	-	-	-
Net worth ratio	(%)	59.5	62.3	64.4	65.3	69.4
Profit ratio of net worth	(%)	4.3	4.1	3.9	3.1	2.7
Price earnings ratio	(times)	21.08	14.86	14.86	17.16	12.83
Divided Payout ratio	(%)	31.5	30.9	31.7	39.4	44.3
Number of employees (plus average number of temporary employees)	(persons)	1,036 (430)	1,083 (409)	1,159 (407)	1,218 (456)	1,238 (474)

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

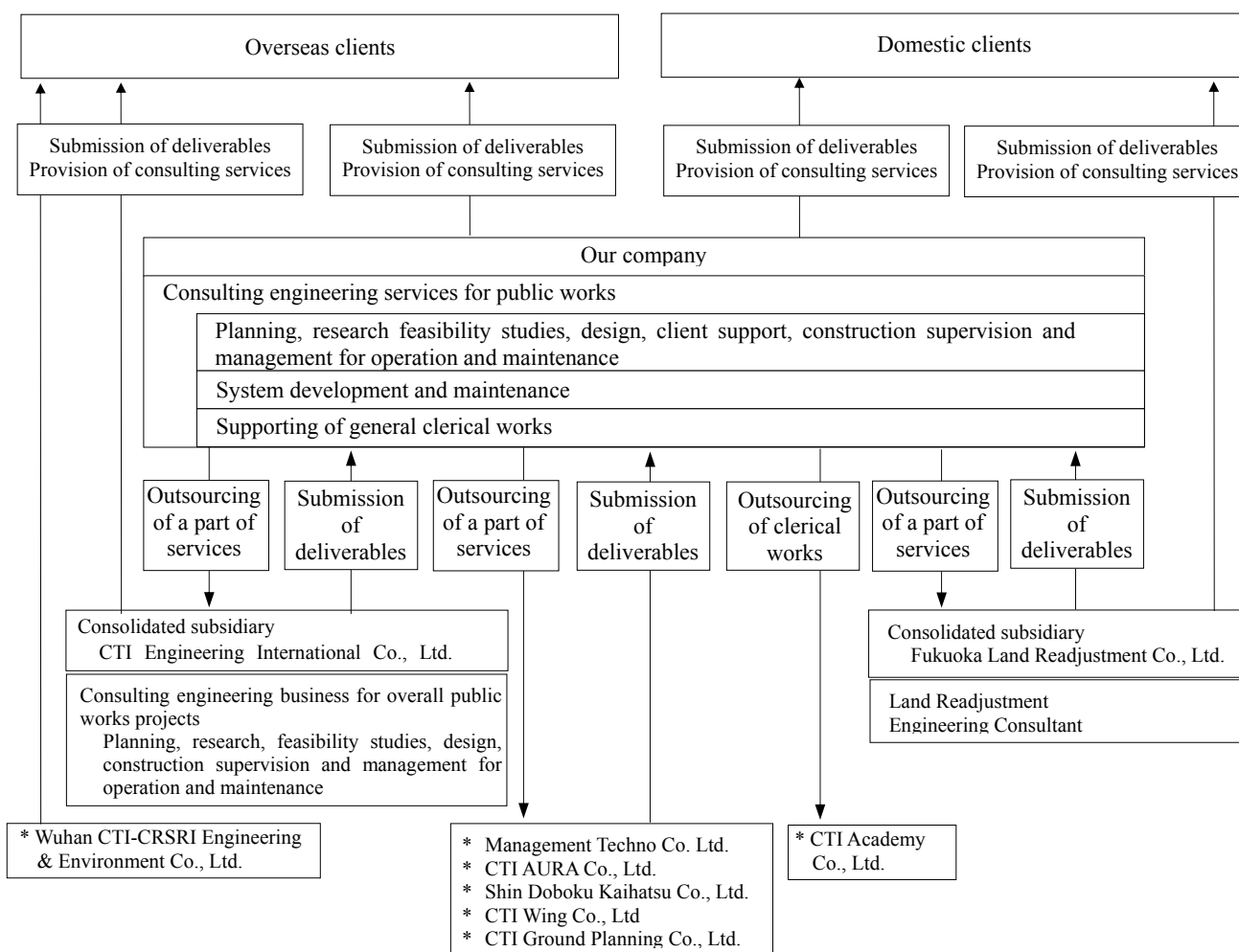
Consulting engineering services including planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general clerical works, and land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

As of December 31, 2009

Number of employees (persons)	1,423 (509)
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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

As of December 31, 2009

Number of employees (persons)	Age on average (years old)	Average length of employment (years)	Average yearly wage (yen)
1,238 (474)	41.25	12.51	7,822,850

Notes:

- "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: 744 (as of December 31, 2009)
- 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 of the current consolidated fiscal year continued to languish from the turmoil in global financial markets and the worldwide recession, though some signs of recovery were seen in personal spending and industrial production. Severe constraints in employment are likely to persist for the time being, but the recovery trend is expected to continue.

Construction consultancy, the industry in which the Group is involved, is severely challenged by further cuts in public works spending. This deprives the Group of the recovery momentum seen in other sectors of the domestic economy. A large-scale supplementary budget allocated to measures for breaking recessionary trends over the previous fiscal year brought in new orders received. Now, however, profound effects expected from the cuts in public works spending and the growing tendency of governments to reconsider public works are stirring increasing uncertainty about the future economy.

Against this backdrop, the Company strengthened its management base through measures such as the acquisition of brilliant human resources and further reinforced its response to the growing number of bids solicited through the “Proposal System” (a selection system based on engineering ability) and the “Successful Bidding System based on Comprehensive Evaluation” (a selection system based on comprehensive evaluations of technical proposals and prices) under “Challenge 2011,” a new mid-term business plan (comprehensive development of sectors, quality and mind) started last year. Thanks to this approach, orders received through the above two systems accounted for sixty percent of total orders received and increased steadily. Meanwhile, expenses to address engineering competition also increased. To prepare for the inevitable escalation in price competition to come, the Company will promote the establishment of a low-cost structure.

CTI Engineering International Co., Ltd. and Fukuoka Land Readjustment Co., Ltd., our consolidated subsidiaries, reported steady performance.

As a consequence, orders received during this consolidated fiscal year were 34,288 million yen, a YoY increase of 13.7%, and income from completed services was 31,374 million yen, a YoY increase of 1.9%. Ordinary profit, meanwhile, was 1,281 million yen, down by 3.6% YoY. Net income was 630 million yen, up by 4.9% YoY.

#### (2) Cash Flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased YoY by 1,699 million yen, to a total of 5,717 million yen.

Net cash used for operating activities was 760 million yen. The major item was a decrease in advances received from uncompleted services of 1,813 million yen, while net income before income tax was 1,223 million yen.

Net cash used for investment activities was 536 million yen, a YoY increase of 157.2%. The major item was a 543 million yen payment for the acquisition of investment in securities.

Net cash used for financial activities was 402 million yen, a YoY increase of 44.1%. The major items were dividend payments of 226 million yen and a 176 million yen payment for repayment of lease obligations.

## 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, 2009 to December 31, 2009) (million yen)	Change from the same term in previous year (%)
Engineering consulting	31,374	1.9
Total	31,374	1.9

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

### (2) Order receiving situation

Category	Current consolidated fiscal year (From January 1, 2009 to December 31, 2009)			
	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	34,288	13.7	31,778	10.1
Total	34,288	13.7	31,778	10.1

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

### (3) Sales results

#### 1) Sales results

Category	Current consolidated fiscal year (From January 1, 2009 to December 31, 2009) (million yen)	Change from the same term in previous year (%)
Engineering consulting	31,374	1.9
Total	31,374	1.9

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, 2008 to December 31, 2008)		Current consolidated fiscal year (From January 1, 2009 to December 31, 2009)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
National Government	14,007	45.5	14,019	44.7

### **3. Our tasks ahead**

The amount allocated by the national government in its proposed 2010 budget for public works spending has decreased substantially (by 18.3%) compared to the amount allocated in fiscal 2009, and the circumstances for orders received are expected to become more severe and adverse than heretofore seen. Meanwhile, a construction consultant is indispensable for the efficient allocation of limited budgets for public works spending, given the need to review the effects of public works and to curtail life-cycle costs. Measures against global warming, an urgent global issue, also provide new business opportunities.

The Company has focused on strengthening its management base through reinforcements of its engineering abilities and business prowess, and the establishment of a low-cost structure to accommodate the curtailments of public works spending. To quickly respond to changes in business circumstances henceforth, the Company will step up efforts to reinforce its engineering and price competitiveness and apply its sophisticated engineering ability, its greatest strength.

Fiscal 2010 is the second 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 the plan, the Company will promote the strategies listed below.

1) Ensuring high quality

Reinforcement of the inspection system mainly by increasing the number of “Proof Engineers” who engage in third party inspections from neutral standpoints.

2) Aggressive development in sectors of focus

Following through from the previous fiscal year, the Company will aggressively expand the following four sectors of focus: the international sector, the management sector, the urban-related sector, and the environment-related sector. Importantly, operating fields are expanding in the environment-related sector. The Company will take advantage of its features as a comprehensive construction consultant to vigorously apply the know-how it has fostered.

3) Enhancing engineering ability and productivity

The Company will reinforce its engineering ability by continuing to acquire brilliant human resources. It will also strive to enhance productivity through measures such as a restructuring of the budgets-results management, subcontractor management, and production management system.

To cope with the severe business circumstances that weigh upon its operations, the Company looks to the next fiscal year as a year for regime shift (response to change) and plans to take on new challenges.

### **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 619 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 network, system for a sound food chain, information system for river disaster prevention, measures against snow and ice, the development of a water circulation model, driftwood management model through a drainage system, the simplified method for recognition of vehicle identification numbers, the administration of disaster risk, next-generation river management system, the estimation of dirt poured into dams, next-generation dirt alarm and evacuation system, method for promoting measures against sewer infiltration, and comprehensive groundwater research)

## 7. Analysis of financial conditions, business performance and cash flow

### (1) Financial conditions

#### (Assets)

At the end of the current consolidated fiscal year, the Group's total assets totaled 29,970 million yen, for a decrease of 2.9% compared to the previous year.

The major item was a decrease in marketable securities.

#### (Liabilities)

Total liabilities at the end of this consolidated fiscal year were 10,773 million yen, for a decrease of 10.5% compared to the end of the previous year.

The major item was a decrease in advances received from uncompleted services.

#### (Net Assets)

At the end of the current consolidated fiscal year, net assets totaled 19,196 million yen, for an increase of 2.0% over a year earlier.

The major item was net income for the current term.

### (2) Business performance

As of the end of this consolidated fiscal year, orders received amounted to 34,288 million yen, a YoY

increase of 13.7%. Income from completed services was 31,374 million yen, a YoY increase of 1.9%, while ordinary profit decreased by 3.6% YoY to 1,281 million yen, and net income for this consolidated fiscal year increased by 4.9% YoY to 630 million yen.

The major items were increases in expenses incurred to handle increasing orders received for engineering proposal-type operations such as the “Proposal System” and the “Successful Bidding System based on Comprehensive Evaluation” and engineering competition.

### (3) Cash flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased by 1,699 million yen compared to the end of the previous year, totaling 5,717 million yen.

Net cash used for operating activities was 760 million yen. The major item was a decrease in advances received from uncompleted services of 1,813 million yen, while net income before income tax was 1,223 million yen.

Net cash used for investment activities was 536 million yen, a YoY increase of 157.2%. The major item was a 543 million yen payment for the acquisition of investment in securities.

Net cash used for financial activities was 402 million yen, a YoY increase of 44.1%. The major items were dividend payments of 226 million yen and a 176 million yen payment for repayment of lease obligations.

## CHAPTER 3: FACILITIES & EQUIPMENT

### 1. Outline of Investment into Facilities and Equipment

The Group committed 180 million yen in capital investment to strengthen customer-oriented sales and improve its business operations environment.

With regard to investments relating to equipment for information technologies set at the end of the previous consolidated fiscal year, the Company realized its plans by establishing a data center in Urasoe, Okinawa and renovating its in-house network for enhanced in-house productivity, as scheduled. The costs for the above investments were 218 million yen, including the costs for capitalization. The Company appropriated its own funds to cover these costs.

### 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, 2009

Establishment (location)	Business line	Book value (million yen)						Number of employees (persons)
		Buildings and structures	Machinery and delivery equipment	Land (area: m <sup>2</sup> )	Lease assets	Other	Total	
Head Office (Chuo-ku, Tokyo)	General administration facilities	6	0	–	28	83	119	105 (5)
Tokyo Head Office (Chuo-ku, Tokyo)	Office	32	–	–	53	51	137	337 (103)
Tokyo Head Office Saitama Office (Urawa-ku, Saitama)	Office	854	0	772 (1,978)	29	25	1,682	147 (70)
Research Center Tsukuba (Tsukuba-shi, Ibaraki)	Office and laboratory facilities	359	20	1,937 (50,605)	9	5	2,332	40 (18)
Yono Dormitory (Chuo-ku, Saitama)	Welfare facilities	282	–	820 (1,565)	–	1	1,104	– (–)
Kyushu Office (Chuo-ku, Fukuoka)	Office	432	3	1,025 (1,136)	28	14	1,505	129 (49)

Note: 1. Land area of Research Center Tsukuba includes the area of 14,895 m<sup>2</sup> 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**

There are no plans to either introduce to or remove any major equipment from the consolidated accounts for this fiscal year.



## 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, 2009)	Issued shares as of the date for submission (shares) (March 26, 2010)	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) Current status of moving strike stock options, etc.

Form No. 3 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. (The Ministry of Finance ordinance No. 5 of 1973). There are no matters to be disclosed because notes for disclosure (21-2) are not applicable.

(4) Rights plan

Not applicable.

(5) 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

## (6) Shareholders

As of December 31, 2009

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)	–	32	23	94	60	3	2,552	2,764	–
Number of shares held (units)	–	38,076	1,912	13,083	9,477	192	78,447	141,187	40,386
Shareholding ratio (%)	–	27.0	1.3	9.3	6.7	0.1	55.6	100.0	–

## Notes:

1. Among treasury stocks (16,249 stocks), 162 units are counted as “Individuals etc.” and 49 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.

## (7) Major shareholders

As of December 31, 2009

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, Nihombashi-hamacho 3-chome, Chuo-ku, Tokyo	1,829	12.91
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	782	5.52
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	464	3.28
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	2.50
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	2.12
Japan Trusty Service Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	290	2.04
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	269	1.90
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	1.90
CBNY DFA International Cap Value Portfolio (Standing proxy: Citibank Japan Ltd.)	1299 OCEAN AVENUE, 11F, SANTAMONICA, CA 90401 USA (3-14, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo)	211	1.49
State Street Bank and Trust Company 505019 (Standing proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	AIB INTERNATIONAL CENTRE P.O.BOX 518 IFSC DUBLIN, IRELAND (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo)	199	1.40
Total	—	4,971	35.11

Note: 782 thousand shares held in The Master Trust and Bank of Japan, Ltd. (trust account) and 286 thousand shares held in Japan Trusty Service Bank, Ltd. (trust account) are shares related to trust operations.

(8) Voting rights

(i) Issued Shares

As of December 31, 2009

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 stock) Common stock 16,200	–	–
Shares with complete voting rights (Other)	Common stock 14,102,500	141,025	–
Shares below a unit	Common stock 40,386	–	–
Total number of shares issued	14,159,086	–	–
Voting rights of total shareholders	–	141,025	–

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 49 treasury stocks held by the Company.

(ii) Treasury Stocks, etc.

As of December 31, 2009

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, Nihombashi-hamacho 3-chome, Chuo-ku, Tokyo	16,200	–	16,200	0.1
Total	–	16,200	–	16,200	0.1

(9) 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.	1,657	810,310
Treasury stock acquired in this period.	357	166,254

Note: Treasury stock acquired in this period do not include shares acquired that were less than one transaction unit from March 1, 2010 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	16,249	—	357	—

Note: Treasury stock acquired in this period does not include shares acquired that were less than one transaction unit from March 1, 2010 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, 2009, at the 47th Ordinary General Shareholders Meeting held on March 25, 2010, 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	43rd term	44th term	45th term	46th term	47th term
Fiscal year end	December 2005	December 2006	December 2007	December 2008	December 2009
Highest (yen)	1,199	1,196	1,040	741	706
Lowest (yen)	630	650	715	500	424

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 2009	August 2009	September 2009	October 2009	November 2009	December 2009
Highest (yen)	577	599	571	557	499	495
Lowest (yen)	538	558	524	491	431	424

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)
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	71
Executive Officer, 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 March 2010	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 Executive Officer, Vice President, Representative Director (present post)	1	37
Executive Officer, Vice President, Representative Director		Kazunori Yoshioka	January 4, 1946	June 2002 July 2002 March 2003 March 2005 April 2005 March 2007 March 2009 March 2010	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 Vice President & Director Vice President & Representative Director Executive Officer, Vice President, Representative Director (present post)	1	16

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Senior Managing Executive Officer & Director	Chief, Corporate Planning Dept.	Reiichi Abe	November 4, 1949	April 1974 April 1994 April 1997 April 1999 March 2000 March 2003 April 2009 March 2010	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. Chief, Corporate Planning Dept. (present post) Senior Managing Executive Officer & Director (present post)	1	32
Senior Managing Executive Officer & Director	Principal, Tokyo Head Office	Konomu Uchimura	March 11, 1950	April 1974 April 1994 April 1997 April 1999 March 2000 April 2001 March 2003 March 2006 April 2009 March 2010	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 Principal, Kyushu Office and Okinawa Office Principal, Tokyo Head Office (present post) Senior Managing Executive Officer & Director (present post)	1	25
Senior Managing Executive Officer & Director	Principal, Research Center For Sustainable Communities	Kunihiko Harada	December 7, 1947	June 2006 June 2006 March 2007 April 2008 March 2010	Retired from Teito Kosokudo Kotsu Eidan (Presently Tokyo Metro Co., Ltd.) Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept. Managing Director, Deputy Chief, Headquarters Engineering Dept. Principal, Research Center For Sustainable Communities (present post) Senior Managing Executive Officer & Director (present post)	1	10
Senior Managing Executive Officer & Director	Chief, Headquarters Engineering Dept.	Tsuneo Uesaka	January 1, 1948	July 2006 August 2006 March 2007 April 2008 March 2010	Retired from Japan Dam Engineering Center. Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept Managing Director, Deputy Chief, Headquarters Engineering Dept. Chief, Headquarters Engineering Dept. (present post) Senior Managing Executive Officer & Director (present post)	1	8
Managing Executive Officer & Director	Deputy Chief, Headquarters Engineering Dept. and 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 April 2009 March 2010	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 and General Manager of Headquarters Operation Development Dept. President & Representative Director of Management Techno Co., Ltd. In charge of Management Business Dept. (present post) Deputy Chief, Headquarters Engineering Dept. (present post) Managing Executive Officer & Director (present post)	1	27



Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
Managing Executive Officer & Director	Principal, Kyushu Office and Okinawa Office	Kazuo Murata	September 26, 1951	April 1978 April 1997 April 1999 April 2001 March 2003 April 2003 April 2004 March 2006 April 2009 March 2010	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 General Manager of Management Planning Dept. and Deputy Chief of Management Div. Managing Director, General Manager of Management Dept. Principal, Kyushu Office and Okinawa Office (present post) Managing Executive Officer & Director (present post)	1	25
Managing Executive Officer & Director	Chief, Headquarters Business Development Dept.	Yasuki Komatsu	October 15, 1951	April 1976 April 1998 April 1999 April 2001 March 2003 April 2003 March 2006 April 2009 March 2010	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 Chief of Headquarters Business Development Dept. (present post) Managing Executive Officer & Director (present post)	1	26
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	8
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	26
Auditor		Kunihiro Horiuchi	April 24, 1943	April 1968 April 1992 April 1996 June 1997 April 1999 March 2000	Appointed as Public Prosecutor Public Prosecutor of Tokyo High Public Prosecutor's Office Public Prosecutor of the Supreme Public Prosecutor's Office Opened Horiuchi General Law Office (present post) Professor at the Law Department, Tokai University (present post) Auditor, CTI Engineering (present post)	3	-

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
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							316

- Notes: 1 From March 25, 2010 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2012.
- 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) Status of 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.

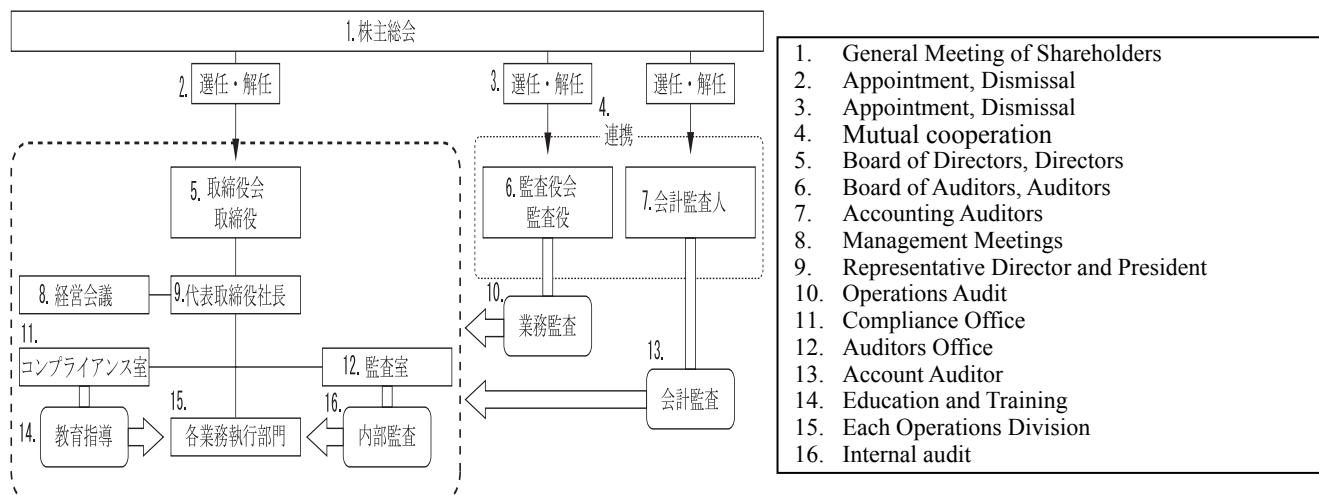
#### 2) Implementation of corporate governance measures

##### 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 3 Audit officers and 2 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 is comprised of 14 persons, including 7 CPAs.

### 5. Executives' compensation

Details	Amount (million)
Directors' compensation	333
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 80 million yen.

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

During the fiscal year ended December 2009, 13 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 twelve (12) 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. The Company also sets forth in its Articles of Incorporation that resolutions for the election of Directors shall not be by cumulative voting. 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.

(2) Auditing compensation, etc.

1) Compensation for auditing CPAs, etc.

Category	Previous consolidated fiscal year		Current consolidated fiscal year	
	Compensation for auditing services (million yen)	Compensation for non-auditing services (million yen)	Compensation for auditing services (million yen)	Compensation for non-auditing services (million yen)
The Company	–	–	37	0
Consolidated subsidiaries	–	–	–	–
Total	–	–	37	0

Note: The compensation for the previous consolidated fiscal year paid by the overall Company Group for the auditing services was 27 million yen, and the compensation for non-auditing services was 2 million yen.

2) Other important compensation

Not applicable.

3) Description of non-auditing services provided by auditing CPAs, etc. to the Company

Advisory service on the establishment, operation and evaluation of the internal control system

4) Policy for decisions regarding auditing compensation

Not applicable, but determined by the Company in consideration of the number of days for the audit.

## 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, 2008 to December 31, 2008) were prepared pursuant to pre-amended regulations concerning consolidated financial statements, while the financial statements for this consolidated fiscal year (from January 1, 2009 to December 31, 2009) 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 fiscal year (from January 1, 2008 to December 31, 2008) were prepared pursuant to pre-amended regulations concerning non-consolidated financial statements, while the financial statements for this fiscal year (from January 1, 2009 to December 31, 2009) 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, 2008 to December 31, 2008) and for this consolidated fiscal year (from January 1, 2009 to December 31, 2009) and the non-consolidated financial statements for the previous fiscal year (from January 1, 2008 to December 31, 2008) and for this fiscal year (from January 1, 2009 to December 31, 2009) were audited by Ernst & Young ShinNihon LLC.

[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

(Millions of yen)

	Previous Consolidated Fiscal Year (as of December 31, 2008)	Current Consolidated Fiscal Year (as of December 31, 2009)
<b>Assets</b>		
Current assets		
Cash and bank deposits	2,908	3,216
Notes receivable and other receivables	979	1,403
Marketable securities	4,508	2,501
Prepaid expenses for uncompleted services	10,659	10,702
Deferred tax assets	317	301
Other	681	525
Allowance for doubtful accounts	-30	-33
Total current assets	20,023	18,617
Fixed assets		
Tangible fixed assets		
Buildings and structures	4,299	4,313
Accumulated depreciation	-2,153	-2,266
Buildings and structures, net	2,145	2,046
Machinery and transportation equipment	270	260
Accumulated depreciation	-239	-234
Machinery and transportation equipment, net	31	26
Land	4,581	4,581
Lease assets	-	447
Accumulated depreciation	-	-149
Lease assets, net	-	298
Other	814	945
Accumulated depreciation	-616	-688
Other, net	197	256
Total tangible fixed assets	6,956	7,208
Intangible fixed assets		
Goodwill	62	36
Lease assets	-	16
Other	199	273
Total intangible fixed assets	261	326
Investments and other assets		
Investment in securities	*1 881	*1 1,355
Long-term loans receivable	3	1
Deferred tax assets	610	597
Prepaid pension cost	704	734
Other	*1 1,422	*1 1,139
Allowance for doubtful accounts	-1	-
Allowance for investment loss	-10	-10
Total investments and other assets	3,610	3,818
Total fixed assets	10,828	11,353
Total assets	30,852	29,970



(Millions of yen)

	Previous Consolidated Fiscal Year (as of December 31, 2008)	Current Consolidated Fiscal Year (as of December 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	903	1,223
Short-term borrowings	400	400
Lease obligations	-	150
Accrued income taxes	370	234
Advances received from uncompleted services	7,511	5,698
Reserve for bonuses	499	533
Reserve for bonuses to directors	49	47
Allowance for losses in operations	108	104
Other	1,340	1,385
Total current liabilities	11,184	9,777
Fixed liabilities		
Long-term accounts payable	310	275
Lease obligations	-	176
Reserve for retirement benefit	477	479
Other	67	65
Total fixed liabilities	855	996
Total liabilities	12,039	10,773
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	4,122	4,122
Profit surplus	11,595	11,998
Treasury stock	-9	-10
Total shareholders' equity	18,733	19,136
Valuation and translation differences		
Other valuation difference on available-for-sale securities	38	-4
Total valuation and translation adjustment	38	-4
Minority interest	41	64
Total net assets	18,812	19,196
Total liabilities and net assets	30,852	29,970

## (ii) Consolidated Profit and Loss Account

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
Sales	30,786	31,374
Cost of sales	23,187	23,828
Gross profit	7,599	7,545
Selling, general and administrative expenses	*1 *2 6,363	*1 *2 6,364
Operating income	1,236	1,181
Non-operating revenues		
Interest earned	48	31
Dividend earned	19	19
House rent earned	50	45
Insurance dividends earned	19	16
Other	31	24
Total non-operating revenues	170	137
Non-operating expenses		
Interest expense	4	3
Commission paid	5	21
Exchange rate losses	64	5
Other	1	7
Total non-operating expenses	76	36
Ordinary profit	1,330	1,281
Extraordinary gain		
Compensation for transfer	168	-
Gain on sales of investment in securities	37	-
Other	3	-
Total extraordinary gain	209	-
Extraordinary loss		
Loss from fixed assets disposal	*3 20	*3 6
Business establishment relocation expenses	49	24
Lease payments for prior periods	-	13
Unrealized loss on investment in securities	154	14
Other	1	1
Total extraordinary loss	226	58
Net income before income tax	1,313	1,223
Corporation tax, inhabitants taxes and enterprise tax	672	532
Deferred income taxes etc.	63	37
Total income taxes	735	570
Minority interest in profit of consolidated Companies	-22	23
Current net income	600	630

## (iii) Statement of Fluctuations in Consolidated Shareholders' Equity

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<b>Shareholders' equity</b>		
<b>Capital</b>		
Balance at the end of previous period	3,025	3,025
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	3,025	3,025
<b>Capital surplus</b>		
Balance at the end of previous period	4,122	4,122
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	4,122	4,122
<b>Profit surplus</b>		
Balance at the end of previous period	11,220	11,595
Changes of items during the period		
Dividend surplus	-226	-226
Net income	600	630
Total changes of items during the period	374	403
Balance at the end of current period	11,595	11,998
<b>Treasury stock</b>		
Balance at the end of previous period	-6	-9
Changes of items during the period		
Acquisition of treasury stock	-3	-0
Total changes of items during the period	-3	-0
Balance at the end of current period	-9	-10
<b>Total shareholders' equity</b>		
Balance at the end of previous period	18,362	18,733
Changes of items during the period		
Dividend surplus	-226	-226
Net income	600	630
Acquisition of treasury stock	-3	-0
Total changes of items during the period	370	403
Balance at the end of current period	18,733	19,136

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<b>Valuation and translation differences</b>		
Other valuation difference on available-for-sale securities		
Balance at the end of previous period	134	38
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-96	-42
Total changes of items during the period	-96	-42
Balance at the end of current period	38	-4
Total of valuation and translation differences		
Balance at the end of previous period	134	38
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-96	-42
Total changes of items during the period	-96	-42
Balance at the end of current period	38	-4
Minority interest		
Balance at the end of previous period	63	41
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-22	23
Total changes of items during the period	-22	23
Balance at the end of current period	41	64
Total net assets		
Balance at the end of previous period	18,561	18,812
Changes of items during the period		
Dividend surplus	-226	-226
Net income	600	630
Acquisition of treasury stock	-3	-0
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-118	-19
Total changes of items during the period	251	383
Balance at the end of current period	18,812	19,196

## (iv) Consolidated Cash Flow Statement

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<b>Cash flow from operating activities</b>		
Current net income before income tax	1,313	1,223
Depreciation and amortization	297	486
Goodwill amortization	25	25
Increase (decrease) in allowance for doubtful accounts	1	1
Increase (decrease) in reserve for retirement benefit	32	1
Decrease (increase) in prepaid pension cost	-189	-29
Increase (decrease) in reserve for bonuses	-50	33
Increase (decrease) in reserve for bonuses to directors	-1	-2
Increase (decrease) in allowance for losses in operations	9	-3
Increase (decrease) in long-term accounts payable	-	-35
Interest and dividend earned	-67	-50
Interest payable	4	3
Foreign exchange loss (gain)	23	-1
Unrealized loss (gain) on investment in securities	154	14
Compensation for transfer	-168	-
Loss (gain) from fixed assets disposal	20	6
Loss (gain) from sales of securities	-37	-0
Other extraordinary loss (gain)	1	-
Decrease (increase) in sales account	-77	-422
Decrease (increase) in prepaid expenses for uncompleted services	-509	-43
Decrease (increase) in other current assets	-58	111
Increase (decrease) in account payable	-243	320
Increase (decrease) in advances received from uncompleted services	443	-1,813
Increase (decrease) in other current liabilities	-66	39
Increase (decrease) in other fixed liabilities	17	-1
Subtotal	874	-135
Received interest and dividend	69	46
Interest payment	-4	-3
Proceeds from compensation for transfer	168	-
Payment of corporation income tax etc.	-650	-668
Cash flow provided by (used for) operating activities	457	-760

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<b>Cash flow from investment activities</b>		
Payments for acquisition of tangible fixed assets	-180	-180
Payments for acquisition of intangible fixed assets	-44	-135
Payments for acquisition of investment in securities	-68	-543
Proceeds from sales of investment in securities	94	4
Repayments for loans	-373	-340
Income from loan collection	381	389
Payments for underwrite securities of affiliate	-20	-
Proceeds from withdrawal of time deposits	-	300
Other payments	-156	-92
Other proceeds	157	61
Cash flow used for investment activities	-208	-536
<b>Cash flow from financial activities</b>		
Income from short-term borrowing	1,400	1,300
Payment of short-term borrowing	-1,450	-1,300
Acquisition of treasury stock	-3	-0
Repayments of lease obligations	-	-176
Dividend payment	-226	-226
Cash flow used for financial activity	-279	-402
Effect in fluctuation of exchange rate for cash and cash equivalents	-23	1
Increase (decrease) in cash and cash equivalents	-54	-1,699
Opening balance of cash and cash equivalents	7,471	7,417
Closing balance of cash and cash equivalents	*1 7,417	*1 5,717

Basic Important Matters for Preparation of Consolidated Financial Statement

Item	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
1. Consolidation range	<p>(1) Number of consolidated subsidiaries: 2 Name of the consolidated subsidiary: CTI Engineering 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 &amp; 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: 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: CTI Engineering 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 &amp; Environment Co., Ltd.</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., 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 &amp; 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>	<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 As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<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 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. 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 Other securities - With fair value As at present.</p> <p>- With no fair value As at present.</p> <p>2) Inventories As at present.</p> <p>1) Tangible fixed assets (excluding lease 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</p> <p>2) Intangible fixed assets (excluding lease assets) -- Straight-line method. As at present.</p> <p>3) Lease assets Straight-line method using the lease period as the service life and considering the residual value to be zero.</p>



Item	Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
(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 uncompleted 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, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
(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.	-----
(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.

#### Changes to Important Items in the Preparation of Consolidated Financial Statements

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
-----	<p>(Accounting Standards for Lease Transactions)</p> <p>For finance lease transactions of which ownership is not transferred to the lessee, the Company previously treated such transactions in the same manner as rental transactions. However, from this consolidated fiscal year, accompanying the application of the “Accounting Standards for Lease Transactions” (Accounting Standards Board of Japan (ASBJ) Statement No. 13, originally issued by the ASBJ on June 17, 1993 (by the First Subcommittee of the Corporate Accounting Deliberation Council), and the final revision issued on March 30, 2007) and the “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16, originally issued by the ASBJ on January 18, 1994 (by the Accounting System Committee of the Japan Association of Certified Public Accountants), and the final revision issued on March 30, 2007), the accounting treatment for such lease transactions has been changed from methods applicable to rental transactions to methods applicable to ordinary buying and selling transactions. The adoption of these accounting standards did not have any significant effect on profit or loss.</p>

Change in presentation of accounts

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
(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.	<hr/>

## Notes:

## (Notes on Consolidated Balance Sheet)

Previous Consolidated Fiscal Year (as of December 31, 2008)	Current Consolidated Fiscal Year (as of December 31, 2009)
*1 For non-consolidated companies Marketable securities                   254 million yen "Other" in investments and other assets 25 million yen 2 Warranty for liabilities Warranty for the Company's employees' liabilities of 97 million yen borrowed from banks and guaranty for lease agreements of Tokyochuo.net, a specified nonprofit corporation, in the amount of 11 million yen	*1 For non-consolidated companies Marketable securities                   254 million yen "Other" in investments and other assets 25 million yen 2 Warranty for liabilities Warranty for the Company's employees' liabilities of 99 million yen borrowed from banks and guaranty for lease agreements of Tokyochuo.net, a specified nonprofit corporation, in the amount of 8 million yen

## (Notes on Consolidated Profit and Loss Account)

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)																														
*1 Major items and amounts among selling, general and administrative expenses are as follows: Wages and allowances                   2,235 million yen Bonuses                                       339 Transferred reserve for bonuses           126 Reserve for bonuses to directors           49 Retirement benefit expenses           179 Research and investigation expenses       606 Allowance for doubtful accounts           4 *2 The research and investigation expenses included in selling, general and administrative expenses 606 million yen *3 Loss from fixed assets disposal can be broken down as follows:	*1 Major items and amounts among selling, general and administrative expenses are as follows: Wages and allowances                   2,254 million yen Bonuses                                       344 Transferred reserve for bonuses           130 Reserve for bonuses to directors           47 Retirement benefit expenses           177 Research and investigation expenses       619 Allowance for doubtful accounts           7 *2 The research and investigation expenses included in selling, general and administrative expenses 619 million yen *3 Loss from fixed assets disposal can be broken down as follows:																														
<table border="1"> <thead> <tr> <th></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 and structures in tangible fixed assets</td> <td style="text-align: center;">17</td> <td style="text-align: center;">17</td> </tr> <tr> <td>Tangible fixed assets etc.</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">20</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Total (million yen)	Buildings and structures in tangible fixed assets	17	17	Tangible fixed assets etc.	3	3	Total	20	20	<table border="1"> <thead> <tr> <th></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 and structures in tangible fixed assets</td> <td style="text-align: center;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Machinery and transportation equipment in tangible fixed assets</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Tangible fixed assets etc.</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Intangible fixed assets etc.</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">6</td> <td style="text-align: center;">6</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Total (million yen)	Buildings and structures in tangible fixed assets	3	3	Machinery and transportation equipment in tangible fixed assets	0	0	Tangible fixed assets etc.	1	1	Intangible fixed assets etc.	0	0	Total	6	6
	Loss from fixed assets write-off (million yen)	Total (million yen)																													
Buildings and structures in tangible fixed assets	17	17																													
Tangible fixed assets etc.	3	3																													
Total	20	20																													
	Loss from fixed assets write-off (million yen)	Total (million yen)																													
Buildings and structures in tangible fixed assets	3	3																													
Machinery and transportation equipment in tangible fixed assets	0	0																													
Tangible fixed assets etc.	1	1																													
Intangible fixed assets etc.	0	0																													
Total	6	6																													

(Statement of Fluctuations in Consolidated Shareholders' Equity)

Previous 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
Common stock	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
Common stock	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	Common stock	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	Common stock	Profit surplus	226	16	December 31, 2008	March 27, 2009

Current Consolidated Fiscal Year (From January 1, 2009 to December 31, 2009)

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
Common stock	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
Common stock	14,592	1,657	–	16,249

Note: The increase in the amount of treasury stock of 1,657 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 26, 2009	Common stock	226	16	December 31, 2008	March 27, 2009

(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 25, 2010	Common stock	Profit surplus	226	16	December 31, 2009	March 26, 2010

## (Notes on Consolidated Cash Flow Account)

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
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>	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, 2009)</p>
Cash and bank deposit account      2,908    million yen	Cash and bank deposit account      3,216    million yen
Marketable securities account      4,508	Marketable securities account      2,501
<u>Total</u> 7,417	<u>Total</u> 5,717

## (Notes on Lease Arrangements)

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)																				
Financial lease transactions other than those by which the ownership of the leased assets is to be transferred to leases	1. Financial lease transactions (Lessee side) Finance lease transactions of which ownership is not transferred to the lessee																				
1. Assumed acquisition cost, accumulated depreciation and closing balance of the leased assets	(1) Lease assets																				
	1) Tangible fixed assets																				
	Mainly office appliances (other)																				
	2) Intangible fixed assets																				
	Software (other)																				
	(2) Depreciation method for lease assets																				
	The method is outlined in “(2) Depreciation and amortization method of important depreciable assets of 4. Accounting standard” in Basic Important Matters for Preparation of Consolidated Financial Statement.																				
<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	
	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																		
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                        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.																					
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.																					

## (Notes on Marketable Securities)

## 1. Held-to-maturity bonds and notes with fair value

Classification	Type	Previous Consolidated Fiscal Year (as of December 31, 2008)			Current Consolidated Fiscal Year (as of December 31, 2009)		
		Consolidated Balance Sheet Recorded Amount (million yen)	Fair value (million yen)	Amount Difference (million yen)	Consolidated Balance Sheet Recorded Amount (million yen)	Fair value (million yen)	Amount Difference (million yen)
Those whose fair value exceeded the amount recorded on the consolidated balance sheet	(1) Government bonds	-	-	-	-	-	-
	(2) Corporate bonds	-	-	-	500	522	22
	(3) Other	-	-	-	-	-	-
	Subtotal	-	-	-	500	522	22
Those whose fair value did not exceed the amount recorded on the consolidated balance sheet	(1) Government bonds	-	-	-	-	-	-
	(2) Corporate bonds	-	-	-	-	-	-
	(3) Other	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-
Total		-	-	-	500	522	22

## 2. Other securities with fair value

Classification	Type	Previous Consolidated Fiscal Year (as of December 31, 2008)			Current Consolidated Fiscal Year (as of December 31, 2009)		
		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	221	284	62	245	304	58
	(2) Bonds and Notes	-	-	-	-	-	-
	(3) Other	-	-	-	-	-	-
	Subtotal	221	284	62	245	304	58
Those whose acquisition cost did not exceed the amount recorded on the consolidated balance sheet	(1) Shares	319	300	-19	325	258	-66
	(2) Bonds and Notes	-	-	-	-	-	-
	(3) Other	-	-	-	-	-	-
	Subtotal	319	300	-19	325	258	-66
Total		541	585	43	570	562	-7



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

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)			Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)		
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)
94	37	–	4	0	–

4. Details of major securities with no fair value

Types	Previous Consolidated Fiscal Year (as of December 31, 2008)	Current Consolidated Fiscal Year (as of December 31, 2009)
	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	38
(ii) Free Financial Fund	3,506	2,001
(iii) Other	1,002	500

5. 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.

Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 5 years but within 10 years (million yen)	Over 10 years (million yen)
1. Bonds and Notes				
(1) Government bonds	–	–	–	–
(2) Corporate bonds	–	–	500	–
(3) Other	–	–	–	–
2. Other	–	–	–	–
Total	–	–	500	–

Note: There is no applicable information for the previous consolidated fiscal year (from January 1, 2008 to December 31, 2008), because the Company had no such securities.

(Notes on Derivatives Transactions)

In the previous (January 1, 2008 to December 31, 2008) and current (January 1, 2009 to December 31, 2009) 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 addition, the Company's defined-benefit corporate pension system was changed to a defined benefit corporate pension system on January 1, 2009.

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 has a retirement benefit trust.

## 2. Retirement Benefit Obligations and Related Accounting Items

	Previous Consolidated Fiscal Year (as of December 31, 2008) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2009) (million yen)
(1) Retirement Benefit Obligations	-8,184	-8,544
(2) Pension Assets	6,128	6,815
(3) Retirement Benefit Trust	922	1,177
(4) Outstanding Accumulated Retirement Benefit Obligations: (1) + (2) + (3)	-1,134	-551
(5) Previously unrecognized accounting disparities.	1,361	806
(6) Consolidated Balance Sheet Recorded Net Amount: (4) + (5)	226	254
(7) Prepaid Pension Cost	704	734
(8) Retirement Benefit Reserves: (6) - (7)	-477	-479

Note: 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, 2008 to December 31, 2008) (million yen)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009) (million yen)
Retirement Benefit Costs	714	829
(1) Labor costs	595	548
(2) Interest costs	158	161
(3) Expected operating profit (Subtracted)	157	140
(5) Cost disposal Amount arising from accounting disparity	111	258
(6) Temporarily paid retirement amount	6	2

Note: 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, 2008) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2009) (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. Items Related to Employees' Pension Fund

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)			Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)		
1 Accumulation in the overall system (as of March 31, 2008)			1 Accumulation in the overall system (as of March 31, 2009)		
	Japan Civil Engineering Consultants Pension Fund (million yen)	All Japan Surveying Enterprises Multi Employers Pension Fund (million yen)		Japan Civil Engineering Consultants Pension Fund (million yen)	All Japan Surveying Enterprises Multi Employers Pension Fund (million yen)
Pension assets	141,971	155,926	Pension assets	119,463	121,563
Obligations to pay retirement benefits based on calculation of pension finance	179,858	169,304	Obligations to pay retirement benefits based on calculation of pension finance	183,702	172,518
Balance	-37,887	-13,378	Balance	-64,238	-50,955
2 Percentage of total salaries of the Group to the overall system (as of March 31, 2008)			2 Percentage of total salaries of the Group to the overall system (as of March 31, 2009)		
Japan Civil Engineering Consultants Pension Fund		6.33%	Japan Civil Engineering Consultants Pension Fund		6.80%
All Japan Surveying Enterprises Multi Employers Pension Fund		0.32%	All Japan Surveying Enterprises Multi Employers Pension Fund		0.36%
3 Supplementary explanation			3 Supplementary explanation		
1) Japan Civil Engineering Consultants Pension Fund 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. Additionally, the percentage described in 2 above was not identical to the Group's actual percentage.			1) Japan Civil Engineering Consultants Pension Fund 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 31,009 million yen, surplus, and shortage of 33,228 million yen. The pre-existing employment obligations under this system are amortized by the annuity repayment method over 20 years. Additionally, the percentage described in 2 above was not identical to the Group's actual percentage.		

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
<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>	<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 9,697 million yen, surplus, and shortage of 41,258 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>

(Stock Options)

No applicable items.

## (Tax Effect Accounting)

Item	Previous Consolidated Fiscal Year (as of December 31, 2008)	Current Consolidated Fiscal Year (as of December 31, 2009)		
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	34 million yen	Accrued enterprise tax	24 million yen
	Allowance for losses in operations	44	Allowance for losses in operations	57
	Bonuses and social insurance	26	Bonuses and social insurance	240
	Reserve for bonuses	203	Reserve for bonuses	31
	Other	24	Other	25
	Subtotal	333	Subtotal	379
	Allowance account	-16	Allowance account	-77
	Total	317	Total	301
	Deferred tax assets (fixed assets)		Deferred tax assets (fixed assets)	
	Reserve for retirement allowances	521 million yen	Reserve for retirement allowances	522 million yen
	Loss brought forward	48	Loss brought forward	0
	Long-term accounts payable	126	Long-term accounts payable	137
	Loss on valuation of available-for-sell securities	111	Loss on valuation of available-for-sell securities	107
	Other	16	Unrealized gains or losses on other securities	3
	Subtotal	824	Other	14
	Allowance account	-208	Subtotal	784
Total	616	Allowance account	-186	
		Total	597	
	Deferred tax liabilities (fixed liabilities)			
	Unrealized gains or losses on other securities	5 million yen		
	Subtotal	5		
	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.	0.92	No entry of loss from entertainment expense etc.	0.87
	Per capita inhabitant tax	5.74	Per capita inhabitant tax	6.41
	Non-inclusion of gains, including dividends received	-0.36	Non-inclusion of gains, including dividends received	-0.38
	No entry of loss from bonuses to directors	1.58	No entry of loss from bonuses to directors	1.64
	Allowance account	8.53	Allowance account	0.54
	Other	-1.09	Loss brought forward	-3.77
	Bearing rate of corporation tax or the like after application of tax effect accounting	56.01	Other	0.59
			Bearing rate of corporation tax or the like after application of tax effect accounting	46.59

(Segment Information)

The previous consolidated fiscal year (from January 1, 2008 to December 31, 2008) and the current consolidated fiscal year (from January 1, 2009 to December 31, 2009).

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, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
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(Business Combination)

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

No applicable items.

Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)

No applicable items.

## (Information per Share)

Previous Consolidated Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
Net assets per share 1,327.14 yen	Net assets per share 1,352.78 yen
Current net income per share 42.45 yen	Current net income per share 44.56 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, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
Current term net income in the consolidated income statement (million yen)	600	630
Current term net income related to common shares (million yen)	600	630
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)	14,148,337	14,143,938
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, 2008 to December 31, 2008)	Current Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)
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(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	400	400	1.24	–
Long-term borrowings to be repaid within 1 year	–	–	–	–
Lease obligations to be repaid within 1 year	–	150	–	–
Long-term borrowings except those to be repaid within 1 year	–	–	–	–
Lease obligations except those to be repaid within 1 year	–	176	–	2011 to 2014
Other Interest-bearing Liabilities	–	–	–	–
Total	400	726	–	–

Notes: 1. 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. Because lease obligations are reported in the consolidated balance sheet in the amount before deducting assumed interest payments included in total lease payments, the average interest ratio of the lease obligations is not set forth.

3. The amount scheduled to be repaid for lease obligations (except those to be repaid within one year) within five years after the consolidated closing date is as follows.

Category	Over 1 year but within 2 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)	Over 4 years but within 5 years (million yen)
Lease obligations	98	51	20	4

(2) Other

Quarterly financial information for the current consolidated fiscal year

Category	First quarter from January 1, 2009 to March 31, 2009	Second quarter from April 1, 2009 to June 30, 2009	Third quarter from July 1, 2009 to September 30, 2009	Fourth quarter from October 1, 2009 to December 31, 2009
Sales (million yen)	6,584	11,158	6,685	6,945
Net income before income tax (million yen)	125	742	182	172
Net income (million yen)	61	389	100	79
Net income per share (yen)	4.34	27.53	7.08	5.60



## 2. Non-Consolidated Financial Statements and Other Materials

### (1) Non-Consolidated Financial Statements

#### (i) Non-Consolidated Balance Sheet

(Millions of yen)

	Previous Fiscal Year (as of December 31, 2008)	Current Fiscal Year (as of December 31, 2009)
<b>Assets</b>		
Current assets		
Cash and bank deposits	2,508	2,620
Notes receivable	4	-
Completed work receivables	727	1,159
Marketable securities	4,508	2,501
Prepaid expenses for uncompleted services	8,999	8,760
Advance payment	172	103
Deferred tax assets	312	289
Short-term loans	*1 454	*1 410
Other	96	79
Allowance for doubtful account	-30	-33
<b>Total current assets</b>	<b>17,755</b>	<b>15,890</b>
Fixed assets		
Tangible fixed assets		
Buildings	3,560	3,574
Accumulated depreciation	-1,673	-1,767
Buildings, net	1,887	1,806
Structures	714	714
Accumulated depreciation	-472	-489
Structures, net	242	225
Machinery and equipment	235	235
Accumulated depreciation	-207	-211
Machinery and equipment, net	27	24
Vehicle and transportation equipment	16	16
Accumulated depreciation	-15	-15
Vehicle and transportation equipment, net	0	0
Furniture and fixtures	793	924
Accumulated depreciation	-602	-672
Furniture and fixtures, net	191	251
Land	4,581	4,581
Lease assets	-	400
Accumulated depreciation	-	-135
Lease assets, net	-	264
<b>Total tangible fixed assets</b>	<b>6,931</b>	<b>7,155</b>
Intangible fixed assets		
Leasehold	16	16
Software	148	219
Lease assets	-	5
Telephone rights	22	22
Right of using special facilities	1	0
Other	0	0
<b>Total intangible fixed assets</b>	<b>189</b>	<b>265</b>
Investments and other assets		
Investment in securities	625	1,099
Shares of affiliated companies	425	425
Investments in capital of subsidiaries and affiliates	25	25
Investments	3	3
Long-term time deposits	600	300
Long-term loans receivable	3	1
Long-term prepaid cost	19	21
Deferred tax assets	584	576
Lease and guarantee deposit	638	656
Membership	51	51
Prepaid pension cost	704	734
Other	0	0
Allowance for investment loss	-10	-10
<b>Total investments and other assets</b>	<b>3,671</b>	<b>3,885</b>
<b>Total fixed assets</b>	<b>10,792</b>	<b>11,305</b>
<b>Total assets</b>	<b>28,547</b>	<b>27,195</b>

(Millions of yen)

	Previous Fiscal Year (as of December 31, 2008)	Current Fiscal Year (as of December 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for services	*1 904	*1 1,178
Lease obligations	-	133
Accounts payable	196	192
Accrued income taxes	336	206
Accrued consumption taxes	197	160
Accrued expenses	524	551
Advances received from uncompleted services	6,106	4,147
Deposits received	288	292
Revenue received in advance	7	7
Reserve for bonuses	491	478
Reserve for bonuses to directors	49	43
Allowance for losses in operations	97	77
Other	5	0
Total current liabilities	9,205	7,468
Fixed liabilities		
Long-term accounts payable	266	231
Lease obligations	-	147
Reserve for retirement benefits	367	401
Other	67	65
Total fixed liabilities	701	846
Total liabilities	9,907	8,315
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus		
Capital reserve	4,122	4,122
Total capital surplus	4,122	4,122
Profit surplus		
Profit reserve	176	176
Other profit surplus		
General reserve	8,700	8,700
Profit surplus brought forward	2,586	2,870
Total profit surplus	11,462	11,747
Treasury stock	-9	-10
Total shareholders' equity	18,601	18,884
Valuation and translation differences		
Other valuation difference on available-for-sale securities	38	-4
Total valuation and translation adjustment	38	-4
Total net assets	18,639	18,880
Total liabilities and net assets	28,547	27,195

## (ii) Non-Consolidated Profit and Loss Account

(Millions of yen)

	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
Sales	27,833	28,050
Cost of sales	20,788	21,167
Gross profit	7,044	6,882
Selling, general and administrative expenses		
Directors' remuneration	353	327
Salaries and allowances	2,086	2,093
Bonuses	325	327
Provision of reserve for bonuses	125	121
Provision of reserve for bonuses to directors	49	43
Retirement benefit expenses	174	173
Legal welfare expenses	494	496
Traveling expenses	314	267
Tax and public imposts	133	137
Depreciation	66	129
Rent expenses	368	335
Research and investigation expenses	*1 607	*1 619
Provision of allowance for doubtful account	4	7
Other	853	834
Total selling, general and administrative expenses	5,956	5,913
Operating income	1,088	969
Non-operating revenues		
Interest earned	*2 14	*2 16
Dividend earned	*2 19	*2 19
Interest from securities	30	14
Rent earned	*2 50	*2 45
Insurance dividends earned	18	12
Other	30	22
Total non-operating revenues	164	131
Non-operating expenses		
Commissions paid	5	21
Exchange rate losses	10	-
Other	0	0
Total non-operating expenses	17	21
Ordinary profit	1,235	1,079
Extraordinary gain		
Compensation for transfer	168	-
Gain on sales of investment in securities	37	-
Other	3	-
Total extraordinary gain	209	-
Extraordinary loss		
Loss from fixed assets disposal	*3 18	*3 5
Office moving cost	37	24
Lease payments for prior periods	-	12
Unrealized loss on investment in securities	154	14
Other	1	0
Total extraordinary loss	211	56
Net income before income tax	1,232	1,023
Corporation tax, inhabitants tax and enterprise tax	610	473
Deferred income taxes etc.	47	39
Total income taxes	657	512
Current net income	574	510

Cost Specifications for Completed Services

Category	Note No.	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)		Current Fiscal Year (from January 1, 2009 to December 31, 2009)		Ratio (%)
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	
I Labor cost						
1. Salaries		6,469		6,572		
2. Bonuses		972		992		
3. Provision of reserve for bonuses		347		347		
4. Retirement benefit expense		490		612		
5. Other		1,323	9,603	1,325	9,850	47.1
II Amount paid to subcontractors			7,807		7,703	36.8
III Expenses						
1. Traveling expenses		960		969		
2. Printing and copying expenses		563		474		
3. Expendables cost		291		189		
4. Rents		939		823		
5. Depreciation		121		253		
6. Provision of allowance for losses in operations		1		-20		
7. Other		706	3,584	685	3,374	16.1
Current general business expenses			20,995		20,928	100.0
Opening prepaid expenses for uncompleted services			8,793		8,999	
Total			29,788		29,927	
Closing prepaid expenses for uncompleted services			8,999		8,760	
Current cost of completed services			20,788		21,167	

(Footnote)

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
Cost accounting is according to the job order costing method.	Same as the previous year.

## (iii) Statement of Fluctuations in Shareholders' Equity

(Millions of yen)

	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
<b>Shareholders' equity</b>		
Capital		
Balance at the end of previous period	3,025	3,025
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	3,025	3,025
Capital surplus		
Capital reserve		
Balance at the end of previous period	4,122	4,122
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	4,122	4,122
Total capital surplus		
Balance at the end of previous period	4,122	4,122
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	4,122	4,122
Profit surplus		
Profit reserve		
Balance at the end of previous period	176	176
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	176	176
Other profit surplus		
Special reserve		
Balance at the end of previous period	8,700	8,700
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	8,700	8,700
Profit surplus carried forward		
Balance at the end of previous period	2,237	2,586
Changes of items during the period		
Dividend surplus	-226	-226
Net income	574	510
Total changes of items during the period	348	284
Balance at the end of current period	2,586	2,870
Total profit surplus		
Balance at the end of previous period	11,114	11,462
Changes of items during the period		
Dividend surplus	-226	-226
Net income	574	510
Total changes of items during the period	348	284
Balance at the end of current period	11,462	11,747

(Millions of yen)

	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
Treasury stock		
Balance at the end of previous period	-6	-9
Changes of items during the period		
Acquisition of treasury stock	-3	-0
Total changes of items during the period	-3	-0
Balance at the end of current period	-9	-10
Total shareholders' equity		
Balance at the end of previous period	18,256	18,601
Changes of items during the period		
Dividend surplus	-226	-226
Net income	574	510
Acquisition of treasury stock	-3	-0
Total changes of items during the period	344	283
Balance at the end of current period	18,601	18,884
Valuation and translation differences		
Other valuation differences on available-for-sale securities		
Balance at the end of previous period	134	38
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-96	-42
Total changes of items during the period	-96	-42
Balance at the end of current period	38	-4
Total of valuation and translation differences		
Balance at the end of previous period	134	38
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-96	-42
Total changes of items during the period	-96	-42
Balance at the end of current period	38	-4
Total net assets		
Balance at the end of previous period	18,391	18,639
Changes of items during the period		
Dividend surplus	-226	-226
Net income	574	510
Acquisition of treasury stock	-3	-0
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-96	-42
Total changes of items during the period	248	240
Balance at the end of current period	18,639	18,880

## Important Accounting Policy

Item	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
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	Prepaid expenses for uncompleted services Cost method by job cost system	Prepaid expenses 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 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 -- 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 (excluding lease 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</p> <p>(2) Intangible fixed assets (excluding lease assets) -- Straight-line method As at present.</p>

Item	Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
4. Accounting for allowances and reserves	<p style="text-align: center;">-----</p> <p>(1) Allowance for doubtful accounts In respect of ordinary credit, for the loan loss ratio as regards credit designated as being in danger of becoming irrecoverable, the possibility of each item being recovered is considered and the amount deemed irrecoverable is recorded to prepare for possible loss caused by bad debts.</p> <p>(2) Allowance for investment loss Calculated according to the amount deemed necessary to allow for possible future losses on shares of affiliates held, taking into account net asset value.</p> <p>(3) Reserve for bonuses To prepare for bonus payment to employees, the Company enters the reserve for bonuses according to the estimated payment amount standard.</p> <p>(4) Reserve for bonus to directors Calculated on forecast payment amount to prepare for bonus payments to Directors.</p> <p>(5) Allowance for losses in operations Calculated according to the forecasted losses due to uncompleted 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>(3) Lease assets Straight-line method using the lease period as the service life and considering the residual value to be zero.</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.	-----
6. Accounting for consumption taxes	Tax exclusion method is adopted.	As at present.



## Changes to Accounting Method

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
-----	<p>(Accounting Standards for Lease Transactions)</p> <p>For finance lease transactions of which ownership is not transferred to the lessee, the Company previously treated such transactions in the same manner as rental transactions. However, from this fiscal year, accompanying the application of the "Accounting Standards for Lease Transactions" (Accounting Standards Board of Japan (ASBJ) Statement No. 13, originally issued by the ASBJ on June 17, 1993 (by the First Subcommittee of the Corporate Accounting Deliberation Council), and the final revision issued on March 30, 2007) and the "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16, originally issued by the ASBJ on January 18, 1994 (by the Accounting System Committee of the Japan Association of Certified Public Accountants), and the final revision issued on March 30, 2007), the accounting treatment for such lease transactions has been changed from methods applicable to rental transactions to methods applicable to ordinary buying and selling transactions. The adoption of these accounting standards did not have any significant effect on profit or loss.</p>

## Change in presentation of accounts

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
<p>(Non-Consolidated Profit and Loss Statement)</p> <p>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.</p>	-----

## Notes

### (Note on Balance Sheet)

Previous Fiscal Year (as of December 31, 2008)	Current Fiscal Year (as of December 31, 2009)								
<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Shot-term loan receivable</td> <td style="text-align: right;">454 million yen</td> </tr> <tr> <td style="padding-left: 20px;">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 CTI Engineering International Co., Ltd. (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	<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Shot-term loan receivable</td> <td style="text-align: right;">410 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Account payable-trade</td> <td style="text-align: right;">358 million yen</td> </tr> </table> <p>2 Guarantee of debts</p> <p>The Company guarantees bank loans to its employees (93 million yen), banks loans to the employees of CTI Engineering International Co., Ltd. (5 million yen), and lease agreements of Tokyochuo.net, a specified nonprofit corporation (8 million yen).</p>	Shot-term loan receivable	410 million yen	Account payable-trade	358 million yen
Shot-term loan receivable	454 million yen								
Account payable-trade	305 million yen								
Shot-term loan receivable	410 million yen								
Account payable-trade	358 million yen								

(Note on Profit and Loss Statement)

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)																														
<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.                      Received interest 8 million yen                      Received dividends 4                      Received rent income 47</p> <p>* 3 Loss from fixed assets disposal can be broken down as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></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>Total</td> <td style="text-align: center;">18</td> <td style="text-align: center;">18</td> </tr> </tbody> </table>		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>* 1 The research and investigation expenses included in selling, general and administrative expenses 619 million yen</p> <p>* 2 Within non-operating profits, the total amount of profit from affiliated companies was 54 million yen, mainly comprised of the following major items.                      Received interest 8 million yen                      Received dividends 3                      Received rent income 41</p> <p>* 3 Loss from fixed assets disposal can be broken down as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></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;">3</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Software</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">5</td> <td style="text-align: center;">5</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Total (million yen)	Buildings	3	3	Furniture and fixtures	1	1	Software	0	0	Total	5	5
	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																													
	Loss from fixed assets write-off (million yen)	Total (million yen)																													
Buildings	3	3																													
Furniture and fixtures	1	1																													
Software	0	0																													
Total	5	5																													

(Notes on Statement of Fluctuations in Shareholders' Equity)

Previous 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
Common stock	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.

Current Fiscal Year (From January 1, 2009 to December 31, 2009)

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
Common stock	14,592	1,657	—	16,249

Note: The increase in the amount of treasury stock of 1,657 shares was due to acquisition of shares constituting less than one transaction unit.

## (Notes on lease arrangements)

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)				Current Fiscal Year (from January 1, 2009 to December 31, 2009)	
Finance lease transactions other than those by which the ownership of the leased assets is to be transferred to lessees				1. Financial lease transactions (Lessee side)	
1. Assumed data as to acquisition cost, accumulated depreciation and closing balance				Finance lease transactions of which ownership is not transferred to the lessee	
				(1) Lease assets	
				1) Tangible fixed assets	
				Mainly office appliances (furniture and fixtures)	
				2) Intangible fixed assets	
				Software	
				(2) Depreciation method for lease assets	
				The method is outlined in “3. Depreciation of fixed assets” in Important Accounting Policy.	
	Acquisition cost (million yen)	Accumulated depreciation (million yen)	Closing balance (million yen)		
Buildings	9	8	1		
Furniture and fixtures	233	99	133		
Software	14	8	5		
Total	257	116	141		
2. Unexpired lease payment at the end of term					
Within one year				58 million yen	
Over one year				85	
Total				143	
3. Lease payments, assumed depreciation, and assumed interest payments					
Lease payments				66 million yen	
Assumed depreciation				62	
Assumed interest payments				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.					
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.					

## (Notes on securities)

Previous Fiscal Year (as of December 31, 2008)	Current Fiscal Year (as of December 31, 2009)
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, 2008)	Current Fiscal Year (as of December 31, 2009)
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 31 million yen	Accrued enterprise tax 22 million yen
	Allowance for losses in operations 39	Allowance for losses in operations 31
	Reserve for bonuses 26	Reserve for bonuses 195
	Social insurance premiums for bonuses 199	Social insurance premiums for bonuses 24
	Other 24	Other 23
	Subtotal 321	Subtotal 297
	Allowance account -8	Allowance account -7
	Total 312	Total 289
	Deferred tax assets (fixed assets)	Deferred tax assets (fixed assets)
	Reserve for retirement allowances 476 million yen	Reserve for retirement allowances 475 million yen
	Long-term accounts payable 108	Long-term accounts payable 94
	Unrealized loss of securities 111	Unrealized loss of securities 107
	Other 15	Unrealized gains or losses on other securities 3
Subtotal 711	Other 13	
Allowance account -122	Subtotal 694	
Total 589	Allowance account -117	
Deferred tax liabilities (fixed liabilities)	Total 576	
Unrealized gains or losses on other securities 5 million yen		
Subtotal 5		
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. 0.97	No entry of loss from entertainment expense etc. 1.01
	Per capita inhabitant tax 5.75	Per capita inhabitant tax 7.14
	No entry of profit from dividend earned etc. -0.38	No entry of profit from dividend earned etc. -0.45
	No entry of loss from bonuses to directors 1.68	No entry of loss from bonuses to directors 1.96
	Allowance account 5.15	Allowance account -0.58
	Other -0.48	Other 0.36
	Bearing rate of corporation tax or the like after application of tax effect accounting 53.38	Bearing rate of corporation tax or the like after application of tax effect accounting 50.13

(Information per Share)

Previous Fiscal Year (from January 1, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
Net assets per share 1,317.81 yen	Net assets per share 1,334.97 yen
Current net income per share 40.61 yen	Current net income per share 36.08 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, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
Current term net income in the income statement (million yen)	574	510
Current term net income related to common shares (million yen)	574	510
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)	14,148,337	14,143,938
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, 2008 to December 31, 2008)	Current Fiscal Year (from January 1, 2009 to December 31, 2009)
-----	-----

## (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	81
		Mitsubishi UFJ Financial Group, Inc.	145,000	65
		RAITO KOGYO CO., LTD.	265,100	52
		NIPPON JOGESUIDO SEKKEI CO., LTD.	500	48
		T&D Holdings, Inc.	19,200	36
		Maezawa Kasei Industries Co., Ltd.	36,000	33
		Ube Material Industries, Ltd.	136,000	29
		WESCO Inc.	200,072	28
		CHODAI CO., LTD.	105,000	27
		KOKUSAI KOGYO HOLDINGS CO., LTD.	111,000	25
		Other (19 issues)	495,983	169
		Total	1,612,421	599

## Bonds and Notes

		Issuer name	Aggregate nominal amount (million yen)	Book value on balance sheet (million yen)
Investment securities	Held-to-maturity bonds and notes	BTMU(Curacao)Holdings N.V. Series850	500	500
		Total	500	500

## 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)	1,500,936,383	1,500
		JPMorgan Asset Management (Japan) Limited (JPMorgan JPY Cash Liquidity Fund)	500,464,694	500
		Daiwa Securities Investment Trust Consignment Co., Ltd. (Free Financial Fund)	500,343,751	500
		Total	2,501,744,828	2,501

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	3,560	23	10	3,574	1,767	100	1,806
Structures	714	–	–	714	489	16	225
Machinery and equipment	235	0	–	235	211	4	24
Vehicle and delivery equipment	16	–	–	16	15	0	0
Furniture and fixtures	793	155	24	924	672	93	251
Land	4,581	–	–	4,581	–	–	4,581
Lease assets	–	429	28	400	135	164	264
Total tangible fixed assets	9,902	608	63	10,447	3,292	379	7,155
Intangible fixed assets							
Leasehold	16	–	–	16	–	–	16
Software	316	137	0	453	233	66	219
Lease assets	–	10	3	7	2	5	5
Telephone right	22	–	–	22	–	–	22
Right of using special facilities	4	–	–	4	3	0	0
Other	1	–	–	1	1	0	0
Total intangible fixed assets	361	147	3	505	240	72	265
Long-term prepaid expenses	36	15	12	39	17	5	21
Deferred assets							
–	–	–	–	–	–	–	–
Total deferred assets	–	–	–	–	–	–	–

Note: An increase during the year in lease assets (tangible fixed assets) includes the balance of unexpired lease payments of 330 million yen as of the end of the previous fiscal year, a figure reported as a result of application of the Accounting Standard for Lease Transactions from the current fiscal year.

### 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	30	7	-	3	33
Allowance for investment loss	10	-	-	-	10
Reserve for bonuses	491	478	491	-	478
Reserve for bonuses to directors	49	43	49	-	43
Allowance for losses in operations	97	77	97	-	77

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	3
Type of bank deposits	
Checking deposit	2,323
Ordinary deposit	282
Special deposit	10
Subtotal	2,616
Total	2,620

(ii) Accounts receivable from completed services

(a) Breakdown by client

Client	Amount (million yen)
Japanese Government	466
Hyogo Prefecture	214
Sendai City, Miyagi Prefecture	22
West Nippon Expressway Company Limited	21
SHIMIZU CORPORATION	21
Gunma Prefecture	20
Japan Water Forum	20
kunhwa Co., Ltd.	20
Central Nippon Expressway Company Limited	18
Shiga Prefecture	17
Other	315
Total	1,159

(b) Generation, collection and remaining of accounts receivable

Balance brought forward (million yen) (A)	Generation in current term (million yen) (B)	Collected amount in current term (million yen) (C)	Balance carried forward (million yen) (D)	Collection ratio (%)	Days of remaining (days) (A)+(D)
				$\frac{(C)}{(A)+(B)} \times 100$	$\frac{2}{(B)}$ 365
727	3,948	3,515	1,159	75.2	87.2

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 from uncompleted services.

(iii) Prepaid expenses for uncompleted services

Category	Amount (million yen)
Labor cost	4,594
Subcontractor cost	2,468
Expense	1,697
Total	8,761

2) Liabilities

(i) Accounts payable—Trade

Service provider	Amount (million yen)
CTI Wing Co., Ltd	133
CTI Grand Planning Co., Ltd.	102
CTI AURA Co., Ltd.	46
Shin Doboku Kaihatsu Co., Ltd.	42
TCI Co., Ltd.	36
NAGOYA ELECTRIC WORKS CO.,LTD.	24
Manpower Japan Co., Ltd.	19
CTI Engineering International Co., Ltd.	19
Waken Architect Office	14
SAKAGAWA CORPORATION	10
Other	728
Total	1,178

(ii) Advances received from uncompleted services

Client	Amount (million yen)
Japanese Government	1,371
Kanagawa Prefecture	248
Central Nippon Expressway Company Limited	135
Hyogo Prefecture	131
Shizuoka Prefecture	120
Nagasaki Prefecture	116
Yamanashi Prefecture	111
Fukui Prefecture	105
Shiga Prefecture	90
Aomori Prefecture	84
Other	1,632
Total	4,147

(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
Record date of dividends from surplus	June 30, December 31
Unit of shares	100 shares
Purchase of shares below one unit of shares	
Place of purchase	(Special Account) Stock Transfer Agency Division Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	(Special Account) Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Service office	–
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: <a href="http://www.ctie.co.jp/">http://www.ctie.co.jp/</a>
Privilege to shareholders	None

## CHAPTER 7: REFERENCE MATERIAL

### 1. Parent Company Information

The Company has no parent company.

### 2. Other References

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

#### (1) Securities Report and accompanying documents

Fiscal year (46th fiscal year) (from January 1, 2008 to December 31, 2008)

Submitted to the director of the Kanto Local Finance Bureau on March 27, 2009.

#### (2) Quarterly Report and confirmation note

(First quarter of 47th fiscal year) (from January 1, 2009 to March 31, 2009)

Submitted to the director of the Kanto Local Finance Bureau on May 14, 2009.

(Second quarter of 47th fiscal year) (from April 1, 2009 to June 30, 2009)

Submitted to the director of the Kanto Local Finance Bureau on August 13, 2009.

(Third quarter of 47th fiscal year) (from July 1, 2009 to September 30, 2009)

Submitted to the director of the Kanto Local Finance Bureau on November 13, 2009.

## Part 2: SURETY COMPANY INFORMATION

Not applicable.