

SECURITIES REPORT

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

Fiscal Year (49th Term)

(from January 1, 2011 to December 31, 2011)

CTI Engineering Co., Ltd.

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

(941-172)

49th Term (from January 1, 2011 to December 31, 2011)

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 28, 2012
Fiscal Year	49th term (from January 1, 2011 to December 31, 2011)
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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Part 1: CORPORATE INFORMATION

CHAPTER 1: GENERAL

1. Changes in Major Management Indices

(1) Consolidated Management Indices of the Company

Fiscal year		45th term	46th term	47th term	48th term	49th term
Fiscal year-end		December 2007	December 2008	December 2009	December 2010	December 2011
Sales amount	(million yen)	30,613	30,786	31,374	30,939	33,646
Ordinary profit	(million yen)	1,614	1,330	1,281	1,279	1,129
Net income	(million yen)	756	600	630	634	421
Comprehensive income	(million yen)	–	–	–	–	507
Net assets	(million yen)	18,561	18,812	19,196	19,658	19,876
Total assets	(million yen)	30,486	30,852	29,970	32,243	30,332
Net assets per share	(yen)	1,307.23	1,327.14	1,352.78	1,383.80	1,397.99
Net income per share	(yen)	53.49	42.45	44.56	44.84	29.83
Net income per share after adjustment of potential shares	(yen)	–	–	–	–	–
Net worth ratio	(%)	60.7	60.8	63.8	60.7	65.2
Profit ratio of net worth	(%)	4.1	3.2	3.3	3.3	2.1
Price earnings ratio	(times)	14.02	16.42	10.39	10.12	17.60
Cash flow from operating business activities	(million yen)	258	457	-760	3,025	-1,005
Cash flow from investment activities	(million yen)	-281	-208	-536	-1,483	683
Cash flow from financial activities	(million yen)	-78	-279	-402	-696	-238
Closing balance of cash and cash equivalents	(million yen)	7,471	7,417	5,717	6,559	6,163
Number of employees (plus average number of temporary employees)	(persons)	1,332 (413)	1,415 (491)	1,423 (509)	1,452 (535)	1,557 (495)

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		45th term	46th term	47th term	48th term	49th term
Fiscal year-end		December 2007	December 2008	December 2009	December 2010	December 2011
Sales amount	(million yen)	27,948	27,833	28,050	27,220	28,416
Ordinary profit	(million yen)	1,455	1,235	1,079	1,121	946
Net income	(million yen)	714	574	510	541	363
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)	18,391	18,639	18,880	19,225	19,428
Total assets	(million yen)	28,570	28,547	27,195	29,905	27,373
Net assets per share	(yen)	1,299.73	1,317.81	1,334.97	1,359.42	1,373.83
Cash Dividend per share (Interim dividend per share)	(yen)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)	16.00 (-)
Net income per share	(yen)	50.48	40.61	36.08	38.27	25.68
Net income per share after adjustment of potential shares	(yen)	-	-	-	-	-
Net worth ratio	(%)	64.4	65.3	69.4	64.3	71.0
Profit ratio of net worth	(%)	3.9	3.1	2.7	2.8	1.9
Price earnings ratio	(times)	14.86	17.16	12.83	11.86	20.45
Divided Payout ratio	(%)	31.7	39.4	44.3	41.8	62.3
Number of employees (plus average number of temporary employees)	(persons)	1,159 (407)	1,218 (456)	1,238 (474)	1,255 (504)	1,269 (466)

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 (Tohoku 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) (presently Fukuoka Urban Engineering Co., Ltd.)
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 three 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

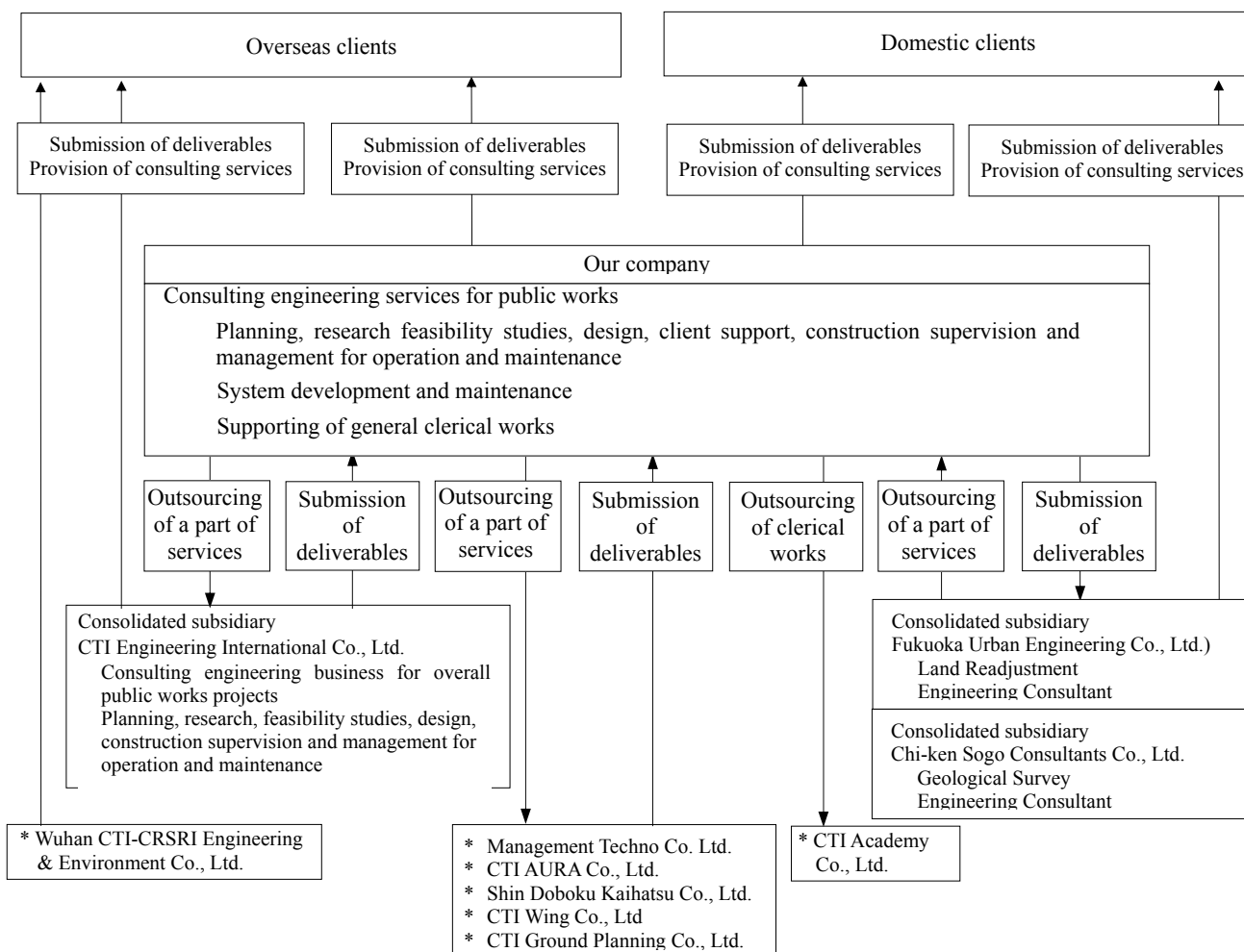
The Company's consulting engineering services include, among others, planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general clerical works, and land readjustment works. The Company is in charge of all of these operations. Additionally, the Company's subsidiary Fukuoka Urban Engineering Co., Ltd. is mainly in charge of land readjustment and urban redevelopment works. The Company's subsidiary Chi-ken Sogo Consultants Co., Ltd. is mainly in charge of geological work and works related to erosion control.

(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	Receives orders for engineering consulting services in overseas markets. The Company guarantees some debts. Auditor is shared with the Company.
Fukuoka Urban Engineering Co., Ltd.)	Chuo-ku, Tokyo	100	Land readjustment Engineering consulting	100.0	Receives orders for engineering consulting services from the Company. In addition, directly receives orders for land readjustment works, from local governments. Auditor is shared with the Company.
Chi-ken Sogo Consultants Co., Ltd.	Arakawa-ku, Tokyo	100	Geological survey Engineering consulting	100.0	Receives orders for engineering consulting services from the Company. In addition, directly receives orders for geological survey works, from local governments.

5. Situation of employees

(1) Consolidation basis

As of December 31, 2011

Number of employees (persons)	1,557 (495)
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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, 2011

Number of employees (persons)	Age on average (years old)	Average length of employment (years)	Average yearly wage (yen)
1,269 (466)	41.74	12.89	7,753,801

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: 747 (as of December 31, 2011)
- 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 remained stringent due to the impact of the Great East Japan Earthquake, as well as the combined effects of the appreciated yen and the destabilization of the European economy, and this restrained growth to a very low level.

With regard to construction consultancy, the industry in which the Group is involved, the national government allocated approximately 3.8 trillion yen in budgetary measures for public works spending in its supplementary budget, while the initial budget for fiscal 2011, including Grant for voluntary regional strategy, decreased by 5.1% YoY to 5.4 trillion yen. Public works spending on which the industry highly depends finally reached the end of its downward trend.

Under these circumstances, the Group has promoted comprehensive development of sectors, quality, and mind under the “Challenge 2011,” the mid-term business plan that entered the final year in 2011. Additionally, amidst the severe environment for orders received, an environment largely created by intensifying price competition, the Group prevailed over competitors in the screening tests decided based on technical strengths under the “Proposal System” and “Comprehensive Evaluation” system, and steadfastly maintained its status as a leading company in construction consultancy.

In response to the Great East Japan Earthquake, we commenced research on damage, etc. on the spot just after the quake struck, and devoted all of our strengths and resources to recovery and restoration works, including a restoration support business in Kamaishi-shi, Iwate Prefecture. We have also contributed as a construction consultant to the rebuilding of social infrastructure, including disaster-recovery works in the aftermath of Typhoons No. 12 and No. 15.

Among our consolidated subsidiaries, CTI Engineering International Co., Ltd., an internationally active company, won a bid for a flood countermeasure project for the basin of the Chao Phraya River, a project related to the flood disasters of Thailand, and recorded steady results. Fukuoka Land Readjustment Co., Ltd., a subsidiary specializing in land readjustment and urban redevelopment, performed well, particularly in receiving orders for urban redevelopment works to recover from damages sustained in the Great East Japan Earthquake. Chi-ken Sogo Consultants Co., Ltd., a subsidiary consolidated from the current consolidated fiscal year, steadily received orders for works related to frequently occurring landslides throughout Japan.

As a consequence, orders received during this consolidated fiscal year were 31,598 million yen, a YoY increase of 4.8%, and income from completed services was 33,646 million yen, a YoY increase of 8.7%. Meanwhile, mainly due to prior investments for support for restoration, ordinary profit was 1,129 million yen, down by 11.8% YoY. Net income was 421 million yen, down by 33.5% YoY.

(2) Cash Flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased by 396 million yen YoY, to a total of 6,163 million yen.

Net cash used for operating activities was 1,005 million yen. The major item was a 2,710 million yen decrease in advances received from uncompleted services and a 1,545 million yen decrease in prepaid expenses for uncompleted services.

Net cash provided by investment activities was 683 million yen. The major item was a 1,000 million yen proceeds from withdrawal of time deposits.

Net cash used for financial activities was 238 million yen, a YoY decrease of 65.8%. The major item was dividend payments of 226 million yen.

2. Production, orders received and sales

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

(1) Production results

Category	Current consolidated fiscal year (From January 1, 2011 to December 31, 2011) (million yen)	Change from the same term in previous year (%)
Engineering consulting	33,646	8.7
Total	33,646	8.7

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

(2) Order receiving situation

Category	Current consolidated fiscal year (From January 1, 2011 to December 31, 2011)			
	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	31,598	4.8	29,939	-3.4
Total	31,598	4.8	29,939	-3.4

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

(3) Sales results

1) Sales results

Category	Current consolidated fiscal year (From January 1, 2011 to December 31, 2011) (million yen)	Change from the same term in previous year (%)
Engineering consulting	33,646	8.7
Total	33,646	8.7

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, 2010 to December 31, 2010)		Current consolidated fiscal year (From January 1, 2011 to December 31, 2011)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
National Government	14,966	48.4	16,609	49.4

3. Our tasks ahead

We expect that, thanks to a supplementary budget, public works spending will continue to increase. The national government has earmarked a budget for restoration from the Great East Japan Earthquake in its proposed fiscal 2012 budget as well, and we project the restoration will gain momentum. To further strengthen response to proceeding restoration, we reorganized the Reconstruction Support Section, Tohoku Office into the Tohoku Reconstruction Promotion Center on January 1, 2012, and concurrently established the Kamaishi Reconstruction Promotion Office in Kamaishi-shi, Iwate Prefecture as a new base.

Fiscal 2012 is the first year of the new mid-year business plan 2014 based on the Group's third mid- and long-term vision (PH00S2015). As basic themes, the new mid-year business plan 2014 focuses on our efforts to become an independent professional, to expand new businesses, and to attain the best quality in Japan. To bring the plan to a successful close, the Group will promote the strategies listed below.

- 1) Addressing earthquake recovery and restoration
- 2) Addressing non entry areas
- 3) Ensuring and improving quality

The year 2011 was a time of great loss when many lives and indispensable properties were destroyed by the Great East Japan Earthquake, by frequent landslide and flood disasters across Japan, and by the great flood in Thailand. It was also a year when the Group once again recognized the importance of its mission, as a construction consultant, to protect citizens' lives and property through the development of social infrastructures.

All employees and executives will vigorously work together towards national land conservation and preparations to ensure the safety and security of Japan's citizens.

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

- 1) Strategic research (research in international business and research in urban business)
- 2) Restoration support (urban design considering disaster prevention, research on the floating of radioactive substances)
- 3) New business model research (G/H project for disaster prevention, renewable energy, CM development for local governments, PPP/PFI business unit, business development for harbor areas, biodiversity business)
- 4) Research in national land and culture (a think tank, infrastructure management methods, a compact city, a mental health city, tourism development, cooperation bases for waterside restoration, composition system of ecology and culture, disaster prevention technology for cultural properties, research and countermeasures against hollowing out, revitalization of the Nihonbashi area)
- 5) Technological research and development (construction management technology, simulation tool for the charging of fees, utilization of 3D data, technology for differentiation in biology research, CommnMP, estimation of the movements of physical organisms in tidal mud flats, driftwood movement, space information society, use of an image analyzing system, CTI-ITS development, slope collapse prediction, the optimization of a water reservoir administration, risk quantification for different soil types, 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 30,332 million yen, for a decrease of 5.9% compared to the previous year. The major items were decreases in prepaid expenses for uncompleted services and marketable securities.

(Liabilities)

Total liabilities at the end of this consolidated fiscal year were 10,456 million yen, for a decrease of 16.9% compared to the end of the previous year. The major item was a decrease in advances received from uncompleted services.

(Net Assets)

At the end of the current consolidated fiscal year, net assets totaled 19,876 million yen, for an increase of 1.1% 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 31,598 million yen, a YoY increase of 4.8%. Income from completed services was 33,646 million yen, a YoY increase of 8.7%. Ordinary

profit decreased by 11.8% YoY to 1,129 million yen, and net income for this consolidated fiscal year decreased by 33.5% YoY to 421 million yen.

(3) Cash flow

At the end of the current consolidated fiscal year, cash and cash equivalents (funds) decreased by 396 million yen compared to the end of the previous year, totaling 6,163 million yen.

Net cash used for operating activities was 1,005 million yen. The major item was a 2,710 million yen decrease in prepaid expenses for uncompleted services and a 1,545 million yen decrease in advances received from uncompleted services.

Net cash provided by investment activities was 683 million yen. The major item was a 1,000 million yen proceeds from withdrawal of time deposits.

Net cash used for financial activities was 238 million yen, a YoY decrease of 65.8%. The major item was dividend payments of 226 million yen.

CHAPTER 3: FACILITIES & EQUIPMENT

1. Outline of Investment into Facilities and Equipment

The Group committed 71 million yen in capital investment to develop networks for strengthening customer-oriented operations and improving operational management environments.

There were no capital investments or sales or dispositions of facilities or equipment that had significant impacts on production capabilities in the current consolidated fiscal year.

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, 2011

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	12	–	–	14	8	35	92 (1)
Tokyo Head Office (Chuo-ku, Tokyo)	Office	53	–	–	52	35	141	355 (114)
Tokyo Head Office Saitama Office (Urawa-ku, Saitama)	Office	795	0	772 (1,978)	46	16	1,630	138 (77)
Research Center Tsukuba (Tsukuba-shi, Ibaraki)	Office and laboratory facilities	323	15	1,937 (50,605)	7	10	2,294	40 (17)
Yono Dormitory (Chuo-ku, Saitama)	Welfare facilities	250	–	820 (1,565)	–	0	1,071	– (–)
Kyushu Office (Chuo-ku, Fukuoka)	Office	391	2	1,025 (1,136)	24	9	1,453	129 (37)

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, 2011)	Issued shares as of the date for submission (shares) (March 28, 2012)	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.

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, 2011

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	90	55	5	2,649	2,853	–
Number of shares held (units)	–	35,194	1,535	14,969	7,683	196	81,638	141,215	37,586
Shareholding ratio (%)	–	24.9	1.1	10.6	5.5	0.1	57.8	100.0	–

Notes:

1. Among treasury stocks (17,191 stocks), 171 units are counted as “Individuals etc.” and 91 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, 2011

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	1,943	13.72
Japan Trustee Services Bank, Ltd. (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	509	3.59
The Master Trust Bank of Japan, Ltd. (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	461	3.26
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
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)	224	1.58
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	—	4,879	34.46

Note: 459 thousand shares held in The Master Trust and Bank of Japan, Ltd. (trust account) and 505 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, 2011

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 17,100	–	–
Shares with complete voting rights (Other)	Common stock 14,104,400	141,044	–
Shares below a unit	Common stock 37,586	–	–
Total number of shares issued	14,159,086	–	–
Voting rights of total shareholders	–	141,044	–

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 91 treasury stocks held by the Company.

(ii) Treasury Stocks, etc.

As of December 31, 2011

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	17,100	–	17,100	0.1
Total	–	17,100	–	17,100	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 155.3 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	Number of Shares	Total Price (Yen)
Treasury stock acquired in this fiscal year	266	137,418
Treasury stock acquired in this period	—	—

Note: Treasury stock acquired in this period do not include shares acquired that were less than one transaction unit from March 1, 2012 to the date of the submission of this Securities Report.

(4) Disposal and Holding of Acquired Treasury Stock

Category	This Fiscal Year		This Period	
	Number of Shares	Total Amount Received on Divestiture (Yen)	Number 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	17,191	—	17,191	—

Note: Treasury stock acquired in this period does not include shares acquired that were less than one transaction unit from March 1, 2012 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, 2011, at the 49th Ordinary General Shareholders Meeting held on March 27, 2012, 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	45th term	46th term	47th term	48th term	49th term
Fiscal year end	December 2007	December 2008	December 2009	December 2010	December 2011
Highest (yen)	1,040	741	706	515	670
Lowest (yen)	715	500	424	388	399

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 2011	August 2011	September 2011	October 2011	November 2011	December 2011
Highest (yen)	558	564	567	573	560	551
Lowest (yen)	505	470	508	529	506	516

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	86
Executive Officer, Vice President, Representative Director		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. Senior Managing Executive Officer & Director Executive Officer, Vice President & Representative Director (present post)	1	16
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	39
Executive Officer, Vice President, Representative Director	Chief, Headquarters Engineering Dept.	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 April 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 Senior Managing Executive Officer & Director Executive Officer, Vice President & Representative Director (present post) Chief, Headquarters Engineering Dept. (present post)	1	32

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	17
				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, Tokyo Head Office	Kazuo Murata	September 26, 1951	April 1978	Joined CTI Engineering	1	33
				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		
				March 2010	Director (present post), Managing Executive Officer		
				March 2011	Senior Managing Executive Officer (present post)		
				April 2011	Principal, Tokyo Head Office (present post)		
Senior Managing Executive Officer & Director	Chief, Headquarters Business Development Dept.	Yasuki Komatsu	October 15, 1951	April 1976	Joined CTI Engineering	1	36
				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	<p>April 1974 April 1993 April 1997 March 1999 March 2000 April 2000 March 2003 April 2007 April 2009 March 2010</p> <p>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)</p>	1	34
Managing Executive Officer & Director	Principal, Osaka Head Office	Asao Yu	January 17, 1955	<p>April 1979 April 1997 March 2003 March 2005 April 2005 March 2006 April 2009 March 2010 March 2011</p> <p>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)</p>	1	20
Executive Officer & Director	Principal, Chubu Office	Norio Tomonaga	September 15, 1953	<p>April 1979 April 1998 April 2004 March 2006 March 2010 March 2011</p> <p>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 Executive Officer (present post) Director, Principal, Chubu Office (present post)</p>	1	28
Executive Officer & Director	Chief, Headquarters Management Dept.	Hideaki Kurita	January 1, 1954	<p>April 1980 April 1998 April 2004 April 2005 March 2006 April 2009 March 2010 March 2011</p> <p>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)</p>	1	20

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	30	
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	12	
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	3	—	
Total								408

- Notes: 1 From March 27, 2012 until the conclusion of the ordinary General Meeting of Shareholders Meeting held in respect of the fiscal year ending December 31, 2013.
- 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.

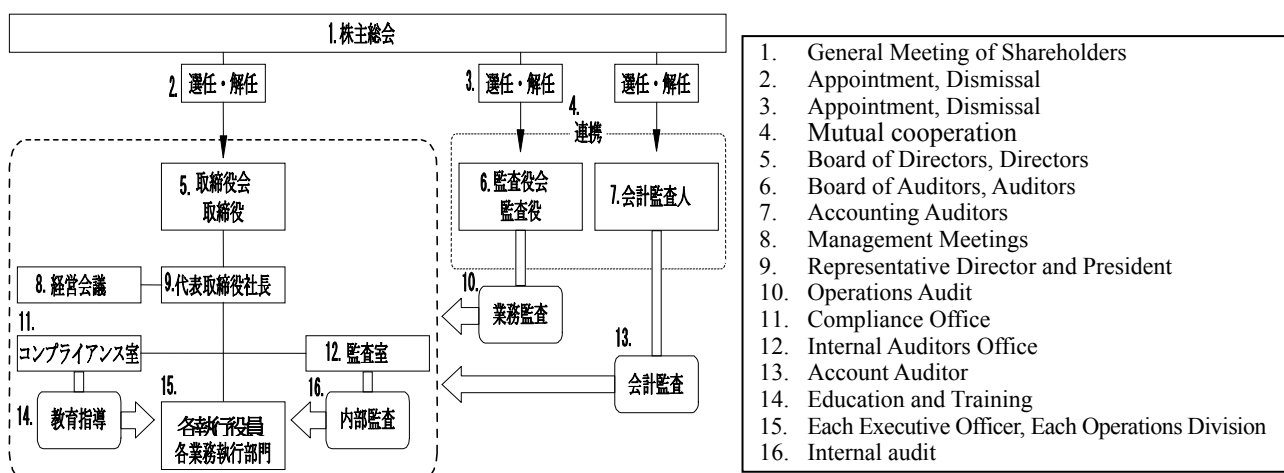
The Company has appointed Auditors. The Auditors, in addition to attendance at Board of Directors meetings and other important meetings within the Company, audits corporate conduct as an independent body. At present 2 of the 4 Auditors are legal practitioners who have been appointed as external Auditors.

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 13 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)	329	272	19	37	13
Auditors (excluding External Auditors)	27	27	–	–	3
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

No executive in the Company has received a total consolidated compensation, etc. of one hundred million yen or more, so description is omitted.

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

Number of issues: 33 issues

Total book value on the balance sheet: 722 million yen

b. Division of holding, issuer name, number of shares, book value on balance sheet, and purpose of holding, of investment stock held for purposes other than pure investment

(Previous consolidated fiscal year)

Specified Investment Stock

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.

(Current consolidated fiscal year)

Specified Investment Stock

Issuer name	Number of shares (shares)	Book value on balance sheet (million yen)	Purpose of holding
RAITO KOGYO CO., LTD.	265,100	111	To ensure stable shareholders
OYO Corporation	98,500	87	To ensure stable shareholders
NIPPON JOGESUIDO SEKKEI CO., LTD.	500	50	To ensure stable shareholders
Mitsubishi UFJ Financial Group, Inc.	145,000	47	To maintain and continue stable business relations
Ube Material Industries, Ltd.	136,000	32	To ensure stable shareholders
WESCO Inc.	200,072	32	To ensure stable shareholders
E・J Holdings Inc.	60,340	30	To ensure stable shareholders
Maezawa Kasei Industries Co., Ltd.	36,000	28	To ensure stable shareholders
T&D Holdings, Inc.	38,400	27	To maintain and continue stable business relations
NIPPON ENGINEERING CONSULTANTS CO., LTD.	100,000	22	To ensure stable shareholders
ASIA AIR SURVEY CO., LTD.	102,000	22	To ensure stable shareholders
SHO-BOND Holdings Co., Ltd.	12,800	21	To ensure stable shareholders
KOKUSAI KOGYO HOLDINGS CO., LTD.	111,000	21	To ensure stable shareholders
Kawasaki Geological Engineering Co., Ltd.	47,000	20	To ensure stable shareholders
CHODAI CO., LTD.	105,000	19	To ensure stable shareholders
NISHINIPPON SYSTEM INSTALLATIONS AND CONSTRUCTION CO., LTD.	74,000	16	To ensure stable shareholders
The Chiba Bank, Ltd.	30,000	14	To maintain and continue stable business relations
ACK G Limited	57,200	11	To ensure stable shareholders
Kuwayama Corporation	26,400	10	To ensure stable shareholders
FUKUYAMA CONSULTANTS CO., LTD.	34,100	8	To ensure stable shareholders
Mizuho Financial Group, Inc.	81,000	8	To maintain and continue stable business relations
IDEA Consultants, Inc.	17,000	5	To ensure stable shareholders
UCHIDA YOKO CO., LTD.	16,000	3	To ensure stable shareholders
ARIAKE JAPAN Co., Ltd.	1,829	2	To ensure stable shareholders
The Dai-ich Life Insurance Company, Limited	26	1	To maintain and continue stable business relations
ICHINEN HOLDINGS Co., Ltd.	1,844	0	To ensure stable shareholders
NIPPON KOEI CO., LTD.	1,155	0	To ensure stable shareholders

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 2011, 13 Board of Directors and 13 Board of Auditors meetings were held.

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

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

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

Not applicable.

5) Election and dismissal of directors

The fixed number of directors is twelve (12) without necessary qualifications. The Company sets forth in its Articles of Incorporation that resolutions for the election of directors shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights. The Company also sets forth in its Articles of Incorporation that resolutions for the election of Directors shall not be by cumulative voting. In addition, the Company has not amended the requirements for resolutions to dismiss directors set forth in the Companies Act.

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

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

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

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

(2) Auditing compensation, etc.

1) Compensation for auditing CPAs, etc.

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

2) Other important compensation

Not applicable.

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

Not applicable.

4) Policy for decisions regarding auditing compensation

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, 2010 to December 31, 2010) were prepared pursuant to pre-amended regulations concerning consolidated financial statements, while the financial statements for this consolidated fiscal year (from January 1, 2011 to December 31, 2011) 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, 2010 to December 31, 2010) were prepared pursuant to pre-amended regulations concerning non-consolidated financial statements, while the financial statements for this fiscal year (from January 1, 2011 to December 31, 2011) 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, 2010 to December 31, 2010) and for this consolidated fiscal year (from January 1, 2011 to December 31, 2011) and the non-consolidated financial statements for the previous fiscal year (from January 1, 2010 to December 31, 2010) and for this fiscal year (from January 1, 2011 to December 31, 2011) 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, 2010)	Current Consolidated Fiscal Year (as of December 31, 2011)
Assets		
Current assets		
Cash and bank deposits	3,557	3,161
Notes receivable and other receivables	863	1,817
Marketable securities	4,001	3,002
Prepaid expenses for uncompleted services	11,431	10,300
Deferred tax assets	389	308
Other	740	442
Allowance for doubtful accounts	-13	-27
Total current assets	20,971	19,003
Fixed assets		
Tangible fixed assets		
Buildings and structures	4,326	4,490
Accumulated depreciation	-2,378	-2,490
Buildings and structures, net	1,948	2,000
Machinery and transportation equipment	242	241
Accumulated depreciation	-220	-222
Machinery and transportation equipment, net	21	19
Land	4,581	4,610
Lease assets	514	535
Accumulated depreciation	-235	-263
Lease assets, net	279	271
Other	895	901
Accumulated depreciation	-702	-741
Other, net	193	160
Total tangible fixed assets	7,024	7,061
Intangible fixed assets		
Goodwill	10	12
Lease assets	11	9
Other	263	231
Total intangible fixed assets	285	253
Investments and other assets		
Investment in securities	*1	*1
Deferred tax assets	514	433
Prepaid pension cost	840	933
Other	*1	*1
Allowance for investment loss	-10	-10
Total investments and other assets	3,962	4,013
Total fixed assets	11,272	11,328
Total assets	32,243	30,332

(Millions of yen)

	Previous Consolidated Fiscal Year (as of December 31, 2010)	Current Consolidated Fiscal Year (as of December 31, 2011)
Liabilities		
Current liabilities		
Accounts payable	917	1,210
Short-term borrowings	100	250
Lease obligations	137	132
Accrued income taxes	345	168
Advances received from uncompleted services	8,112	5,466
Reserve for bonuses	581	451
Reserve for bonuses to directors	35	25
Allowance for losses in operations	139	111
Other	1,343	1,461
Total current liabilities	11,713	9,277
Fixed liabilities		
Long-term accounts payable	180	147
Lease obligations	163	159
Reserve for retirement benefit	462	685
Asset retirement obligations	-	129
Other	64	57
Total fixed liabilities	871	1,179
Total liabilities	12,585	10,456
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	4,122	4,122
Profit surplus	12,406	12,540
Treasury stock	-10	-11
Total shareholders' equity	19,544	19,677
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	25	92
Total accumulated other comprehensive income	25	92
Minority interest	88	105
Total net assets	19,658	19,876
Total liabilities and net assets	32,243	30,332

(ii) Consolidated Profit and Loss Account and Consolidated Statements of Comprehensive Income

Consolidated Profit and Loss Account

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Sales	30,939	33,646
Cost of sales	23,377	25,265
Gross profit	7,562	8,380
Selling, general and administrative expenses	*1 *2 6,405	*1 *2 7,395
Operating income	1,156	984
Non-operating revenues		
Interest earned	25	21
Dividend earned	18	21
House rent earned	45	40
Insurance dividends earned	19	13
Other	36	63
Total non-operating revenues	145	160
Non-operating expenses		
Interest expense	3	0
Commission paid	5	6
Exchange rate losses	12	7
Other	0	1
Total non-operating expenses	22	15
Ordinary profit	1,279	1,129
Extraordinary gain		
Reversal of allowance for doubtful accounts	14	-
Total extraordinary gain	14	-
Extraordinary loss		
Loss from fixed assets disposal	*3 8	*3 4
Business establishment relocation expenses	3	-
Unrealized loss on investment in securities	59	65
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	22
Other	4	3
Total extraordinary loss	76	95
Net income before income tax	1,218	1,033
Corporation tax, inhabitants taxes and enterprise tax	566	417
Deferred income taxes etc.	-7	175
Total income taxes	558	593
Income before minority interests	-	440
Minority interest in profit of consolidated Companies	25	18
Current net income	634	421

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Income before minority interests	-	440
Other comprehensive income		
Other valuation difference on available-for-sale securities	-	66
Total other comprehensive income	-	* 2 66
Comprehensive Income	-	* 1 507
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	-	488
Comprehensive income attributable to minority interests	-	18

(iii) Statement of Fluctuations in Consolidated Shareholders' Equity

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
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	11,998	12,406
Changes of items during the period		
Dividend surplus	-226	-226
Net income	634	421
Change of scope of consolidation	-	-61
Total changes of items during the period	407	133
Balance at the end of current period	12,406	12,540
Treasury stock		
Balance at the end of previous period	-10	-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	-11
Total shareholders' equity		
Balance at the end of previous period	19,136	19,544
Changes of items during the period		
Dividend surplus	-226	-226
Net income	634	421
Acquisition of treasury stock	-0	-0
Change of scope of consolidation	-	-61
Total changes of items during the period	407	133
Balance at the end of current period	19,544	19,677

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities		
Balance at the end of previous period	-4	25
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	30	66
Total changes of items during the period	30	66
Balance at the end of current period	25	92
Total accumulated other comprehensive income		
Balance at the end of previous period	-4	25
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	30	66
Total changes of items during the period	30	66
Balance at the end of current period	25	92
Minority interest		
Balance at the end of previous period	64	88
Changes of items during the period		
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	24	17
Total changes of items during the period	24	17
Balance at the end of current period	88	105
Total net assets		
Balance at the end of previous period	19,196	19,658
Changes of items during the period		
Dividend surplus	-226	-226
Net income	634	421
Acquisition of treasury stock	-0	-0
Change of scope of consolidation	-	-61
Fluctuations during this consolidated fiscal year for items other than shareholders' equity (Net amount)	54	83
Total changes of items during the period	462	217
Balance at the end of current period	19,658	19,876

(iv) Consolidated Cash Flow Statement

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Cash flow from operating activities		
Current net income before income tax	1,218	1,033
Depreciation and amortization	469	450
Goodwill amortization	25	27
Increase (decrease) in allowance for doubtful accounts	-20	14
Increase (decrease) in reserve for retirement benefit	-17	7
Decrease (increase) in prepaid pension cost	-106	-92
Increase (decrease) in reserve for bonuses	48	-143
Increase (decrease) in reserve for bonuses to directors	-11	-9
Increase (decrease) in allowance for losses in operations	35	-27
Increase (decrease) in long-term accounts payable	-94	-32
Interest and dividend earned	-44	-43
Interest payable	3	0
Foreign exchange loss (gain)	3	1
Unrealized loss (gain) on investment in securities	59	65
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	22
Loss (gain) from fixed assets disposal	7	3
Decrease (increase) in sales account	540	-952
Decrease (increase) in prepaid expenses for uncompleted services	-729	1,545
Decrease (increase) in other current assets	0	3
Increase (decrease) in account payable	-317	264
Increase (decrease) in advances received from uncompleted services	2,414	-2,710
Increase (decrease) in other current liabilities	-50	117
Increase (decrease) in other fixed liabilities	-0	-7
Other	1	11
Subtotal	3,436	-449
Received interest and dividend	43	44
Interest payment	-3	-1
Payment of corporation income tax etc.	-451	-599
Cash flow provided by (used for) operating activities	3,025	-1,005

(Millions of yen)

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Cash flow from investment activities		
Payments for acquisition of tangible fixed assets	-55	-66
Payments for acquisition of intangible fixed assets	-52	-67
Payments for acquisition of investment in securities	-31	-94
Repayments for loans	-528	-254
Income from loan collection	314	175
Payments for acquisition of securities of affiliate	-100	-
Payments into time deposits	-3,500	-3,500
Proceeds from withdrawal of time deposits	2,500	4,500
Other payments	-52	-36
Other proceeds	21	26
Cash flow used for investment activities	-1,483	683
Cash flow from financial activities		
Income from short-term borrowing	2,400	700
Payment of short-term borrowing	-2,700	-550
Acquisition of treasury stock	-0	-0
Repayments of lease obligations	-168	-160
Dividend payment	-226	-226
Dividend payment for minority interests	-1	-1
Cash flow used for financial activity	-696	-238
Effect in fluctuation of exchange rate for cash and cash equivalents	-3	-1
Increase (decrease) in cash and cash equivalents	841	-562
Opening balance of cash and cash equivalents	5,717	6,559
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	166
Closing balance of cash and cash equivalents	*1 6,559	*1 6,163

Basic Important Matters for Preparation of Consolidated Financial Statement

Item	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
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: 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: 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: 3 Name of the consolidated subsidiary: CTI Engineering International Co., Ltd. Fukuoka Urban Engineering Co., Ltd. Chi-ken Sogo Consultants Co., Ltd. (Fukuoka Land Readjustment Co., Ltd. changed its name to Fukuoka Urban Engineering Co., Ltd. on April 1, 2011. Chi-ken Sogo Consultants Co., Ltd. entered the scope of consolidation from the current consolidated fiscal year due to an increase in materiality.)</p> <p>(2) Number of non-consolidated subsidiaries: 7 Non-consolidated subsidiaries: Wuhan CTI-CRSRI Engineering & Environment Co., Ltd. Management Techno Co., Ltd CTI AURA Co., Ltd. Shin Doboku Kaihatsu Co., Ltd. CTI Wing Co., Ltd CTI Ground Planning Co., Ltd. CTI Academy Co., Ltd</p> <p>(3) Reason why the non-consolidated subsidiaries are excluded from consolidation range: As at present.</p>

Item	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
<p>2. Application of equity method</p> <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>(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 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> <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>(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 Wuhan CTI-CRSRI Engineering & Environment Co., Ltd., Management Techno Co., Ltd., CTI AURA Co., Ltd., Shin Doboku Kaihatsu Co., Ltd., CTI Wing Co., Ltd., CTI Ground Planning Co., Ltd., and CTI Academy Co., Ltd. have only a slight influence on the consolidated net income or loss and the profit surplus respectively, and do not have much importance as a whole. Therefore, they are excluded from the application range of the equity method.</p> <p>As at present.</p> <p>1) Securities 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, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
(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. (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>	<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> <hr/>

Item	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
(4) Amortization method and period of goodwill	-----	Goodwill is amortized as regulated over a period within 5 years using the straight-line method.
(5) Range of fund in the consolidated cash flow statement	-----	The fund (cash and cash equivalents) in the consolidated cash flow statement 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.
(6) 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.	-----
6. Goodwill amortization	Goodwill is amortized as regulated over 5 years using the straight-line method.	-----
7. Range of fund in the consolidated cash flow statement	The fund (cash and cash equivalents) in the consolidated cash flow statement 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.	-----

Change in accounting policy

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
-----	<p>(Adoption of the “Accounting Standard for Asset Retirement Obligations”)</p> <p>The “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ABSJ), Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ABSJ Guidance No. 21, March 31, 2008) are applied from the current consolidated fiscal year.</p> <p>As a result, operating income and ordinary profit for the current consolidated fiscal year decreased by 6 million yen, respectively, and net income before income tax decreased by 28 million yen.</p>

Change of presentation

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
-----	<p>(Consolidated Profit and Loss Account)</p> <p>The “Cabinet Office Ordinance on the Partial Revision of Regulations on the Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) is applied from the current consolidated fiscal year, based on the “Accounting Standard for Consolidated Financial Statements” (ABSJ Statement No. 22, December 26, 2008). As a result, “Income before minority interests” is presented separately in the Consolidated Profit and Loss Account for the current consolidated fiscal year.</p>

Additional information

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
-----	<p>(Consolidated Balance Sheet, Consolidated Profit and Loss Account, and Statement of Fluctuations in Consolidated Shareholders’ Equity)</p> <p>The “Accounting Standard for Presentation of Comprehensive Income” (ABSJ Statement No. 25, June 30, 2010) is applied from the current consolidated fiscal year. However, the amounts stated in “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” for the previous consolidated fiscal year are the amounts of “Valuation and translation differences” and “Total valuation and translation adjustment,” respectively.</p>

Notes:

(Notes on Consolidated Balance Sheet)

Previous Consolidated Fiscal Year (as of December 31, 2010)	Current Consolidated Fiscal Year (as of December 31, 2011)
<p>*1 For non-consolidated companies</p> <p>Marketable securities 354 million yen</p> <p>"Other" in investments and other assets 25 million yen</p> <p>2 Warranty for liabilities</p> <p>Warranty for the Company's employees' liabilities of 100 million yen borrowed from banks and guaranty for lease agreements of Tokyocho.net, a specified nonprofit corporation, in the amount of 5 million yen.</p>	<p>*1 For non-consolidated companies</p> <p>Marketable securities 254 million yen</p> <p>"Other" in investments and other assets 25 million yen</p> <p>2 Warranty for liabilities</p> <p>Warranty for the Company's employees' liabilities of 86 million yen borrowed from banks.</p>

(Notes on Consolidated Profit and Loss Account)

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)																																				
<p>*1 Major items and amounts among selling, general and administrative expenses are as follows:</p> <p>Wages and allowances 2,393 million yen</p> <p>Bonuses 355</p> <p>Transferred reserve for bonuses 147</p> <p>Reserve for bonuses to directors 35</p> <p>Retirement benefit expenses 161</p> <p>Research and investigation expenses 532</p> <p>Allowance for doubtful accounts 0</p> <p>*2 The research and investigation expenses included in selling, general and administrative expenses 532 million yen</p> <p>*3 Loss from fixed assets disposal can be broken down as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Loss from fixed assets write-off (million yen)</th> <th>Loss from sale of fixed assets (million yen)</th> <th>Total (million yen)</th> </tr> </thead> <tbody> <tr> <td>Buildings and structures in tangible fixed assets</td> <td>3</td> <td>-</td> <td>3</td> </tr> <tr> <td>Machinery and transportation equipment in tangible fixed assets</td> <td>-</td> <td>0</td> <td>0</td> </tr> <tr> <td>Tangible fixed assets etc.</td> <td>4</td> <td>-</td> <td>4</td> </tr> <tr> <td>Total</td> <td>7</td> <td>0</td> <td>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 and structures in tangible fixed assets	3	-	3	Machinery and transportation equipment in tangible fixed assets	-	0	0	Tangible fixed assets etc.	4	-	4	Total	7	0	8	<p>*1 Major items and amounts among selling, general and administrative expenses are as follows:</p> <p>Wages and allowances 3,092 million yen</p> <p>Bonuses 432</p> <p>Transferred reserve for bonuses 131</p> <p>Reserve for bonuses to directors 25</p> <p>Retirement benefit expenses 154</p> <p>Research and investigation expenses 408</p> <p>Allowance for doubtful accounts 14</p> <p>*2 The research and investigation expenses included in selling, general and administrative expenses 408 million yen</p> <p>*3 Loss from fixed assets disposal can be broken down as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Loss from fixed assets write-off (million yen)</th> <th>Loss from sale of fixed assets (million yen)</th> <th>Total (million yen)</th> </tr> </thead> <tbody> <tr> <td>Buildings and structures in tangible fixed assets</td> <td>1</td> <td>-</td> <td>1</td> </tr> <tr> <td>Tangible fixed assets etc.</td> <td>2</td> <td>-</td> <td>2</td> </tr> <tr> <td>Total</td> <td>4</td> <td>-</td> <td>4</td> </tr> </tbody> </table>		Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)	Buildings and structures in tangible fixed assets	1	-	1	Tangible fixed assets etc.	2	-	2	Total	4	-	4
	Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)																																		
Buildings and structures in tangible fixed assets	3	-	3																																		
Machinery and transportation equipment in tangible fixed assets	-	0	0																																		
Tangible fixed assets etc.	4	-	4																																		
Total	7	0	8																																		
	Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)																																		
Buildings and structures in tangible fixed assets	1	-	1																																		
Tangible fixed assets etc.	2	-	2																																		
Total	4	-	4																																		

(Notes on Consolidated Statements of Comprehensive Income)

Current Consolidated Fiscal Year (From January 1, 2011 to December 31, 2011)

*1 Comprehensive income for the consolidated fiscal year immediately before the current consolidated fiscal year

Comprehensive income attributable 664 million yen

to owners of the parent

Comprehensive income attributable 25

to minority interests

Total 690

*2 Other comprehensive income for the consolidated fiscal year immediately before the current consolidated fiscal year

Other valuation difference on 30 million yen

available-for-sale securities

Total 30

(Statement of Fluctuations in Consolidated Shareholders' Equity)

Previous 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

Current Consolidated Fiscal Year (From January 1, 2011 to December 31, 2011)

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	16,925	266	–	17,191

Note: The increase in the amount of treasury stock of 266 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 24, 2011	Common stock	226	16	December 31, 2010	March 25, 2011

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

Resolution	Type of Share	Source of Dividends	Total Dividend Amount (million yen)	Dividend Per Share (Yen)	Record Date	Effective Date
Ordinary General Meeting of Shareholders March 27, 2012	Common stock	Profit surplus	226	16	December 31, 2011	March 28, 2012

(Notes on Consolidated Cash Flow Statement)

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)																																
<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="text-align: right;">3,557</td> <td style="width: 10%;"></td> <td style="text-align: right;">million yen</td> </tr> <tr> <td>Marketable securities account</td> <td style="text-align: right;">4,001</td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">Subtotal</td> <td style="text-align: right; border-top: 1px solid black;">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> <td style="border-top: 1px solid black; border-bottom: 3px double black;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">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			<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, 2011)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Cash and bank deposit account</td> <td style="text-align: right;">3,161</td> <td style="width: 10%;"></td> <td style="text-align: right;">million yen</td> </tr> <tr> <td>Marketable securities account</td> <td style="text-align: right;">3,002</td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">6,163</td> <td></td> <td></td> </tr> </table>	Cash and bank deposit account	3,161		million yen	Marketable securities account	3,002			Total	6,163		
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	3,161		million yen																														
Marketable securities account	3,002																																
Total	6,163																																

(Notes on Lease Arrangements)

Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
<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)

Previous 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	–

Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)

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, 2011 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	3,161	3,161	–
(2) Notes receivable and completed work receivables	1,817	1,817	–
(3) Marketable securities and investment in securities			
1) Held-to-maturity bonds and notes	500	514	14
2) Other securities	3,661	3,661	–
Total	9,140	9,154	14

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	318

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	3,161	–	–	–
Notes receivable and completed work receivables	1,817	–	–	–
Marketable securities and investment in securities				
Held-to-maturity bonds				
Corporate bonds	–	–	500	–
Total	4,978	–	500	–

(Notes on Marketable Securities)

Previous 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.

Current Consolidated Fiscal Year (as of December 31, 2011)

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	514	14
	(3) Other	-	-	-
	Subtotal	500	514	14
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	514	14

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	463	330	133
	(2) Bonds and Notes	-	-	-
	(3) Other	-	-	-
	Subtotal	463	330	133
Those whose amount recorded on the consolidated balance sheet did not exceed the acquisition cost	(1) Shares	195	213	-17
	(2) Bonds and Notes	-	-	-
	(3) Other	3,002	3,002	-
	Subtotal	3,198	3,215	-17
Total		3,661	3,546	115

3. Other securities sold during the current consolidated fiscal year (From January 1, 2011 to December 31, 2011)

	Proceeds Amount (million yen)	Total Gains on Sales (million yen)	Total Loss on Sales (million yen)
Shares	0	0	-

4. Securities written down (from January 1, 2011 to December 31, 2011)

In the current consolidated fiscal year, the Group wrote down 65 million yen in shares classified as other securities.

(Notes on Derivatives Transactions)

In the previous (January 1, 2010 to December 31, 2010) and current (January 1, 2011 to December 31, 2011) consolidated fiscal years, the Group did not use any derivative transactions, and therefore, there is no applicable information.

(Notes on Retirement Benefit)

1. Outline of the current retirement benefit system

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

In respect of the employees' pension fund system the Company and CTI Engineering International Co., Ltd. joined the construction consultants pension fund (jointly established) in 1971. Fukuoka Urban Engineering 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, 2010) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2011) (million yen)
(1) Retirement Benefit Obligations	-8,750	-8,933
(2) Pension Assets	7,206	7,174
(3) Retirement Benefit Trust	1,308	1,250
(4) Outstanding Accumulated Retirement Benefit Obligations: (1) + (2) + (3)	-236	-507
(5) Previously unrecognized accounting disparities.	614	755
(6) Consolidated Balance Sheet Recorded Net Amount: (4) + (5)	378	248
(7) Prepaid Pension Cost	840	933
(8) Retirement Benefit Reserves: (6) - (7)	-462	-685

Note: When computing retirement benefit obligations, the Company and one of its consolidated subsidiaries adopt the general method, and the other two consolidated subsidiaries adopt the simplified method.

3. Retirement Benefit Costs and Related Accounting Items

	Previous Consolidated Fiscal Year (from January 1, 2010 to December 31, 2010) (million yen)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011) (million yen)
Retirement Benefit Costs	787	851
(1) Labor costs	565	602
(2) Interest costs	167	171
(3) Expected operating profit (Subtracted)	158	168
(4) Cost disposal Amount arising from accounting disparity	183	234
(5) Temporarily paid retirement amount	29	11

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, 2010) (million yen)	Current Consolidated Fiscal Year (as of December 31, 2011) (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) Number 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, 2010 to December 31, 2010)			Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)		
1 Accumulation in the overall system (as of March 31, 2010)			1 Accumulation in the overall system (as of March 31, 2011)		
	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	142,728	146,031	Pension assets	141,748	145,766
Obligations to pay retirement benefits based on calculation of pension finance	172,380	155,853	Obligations to pay retirement benefits based on calculation of pension finance	173,530	159,635
Balance	-29,651	-9,822	Balance	-31,781	-13,869
2 Percentage of total salaries of the Group to the overall system (as of March 31, 2010)			2 Percentage of total salaries of the Group to the overall system (as of March 31, 2011)		
Japan Civil Engineering Consultants Pension Fund		6.90%	Japan Civil Engineering Consultants Pension Fund		6.76%
All Japan Surveying Enterprises Multi Employers Pension Fund		0.35%	All Japan Surveying Enterprises Multi Employers Pension Fund		0.34%
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 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.			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 27,162 million yen, surplus, and shortage of 4,619 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, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
<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>	<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 9,860 million yen, surplus, and shortage of 4,009 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, 2010)	Current Consolidated Fiscal Year (as of December 31, 2011)
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)	
	Accrued enterprise tax	34 million yen
	Allowance for losses in operations	57
	Bonuses and social insurance	237
	Reserve for bonuses	33
	Other	32
	Subtotal	395
	Allowance account	-5
	Total	389
	Deferred tax assets (fixed assets)	
	Reserve for retirement allowances	454 million yen
	Long-term accounts payable	74
	Loss on valuation of available-for-sell securities	112
	Unrealized gains or losses on other securities	1
	Other	15
	Subtotal	658
	Allowance account	-143
	Total	514
	Deferred tax liabilities (current liabilities)	
	Enterprise tax receivable	1million yen
	Total	1
	Net of deferred tax assets (current assets)	
	Total	308million yen
Deferred tax assets (fixed assets)		
Reserve for retirement allowances	382 million yen	
Long-term accounts payable	53	
Loss on valuation of available-for-sell securities	113	
Asset retirement obligations	56	
Other	28	
Subtotal	633	
Allowance account	-141	
Total	492	
Deferred tax liabilities (fixed liabilities)		
Tangible fixed assets	36 million yen	
Other valuation difference on available-for-sale securities	22	
Total	59	
Net of deferred tax assets (fixed assets)		
Total	433 million yen	

Item	Previous Consolidated Fiscal Year (as of December 31, 2010)		Current Consolidated Fiscal Year (as of December 31, 2011)	
2. Breakdown by major item of causes leading to any material difference between the legal effective tax rate and the bearing rate of corporation tax or the like after application of tax effect accounting	Legal effective tax rate (Adjustment)	40.69%	Legal effective tax rate (Adjustment)	40.69%
	No entry of loss from entertainment expense etc.	0.92	No entry of loss from entertainment expense etc.	0.95
	Per capita inhabitant tax	6.56	Per capita inhabitant tax	7.81
	Non-inclusion of gains, including dividends received	-0.62	Non-inclusion of gains, including dividends received	-0.59
	No entry of loss from bonuses to directors	1.45	Downward revision of ending deferred tax assets due to a change in tax rate	5.52
	Allowance account	-2.89	No entry of loss from bonuses to directors	1.00
	Loss brought forward	-0.02	Allowance account	2.48
	Other	-0.25	Other	-0.49
	Bearing rate of corporation tax or the like after application of tax effect accounting	45.84	Bearing rate of corporation tax or the like after application of tax effect accounting	57.37
3. Adjustment of deferred tax assets and deferred tax liabilities as a result of changes in the legal effective tax rates	-----		<p>The “Acts Revising Parts of the Income Tax Act, etc. for the Development of a Taxation System Suitable for the Changing Structure of Economic Society” (Act No. 114 of 2011) and the “Act on Special Measures Concerning the Procurement of Revenue Sources Necessary for the Implementation of Measures for Restoration from the Great East Japan Earthquake” (Act No 117 of 2011) were promulgated on December 2, 2011. The corporation tax rate will be changed from the consolidated fiscal year starting on and after April 1, 2012. Accordingly, the legal effective tax rates used when calculating deferred tax assets and deferred tax liabilities will be changed as follows, according to the settlement periods for temporary differences.</p> <p>To December 31, 2012 40.69%</p> <p>From January 1, 2013 to December 31, 2015 38.01%</p> <p>On and after January 1, 2016 35.64%</p> <p>As a result, net deferred tax assets decreased by 53 million yen and income taxes recorded as expenses for the current consolidated fiscal year increased by 56 million yen.</p>	

(Segment Information)

Segment Information by Business Type

Previous consolidated fiscal year (from January 1, 2010 to December 31, 2010).

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

Previous consolidated fiscal year (from January 1, 2010 to December 31, 2010).

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

Previous consolidated fiscal year (from January 1, 2010 to December 31, 2010).

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

Segment Information

Current consolidated fiscal year (from January 1, 2011 to December 31, 2011).

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 have nothing to be described here.

Relevant Information

Current consolidated fiscal year (from January 1, 2011 to December 31, 2011).

1. Information by products and services

The Company's group operates a single segment consisting of engineering consulting and incidental services, and omits description.

2. Information by areas

(1) Sales

Sales to outside customers in Japan make up over 90% of the amount of sales in the Consolidated Profit and Loss Account, and are omitted here.

(2) Tangible Fixed Assets

The Group has no tangible fixed assets located outside of Japan. The Company has nothing to be described here.

3. Information by major customers

(Millions of yen)

Name of customer	Sales	Name of the relevant segment
National government	16,609	Engineering consulting

Impairment losses of fixed assets by reportable segments

Current consolidated fiscal year (from January 1, 2011 to December 31, 2011).

The Company has nothing to be described here.

Amortized amount and unamortized balance of goodwill by reportable segments

Current consolidated fiscal year (from January 1, 2011 to December 31, 2011).

The Company operates a single segment consisting of engineering consulting and related works. The Company has nothing to be described here.

Gain on negative goodwill by reportable segments

Current consolidated fiscal year (from January 1, 2011 to December 31, 2011).

The Company has nothing to be described here.

Additional Information

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No. 17, March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Guidance No. 20, March 21, 2008) are applied from the current consolidated fiscal year.

Information on related parties

Previous 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.

Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)

1. Transactions with related parties

No applicable items.

(Business Combination)

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

No applicable items.

Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)

No applicable items.

(Notes on investment and rental property)

Previous 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.

Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)

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, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Net assets per share 1,383.80 yen	Net assets per share 1,397.99 yen
Current net income per share 44.84 yen	Current net income per share 29.83 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, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
Current term net income in the consolidated income statement (million yen)	634	421
Current term net income related to common shares (million yen)	634	421
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)	14,142,332	14,142,001
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, 2010 to December 31, 2010)	Current Consolidated Fiscal Year (from January 1, 2011 to December 31, 2011)
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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	100	250	1.03	–
Long-term borrowings to be repaid within 1 year	–	–	–	–
Lease obligations to be repaid within 1 year	137	132	–	–
Long-term borrowings except those to be repaid within 1 year	–	–	–	–
Lease obligations except those to be repaid within 1 year	163	159	–	2013 to 2017
Other Interest-bearing Liabilities	–	–	–	–
Total	401	541	–	–

Notes: 1. In respect of the average interest ratio, balance at the end of the term such as outstanding borrowings 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	44	20	4

Specifications about asset retirement obligations

The amount of asset retirement obligations at the end of the current consolidated fiscal year is no more than one-hundredth of the total amount of liabilities and net assets at the end of the current consolidated fiscal year. The Company has nothing to be described here.

(2) Other

Quarterly financial information for the current consolidated fiscal year

Category	First quarter from January 1, 2011 to March 31, 2011	Second quarter from April 1, 2011 to June 30, 2011	Third quarter from July 1, 2011 to September 30, 2011	Fourth quarter from October 1, 2011 to December 31, 2011
Sales (million yen)	7,948	10,706	7,295	7,695
Net income (loss) before income tax (million yen)	81	560	77	313
Net income (million yen)	30	287	38	65
Net income per share (yen)	2.17	20.31	2.71	4.64

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, 2010)	Current Fiscal Year (as of December 31, 2011)
Assets		
Current assets		
Cash and bank deposits	3,183	2,517
Completed work receivables	617	1,284
Marketable securities	4,001	3,002
Prepaid expenses for uncompleted services	9,563	8,267
Advance payment	107	110
Deferred tax assets	307	250
Short-term loans	*1 815	*1 704
Other	49	59
Allowance for doubtful account	-13	-27
Total current assets	18,633	16,168
Fixed assets		
Tangible fixed assets		
Buildings	3,587	3,670
Accumulated depreciation	-1,861	-1,952
Buildings, net	1,726	1,718
Structures	714	714
Accumulated depreciation	-505	-519
Structures, net	209	195
Machinery and equipment	236	236
Accumulated depreciation	-215	-218
Machinery and equipment, net	21	17
Furniture and fixtures	875	871
Accumulated depreciation	-685	-722
Furniture and fixtures, net	190	148
Land	4,581	4,581
Lease assets	463	463
Accumulated depreciation	-212	-234
Lease assets, net	250	228
Total tangible fixed assets	6,980	6,890
Intangible fixed assets		
Leasehold	16	16
Software	210	173
Telephone rights	22	22
Right of using special facilities	0	0
Lease assets	3	3
Other	0	0
Total intangible fixed assets	254	216
Investments and other assets		
Investment in securities	1,103	1,222
Shares of affiliated companies	525	525
Investments in capital of subsidiaries and affiliates	25	25
Investments	3	3
Long-term time deposits	300	300
Long-term prepaid cost	27	31
Deferred tax assets	495	374
Lease and guarantee deposit	674	664
Membership	52	52
Prepaid pension cost	840	910
Other	0	0
Allowance for investment loss	-10	-10
Total investments and other assets	4,037	4,099
Total fixed assets	11,272	11,205
Total assets	29,905	27,373

(Millions of yen)

	Previous Fiscal Year (as of December 31, 2010)	Current Fiscal Year (as of December 31, 2011)
Liabilities		
Current liabilities		
Accounts payable for services	*1 852	*1 1,105
Lease obligations	124	112
Accounts payable	156	151
Accrued income taxes	275	144
Accrued consumption taxes	113	226
Accrued expenses	571	555
Advances received from uncompleted services	6,907	4,068
Deposits received	301	310
Revenue received in advance	8	7
Reserve for bonuses	496	406
Reserve for bonuses to directors	19	19
Allowance for losses in operations	97	68
Total current liabilities	9,925	7,177
Fixed liabilities		
Long-term accounts payable	137	104
Lease obligations	140	128
Reserve for retirement benefits	412	389
Asset retirement obligations	-	88
Other	64	57
Total fixed liabilities	754	768
Total liabilities	10,680	7,945
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	3,185	3,321
Total profit surplus	12,062	12,198
Treasury stock	-10	-11
Total shareholders' equity	19,199	19,336
Valuation and translation differences		
Other valuation difference on available-for-sale securities	25	92
Total valuation and translation adjustment	25	92
Total net assets	19,225	19,428
Total liabilities and net assets	29,905	27,373

(ii) Non-Consolidated Profit and Loss Account

(Millions of yen)

	Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
Sales	27,220	28,416
Cost of sales	20,344	21,113
Gross profit	6,875	7,303
Selling, general and administrative expenses		
Directors' remuneration	296	309
Salaries and allowances	2,214	2,713
Bonuses	331	399
Provision of reserve for bonuses	127	122
Provision of reserve for bonuses to directors	19	19
Retirement benefit expenses	182	146
Legal welfare expenses	509	615
Traveling expenses	252	305
Tax and public imposts	133	132
Depreciation	134	122
Rent expenses	340	368
Research and investigation expenses	*1	*1
Provision of allowance for doubtful account	0	14
Other	815	806
Total selling, general and administrative expenses	5,890	6,486
Operating income	984	817
Non-operating revenues		
Interest earned	*2	*2
Dividend earned	*2	*2
Interest from securities	14	15
Rent earned	*2	*2
Insurance dividends earned	19	13
Other	32	29
Total non-operating revenues	146	138
Non-operating expenses		
Interest paid	1	-
Commissions paid	5	6
Exchange rate losses	2	2
Other	0	0
Total non-operating expenses	9	8
Ordinary profit	1,121	946
Extraordinary gain		
Reversal of allowance for doubtful accounts	14	-
Total extraordinary gain	14	-
Extraordinary loss		
Loss from fixed assets disposal	*3	*3
Office moving cost	3	-
Unrealized loss on investment in securities	59	65
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	16
Other	4	0
Total extraordinary loss	76	85
Net income before income tax	1,059	861
Corporation tax, inhabitants tax and enterprise tax	458	343
Deferred income taxes etc.	60	154
Total income taxes	518	498
Current net income	541	363

Cost Specifications for Completed Services

Category	Note No.	Previous Fiscal Year (from January 1, 2010 to December 31, 2010)		Current Fiscal Year (from January 1, 2011 to December 31, 2011)		Ratio (%)
		Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	
I Labor cost						
1. Salaries		6,916		6,502		
2. Bonuses		1,033		973		
3. Provision of reserve for bonuses		351		271		
4. Retirement benefit expense		564		607		
5. Other		1,399	10,266	1,337	9,692	48.9
II Amount paid to subcontractors			7,378		6,852	34.6
III Expenses						
1. Traveling expenses		971		885		
2. Printing and copying expenses		470		406		
3. Expendables cost		221		234		
4. Rents		853		883		
5. Depreciation		224		204		
6. Provision of allowance for losses in operations		20		-29		
7. Other		741	3,502	688	3,271	16.5
Current general business expenses			21,147		19,817	100.0
Opening prepaid expenses for uncompleted services			8,760		9,563	
Total			29,907		29,380	
Closing prepaid expenses for uncompleted services			9,563		8,267	
Current cost of completed services			20,344		21,113	

(Footnote)

Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
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, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
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	2,870	3,185
Changes of items during the period		
Dividend surplus	-226	-226
Net income	541	363
Total changes of items during the period	314	136
Balance at the end of current period	3,185	3,321
Total profit surplus		
Balance at the end of previous period	11,747	12,062
Changes of items during the period		
Dividend surplus	-226	-226
Net income	541	363
Total changes of items during the period	314	136
Balance at the end of current period	12,062	12,198

(Millions of yen)

	Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
Treasury stock		
Balance at the end of previous period	-10	-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	-11
Total shareholders' equity		
Balance at the end of previous period	18,884	19,199
Changes of items during the period		
Dividend surplus	-226	-226
Net income	541	363
Acquisition of treasury stock	-0	-0
Total changes of items during the period	314	136
Balance at the end of current period	19,199	19,336
Valuation and translation differences		
Other valuation differences on available-for-sale securities		
Balance at the end of previous period	-4	25
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	30	66
Total changes of items during the period	30	66
Balance at the end of current period	25	92
Total of valuation and translation differences		
Balance at the end of previous period	-4	25
Changes of items during the period		
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	30	66
Total changes of items during the period	30	66
Balance at the end of current period	25	92
Total net assets		
Balance at the end of previous period	18,880	19,225
Changes of items during the period		
Dividend surplus	-226	-226
Net income	541	363
Acquisition of treasury stock	-0	-0
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	30	66
Total changes of items during the period	344	203
Balance at the end of current period	19,225	19,428

Important Accounting Policy

Item	Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
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, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
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. (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>	<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> <hr/>
5. Accounting for consumption taxes	Tax exclusion method is adopted.	As at present.

Changes to Accounting Method

Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
-----	<p>(Adoption of the “Accounting Standard for Asset Retirement Obligations”)</p> <p>The “Accounting Standard for Asset Retirement Obligations” (ABSJ Statement No. 18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ABSJ Guidance No. 21, March 31, 2008) are applied from the current fiscal year.</p> <p>As a result, operating income and ordinary profit for the current fiscal year decreased by 3 million yen, respectively, and net income before income tax decreased by 20 million yen.</p>

Notes

(Notes on Balance Sheet)

Previous Fiscal Year (as of December 31, 2010)	Current Fiscal Year (as of December 31, 2011)								
<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Shot-term loan receivable</td> <td style="text-align: right;">810 million yen</td> </tr> <tr> <td style="padding-left: 20px;">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	<p>* 1 Amount for related companies is included as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Shot-term loan receivable</td> <td style="text-align: right;">704 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Account payable-trade</td> <td style="text-align: right;">221 million yen</td> </tr> </table> <p>2 Guarantee of debts</p> <p>The Company guarantees bank loans to its employees (80 million yen) and banks loans to the employees of CTI Engineering International Co., Ltd. (5 million yen).</p>	Shot-term loan receivable	704 million yen	Account payable-trade	221 million yen
Shot-term loan receivable	810 million yen								
Account payable-trade	178 million yen								
Shot-term loan receivable	704 million yen								
Account payable-trade	221 million yen								

(Notes on Profit and Loss Statement)

Previous Fiscal Year (from January 1, 2010 to December 31, 2010)				Current Fiscal Year (from January 1, 2011 to December 31, 2011)			
* 1 The research and investigation expenses included in selling, general and administrative expenses 532 million yen				* 1 The research and investigation expenses included in selling, general and administrative expenses 408 million yen			
* 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				* 2 Within non-operating profits, the total amount of profit from affiliated companies was 53 million yen, mainly comprised of the following major items. Received interest 10 million yen Received dividends 5 Received rent income 34			
* 3 Loss from fixed assets disposal can be broken down as follows:				* 3 Loss from fixed assets disposal can be broken down as follows:			
	Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)		Loss from fixed assets write-off (million yen)	Loss from sale of fixed assets (million yen)	Total (million yen)
Buildings	3	-	3	Buildings	0	-	0
Furniture and fixtures	4	-	4	Furniture and fixtures	2	-	2
Vehicle and transportation equipment	-	0	0	Total	2	-	2
Total	7	0	8				

(Notes on Statement of Fluctuations in Shareholders' Equity)

Previous 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.

Current Fiscal Year (From January 1, 2011 to December 31, 2011)

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	16,925	266	—	17,191

Note: The increase in the amount of treasury stock of 266 shares was due to acquisition of shares constituting less than one transaction unit.

(Notes on lease arrangements)

Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
<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, 2010)	Current Fiscal Year (as of December 31, 2011)																
<p>The fair value was not used for any of the shares in subsidiaries and affiliates. Note: Shares in subsidiaries and affiliates whose fair value is deemed to be considerably difficult to recognize</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <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. (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	<p>The fair value was not used for any of the shares in subsidiaries and affiliates. Note: Shares in subsidiaries and affiliates whose fair value is deemed to be considerably difficult to recognize</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <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>	Category	Book value on the balance sheet (million yen)	Shares in subsidiaries	525	Shares in affiliates	—	Total	525
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(Notes on tax effect accounting)

Item	Previous Fiscal Year (as of December 31, 2010)	Current Fiscal Year (as of December 31, 2011)		
1. Breakdown by major cause of deferred tax assets and deferred tax credits generation	Deferred tax assets (current assets)			
	Accrued enterprise tax	28 million yen	Accrued enterprise tax	18 million yen
	Allowance for losses in operations	39	Allowance for losses in operations	27
	Reserve for bonuses	202	Reserve for bonuses	165
	Social insurance premiums for bonuses	25	Social insurance premiums for bonuses	21
	Other	16	Other	22
	Subtotal	<u>313</u>	Subtotal	<u>256</u>
	Allowance account	-5	Allowance account	-5
	Total	<u>307</u>	Total	<u>250</u>
	Deferred tax assets (fixed assets)		Deferred tax assets (fixed assets)	
	Reserve for retirement allowances	434 million yen	Reserve for retirement allowances	349 million yen
	Long-term accounts payable	55	Long-term accounts payable	39
	Unrealized loss of securities	112	Unrealized loss of securities	113
	Unrealized gains or losses on other securities	1	Asset retirement obligations	31
	Other	15	Other	11
	Subtotal	<u>619</u>	Subtotal	<u>544</u>
	Allowance account	<u>-123</u>	Allowance account	<u>-122</u>
	Total	<u>495</u>	Total	<u>421</u>
			Deferred tax liabilities (fixed liabilities)	
		Tangible fixed assets	24 million yen	
		Other valuation difference on available-for-sale securities	22	
		Total	<u>47</u>	
		Net of deferred tax assets (fixed assets)	374 million yen	
2. Breakdown by major item of causes leading to any material difference between the legal effective tax rate and the bearing rate of corporation tax or the like after adoption of tax effect accounting	Legal effective tax rate (Adjustment)	40.69%	Legal effective tax rate (Adjustment)	40.69%
	No entry of loss from entertainment expense etc.	1.02	No entry of loss from entertainment expense etc.	0.99
	Per capita inhabitant tax	6.96	Per capita inhabitant tax	8.46
	No entry of profit from dividend earned etc.	-0.71	No entry of profit from dividend earned etc.	-0.71
	No entry of loss from bonuses to directors	1.67	Downward revision of ending deferred tax assets due to a change in tax rate	5.71
	Allowance account	0.37	No entry of loss from bonuses to directors	0.90
	Other	-1.07	Allowance account	1.91
	Bearing rate of corporation tax or the like after application of tax effect accounting	48.93	Other	-0.11
			Bearing rate of corporation tax or the like after application of tax effect accounting	57.84

Item	Previous Fiscal Year (as of December 31, 2010)	Current Fiscal Year (as of December 31, 2011)						
3. Adjustment of deferred tax assets and deferred tax liabilities as a result of changes in the legal effective tax rates	-----	<p>The “Acts Revising Parts of the Income Tax Act, etc. for the Development of a Taxation System Suitable for the Changing Structure of Economic Society” (Act No. 114 of 2011) and the “Act on Special Measures Concerning the Procurement of Revenue Sources Necessary for the Implementation of Measures for Restoration from the Great East Japan Earthquake” (Act No 117 of 2011) were promulgated on December 2, 2011. The corporation tax rate will be changed from the fiscal year starting on and after April 1, 2012. Accordingly, the legal effective tax rates used when calculating deferred tax assets and deferred tax liabilities will be changed as follows, according to the settlement periods for temporary differences.</p> <table data-bbox="991 757 1393 869"> <tr> <td>To December 31, 2012</td> <td>40.69%</td> </tr> <tr> <td>From January 1, 2013 to December 31, 2015</td> <td>38.01%</td> </tr> <tr> <td>On and after January 1, 2016</td> <td>35.64%</td> </tr> </table> <p>As a result, net deferred tax assets decreased by 45 million yen and income taxes recorded as expenses for the current fiscal year increased by 49 million yen.</p>	To December 31, 2012	40.69%	From January 1, 2013 to December 31, 2015	38.01%	On and after January 1, 2016	35.64%
To December 31, 2012	40.69%							
From January 1, 2013 to December 31, 2015	38.01%							
On and after January 1, 2016	35.64%							

(Information per Share)

Previous Fiscal Year (from January 1, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
Net assets per share 1,359.42 yen	Net assets per share 1,373.83 yen
Current net income per share 38.27 yen	Current net income per share 25.68 yen
Current net income per share after adjustment of potential shares is not stated because there are 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, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
Current term net income in the income statement (million yen)	541	363
Current term net income related to common shares (million yen)	541	363
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)	14,142,332	14,142,001
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, 2010 to December 31, 2010)	Current Fiscal Year (from January 1, 2011 to December 31, 2011)
-----	-----

(iv) Supplemental specifications

Specifications of securities

Shares

		Issuer name	Number of shares	Book value on balance sheet (million yen)
Investment securities	Other investment securities	RAITO KOGYO CO., LTD.	265,100	111
		OYO Corporation	98,500	87
		NIPPON JOGESUIDO SEKKEI CO., LTD.	500	50
		PACIFIC CONSULTANTS INTERNATIONAL GROUP	100	50
		Mitsubishi UFJ Financial Group, Inc.	145,000	47
		Ube Material Industries, Ltd.	136,000	32
		WESCO Inc.	200,072	32
		E • J Holdings Inc.	60,340	30
		Maezawa Kasei Industries Co., Ltd.	36,000	28
		T&D Holdings, Inc.	38,400	27
		Other (23 issues)	828,507	224
		Total	1,808,519	722

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)	500,093,951	500
		Nomura Asset Management Co., Ltd. (Free Financial Fund)	500,311,471	500
		Daiwa Securities Investment Trust Consignment Co., Ltd. (Free Financial Fund)	2,001,744,008	2,001
		Total	3,002,149,430	3,002

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	3,587	84	1	3,670	1,952	91	1,718
Structures	714	–	–	714	519	14	195
Machinery and equipment	236	–	–	236	218	3	17
Furniture and fixtures	875	35	39	871	722	74	148
Land	4,581	–	–	4,581	–	–	4,581
Lease assets	463	117	117	463	234	139	228
Total tangible fixed assets	10,459	236	158	10,537	3,647	323	6,890
Intangible fixed assets							
Leasehold	16	–	–	16	–	–	16
Software	391	38	–	429	256	75	173
Telephone right	22	–	–	22	–	–	22
Right of using special facilities	4	–	–	4	4	0	0
Lease assets	6	0	0	6	3	1	3
Other	0	–	–	0	0	0	0
Total intangible fixed assets	442	38	0	480	264	76	216
Long-term prepaid expenses	44	21	10	55	23	6	31
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	13	14	-	-	27
Allowance for investment loss	10	-	-	-	10
Reserve for bonuses	496	406	496	-	406
Reserve for bonuses to directors	19	19	19	-	19
Allowance for losses in operations	97	68	97	-	68

(2) Details of major assets/liabilities

1) Assets section

(i) Cash and bank deposits

Category	Amount (million yen)
Cash on hand	4
Type of bank deposits	
Checking deposit	2,099
Ordinary deposit	403
Special deposit	10
Subtotal	2,513
Total	2,517

(ii) Accounts receivable from completed services

(a) Breakdown by client

Client	Amount (million yen)
Japanese Government	251
Central Nippon Expressway Company Limited	179
Shiga Prefecture	114
Hyogo Prefecture	66
East Nippon Expressway Company Limited	65
Iwate Prefecture	39
Miyazaki Prefecture	38
Niigata Prefecture	35
Yamaguchi Prefecture	35
East Japan Railway Company	33
Other	423
Total	1,284

(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
617	3,941	3,274	1,284	71.8	88.0

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	4,242
Subcontractor cost	2,436
Expense	1,588
Total	8,267

2) Liabilities

(i) Accounts payable—Trade

Service provider	Amount (million yen)
CTI Wing Co., Ltd	77
CTI Grand Planning Co., Ltd.	51
Shin Doboku Kaihatsu Co., Ltd.	38
CTI AURA Co., Ltd.	31
SANYO ELECTRONIC INDUSTRIES CO., LTD.	19
Fuji Xerox Co., Ltd.	18
Chugai Technos Corporation	17
Mikuniya Corporation	16
HOKTO Engineering Co., Ltd.	15
EXLAN TECHNICAL CENTER Co., Ltd.	15
Other	802
Total	1,105

(ii) Advances received from uncompleted services

Client	Amount (million yen)
Japanese Government	1,617
Miyagi Prefecture	281
Hyogo Prefecture	163
Nara Prefecture	115
Yamanashi Prefecture	115
Shiga Prefecture	102
Tokyo Metropolis	97
Central Nippon Expressway Company Limited	77
My Thuan Projects Management Unit, Ministry of Transport, Vietnam	77
Shizuoka Prefecture	66
Other	1,352
Total	4,068

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

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

(2) Internal Control Report

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

(3) Quarterly Report and confirmation note

(First quarter of 49th fiscal year) (from January 1, 2011 to March 31, 2011)

Submitted to the director of the Kanto Local Finance Bureau on May 13, 2011.

(Second quarter of 49th fiscal year) (from April 1, 2011 to June 30, 2011)

Submitted to the director of the Kanto Local Finance Bureau on August 12, 2011.

(Third quarter of 49th fiscal year) (from July 1, 2011 to September 30, 2011)

Submitted to the director of the Kanto Local Finance Bureau on November 14, 2011.

(4) Extraordinary Report

Submitted to the director of the Kanto Local Finance Bureau on March 28, 2012.

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.