

SECURITIES REPORT

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

Fiscal Year (48th Term)

(from January 1, 2010 to December 31, 2010)

CTI Engineering Co., Ltd.

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

(941-172)

48th Term (from January 1, 2010 to December 31, 2010)

SECURITIES REPORT

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

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

CTI Engineering Co., Ltd.

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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 25, 2011
Fiscal Year	48th term (from January 1, 2010 to December 31, 2010)
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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		44th term	45th term	46th term	47th term	48th term
Fiscal year-end		December 2006	December 2007	December 2008	December 2009	December 2010
Sales amount	(million yen)	28,977	30,613	30,786	31,374	30,939
Ordinary profit	(million yen)	1,366	1,614	1,330	1,281	1,279
Net income	(million yen)	698	756	600	630	634
Net assets	(million yen)	18,164	18,561	18,812	19,196	19,658
Total assets	(million yen)	30,015	30,486	30,852	29,970	32,243
Net assets per share	(yen)	1,277.83	1,307.23	1,327.14	1,352.78	1,383.80
Net income per share	(yen)	49.35	53.49	42.45	44.56	44.84
Net income per share after adjustment of potential shares	(yen)	–	–	–	–	–
Net worth ratio	(%)	60.2	60.7	60.8	63.8	60.7
Profit ratio of net worth	(%)	3.9	4.1	3.2	3.3	3.3
Price earnings ratio	(times)	15.60	14.02	16.42	10.39	10.12
Cash flow from operating business activities	(million yen)	-601	258	457	-760	3,025
Cash flow from investment activities	(million yen)	-398	-281	-208	-536	-1,483
Cash flow from financial activities	(million yen)	-328	-78	-279	-402	-696
Closing balance of cash and cash equivalents	(million yen)	7,576	7,471	7,417	5,717	6,559
Number of employees (plus average number of temporary employees)	(persons)	1,239 (409)	1,332 (413)	1,415 (491)	1,423 (509)	1,452 (535)

Notes:

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		44th term	45th term	46th term	47th term	48th term
Fiscal year-end		December 2006	December 2007	December 2008	December 2009	December 2010
Sales amount	(million yen)	27,406	27,948	27,833	28,050	27,220
Ordinary profit	(million yen)	1,383	1,455	1,235	1,079	1,121
Net income	(million yen)	733	714	574	510	541
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)	18,018	18,391	18,639	18,880	19,225
Total assets	(million yen)	28,926	28,570	28,547	27,195	29,905
Net assets per share	(yen)	1,273.35	1,299.73	1,317.81	1,334.97	1,359.42
Cash Dividend per share (Interim dividend per share)	(yen)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)
Net income per share	(yen)	51.80	50.48	40.61	36.08	38.27
Net income per share after adjustment of potential shares	(yen)	-	-	-	-	-
Net worth ratio	(%)	62.3	64.4	65.3	69.4	64.3
Profit ratio of net worth	(%)	4.1	3.9	3.1	2.7	2.8
Price earnings ratio	(times)	14.86	14.86	17.16	12.83	11.86
Divided Payout ratio	(%)	30.9	31.7	39.4	44.3	41.8
Number of employees (plus average number of temporary employees)	(persons)	1,083 (409)	1,159 (407)	1,218 (456)	1,238 (474)	1,255 (504)

Notes:

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

2. Chronology

Date	Outline
April 1963	Established “Kensetsu Giken KK” in Ginza-nishi (Ginza 3-chome at present), Chuo-ku, Tokyo to conduct engineering consulting business
April 1963	Started business at the Head Office and Osaka Office in Minami-ku (Chuo-ku at present), Osaka at the same time as company establishment
February 1964	Changed trading name to “KK Kensetsu Gijutsu Kenkyujo (= CTI Engineering Co., Ltd.)”
December 1964	Registered at the Ministry of Construction as a construction consultant (No. 39-133)
June 1967	Opened Fukuoka Liaison Office (Fukuoka Office at present) in Fukuoka-shi, Fukuoka
April 1969	Moved the Head Office to Nihonbashi-koamicho, Chuuo-ku, Tokyo
September 1973	Moved the Head Office to Nihonbashi-honcho, Chuo-ku, Tokyo
January 1975	Opened Overseas Project Office (Overseas Department at present) in the Head Office to increase the number of oversea project orders
April 1976	Opened Sendai Liaison Office (Sendai Office at present) in Sendai, Miyagi
September 1976	Opened Nagoya Liaison Office (Chubu Office at present) in Nakamura-ku, Nagoya
April 1977	Opened Hiroshima Liaison Office (Chugoku Office at present) in Hiroshima-shi, Hiroshima
July 1980	Opened Okinawa Liaison Office (Okinawa Office at present) in Urazoe-shi, Okinawa
April 1983	Opened Niigata Liaison Office (Hokuriku Office at present) in Niigata-shi, Niigata and Takamatsu Liaison Office (Shikoku Office at present) in Takamatsu-shi, Kagawa
December 1983	Established “CTI Chousasekkei KK” (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
October 2010	The Company’s wholly owned subsidiary, Chi-ken Sogo Consultants Co., Ltd., absorbed the construction consultant business of SUMIKO CONSULTANTS CO., LTD. (presently Sumiko Resources Exploration & Development Co., Ltd.) and started operations.

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, the Company has 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

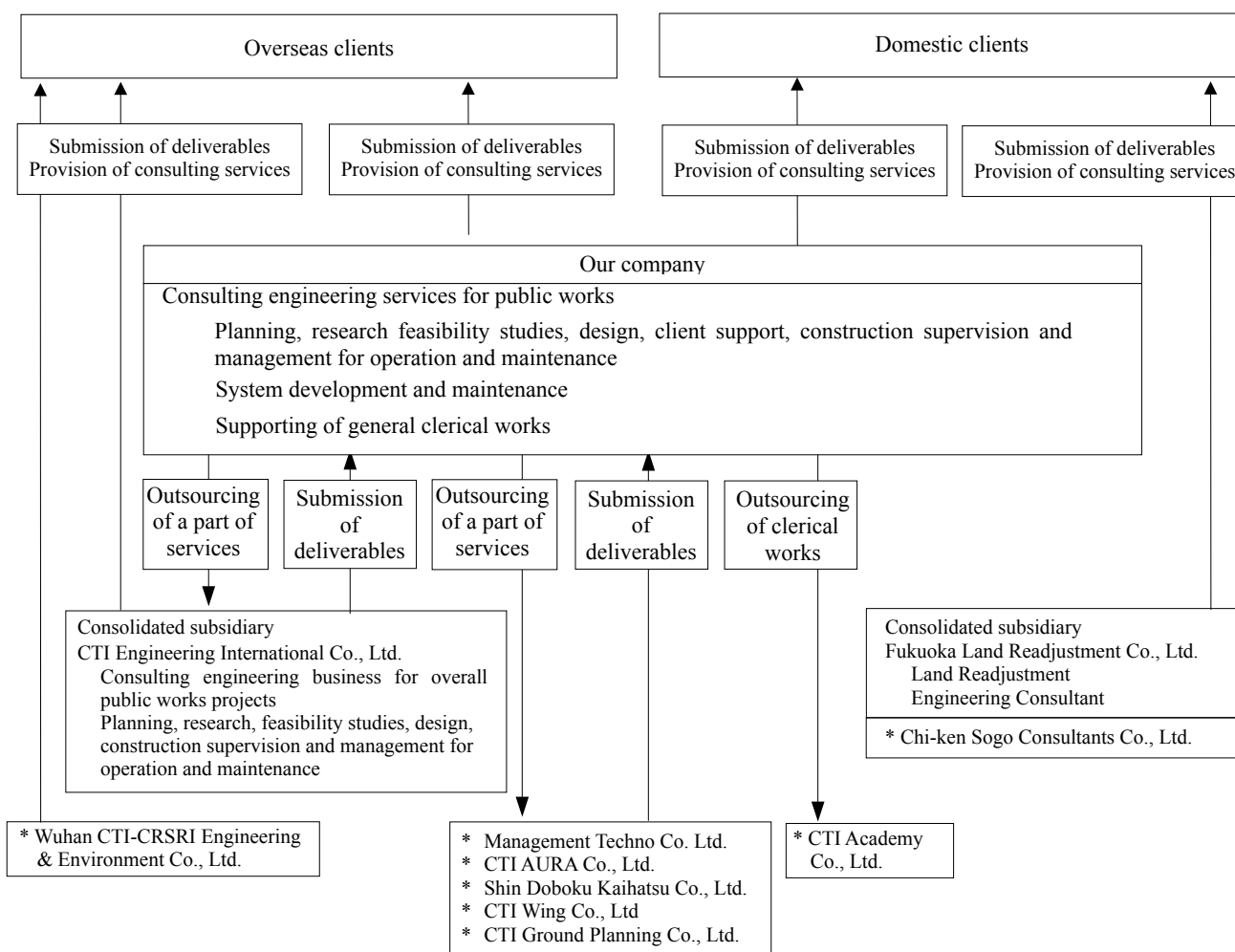
The Company's consulting engineering services include, among others, planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general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

(ii) Overseas operations

The main areas of the Company's overseas business operations are 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. The Company is in charge of these services together with its subsidiary CTI Engineering International Co., Ltd.

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

The above description is 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 Consolidated Subsidiaries

Company name	Address	Capital (million yen)	Major business contents	Voting right ratio (%)	Relation contents
CTI Engineering International Co., Ltd.	Koto-ku, Tokyo	100	Engineering consulting for overseas market	70.0	Receiving orders for engineering consulting services in overseas markets. The Company guarantees some debts. Auditor is shared with the Company.
Fukuoka Land Readjustment Co., Ltd.	Chuo-ku, Tokyo	100	Land Readjustment Engineering Consulting	100.0	Directly receives orders for land readjustment works, from local governments.

5. Situation of employees

(1) Consolidation basis

As of December 31, 2010

Number of employees (persons)	1,452 (535)
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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, 2010

Number of employees (persons)	Age on average (years old)	Average length of employment (years)	Average yearly wage (yen)
1,255 (504)	41.56	12.78	7,816,639

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: 746 (as of December 31, 2010)
- 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 in the current consolidated fiscal year was increasingly getting stagnant as a whole, though some signs of movement towards an autonomous recovery were seen temporarily.

Construction consultancy, the industry in which the Group is involved, is benefitting from growing opportunities for new business. Prominent among these opportunities are: the governmental reviews of various business plans for more effective execution of public works in the light of tighter budgetary constraints on spending, the establishment of a low-carbon, recycling-oriented society, countermeasures for sudden heavy rain, and growth strategies such as international business development.

Under these circumstances, the Company has devoted much of its energies to further enhance its technical strengths, to continue to recruit good human resources, and to thrive in the “Proposal System” and the “Comprehensive Evaluation” system, under the “Challenge 2011,” the mid-term business plan (comprehensive development of sectors, quality, and mind). Meanwhile, the Company made significant inroads internationally, including new orders received from Vietnam for a human resource development project focused on technology transfer for a bridge design.

Among our consolidated subsidiaries, CTI Engineering International Co., Ltd., an internationally active company, produced steady results from its work in the four main areas of water resources, the environment, disaster prevention, and road and traffic, receiving large orders mainly from Pakistan, Sudan and Burundi. Additionally, Fukuoka Land Readjustment Co., Ltd., a subsidiary specializing in land readjustment and urban redevelopment, reported steady performance.

The Group experienced unprecedentedly severe circumstances for orders received, as the Ministry of Land, Infrastructure and Transport budget for public works spending decreased by over 30% YoY in fiscal 2010. Notwithstanding the sharp budget decrease, orders received during this consolidated fiscal year were 30,155 million yen, a YoY decrease of only 12.1%, and income from completed services was 30,939 million yen, a YoY decrease of only 1.4%, mainly as a result of the business activities mentioned above. Thanks to reductions in expenses and improvements in production efficiency through measures such as the promotion of project management, ordinary profit was 1,279 million yen, down by 0.2% YoY. Net income was 634 million yen, up by 0.6% YoY. Ordinary profit and net income generally followed the plan at the beginning of the current consolidated fiscal year.

(2) Cash Flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) increased by 841 million yen YoY, to a total of 6,559 million yen.

Net cash provided by operating activities was 3,025 million yen. The major item was a 2,414 million yen increase in advances received from uncompleted services.

Net cash used for investment activities was 1,483 million yen, a YoY increase of 176.3%. The major item was a 1,000 million yen payment into time deposits.

Net cash used for financial activities was 696 million yen, a YoY increase of 73.0%. The major items were a 300 million yen payment of short-term borrowing and dividend payments of 226 million yen.

2. Production, orders received and sales

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

(1) Production results

Category	Current consolidated fiscal year (From January 1, 2010 to December 31, 2010) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,939	-1.4
Total	30,939	-1.4

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

(2) Order receiving situation

Category	Current consolidated fiscal year (From January 1, 2010 to December 31, 2010)			
	Orders received (million yen)	Change from the same term in previous year (%)	Orders in hand (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,155	-12.1	30,995	-2.5
Total	30,155	-12.1	30,995	-2.5

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

(3) Sales results

1) Sales results

Category	Current consolidated fiscal year (From January 1, 2010 to December 31, 2010) (million yen)	Change from the same term in previous year (%)
Engineering consulting	30,939	-1.4
Total	30,939	-1.4

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, 2009 to December 31, 2009)		Current consolidated fiscal year (From January 1, 2010 to December 31, 2010)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
National Government	14,019	44.7	14,966	48.4

3. Our tasks ahead

The amount allocated by the national government in its proposed 2011 budget for public works spending has decreased by 4.0% compared to the amount allocated in fiscal 2010, and the finances of local governments also remain severe. As public works advances from a “Building Era” into “Building and Managing Era” within today’s severe business environment, the Group must specialize in its mainstay services while additionally providing comprehensive services from diverse angles.

The Group has adjusted to today’s dramatically changing market structure in a flexible and speedy manner, focusing on the establishment of a stable management base. To prepare for the inevitable tightening of competition henceforth, the Group will continue to provide high-quality services trusted by customers and citizens alike, taking advantage of its sophisticated engineering ability, its greatest strength.

Fiscal 2011 is the last year of “Challenge 2011,” a new mid-term business plan based on the Group’s third mid- and long-term vision (PH00S2015). To bring the plan to a successful close the Group will promote the strategies listed below.

1) Aggressive development of the sectors of focus and all-round consulting

The Group will aggressively expand the following four sectors of focus: the international sector, the environment-related sector (including measures for global warming), the urban-related sector, and the management sector. The Group will also make comprehensive technical proposals across sectors.

2) Ensuring high quality

To become an independent construction consultant and a reliable consultant overall, the Group will establish a quality assurance system encompassing research, planning, and other intangible operations.

3) Drastic reforms of the procurement system

To establish a regular low-cost structure, the Group will advance quality assurance and the streamlining of outsourcing.

The Group will vigorously break into a new era toward the next stage, guided by its motto, “Independent and Comprehensive.”

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 agreement related to the management

Not applicable.

6. Research and development

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

Investment areas are divided into new business areas and new client needs (strategic research and research into commercialization), and technological research and development.

During the current consolidated fiscal year, the Group invested a total of 532 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 environmental business

2) New business model research (commercialization of sewage treatment technology, G/H project for disaster prevention, renewable energy, CM development for local governments)

3) Research in national land and culture (future road policy, water policy, privatization of public works projects, a think tank for local governments, mental health, city development, revitalization of the Nihonbashi area)

4) Technology research (safety improvement in road traffic, road networks, a vegetation succession model, differentiation technologies for biological research, an information system for river disaster prevention, a water circulation model, a next-generation dirt movement model, space information society, the administration of disaster risk, a next-generation river management system, an image analyzing system, slope collapse prediction, the optimization of a water reservoir administration, an accelerated penetration type reservoir)

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 32,243 million yen, for an increase of 7.6% compared to the previous year. The major items were increases in cash and bank deposits and marketable securities mainly attributable to consignment income.

(Liabilities)

Total liabilities at the end of this consolidated fiscal year were 12,585 million yen, for an increase of 16.8% compared to the end of the previous year. The major item was an increase in advances received from uncompleted services.

(Net Assets)

At the end of the current consolidated fiscal year, net assets totaled 19,658 million yen, for an increase of 2.4% 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 30,155 million yen, a YoY decrease of 12.1%. Income from completed services was 30,939 million yen, a YoY decrease of 1.4%. Ordinary profit decreased by 0.2% YoY to 1,279 million yen, and net income for this consolidated fiscal year increased by 0.6% YoY to 634 million yen.

These results can be credited to the resilience of ordinary profit and net income for the current consolidated fiscal year, both of which stayed at about the same levels from the previous consolidated fiscal year in spite of declines in orders received due to severe circumstances, thanks mainly to decreases in expenses incurred and improved production efficiency through the promotion of factors such as project management.

(3) Cash flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) increased by 841 million yen compared to the end of the previous year, totaling 6,559 million yen.

Net cash provided by operating activities was 3,025 million yen. The major item was a 2,414 million yen increase in advances received from uncompleted services.

Net cash used for investment activities was 1,483 million yen, a YoY increase of 176.3%. The major item was a 1,000 million yen payment into time deposits.

Net cash used for financial activities was 696 million yen, a YoY increase of 73.0%. The major items were a 300 million yen payment of short-term borrowing and dividend payments of 226 million yen.

CHAPTER 3: FACILITIES & EQUIPMENT

1. Outline of Investment into Facilities and Equipment

The total amount of capital investment for the current consolidated fiscal year was 57 million yen. The Group committed 34 million yen in capital investment to introduce new groupware for centralizing information and to take countermeasures against the deterioration of major systems.

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, 2010

Establishment (location)	Business line	Book value (million yen)						Number of employees (persons)
		Buildings and structures	Machinery and delivery equipment	Land (area: m ²)	Lease assets	Other	Total	
Head Office (Chuo-ku, Tokyo)	General administration facilities	6	–	–	21	12	41	100 (4)
Tokyo Head Office (Chuo-ku, Tokyo)	Office	36	–	–	57	40	135	349 (133)
Tokyo Head Office Saitama Office (Urawa-ku, Saitama)	Office	824	0	772 (1,978)	27	27	1,651	140 (80)
Research Center Tsukuba (Tsukuba-shi, Ibaraki)	Office and laboratory facilities	338	17	1,937 (50,605)	7	4	2,305	41 (18)
Yono Dormitory (Chuo-ku, Saitama)	Welfare facilities	266	–	820 (1,565)	–	0	1,087	– (–)
Kyushu Office (Chuo-ku, Fukuoka)	Office	411	3	1,025 (1,136)	28	9	1,477	129 (43)

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

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

(2) Subsidiaries in Japan

Not applicable.

(3) Subsidiaries out of Japan

Not applicable.

3. New Construction or Removal Plan for Equipment

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, 2010)	Issued shares as of the date for submission (shares) (March 25, 2011)	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, 2010

Category	Distribution of shares (Number of shares per unit: 100 shares)								Shares below a unit (shares)
	Government and local public entities	Financial institutions	Financial instruments firm	Other corporations	Foreign corporations etc.		Individuals etc.	Total	
					Other than Individuals	Individuals			
Number of shareholders (persons)	–	30	24	96	50	4	2,731	2,935	–
Number of shares held (units)	–	35,133	2,147	13,838	7,440	194	82,448	141,200	39,086
Shareholding ratio (%)	–	24.9	1.5	9.8	5.3	0.1	58.4	100.0	–

Notes:

1. Among treasury stocks (16,925 stocks), 169 units are counted as “Individuals etc.” and 25 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, 2010

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	1,904	13.45
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	608	4.29
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	371	2.62
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
Japan Trustee Services Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	322	2.28
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
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	269	1.90
Dai-ichi Life Insurance Company, Limited (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 INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank Japan Ltd.)	388 GREENWICH STREET, NY, NY 10013, USA (3-14, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo)	219	1.55
Daido Life Insurance Company (Standing proxy: Japan Trustee Services Bank, Ltd.)	2-1, Edobori 1-chome, Nishi-ku, Osaka (8-11, Harumi 1-chome, Chuo-ku, Tokyo)	174	1.23
Total	—	4,796	33.87

Note: 607 thousand shares held in The Master Trust and Bank of Japan, Ltd. (trust account) and 318 thousand shares held in Japan Trustee Service Bank, Ltd. (trust account) are shares related to trust operations.

(8) Voting rights

(i) Issued Shares

As of December 31, 2010

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 16,900	–	–
Shares with complete voting rights (Other)	Common stock 14,103,100	141,031	–
Shares below a unit	Common stock 39,086	–	–
Total number of shares issued	14,159,086	–	–
Voting rights of total shareholders	–	141,031	–

Notes:

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 25 treasury stocks held by the Company.

(ii) Treasury Stocks, etc.

As of December 31, 2010

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	16,900	–	16,900	0.1
Total	–	16,900	–	16,900	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.	676	308,430
Treasury stock acquired in this period.	99	48,114

Note: Treasury stock acquired in this period do not include shares acquired that were less than one transaction unit from March 1, 2011 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	16,925	—	99	—

Note: Treasury stock acquired in this period does not include shares acquired that were less than one transaction unit from March 1, 2011 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, 2010, at the 48th Ordinary General Shareholders Meeting held on March 24, 2011, 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	44th term	45th term	46th term	47th term	48th term
Fiscal year end	December 2006	December 2007	December 2008	December 2009	December 2010
Highest (yen)	1,196	1,040	741	706	515
Lowest (yen)	650	715	500	424	388

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 2010	August 2010	September 2010	October 2010	November 2010	December 2010
Highest (yen)	417	422	450	443	462	485
Lowest (yen)	390	388	401	417	420	440

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	79
Executive Officer, Vice President, Representative Director	Chief, Headquarters Engineering Dept.	Tsuneo Uesaka	January 1, 1948	July 2006 August 2006 March 2007 April 2008 March 2010 March 2011	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 Executive Officer, Vice President & Representative Director (present post)	1	12
Executive Officer, Vice President, Representative 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 March 2011	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 Executive Officer, Vice President & Representative Director (present post)	1	36
Executive Officer, Vice President, Representative 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 March 2011	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 Executive Officer, Vice President & Representative Director (present post)	1	29

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	Principal, Research Center For Sustainable Communities	Kunihiko Harada	December 7, 1947	June 2006	Retired from Teito Kosokudo Kotsu Eidan (Presently Tokyo Metro Co., Ltd.)	1	14
				June 2006	Joined CTI Engineering, Chief Engineer of Headquarters Research & Development Dept.		
				March 2007	Managing Director, Deputy Chief, Headquarters Engineering Dept.		
				April 2008	Principal, Research Center For Sustainable Communities (present post)		
				March 2010	Senior Managing Executive Officer & Director (present post)		
Senior Managing Executive Officer & Director	Principal, Kyushu Office and Okinawa Office	Kazuo Murata	September 26, 1951	April 1978	Joined CTI Engineering	1	29
				April 1997	General Manager, Water Resources Div. V, Water Resources Dept. Tokyo Office		
				April 1999	Chief, Water Resources Dept., Tokyo Office		
				April 2001	Deputy Branch Administrator, Tokyo Head Office		
				March 2003	Director, Member of the Board and Chief of Headquarters Quality Management Dept.		
				April 2004	General Manager of Management Planning Dept. and Deputy Chief of Management Div.		
				March 2006	Managing Director, General Manager of Management Dept.		
				April 2009	Principal, Kyushu Office and Okinawa Office (present post)		
				March 2010	Director (present post), Managing Executive Officer		
				March 2011	Senior Managing Executive Officer (present post)		
Senior Managing Executive Officer & Director	Chief, Headquarters Business Development Dept.	Yasuki Komatsu	October 15, 1951	April 1976	Joined CTI Engineering	1	31
				April 1998	General Manager, Road Planning Div., Road and Traffic Dept., Tokyo Office		
				April 1999	Chief, Road and Traffic Dept., Tokyo Office		
				April 2001	Deputy Branch Administrator, Tokyo Head Office		
				March 2003	Director & Member of the Board		
				April 2003	Deputy Administrator, Tokyo Head Office		
				March 2006	Managing Director, Principal of Chubu Office		
				April 2009	Chief of Headquarters Business Development Dept. (present post)		
				March 2010	Director (present post), Managing Executive Officer		
				March 2011	Senior Managing Executive Officer (present post)		

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)
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 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. In charge of Management Business Dept. (present post) Deputy Chief, Headquarters Engineering Dept. (present post) Managing Executive Officer & Director (present post)	1	31
Managing Executive Officer & Director	Principal, Osaka Head Office	Asao Yu	January 17, 1955	April 1979 April 1997 March 2003 March 2005 April 2005 March 2006 April 2009 March 2010 March 2011	Joined CTI Engineering General Manager Technology Div., Nagoya Branch Office, Tokyo Office Deputy Branch Administrator, Tokyo Head Office Director & Member of the Board Deputy Administrator, Tokyo Head Office General Manager, Management Planning Dept. Principal, Chubu Office Executive Officer Managing Executive Officer & Director, Principal, Osaka Head Office (present post)	1	17
Executive Officer & Director	Principal, Chubu Office	Norio Tomonaga	September 15, 1953	April 1979 April 1998 April 2004 March 2006 April 2007 March 2010 March 2011	Joined CTI Engineering General Manager, Technology Div. IV, Road and Traffic Dept., Tokyo Office Deputy Branch Administrator, Tokyo Head Office Deputy Administrator, Tokyo Head Office, Director & Member of the Board Chief, Management Business Dept. Executive Officer (present post) Director, Principal, Chubu Office (present post)	1	25
Executive Officer & Director	Chief, Headquarters Management Dept.	Hideaki Kurita	January 1, 1954	April 1980 April 1998 April 2004 April 2005 March 2006 April 2009 March 2010 March 2011	Joined CTI Engineering General Manager, Technology Div., Hiroshima Branch Office, Osaka Office Deputy Branch Administrator, Osaka Office Deputy Administrator, Osaka Head Office Director & Member of the Board Chief, Headquarters Management Dept. (present post) Executive Officer (present post) Director (present post)	1	17

Board member position	Company position	Name	Date of birth	Career		Term of office (Note no.)	Number of shares held (thousand)	
Statutory Auditor		Mikio Wasaku	February 14, 1951	April 1974 April 1994 April 2002 April 2004 April 2008 March 2011	Joined CTI Engineering General Manager, Technology Div. I, Dam Water Construction Dept., Tokyo Office Manager, Planning Office, Research Center For Sustainable Communities General Manager, Development and Planning Div., Headquarters Engineering Dept. Manager, Human Resources Development Office, Headquarters Management Dept. Statutory Auditor (present post)	3	0	
Auditor		Tetsuo Hotta	February 27, 1950	April 1973 April 1997 April 2002 April 2006 March 2009 March 2011	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 Auditor (present post)	2	10	
Auditor		Kunihiro Horiuchi	April 24, 1943	April 1968 April 1992 April 1996 June 1997 April 1999 March 2000 April 2010	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 Auditor, CTI Engineering (present post) Professor at the Law Department, Ryutsu Keizai University (present post)	3	—	
Auditor		Tomoo Araki	January 1, 1936	April 1965 April 1974 April 1981 April 1989 June 1993 March 1996 February 1998 January 2001 March 2001 April 2001 April 2010	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 Member, Chiba Area Third Party Committee for Pension Record Confirmation, Ministry of Internal Affairs and Communications (present post)	3	—	
Total								335

- 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, 2011.
- 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 24, 2011 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2014.
- 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	—

Notes: 1 From March 24, 2011 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2014.

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.

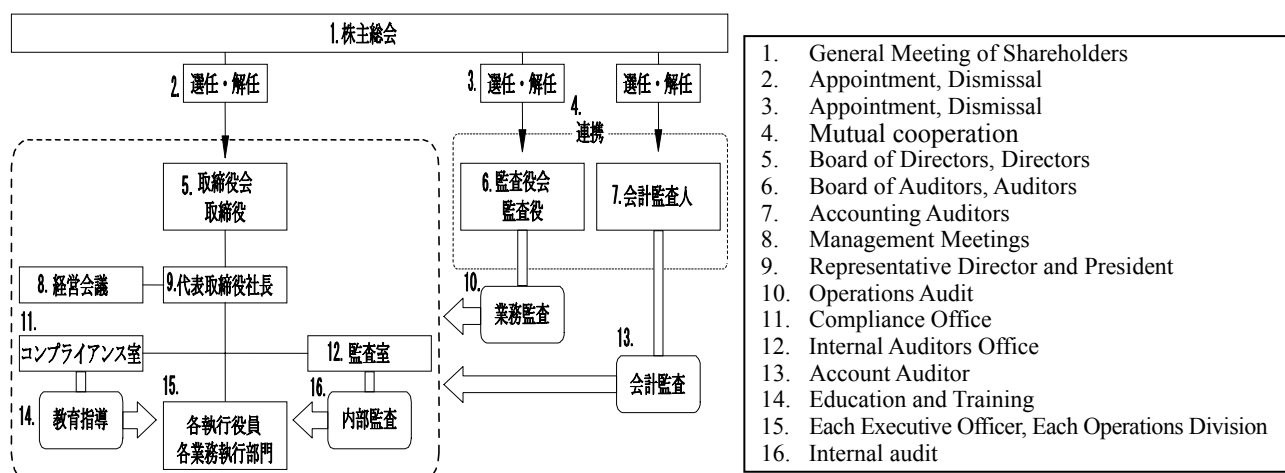
The Company has appointed Auditors. The Auditors, in addition to attendance at Board of Directors meetings and other important meetings within the Company, audits corporate conduct as an independent body. At present 2 of the 4 Auditors are legal practitioners who have been appointed as external Auditors.

In addition, the Company holds a regular Management Meeting, an advisory body to the President consisting of Chiefs of the Head Office and representatives of business establishments, etc., once a month in principle. The Management Meeting discusses and submits reports on matters necessary for the execution of the President's duties.

The Company introduced an Executive Officers system in March 2010 to establish a structure for accelerating decision-making and for clarifying the functional differences between supervision and execution.

The Company believes that it can fully achieve supervisory and observation functions for the execution of its business by establishing an auditing system operated by its Auditors (including external Auditors) to monitor the execution of duties, and by clarifying the supervisory functions of the Board of Directors through the introduction of the Executive Officers system.

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



2. Relationship with external directors/external auditors

There are no human relationships, financial relationships, business relationship, or other interests between the two External Auditors and the Company.

At present 2 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. In addition, the External Auditors supervise the Company's management from an independent position and objective point of view, give appropriate advice and opinions inside and outside the Board of Directors, and thereby appropriately perform their duties. Accordingly, the Company believes that the independence of these External Auditors is steadfastly maintained. In addition, the Company concluded a corporate lawyer agreement with one of the External Auditors.

Of the 4 Auditors, 2, or half of the total, are External Auditors. The Company considers this number appropriate for the supervision of its management.

The Company does not elect any External Directors. The introduction of the Executive Officers system reinforces the Board of Directors' functions of decision-making and supervision of the execution of duties. In addition, the Company has reinforced the subjective and neutral functions of management supervision from outside by electing 2 External Auditors out of the 4 Auditors. Furthermore, the 2 External Auditors attended almost all of the Board of Auditors meetings, and we believe that we have established a structure essential for corporate governance wherein the subjective and neutral functions of management supervision from outside are fully operating. The Company thus adopts the present structure.

3. Internal control system

A Compliance Office and Audit Office 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 staff members with concerns, as a means of further strengthening the company's in-house operations monitoring system. The Audit Office and Compliance Office, two departments responsible for internal control, regularly hold discussions and work in close cooperation with the Board of Auditors, a body whose meetings are also attended by the External Auditors.

In addition, the Board of Auditors regularly holds discussions and works in close cooperation with the Accounts Auditor to ensure that the operation audit function and accounting audit function are mutually strengthened.

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.

4. 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.

5. 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 3 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. In addition, the Board of Auditors, a body whose meetings are also attended by the External Auditors, holds discussions as required and works in close cooperation with the Accounts Auditor to ensure that the operation audit function and accounting audit function are mutually strengthened. With regard to internal control, the Auditors attend the Board of Directors meeting and other internally important meetings to receive reports and request explanations, as necessary, to ensure that the operational duties are properly executed.

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.

6. Executives' compensation, etc.

a. The total amount of compensation, etc. by category of executive, the total amount of compensation, etc. by classification, and the number of covered executives

Category of executive	Total amount of compensation, etc. (million yen)	Amount of compensation, etc. by classification (million yen)			The number of covered executives (persons)
		Basic compensation	Bonuses	Retirement benefit	
Directors (excluding External Directors)	397	258	19	120	17
Auditors (excluding External Auditors)	27	27	–	–	2
External Directors and Auditors	10	10	–	–	2

b. The total amount, etc. of compensation, etc. for a person whose compensation totals one hundred million yen or more

Name	Category of executive	Category of company	Amount of compensation, etc. by classification (million yen)			Total amount of compensation, etc. (million yen)
			Basic compensation	Bonuses	Retirement benefit	
Yumio Ishii	Director	the Company	6	–	108	114

c. Significant salaries (including bonuses) for the portion of services performed by employees concurrently

serving as directors

There are no salaries (or bonuses) for the portion of services performed by employees concurrently serving as directors.

d. The Details of policies regarding the determination of the amount of compensation, etc. for executives, the method for computing such amounts, and the methods for determination

The Company has not made any particular decisions on the foregoing.

7. Holding of shares

a. The number of issues and the total book value on the balance sheet of investment stock held for purposes other than pure investment

31 issues, 603 million yen

b. An issue whose book value on the balance sheet for the current fiscal year exceeds one one-hundredth (1/100) of the Company's capital, from among investment stock held for purposes other than pure investment

Issuer name	Number of shares (shares)	Book value on balance sheet (million yen)	Purpose of holding
OYO Corporation	98,566	66	To ensure stable shareholders
Mitsubishi UFJ Financial Group, Inc.	145,000	63	To maintain and continue stable business relations
RAITO KOGYO CO., LTD.	265,100	53	To ensure stable shareholders
NIPPON JOGESUIDO SEKKEI CO., LTD.	500	51	To ensure stable shareholders
T&D Holdings, Inc.	19,200	39	To maintain and continue stable business relations
WESCO Inc.	200,072	33	To ensure stable shareholders
Ube Material Industries, Ltd.	136,000	32	To ensure stable shareholders
Maezawa Kasei Industries Co., Ltd.	36,000	26	To ensure stable shareholders
ASIA AIR SURVEY CO., LTD.	102,000	23	To ensure stable shareholders
KOKUSAI KOGYO HOLDINGS CO., LTD.	111,000	22	To ensure stable shareholders

(Note) Although the respective book values on the balance sheets of Maezawa Kasei Industries Co., Ltd., ASIA AIR SURVEY CO., LTD., and KOKUSAI KOGYO HOLDINGS CO., LTD. make up no more than one one-hundredth (1/100) of the Company's capital, we have stated the top-ten issuer names.

c. Investment stock held for the purpose of pure investment

Not applicable.

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

During the fiscal year ended December 2010, 14 Board of Directors and 13 Board of Auditors meetings were

held.

To strengthen compliance systems, the Board of Directors in May 2006, resolved to implement the items set forth in Article 362.4.6 (concerning internal control systems) of the Companies Act and made an amendment to the items in April 2008. We are always dedicated to further improving compliance through their implementation.

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

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

Not applicable.

5) Election and dismissal of directors

The fixed number of directors is 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	37	–
Consolidated subsidiaries	–	–	–	–
Total	37	0	37	–

2) Other important compensation

Not applicable.

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

Previous Consolidated Fiscal Year

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

Current Consolidated Fiscal Year

Not applicable.

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, 2009 to December 31, 2009) were prepared pursuant to pre-amended regulations concerning consolidated financial statements, while the financial statements for this consolidated fiscal year (from January 1, 2010 to December 31, 2010) 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, 2009 to December 31, 2009) were prepared pursuant to pre-amended regulations concerning non-consolidated financial statements, while the financial statements for this fiscal year (from January 1, 2010 to December 31, 2010) 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, 2009 to December 31, 2009) and for this consolidated fiscal year (from January 1, 2010 to December 31, 2010) and the non-consolidated financial statements for the previous fiscal year (from January 1, 2009 to December 31, 2009) and for this fiscal year (from January 1, 2010 to December 31, 2010) 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.]

3. Special Approach to Ensure the Propriety of Consolidated Financial Statements, etc.

The Company has taken a special approach to ensure the propriety of consolidated financial statements, etc. Specifically, in order to develop a system to enable the Company to appropriately understand the details of accounting standards, and precisely cope with changes, etc. in accounting standards, etc., the Company has joined the Financial Accounting Standards Foundation and endeavors to collect information aggressively.

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, 2009)	Current Consolidated Fiscal Year (as of December 31, 2010)
Assets		
Current assets		
Cash and bank deposits	3,216	3,557
Notes receivable and other receivables	1,403	863
Marketable securities	2,501	4,001
Prepaid expenses for uncompleted services	10,702	11,431
Deferred tax assets	301	389
Other	525	740
Allowance for doubtful accounts	-33	-13
Total current assets	18,617	20,971
Fixed assets		
Tangible fixed assets		
Buildings and structures	4,313	4,326
Accumulated depreciation	-2,266	-2,378
Buildings and structures, net	2,046	1,948
Machinery and transportation equipment	260	242
Accumulated depreciation	-234	-220
Machinery and transportation equipment, net	26	21
Land	4,581	4,581
Lease assets	447	514
Accumulated depreciation	-149	-235
Lease assets, net	298	279
Other	945	895
Accumulated depreciation	-688	-702
Other, net	256	193
Total tangible fixed assets	7,208	7,024
Intangible fixed assets		
Goodwill	36	10
Lease assets	16	11
Other	273	263
Total intangible fixed assets	326	285
Investments and other assets		
Investment in securities	*1 1,355	*1 1,459
Long-term loans receivable	1	-
Deferred tax assets	597	514
Prepaid pension cost	734	840
Other	*1 1,139	*1 1,157
Allowance for investment loss	-10	-10
Total investments and other assets	3,818	3,962
Total fixed assets	11,353	11,272
Total assets	29,970	32,243

(Millions of yen)

	Previous Consolidated Fiscal Year (as of December 31, 2009)	Current Consolidated Fiscal Year (as of December 31, 2010)
Liabilities		
Current liabilities		
Accounts payable	1,223	917
Short-term borrowings	400	100
Lease obligations	150	137
Accrued income taxes	234	345
Advances received from uncompleted services	5,698	8,112
Reserve for bonuses	533	581
Reserve for bonuses to directors	47	35
Allowance for losses in operations	104	139
Other	1,385	1,343
Total current liabilities	9,777	11,713
Fixed liabilities		
Long-term accounts payable	275	180
Lease obligations	176	163
Reserve for retirement benefit	479	462
Other	65	64
Total fixed liabilities	996	871
Total liabilities	10,773	12,585
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	4,122	4,122
Profit surplus	11,998	12,406
Treasury stock	-10	-10
Total shareholders' equity	19,136	19,544
Valuation and translation differences		
Other valuation difference on available-for-sale securities	-4	25
Total valuation and translation adjustment	-4	25
Minority interest	64	88
Total net assets	19,196	19,658
Total liabilities and net assets	29,970	32,243

(ii) Consolidated Profit and Loss Account

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Sales	31,374	30,939
Cost of sales	23,828	23,377
Gross profit	7,545	7,562
Selling, general and administrative expenses	*1 *2 6,364	*1 *2 6,405
Operating income	1,181	1,156
Non-operating revenues		
Interest earned	31	25
Dividend earned	19	18
House rent earned	45	45
Insurance dividends earned	16	19
Other	24	36
Total non-operating revenues	137	145
Non-operating expenses		
Interest expense	3	3
Commission paid	21	5
Exchange rate losses	5	12
Other	7	0
Total non-operating expenses	36	22
Ordinary profit	1,281	1,279
Extraordinary gain		
Reversal of allowance for doubtful accounts	-	14
Total extraordinary gain	-	14
Extraordinary loss		
Loss from fixed assets disposal	*3 6	*3 8
Business establishment relocation expenses	24	3
Lease payments for prior periods	13	-
Unrealized loss on investment in securities	14	59
Other	1	4
Total extraordinary loss	58	76
Net income before income tax	1,223	1,218
Corporation tax, inhabitants taxes and enterprise tax	532	566
Deferred income taxes etc.	37	-7
Total income taxes	570	558
Minority interest in profit of consolidated Companies	23	25
Current net income	630	634

(iii) Statement of Fluctuations in Consolidated Shareholders' Equity

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Shareholders' equity		
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		
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		
Balance at the end of previous period	11,595	11,998
Changes of items during the period		
Dividend surplus	-226	-226
Net income	630	634
Total changes of items during the period	403	407
Balance at the end of current period	11,998	12,406
Treasury stock		
Balance at the end of previous period	-9	-10
Changes of items during the period		
Acquisition of treasury stock	-0	-0
Total changes of items during the period	-0	-0
Balance at the end of current period	-10	-10
Total shareholders' equity		
Balance at the end of previous period	18,733	19,136
Changes of items during the period		
Dividend surplus	-226	-226
Net income	630	634
Acquisition of treasury stock	-0	-0
Total changes of items during the period	403	407
Balance at the end of current period	19,136	19,544

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Valuation and translation differences		
Other valuation difference on available-for-sale securities		
Balance at the end of previous period	38	-4
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-42	30
Total changes of items during the period	-42	30
Balance at the end of current period	-4	25
Total of valuation and translation differences		
Balance at the end of previous period	38	-4
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-42	30
Total changes of items during the period	-42	30
Balance at the end of current period	-4	25
Minority interest		
Balance at the end of previous period	41	64
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	23	24
Total changes of items during the period	23	24
Balance at the end of current period	64	88
Total net assets		
Balance at the end of previous period	18,812	19,196
Changes of items during the period		
Dividend surplus	-226	-226
Net income	630	634
Acquisition of treasury stock	-0	-0
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	-19	54
Total changes of items during the period	383	462
Balance at the end of current period	19,196	19,658

(iv) Consolidated Cash Flow Statement

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Cash flow from operating activities		
Current net income before income tax	1,223	1,218
Depreciation and amortization	486	469
Goodwill amortization	25	25
Increase (decrease) in allowance for doubtful accounts	1	-20
Increase (decrease) in reserve for retirement benefit	1	-17
Decrease (increase) in prepaid pension cost	-29	-106
Increase (decrease) in reserve for bonuses	33	48
Increase (decrease) in reserve for bonuses to directors	-2	-11
Increase (decrease) in allowance for losses in operations	-3	35
Increase (decrease) in long-term accounts payable	-35	-94
Interest and dividend earned	-50	-44
Interest payable	3	3
Foreign exchange loss (gain)	-1	3
Unrealized loss (gain) on investment in securities	14	59
Loss (gain) from fixed assets disposal	6	7
Loss (gain) from sales of securities	-0	-
Decrease (increase) in sales account	-422	540
Decrease (increase) in prepaid expenses for uncompleted services	-43	-729
Decrease (increase) in other current assets	111	0
Increase (decrease) in account payable	320	-317
Increase (decrease) in advances received from uncompleted services	-1,813	2,414
Increase (decrease) in other current liabilities	39	-50
Increase (decrease) in other fixed liabilities	-1	-0
Other	-	1
Subtotal	-135	3,436
Received interest and dividend	46	43
Interest payment	-3	-3
Payment of corporation income tax etc.	-668	-451
Cash flow provided by (used for) operating activities	-760	3,025

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Cash flow from investment activities		
Payments for acquisition of tangible fixed assets	-180	-55
Payments for acquisition of intangible fixed assets	-135	-52
Payments for acquisition of investment in securities	-543	-31
Proceeds from sales of investment in securities	4	-
Repayments for loans	-340	-528
Income from loan collection	389	314
Payments for acquisition of securities of affiliate	-	-100
Payments into time deposits	-	-3,500
Proceeds from withdrawal of time deposits	300	2,500
Other payments	-92	-52
Other proceeds	61	21
Cash flow used for investment activities	-536	-1,483
Cash flow from financial activities		
Income from short-term borrowing	1,300	2,400
Payment of short-term borrowing	-1,300	-2,700
Acquisition of treasury stock	-0	-0
Repayments of lease obligations	-176	-168
Dividend payment	-226	-226
Dividend payment for minority interests	-	-1
Cash flow used for financial activity	-402	-696
Effect in fluctuation of exchange rate for cash and cash equivalents	1	-3
Increase (decrease) in cash and cash equivalents	-1,699	841
Opening balance of cash and cash equivalents	7,417	5,717
Closing balance of cash and cash equivalents	*1 5,717	*1 6,559

Basic Important Matters for Preparation of Consolidated Financial Statement

Item	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
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 & Environment Co., Ltd.</p> <p>(3) Reason why the non-consolidated subsidiaries are excluded from consolidation range: All of these non-consolidated subsidiaries are small and their total assets, sales, net income or loss, surplus and other of the current term do not largely influence the consolidated financial statements.</p>	<p>(1) Number of consolidated subsidiaries: 2 Name of the consolidated subsidiary: CTI Engineering International Co., Ltd. Fukuoka Land Readjustment Co., Ltd.</p> <p>(2) Number of non-consolidated subsidiaries: 8 Non-consolidated subsidiaries: Chi-ken Sogo Consultants Co., Ltd. Management Techno Co., Ltd CTI AURA Co., Ltd. CTI Academy Co., Ltd Shin Doboku Kaihatsu Co., Ltd. CTI Wing Co., Ltd CTI Ground Planning Co., Ltd. Wuhan CTI-CRSRI Engineering & Environment Co., Ltd. (Chi-ken Sogo Consultants Co., Ltd. was incorporated on June 18, 2010, absorbed the construction consultant business of SUMIKO CONSULTANTS CO., LTD. (presently Sumiko Resources Exploration & Development Co., Ltd.) by an absorption-type demerger on October 1, 2010, and started operations.)</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 & 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 Chi-ken Sogo Consultants Co., Ltd., Management Techno Co., Ltd., CTI AURA Co., Ltd., CTI Academy Co., Ltd., Shin Doboku Kaihatsu Co., Ltd., CTI Wing Co., Ltd., CTI Ground Planning Co., Ltd., and Wuhan CTI-CRSRI Engineering & Environment Co., Ltd. have only a slight influence on the consolidated net income or loss and the profit surplus respectively, and do not have much importance as a whole. Therefore, they are excluded from the application range of the equity method.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
<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 (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 -- Straight-line method. For software, the straight-line method based on the usable period in the Company (5 years) is adopted.</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>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. As at present.</p> <p>2) Intangible fixed assets (excluding lease assets) -- Straight-line method. As at present.</p> <p>3) Lease assets As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
(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. 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> <p>(Changes in accounting policy) The “Partial Amendments to the Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (ASBJ) Statement No. 19, July 31, 2008) are applied from the current consolidated fiscal year. The adoption of this method did not have any effect on operating income, ordinary profit, or net income before income tax.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
(4) 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, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
<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>	<p>-----</p>

(Statement of Fluctuations in Consolidated Shareholders' Equity)

Previous 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

Current Consolidated Fiscal Year (From January 1, 2010 to December 31, 2010)

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	16,249	676	–	16,925

Note: The increase in the amount of treasury stock of 676 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 25, 2010	Common stock	226	16	December 31, 2009	March 26, 2010

(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 24, 2011	Common stock	Profit surplus	226	16	December 31, 2010	March 25, 2011

(Notes on Consolidated Cash Flow Account)

Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)																																
<p>*1. Relation between the closing balance of the cash and cash equivalents and the amounts for items described on the Consolidated Balance Sheet (as of December 31, 2009)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Cash and bank deposit account</td> <td style="width: 10%; text-align: right;">3,216</td> <td style="width: 10%;">million yen</td> <td style="width: 10%;"></td> </tr> <tr> <td>Marketable securities account</td> <td style="text-align: right;">2,501</td> <td></td> <td></td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: right;">5,717</td> <td></td> <td></td> </tr> </table>	Cash and bank deposit account	3,216	million yen		Marketable securities account	2,501			Total	5,717			<p>*1. Relation between the closing balance of the cash and cash equivalents and the amounts for items described on the Consolidated Balance Sheet (as of December 31, 2010)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Cash and bank deposit account</td> <td style="width: 10%; text-align: right;">3,557</td> <td style="width: 10%;">million yen</td> <td style="width: 10%;"></td> </tr> <tr> <td>Marketable securities account</td> <td style="text-align: right;">4,001</td> <td></td> <td></td> </tr> <tr style="border-top: 1px solid black;"> <td>Subtotal</td> <td style="text-align: right;">7,559</td> <td></td> <td></td> </tr> <tr> <td>Time deposits whose deposit periods exceed three months</td> <td style="text-align: right;">-1,000</td> <td></td> <td></td> </tr> <tr style="border-top: 1px solid black;"> <td>Total</td> <td style="text-align: right;">6,559</td> <td></td> <td></td> </tr> </table>	Cash and bank deposit account	3,557	million yen		Marketable securities account	4,001			Subtotal	7,559			Time deposits whose deposit periods exceed three months	-1,000			Total	6,559		
Cash and bank deposit account	3,216	million yen																															
Marketable securities account	2,501																																
Total	5,717																																
Cash and bank deposit account	3,557	million yen																															
Marketable securities account	4,001																																
Subtotal	7,559																																
Time deposits whose deposit periods exceed three months	-1,000																																
Total	6,559																																

(Notes on Lease Arrangements)

Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
<p>1. Financial lease transactions (Lessee side) Finance lease transactions of which ownership is not transferred to the lessee</p> <p>(1) Lease assets</p> <p style="padding-left: 20px;">1) Tangible fixed assets Mainly office appliances (other)</p> <p style="padding-left: 20px;">2) Intangible fixed assets Software (other)</p> <p>(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.</p>	<p>1. Financial lease transactions (Lessee side) Finance lease transactions of which ownership is not transferred to the lessee</p> <p>(1) Lease assets</p> <p style="padding-left: 20px;">1) Tangible fixed assets As at present.</p> <p style="padding-left: 20px;">2) Intangible fixed assets As at present.</p> <p>(2) Depreciation method for lease assets As at present.</p>

(Notes on Financial Instruments)

Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)

(Additional Information)

The “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and the “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008) are applied from the current consolidated fiscal year.

1. Items Related to Financial Instruments

(1) Policy of financial instruments

With regard to fund management, the Group’s policy is to invest temporary surplus funds in highly secure financial assets only and does not engage in speculative transactions such as derivative financial instruments.

(2) Details and risks of financial instruments and the risk management system

Notes receivable and completed work receivables as trade receivables are exposed to customer credit risks. If, with regard to those risks, the Group receives no payment after a due date has passed, it will investigate the reasons and make the results known to related persons in-house, and the relevant department will then handle the matter appropriately, in accordance with the Rules on Management of Contract Duties and the Outline of the Handling of Contracts.

Marketable securities and investment in securities that mainly consist of investment trusts and shares are exposed to the risk of volatility in market prices. In the case of securities with fair value, the Group assesses their fair value on a regular basis.

(3) Supplementary explanation on matters related to the fair value, etc. of financial instruments

The fair value of financial instruments includes the value based on market prices and a reasonably calculated value without market prices. Because the calculation of the value entails variable factors, the value may fluctuate if different preconditions, etc. are applied.

2. Items Related to the Fair Value, etc. of Financial Instruments

The book value on the consolidated balance sheet, the fair value, and the difference between them as of December 31, 2010 are stated as follows. The table below does not include any financial instrument whose fair value is deemed to be considerably difficult to recognize.

	Book value on the consolidated balance sheet (million yen)	Fair value (million yen)	Difference
(1) Cash and bank deposits	3,557	3,557	–
(2) Notes receivable and completed work receivables	863	863	–
(3) Marketable securities and investment in securities			
1) Held-to-maturity bonds and notes	500	524	24
2) Other securities	4,568	4,568	–
Total	9,489	9,513	24

Note 1. Items related to the methods for calculating the fair value of financial instruments and securities

Assets

(1) Cash and bank deposits

Cash and bank deposits are reported in book value because the fair value is almost equal to the book value due to the relatively short period of accounts settlement.

(2) Notes receivable and completed work receivables

Notes receivable and completed work receivables are reported in book value because the fair value is almost equal to the book value due to the relatively short period of accounts settlement.

(3) Marketable securities and investment in securities

With regard to the fair value of marketable securities and investment in securities, shares are recorded according to prices on stock exchanges, and bonds and notes are recorded according to prices on exchanges or prices quoted by financial institutions. In addition, Free Financial Funds, etc. are reported in book value because the fair value of Free Financial Funds, etc. is closely related to the book value due to the relatively short period of accounts settlement. With regard to items related to securities classified by purposes of holding, please see the Notes to Marketable Securities.

Debts

Not applicable.

Note 2. Financial instruments whose fair value is deemed to be considerably difficult to recognize

Account title	Book value on consolidated balance sheet (million yen)
Non-listed shares	393

Because non-listed shares have no market prices and their future cash flows cannot be estimated, their fair value is deemed to be considerably difficult to recognize. Accordingly, non-listed shares are not included in (3) Marketable securities and investment in securities.

Note 3. Predicted redemption value after the settlement date of the consolidated accounts for monetary credits and securities that have reached maturity

	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)
Cash and bank deposits	3,557	–	–	–
Notes receivable and completed work receivables	863	–	–	–
Marketable securities and investment in securities				
Held-to-maturity bonds				
Corporate bonds	–	–	500	–
Total	4,420	–	500	–

(Notes on Marketable Securities)

Previous Consolidated Fiscal Year (as of December 31, 2009)

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

Classification	Type	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	Acquisition Cost (million yen)	Consolidated Balance Sheet Recorded Amount (million yen)	Amount Difference (million yen)
Those whose amount recorded on the consolidated balance sheet exceeded the acquisition cost	(1) Shares	245	304	58
	(2) Bonds and Notes	-	-	-
	(3) Other	-	-	-
	Subtotal	245	304	58
Those whose amount recorded on the consolidated balance sheet did not exceed the acquisition cost	(1) Shares	325	258	-66
	(2) Bonds and Notes	-	-	-
	(3) Other	-	-	-
	Subtotal	325	258	-66
Total		570	562	-7

3. Other securities sold during the 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)
4	0	-

4. Details of major securities with no fair value

Types	Consolidated Balance Sheet Recorded Amount (million yen)
(1) Other securities	
(i) Non-listed Shares (excluding over-the-counter shares)	38
(ii) Free Financial Fund	2,001
(iii) Other	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.

	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	-

Current Consolidated Fiscal Year (as of December 31, 2010)

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

Classification	Type	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	524	24
	(3) Other	-	-	-
	Subtotal	500	524	24
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	524	24

2. Other securities

Classification	Type	Consolidated Balance Sheet Recorded Amount (million yen)	Acquisition Cost (million yen)	Amount Difference (million yen)
Those whose amount recorded on the consolidated balance sheet exceeds the acquisition cost	(1) Shares	299	233	65
	(2) Bonds and Notes	–	–	–
	(3) Other	–	–	–
	Subtotal	299	233	65
Those whose amount recorded on the consolidated balance sheet did not exceed the acquisition cost	(1) Shares	267	308	-41
	(2) Bonds and Notes	–	–	–
	(3) Other	4,001	4,001	–
	Subtotal	4,269	4,310	-41
Total		4,568	4,543	24

3. Other securities sold during the current consolidated fiscal year (From January 1, 2010 to December 31, 2010)
No applicable items.

4. Securities written down (from January 1, 2010 to December 31, 2010)

In the current consolidated fiscal year, the Group wrote down 59 million yen in shares classified as other securities.

(Notes on Derivatives Transactions)

In the previous (January 1, 2009 to December 31, 2009) and current (January 1, 2010 to December 31, 2010) 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, 2009) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2010) (million yen)
(1) Retirement Benefit Obligations	-8,544	-8,750
(2) Pension Assets	6,815	7,206
(3) Retirement Benefit Trust	1,177	1,308
(4) Outstanding Accumulated Retirement Benefit Obligations: (1) + (2) + (3)	-551	-236
(5) Previously unrecognized accounting disparities.	806	614
(6) Consolidated Balance Sheet Recorded Net Amount: (4) + (5)	254	378
(7) Prepaid Pension Cost	734	840
(8) Retirement Benefit Reserves: (6) – (7)	-479	-462

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, 2009 to December 31, 2009) (million yen)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010) (million yen)
Retirement Benefit Costs	829	787
(1) Labor costs	548	565
(2) Interest costs	161	167
(3) Expected operating profit (Subtracted)	140	158
(4) Cost disposal Amount arising from accounting disparity	258	183
(5) Temporarily paid retirement amount	2	29

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, 2009) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2010) (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, 2009 to December 31, 2009)			Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)		
1 Accumulation in the overall system (as of March 31, 2009)			1 Accumulation in the overall system (as of March 31, 2010)		
	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	119,463	121,563	Pension assets	142,728	146,031
Obligations to pay retirement benefits based on calculation of pension finance	183,702	172,518	Obligations to pay retirement benefits based on calculation of pension finance	172,380	155,853
Balance	-64,238	-50,955	Balance	-29,651	-9,822
2 Percentage of total salaries of the Group to the overall system (as of March 31, 2009)			2 Percentage of total salaries of the Group to the overall system (as of March 31, 2010)		
Japan Civil Engineering Consultants Pension Fund		6.80%	Japan Civil Engineering Consultants Pension Fund		6.90%
All Japan Surveying Enterprises Multi Employers Pension Fund		0.36%	All Japan Surveying Enterprises Multi Employers Pension Fund		0.35%
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 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.			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 29,235 million yen, surplus, and shortage of 415 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, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
<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>	<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 9,196 million yen, surplus, and shortage of 626 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, 2009)	Current Consolidated Fiscal Year (as of December 31, 2010)		
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)			
	Accrued enterprise tax	24 million yen	Accrued enterprise tax	34 million yen
	Allowance for losses in operations	57	Allowance for losses in operations	57
	Bonuses and social insurance	240	Bonuses and social insurance	237
	Reserve for bonuses	31	Reserve for bonuses	33
	Other	25	Other	32
	Subtotal	379	Subtotal	395
	Allowance account	-77	Allowance account	-5
	Total	301	Total	389
	Deferred tax assets (fixed assets)		Deferred tax assets (fixed assets)	
	Reserve for retirement allowances	522 million yen	Reserve for retirement allowances	454 million yen
	Loss brought forward	0	Long-term accounts payable	74
	Long-term accounts payable	137	Loss on valuation of available-for-sell securities	112
	Loss on valuation of available-for-sell securities	107	Unrealized gains or losses on other securities	1
	Unrealized gains or losses on other securities	3	Other	15
	Other	14	Subtotal	658
	Subtotal	784	Allowance account	-143
	Allowance account	-186	Total	514
	Total	597		
	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)
No entry of loss from entertainment expense etc.		0.87	No entry of loss from entertainment expense etc.	0.92
Per capita inhabitant tax		6.41	Per capita inhabitant tax	6.56
Non-inclusion of gains, including dividends received		-0.38	Non-inclusion of gains, including dividends received	-0.62
No entry of loss from bonuses to directors		1.64	No entry of loss from bonuses to directors	1.45
Allowance account		0.54	Allowance account	-2.89
Loss brought forward		-3.77	Loss brought forward	-0.02
Other		0.59	Other	-0.25
Bearing rate of corporation tax or the like after application of tax effect accounting		46.59	Bearing rate of corporation tax or the like after application of tax effect accounting	45.84

(Segment Information)

The previous consolidated fiscal year (from January 1, 2009 to December 31, 2009) and the current consolidated fiscal year (from January 1, 2010 to December 31, 2010).

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.

Information on related parties

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

No applicable items.

Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)

1. Transactions with related parties

(1) Transactions between related parties and the Company

Non-consolidated subsidiaries and affiliates of the Company

Type	Corporate name of the company, etc. or name	Location	Capital stock or investments in equity (million yen)	Description of business or occupation	Ownership percentage of voting rights (%)	Relationship with related persons	Content of transaction	Volume of transactions (million yen)	Account item	Balance at the end of the term (million yen)
Subsidiary	Chi-ken Sogo Consultants Co., Ltd.	Arakawa-ku, Tokyo	100	Note 1	100 (-)	Consignment of a part of the Company's business	Lending of funds	400	Short-term loans receivable	400
							Collection of loans	-		

Notes: 1. The business is described as a construction consultancy and geological survey business.

2. The conditions of the transactions are as follows.

Loan transaction: The lending rate is decided in consideration of the market rates.

(Business Combination)

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

No applicable items.

Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)

No applicable items.

(Notes on investment and rental property)

Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)

(Additional Information)

The “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No. 20, November 28, 2008) and the “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No. 23, November 28, 2008) are applied from the current consolidated fiscal year.

There are no significant investment or rental properties to be stated, so the statement is omitted here.

(Information per Share)

Previous Consolidated Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Net assets per share 1,352.78 yen	Net assets per share 1,383.80 yen
Current net income per share 44.56 yen	Current net income per share 44.84 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, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
Current term net income in the consolidated income statement (million yen)	630	634
Current term net income related to common shares (million yen)	630	634
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)	14,143,938	14,142,332
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, 2009 to December 31, 2009)	Current Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)
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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	100	1.18	–
Long-term borrowings to be repaid within 1 year	–	–	–	–
Lease obligations to be repaid within 1 year	150	137	–	–
Long-term borrowings except those to be repaid within 1 year	–	–	–	–
Lease obligations except those to be repaid within 1 year	176	163	–	2012 to 2017
Other Interest-bearing Liabilities	–	–	–	–
Total	726	401	–	–

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	90	49	16	6

(2) Other

Quarterly financial information for the current consolidated fiscal year

Category	First quarter from January 1, 2010 to March 31, 2010	Second quarter from April 1, 2010 to June 30, 2010	Third quarter from July 1, 2010 to September 30, 2010	Fourth quarter from October 1, 2010 to December 31, 2010
Sales (million yen)	7,462	9,711	7,249	6,514
Net income (loss) before income tax (million yen)	270	703	243	-12
Net income (million yen)	120	364	123	11
Net income per share (yen)	8.50	25.78	8.73	0.83

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, 2009)	Current Fiscal Year (as of December 31, 2010)
Assets		
Current assets		
Cash and bank deposits	2,620	3,183
Completed work receivables	1,159	617
Marketable securities	2,501	4,001
Prepaid expenses for uncompleted services	8,760	9,563
Advance payment	103	107
Deferred tax assets	289	307
Short-term loans	*1 410	*1 815
Other	79	49
Allowance for doubtful account	-33	-13
Total current assets	15,890	18,633
Fixed assets		
Tangible fixed assets		
Buildings	3,574	3,587
Accumulated depreciation	-1,767	-1,861
Buildings, net	1,806	1,726
Structures	714	714
Accumulated depreciation	-489	-505
Structures, net	225	209
Machinery and equipment	235	236
Accumulated depreciation	-211	-215
Machinery and equipment, net	24	21
Vehicle and transportation equipment	16	-
Accumulated depreciation	-15	-
Vehicle and transportation equipment, net	0	-
Furniture and fixtures	924	875
Accumulated depreciation	-672	-685
Furniture and fixtures, net	251	190
Land	4,581	4,581
Lease assets	400	463
Accumulated depreciation	-135	-212
Lease assets, net	264	250
Total tangible fixed assets	7,155	6,980
Intangible fixed assets		
Leasehold	16	16
Software	219	210
Telephone rights	22	22
Right of using special facilities	0	0
Lease assets	5	3
Other	0	0
Total intangible fixed assets	265	254
Investments and other assets		
Investment in securities	1,099	1,103
Shares of affiliated companies	425	525
Investments in capital of subsidiaries and affiliates	25	25
Investments	3	3
Long-term time deposits	300	300
Long-term loans receivable	1	-
Long-term prepaid cost	21	27
Deferred tax assets	576	495
Lease and guarantee deposit	656	674
Membership	51	52
Prepaid pension cost	734	840
Other	0	0
Allowance for investment loss	-10	-10
Total investments and other assets	3,885	4,037
Total fixed assets	11,305	11,272
Total assets	27,195	29,905

(Millions of yen)

	Previous Fiscal Year (as of December 31, 2009)		Current Fiscal Year (as of December 31, 2010)	
Liabilities				
Current liabilities				
Accounts payable for services	*1	1,178	*1	852
Lease obligations		133		124
Accounts payable		192		156
Accrued income taxes		206		275
Accrued consumption taxes		160		113
Accrued expenses		551		571
Advances received from uncompleted services		4,147		6,907
Deposits received		292		301
Revenue received in advance		7		8
Reserve for bonuses		478		496
Reserve for bonuses to directors		43		19
Allowance for losses in operations		77		97
Other		0		-
Total current liabilities		7,468		9,925
Fixed liabilities				
Long-term accounts payable		231		137
Lease obligations		147		140
Reserve for retirement benefits		401		412
Other		65		64
Total fixed liabilities		846		754
Total liabilities		8,315		10,680
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		2,870		3,185
Total profit surplus		11,747		12,062
Treasury stock		-10		-10
Total shareholders' equity		18,884		19,199
Valuation and translation differences				
Other valuation difference on available-for-sale securities		-4		25
Total valuation and translation adjustment		-4		25
Total net assets		18,880		19,225
Total liabilities and net assets		27,195		29,905

(ii) Non-Consolidated Profit and Loss Account

(Millions of yen)

	Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
Sales	28,050	27,220
Cost of sales	21,167	20,344
Gross profit	6,882	6,875
Selling, general and administrative expenses		
Directors' remuneration	327	296
Salaries and allowances	2,093	2,214
Bonuses	327	331
Provision of reserve for bonuses	121	127
Provision of reserve for bonuses to directors	43	19
Retirement benefit expenses	173	182
Legal welfare expenses	496	509
Traveling expenses	267	252
Tax and public imposts	137	133
Depreciation	129	134
Rent expenses	335	340
Research and investigation expenses	*1 619	*1 532
Provision of allowance for doubtful account	7	0
Other	834	815
Total selling, general and administrative expenses	5,913	5,890
Operating income	969	984
Non-operating revenues		
Interest earned	*2 16	*2 12
Dividend earned	*2 19	*2 22
Interest from securities	14	14
Rent earned	*2 45	*2 45
Insurance dividends earned	12	19
Other	22	32
Total non-operating revenues	131	146
Non-operating expenses		
Interest paid	-	1
Commissions paid	21	5
Exchange rate losses	-	2
Other	0	0
Total non-operating expenses	21	9
Ordinary profit	1,079	1,121
Extraordinary gain		
Reversal of allowance for doubtful accounts	-	14
Total extraordinary gain	-	14
Extraordinary loss		
Loss from fixed assets disposal	*3 5	*3 8
Office moving cost	24	3
Unrealized loss on investment in securities	14	59
Lease payments for prior periods	12	-
Other	0	4
Total extraordinary loss	56	76
Net income before income tax	1,023	1,059
Corporation tax, inhabitants tax and enterprise tax	473	458
Deferred income taxes etc.	39	60
Total income taxes	512	518
Current net income	510	541

Cost Specifications for Completed Services

Category	Note No.	Previous Fiscal Year (from January 1, 2009 to December 31, 2009)			Current Fiscal Year (from January 1, 2010 to December 31, 2010)		
		Amount (million yen)		Ratio (%)	Amount (million yen)		Ratio (%)
I Labor cost							
1. Salaries		6,572			6,916		
2. Bonuses		992			1,033		
3. Provision of reserve for bonuses		347			351		
4. Retirement benefit expense		612			564		
5. Other		1,325	9,850	47.1	1,399	10,266	48.5
II Amount paid to subcontractors			7,703	36.8		7,378	34.9
III Expenses							
1. Traveling expenses		969			971		
2. Printing and copying expenses		474			470		
3. Expendables cost		189			221		
4. Rents		823			853		
5. Depreciation		253			224		
6. Provision of allowance for losses in operations		-20			20		
7. Other		685	3,374	16.1	741	3,502	16.6
Current general business expenses			20,928	100.0		21,147	100.0
Opening prepaid expenses for uncompleted services			8,999			8,760	
Total			29,927			29,907	
Closing prepaid expenses for uncompleted services			8,760			9,563	
Current cost of completed services			21,167			20,344	

(Footnote)

Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
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, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
Shareholders' equity		
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	2,586	2,870
Changes of items during the period		
Dividend surplus	-226	-226
Net income	510	541
Total changes of items during the period	284	314
Balance at the end of current period	2,870	3,185
Total profit surplus		
Balance at the end of previous period	11,462	11,747
Changes of items during the period		
Dividend surplus	-226	-226
Net income	510	541
Total changes of items during the period	284	314
Balance at the end of current period	11,747	12,062

(Millions of yen)

	Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
Treasury stock		
Balance at the end of previous period	-9	-10
Changes of items during the period		
Acquisition of treasury stock	-0	-0
Total changes of items during the period	-0	-0
Balance at the end of current period	-10	-10
Total shareholders' equity		
Balance at the end of previous period	18,601	18,884
Changes of items during the period		
Dividend surplus	-226	-226
Net income	510	541
Acquisition of treasury stock	-0	-0
Total changes of items during the period	283	314
Balance at the end of current period	18,884	19,199
Valuation and translation differences		
Other valuation differences on available-for-sale securities		
Balance at the end of previous period	38	-4
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-42	30
Total changes of items during the period	-42	30
Balance at the end of current period	-4	25
Total of valuation and translation differences		
Balance at the end of previous period	38	-4
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-42	30
Total changes of items during the period	-42	30
Balance at the end of current period	-4	25
Total net assets		
Balance at the end of previous period	18,639	18,880
Changes of items during the period		
Dividend surplus	-226	-226
Net income	510	541
Acquisition of treasury stock	-0	-0
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-42	30
Total changes of items during the period	240	344
Balance at the end of current period	18,880	19,225

Important Accounting Policy

Item	Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
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.)</p> <p>* 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 (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 For the software, however, the straight-line method according to the useful period in the Company (5 years) is adopted.</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) Tangible fixed assets (excluding lease assets) -- Declining balance method As at present.</p> <p>(2) Intangible fixed assets (excluding lease assets) -- Straight-line method As at present.</p> <p>(3) Lease assets As at present.</p>

Item	Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
4. Accounting for allowances and reserves	<p>(1) Allowance for doubtful accounts In respect of ordinary credit, for the loan loss ratio as regards credit designated as being in danger of becoming irrecoverable, the possibility of each item being recovered is considered and the amount deemed irrecoverable is recorded to prepare for possible loss caused by bad debts.</p> <p>(2) Allowance for investment loss Calculated according to the amount deemed necessary to allow for possible future losses on shares of affiliates held, taking into account net asset value.</p> <p>(3) Reserve for bonuses To prepare for bonus payment to employees, the Company enters the reserve for bonuses according to the estimated payment amount standard.</p> <p>(4) Reserve for bonus to directors Calculated on forecast payment amount to prepare for bonus payments to Directors.</p> <p>(5) Allowance for losses in operations Calculated according to the forecasted losses due to 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>(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> <p>(Changes in accounting policy) The “Partial Amendments to the Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (ASBJ) Statement No. 19, July 31, 2008) are applied from the current fiscal year. The adoption of this method did not have any effect on operating income, ordinary profit, or net income before income tax.</p>
5. Accounting for consumption taxes	Tax exclusion method is adopted.	As at present.

Changes to Accounting Method

Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
<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>	-----

Notes

(Notes on Balance Sheet)

Previous Fiscal Year (as of December 31, 2009)	Current Fiscal Year (as of December 31, 2010)								
<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Shot-term loan receivable</td> <td style="text-align: right;">410 million yen</td> </tr> <tr> <td>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	<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Shot-term loan receivable</td> <td style="text-align: right;">810 million yen</td> </tr> <tr> <td>Account payable-trade</td> <td style="text-align: right;">178 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. (7 million yen), and lease agreements of Tokyochuo.net, a specified nonprofit corporation (5 million yen).</p>	Shot-term loan receivable	810 million yen	Account payable-trade	178 million yen
Shot-term loan receivable	410 million yen								
Account payable-trade	358 million yen								
Shot-term loan receivable	810 million yen								
Account payable-trade	178 million yen								

(Notes on Profit and Loss Statement)

Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)																																			
<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	<p>* 1 The research and investigation expenses included in selling, general and administrative expenses 532 million yen</p> <p>* 2 Within non-operating profits, the total amount of profit from affiliated companies was 51 million yen, mainly comprised of the following major items. Received interest 5 million yen Received dividends 4 Received rent income 38</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;">Loss from sale of fixed assets (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;">-</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: center;">4</td> <td style="text-align: center;">-</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Vehicle and transportation equipment.</td> <td style="text-align: center;">-</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;">7</td> <td style="text-align: center;">0</td> <td style="text-align: center;">8</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)	Buildings	3	-	3	Furniture and fixtures	4	-	4	Vehicle and transportation equipment.	-	0	0	Total	7	0	8
	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)	Loss from sale of fixed assets (million yen)	Total (million yen)																																	
Buildings	3	-	3																																	
Furniture and fixtures	4	-	4																																	
Vehicle and transportation equipment.	-	0	0																																	
Total	7	0	8																																	

(Notes on Statement of Fluctuations in Shareholders' Equity)

Previous 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.

Current Fiscal Year (From January 1, 2010 to December 31, 2010)

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	16,249	676	—	16,925

Note: The increase in the amount of treasury stock of 676 shares was due to acquisition of shares constituting less than one transaction unit.

(Notes on lease arrangements)

Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
<p>1. Financial lease transactions (Lessee side) Finance lease transactions of which ownership is not transferred to the lessee</p> <p>(1) Lease assets</p> <p>1) Tangible fixed assets Mainly office appliances (furniture and fixtures)</p> <p>2) Intangible fixed assets Software</p> <p>(2) Depreciation method for lease assets The method is outlined in “3. Depreciation of fixed assets” in Important Accounting Policy.</p>	<p>1. Financial lease transactions (Lessee side) Finance lease transactions of which ownership is not transferred to the lessee</p> <p>(1) Lease assets</p> <p>1) Tangible fixed assets As at present.</p> <p>2) Intangible fixed assets As at present.</p> <p>(2) Depreciation method for lease assets As at present.</p>

(Notes on securities)

Previous Fiscal Year (as of December 31, 2009)	Current Fiscal Year (as of December 31, 2010)								
Current market value was not used for any of the subsidiaries.	<p>The fair value was not used for any of the shares in subsidiaries and affiliates.</p> <p>Note: Shares in subsidiaries and affiliates whose fair value is deemed to be considerably difficult to recognize</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Book value on the balance sheet (million yen)</th> </tr> </thead> <tbody> <tr> <td>Shares in subsidiaries</td> <td style="text-align: right;">525</td> </tr> <tr> <td>Shares in affiliates</td> <td style="text-align: center;">—</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">525</td> </tr> </tbody> </table> <p>The above have no market prices. Accordingly, their fair value is considered difficult to recognize.</p> <p>(Additional information) The “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and the “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008) are applied from the current consolidated fiscal year.</p>	Category	Book value on the balance sheet (million yen)	Shares in subsidiaries	525	Shares in affiliates	—	Total	525
Category	Book value on the balance sheet (million yen)								
Shares in subsidiaries	525								
Shares in affiliates	—								
Total	525								

(Notes on tax effect accounting)

Item	Previous Fiscal Year (as of December 31, 2009)	Current Fiscal Year (as of December 31, 2010)
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 22 million yen	Accrued enterprise tax 28 million yen
	Allowance for losses in operations 31	Allowance for losses in operations 39
	Reserve for bonuses 195	Reserve for bonuses 202
	Social insurance premiums for bonuses 24	Social insurance premiums for bonuses 25
	Other 23	Other 16
	Subtotal 297	Subtotal 313
	Allowance account -7	Allowance account -5
	Total 289	Total 307
	Deferred tax assets (fixed assets)	Deferred tax assets (fixed assets)
	Reserve for retirement allowances 475 million yen	Reserve for retirement allowances 434 million yen
	Long-term accounts payable 94	Long-term accounts payable 55
	Unrealized loss of securities 107	Unrealized loss of securities 112
	Unrealized gains or losses on other securities 3	Unrealized gains or losses on other securities 1
Other 13	Other 15	
Subtotal 694	Subtotal 619	
Allowance account -117	Allowance account -123	
Total 576	Total 495	
2. Breakdown by major item of causes leading to any material difference between the legal effective tax rate and the bearing rate of corporation tax or the like after adoption of tax effect accounting	Legal effective tax rate 40.69%	Legal effective tax rate 40.69%
	(Adjustment)	(Adjustment)
	No entry of loss from entertainment expense etc. 1.01	No entry of loss from entertainment expense etc. 1.02
	Per capita inhabitant tax 7.14	Per capita inhabitant tax 6.96
	No entry of profit from dividend earned etc. -0.45	No entry of profit from dividend earned etc. -0.71
	No entry of loss from bonuses to directors 1.96	No entry of loss from bonuses to directors 1.67
	Allowance account -0.58	Allowance account 0.37
	Other 0.36	Other -1.07
	Bearing rate of corporation tax or the like after application of tax effect accounting 50.13	Bearing rate of corporation tax or the like after application of tax effect accounting 48.93

(Information per Share)

Previous Fiscal Year (from January 1, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
Net assets per share 1,334.97 yen	Net assets per share 1,359.42 yen
Current net income per share 36.08 yen	Current net income per share 38.27 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, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
Current term net income in the income statement (million yen)	510	541
Current term net income related to common shares (million yen)	510	541
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)	14,143,938	14,142,332
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, 2009 to December 31, 2009)	Current Fiscal Year (from January 1, 2010 to December 31, 2010)
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(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	66
		Mitsubishi UFJ Financial Group, Inc.	145,000	63
		RAITO KOGYO CO., LTD.	265,100	53
		NIPPON JOGESUIDO SEKKEI CO., LTD.	500	51
		T&D Holdings, Inc.	19,200	39
		WESCO Inc.	200,072	33
		Ube Material Industries, Ltd.	136,000	32
		Maetzawa Kasei Industries Co., Ltd.	36,000	26
		Chuo Securities Co., Ltd	60,000	24
		ASIA AIR SURVEY CO., LTD.	102,000	23
		Other (21 issues)	662,347	188
Total			1,724,785	603

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	Mitsubishi UFJ Asset Management Co., Ltd. (Mitsubishi UFJ Cash Fund)	500,306,796	500
		Nomura Asset Management Co., Ltd. (Free Financial Fund)	500,219,953	500
		Daiwa Securities Investment Trust Consignment Co., Ltd. (Free Financial Fund)	3,001,255,729	3,001
Total			4,001,782,478	4,001

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	3,574	19	5	3,587	1,861	96	1,726
Structures	714	–	–	714	505	15	209
Machinery and equipment	235	0	–	236	215	3	21
Vehicle and delivery equipment	16	–	16	–	–	–	–
Furniture and fixtures	924	37	86	875	685	94	190
Land	4,581	–	–	4,581	–	–	4,581
Lease assets	400	137	74	463	212	147	250
Total tangible fixed assets	10,447	194	183	10,459	3,479	357	6,980
Intangible fixed assets							
Leasehold	16	–	–	16	–	–	16
Software	376	64	–	441	230	73	210
Telephone right	22	–	–	22	–	–	22
Right of using special facilities	4	–	–	4	3	0	0
Lease assets	7	–	1	6	2	1	3
Other	1	–	–	1	1	0	0
Total intangible fixed assets	428	64	1	492	237	75	254
Long-term prepaid expenses	33	13	0	45	17	6	27
Deferred assets							
–	–	–	–	–	–	–	–
Total deferred assets	–	–	–	–	–	–	–

Specifications of allowances and reserves

Category	Opening balance (million yen)	Increase during the year (million yen)	Decrease during the year (Use with purpose) (million yen)	Decrease during the year (Other) (million yen)	Closing balance (million yen)
Allowance for doubtful account	33	0	-	20	13
Allowance for investment loss	10	-	-	-	10
Reserve for bonuses	478	496	478	-	496
Reserve for bonuses to directors	43	19	43	-	19
Allowance for losses in operations	77	97	77	-	97

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

(2) Details of major assets/liabilities

1) Assets section

(i) Cash and bank deposits

Category	Amount (million yen)
Cash on hand	3
Type of bank deposits	
Checking deposit	1,865
Ordinary deposit	304
Time deposit	1,000
Special deposit	10
Subtotal	3,180
Total	3,183

(ii) Accounts receivable from completed services

(a) Breakdown by client

Client	Amount (million yen)
Japanese Government	117
Tokyo Metropolis	58
Hyogo Prefecture	53
Shiga Prefecture	30
Japan Institute of Wastewater Engineering Technology	28
Mie Prefecture Environmental Conservation Agency	28
Fukui Prefecture	26
Kyoto Environmental Preservation Public Corporation	23
Akashi City	20
Yamanashi Prefecture	18
Other	211
Total	617

(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
1,159	4,285	4,828	617	88.7	75.7

Notes:

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	4,949
Subcontractor cost	2,756
Expense	1,857
Total	9,563

2) Liabilities

(i) Accounts payable—Trade

Service provider	Amount (million yen)
CTI Wing Co., Ltd	84
CTI AURA Co., Ltd.	30
CTI Grand Planning Co., Ltd.	28
Shin Doboku Kaihatsu Co., Ltd.	22
Manpower Japan Co., Ltd.	16
OTSUKA CORPORATION	14
Chugai Technos Corporation	9
Mikuniya Corporation	9
Fuji Xerox Co., Ltd.	9
Kanazawa Kikaku Co., Ltd.	9
Other	616
Total	852

(ii) Advances received from uncompleted services

Client	Amount (million yen)
Japanese Government	3,484
Hyogo Prefecture	351
Shiga Prefecture	145
Kanagawa Prefecture	130
Japan Construction Information Center	118
Aomori Prefecture	115
Yamanashi Prefecture	114
Mie Prefecture	108
Nagasaki Prefecture	106
Fukui Prefecture	103
Other	2,127
Total	6,907

(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: http://www.ctie.co.jp/
Privilege to shareholders	None

CHAPTER 7: REFERENCE MATERIAL

1. Parent Company Information

The Company has no parent company.

2. Other References

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

(1) Securities Report, its accompanying documents, and confirmation note

Fiscal year (47th fiscal year) (from January 1, 2009 to December 31, 2009)

Submitted to the director of the Kanto Local Finance Bureau on March 26, 2010.

(2) Internal Control Report

Submitted to the director of the Kanto Local Finance Bureau on March 26, 2010.

(3) Quarterly Report and confirmation note

(First quarter of 48th fiscal year) (from January 1, 2010 to March 31, 2010)

Submitted to the director of the Kanto Local Finance Bureau on May 14, 2010.

(Second quarter of 48th fiscal year) (from April 1, 2010 to June 30, 2010)

Submitted to the director of the Kanto Local Finance Bureau on August 13, 2010.

(Third quarter of 48th fiscal year) (from July 1, 2010 to September 30, 2010)

Submitted to the director of the Kanto Local Finance Bureau on November 15, 2010.

(4) Extraordinary Report

Submitted to the director of the Kanto Local Finance Bureau on March 25, 2011.

The Extraordinary Report is subject to the provisions of Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

Part 2: SURETY COMPANY INFORMATION

Not applicable.