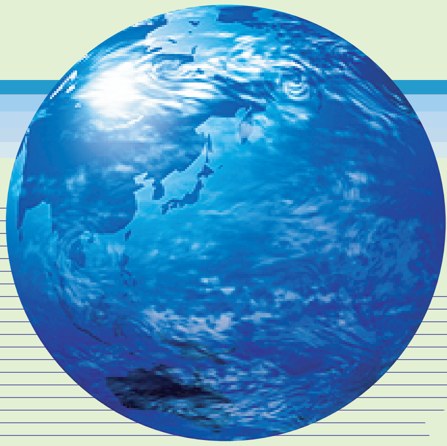

ANNUAL REPORT 2010

SUMITOMO MITSUI CONSTRUCTION CO.,LTD.

CONTENTS

PROFILE

Sumitomo Mitsui Construction Co., Ltd. (SMCC) is a leading Japanese construction company with operations that span the globe. The company was created in 2003 through the merger of two long established and experienced companies, Sumitomo Construction Co., Ltd and Mitsui Construction Co., Ltd.

Since its formation, SMCC has risen to the challenge of providing flexible and adaptable solutions to the varying demands of customers, with a management philosophy that emphasizes pursuing total customer satisfaction, increasing shareholder value, respect for the efforts of its employees, and contributing both to society and the environment.

The company is a leading proponent of many cutting edge technologies which are utilized in the erection of skyscrapers, the seismic reinforcement of buildings, the pre-stressed concrete structures and underground structures.

The key strength of experience combined with a proactive attitude allows SMCC to aggressively develop new technological applications. The company will continue to actively pursue the future, specializing and focusing on these core areas and thereby ensuring that Sumitomo Mitsui Construction Co., Ltd maintains its position as one of the leading Japanese construction companies operating around the world.

THE MESSAGE FROM THE PRESIDENT

The Japanese economy during the last fiscal year saw some signs of slow improvement owing mostly to the recovery of exports to Asia and other countries and the sustaining underpinning effects of the government's economic measures. However, as indicated by the worsened price deflation and unemployment, the stagnant consumer spending, etc., many uncertainties remain in discerning whether the economy has entered a recovery mode.

Although investment to housing construction starts seem to be up in the metropolitan areas, the business environment surrounding the construction industry continues to be extremely fragile due to unpredictable private-sector capital investment and reduced public works projects.

In order to solidify our business foundation to remain competitive in this harsh environment, our company group has been "reviewing the organizational structure," "optimizing personnel resources according to the size of sales," "making efforts in pursuit of 1% profit increase," and implementing other structural reforms to rebuild the group's profit structure. These internal efforts have helped us successfully close the year with a total sales of 336.5 billion yen (down 59.6 billion yen from the previous year), an operating profit of 6.6 billion yen (up 2.1 billion yen from the previous year), and a net profit of 2.5 billion yen.

Aiming to enhance our corporate value and ensure sustainable growth through continuing structural reforms by promoting transparency in management and strengthening our core businesses, as well as through the introduction of new growth strategies, we have formulated the "Third Mid-term Management Plan" beginning in FY2010.

Basic policies of the Plan are as follows:

- ○ Establish the domestic civil engineering and building construction divisions and the overseas businesses as the three pillars to achieve sustainable growth.
- ○ Further, enhance our strength as the core business segments to maintain the current scale and ensure profit.

The essential points of our business strategies are as follows:

a. For the domestic civil engineering division, we will strengthen its profit structure by establishing the PC bridge business, which is the company's forte, as the core segment with an emphasis on the technical-proposal type overall evaluation method while also putting our resources into the tunnel business, where the market size is large, in order to set it up as the second pillar next to the PC bridge segment.

b. For the domestic building construction division, as the core segment, we will fortify sales promotion and increase competitiveness to receive more orders and improve profitability by utilizing our leading-edge core technology in high-rise housing construction.

c. For the overseas division, we will develop and upgrade the construction and risk-management systems involving overseas subsidiaries, and further expand our marketing efforts to cultivate demands mostly in Asia.

We intend to continue making company-wide efforts to further upgrade our technical capabilities to meet the needs of our customers and contribute to society by providing high-quality products, which will lead to the enhancement of the corporate value of the company.

Y. Norihisa

Yoshiyuki Norihisa
Representative Director,
President And Chief Executive Officer

Consolidated Financial Statements

Sumitomo Mitsui Construction Co., Ltd.
and Consolidated Subsidiaries

Years ended March 31, 2010 and 2009
with Report of Independent Auditors

Consolidated Balance Sheets

March 31, 2010

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Assets			
Current assets:			
Cash and deposits *(Notes 5-3 and 8)*	¥ 29,768	¥ 25,296	$ 319,948
Trade notes and accounts receivable *(Note 5-3)*	102,129	124,968	1,097,689
Inventories *(Notes 5-1 and 5-6)*	24,103	26,755	259,060
Deferred tax assets *(Note 13)*	3,173	2,309	34,103
Other current assets *(Note 11)*	13,679	16,327	147,022
Less allowance for doubtful receivables	(1,839)	(4,522)	(19,765)
Total current assets	171,016	191,135	1,838,091
Non-current assets:			
Property and equipment, at cost:			
Land *(Notes 5-3 and 5-4)*	16,368	16,395	175,924
Buildings and structures *(Note 5-3)*	14,525	14,117	156,115
Machinery, equipment and vehicles *(Note 5-3)*	17,011	17,075	182,835
Construction in progress	9	12	96
Accumulated depreciation	(24,598)	(24,266)	(264,380)
Property and equipment, net	23,315	23,334	250,591
Intangible fixed assets	2,409	2,221	25,892
Investments and other assets:			
Investments in securities *(Notes 5-3 and 11)*	4,722	4,350	50,752
Long-term loans receivable	7,611	7,769	81,803
Claims provable in bankruptcy and other	7,969	8,841	85,651
Investments in unconsolidated subsidiaries and affiliates *(Notes 5-3 and 11)*	1,437	1,317	15,444
Investments in real estate *(Notes 5-2 and 5-3)*	3,601	3,630	38,703
Long-term non-operating accounts receivable *(Note 16)*	45,104	40,644	484,780
Deferred tax assets *(Note 13)*	1,768	2,651	19,002
Other	8,162	8,040	87,725
Less allowance for doubtful receivables	(54,530)	(53,149)	(586,092)
Total investments and other assets	25,846	24,097	277,794
Total non-current assets	51,571	49,652	554,288
Total assets	¥222,588	¥240,788	$2,392,390

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Liabilities and net assets			
Current liabilities:			
Short-term bank loans and current portion of long-term debt *(Notes 5-3 and 18)*	¥ 6,642	¥ 4,679	$ 71,388
Trade notes and accounts payable	122,336	140,219	1,314,875
Accrued expenses	2,108	2,117	22,656
Advances received on contracts in progress	23,417	28,687	251,687
Deposits received *(Note 5-3)*	12,726	–	136,779
Reserve for defects on completed construction projects	1,255	1,491	13,488
Allowance for losses on construction contracts *(Note 5-6)*	327	572	3,514
Allowance for loss on litigation	1,325	–	14,241
Other current liabilities *(Note 5-3)*	10,410	22,409	111,887
Total current liabilities	180,549	200,177	1,940,552
Long-term liabilities:			
Long-term debt *(Notes 5-3 and 18)*	1,197	2,123	12,865
Accrued retirement benefits *(Note 12)*	14,996	15,690	161,177
Deferred tax liability on land revaluation *(Note 5-4)*	446	447	4,793
Other long-term liabilities *(Note 5-3)*	5,087	5,413	54,675
Total long-term liabilities	21,727	23,674	233,523
Contingent liabilities *(Notes 5-5 and 16)*			
Net assets:			
Shareholders' equity:			
Capital stock:	12,003	16,859	129,009
Common stock:			
Authorized:			
2,669,464,970 shares in 2010 and 2009			
Issued and outstanding:			
275,313,598 shares in 2010 and 275,097,086 shares in 2009			
Preferred stock:			
Authorized:			
26,894,644 shares in 2010 and 2009			
Issued and outstanding:			
16,323,100 shares in 2010 and 16,330,600 shares in 2009			
Additional paid-in capital	682	80	7,330
Retained earnings (deficit)	5,651	(1,145)	60,737
Less treasury stock, at cost: 425,236 shares in 2010 and 411,183 shares in 2009	(241)	(240)	(2,590)
Total shareholders' equity	18,096	15,553	194,496
Valuation, translation adjustments and other:			
Unrealized holding gain (loss) on securities	37	(375)	397
Land revaluation *(Note 5-4)*	57	58	612
Translation adjustments	(604)	(656)	(6,491)
Total valuation, translation adjustments and other	(508)	(973)	(5,460)
Minority interests	2,723	2,356	29,266
Total net assets	20,310	16,936	218,293
Total liabilities and net assets	¥222,588	¥240,788	$2,392,390

The accompanying notes are an integral part of these statements.

	Years ended March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Net sales *(Note 6-1)*	¥336,476	¥396,065	$3,616,466
Cost of sales *(Note 6-2)*	313,337	372,956	3,367,766
Gross profit	23,138	23,108	248,688
Selling, general and administrative expenses *(Notes 6-3 and 12)*	16,537	18,634	177,740
Operating income	6,601	4,474	70,947
Other income (expenses):			
Interest and dividend income	394	436	4,234
Payments received from insurance claims	184	176	1,977
Employment adjustment subsidies	109	–	1,171
Interest expense	(989)	(1,479)	(10,629)
Exchange loss, net	(4)	(240)	(42)
Provision for doubtful receivables	(106)	(2,613)	(1,139)
Equity in earnings (losses) of affiliates	36	(855)	386
Gain on sales of property and equipment	60	13	644
Loss on sales and disposal of property and equipment	(51)	(367)	(548)
Gain on sales of investments in securities	–	394	–
Gain on prior-period adjustment	153	479	1,644
Amortization of negative goodwill upon consolidation	0	74	0
Special retirement benefits *(Note 6-4)*	–	(557)	–
Allowance for loss on litigation	(1,280)	–	(13,757)
Relocation expenses *(Note 6-5)*	(384)	–	(4,127)
Other, net	(868)	(2,164)	(9,329)
	(2,746)	(6,701)	(29,514)
Income (loss) before income taxes and minority interests	3,854	(2,227)	41,423
Income taxes *(Note 13)*:			
Current	947	828	10,178
Deferred	(16)	1,860	(171)
	931	2,689	10,006
Minority interests in net income of consolidated subsidiaries	(378)	(230)	(4,062)
Net income (loss)	¥ 2,543	¥ (5,147)	$ 27,332

	(Yen)		*(U.S. dollars) (Note 3)*
Net income (loss) per share – basic *(Note 17)*	¥6.22	¥(18.86)	$0.066
Net income per share – diluted *(Note 17)*	4.32	–	0.046

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes In Net Assets

March 31, 2010

	Years ended March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Shareholders' equity			
Capital stock:			
Balance at the end of previous period	¥16,859	¥16,859	$181,201
Changes in items during the period			
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Total changes in items during the period	(4,855)	–	(52,181)
Balance at the end of the period	12,003	16,859	129,009
Additional paid-in capital:			
Balance at the end of previous period	80	83	859
Changes in items during the period:			
Transfer from capital stock	4,855	–	52,181
Deficit disposition	(4,253)	–	(45,711)
Disposition of treasury stock	(0)	(2)	(0)
Total changes in items during the period	601	(2)	6,459
Balance at the end of the period	682	80	7,330
Retained earnings (deficit):			
Balance at the end of previous period	(1,145)	3,979	(12,306)
Changes in items during the period			
Deficit disposition	4,253	–	45,711
Net income (loss)	2,543	(5,147)	27,332
Reversal of revaluation reserve for land, net of taxes	0	22	0
Total changes in items during the period	6,797	(5,124)	73,054
Balance at the end of the period	5,651	(1,145)	60,737
Treasury stock, at cost:			
Balance at the end of previous period	(240)	(240)	(2,579)
Changes in items during the period			
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	3	0
Total changes in items during the period	(0)	0	(0)
Balance at the end of the period	(241)	(240)	(2,590)
Total shareholders' equity:			
Balance at the end of previous period	15,553	20,680	167,164
Changes in items during the period			
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Transfer from capital stock	4,855	–	52,181
Deficit disposition	–	–	–
Net income (loss)	2,543	(5,147)	27,332
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	0	0
Reversal of revaluation reserve for land, net of taxes	0	22	0
Total changes in items during the period	2,543	(5,127)	27,332
Balance at the end of the period	18,096	15,553	194,496

	Years ended March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Valuation, translation adjustments and other			
Unrealized holding (loss) gain on securities:			
Balance at the end of previous period	(375)	585	(4,030)
Changes in items during the period			
Net changes in items other than shareholders' equity	413	(961)	4,438
Total changes in items during the period	413	(961)	4,438
Balance at the end of the period	37	(375)	397
Land revaluation:			
Balance at the end of previous period	58	81	623
Changes in items during the period			
Net changes in items other than shareholders' equity	(0)	(22)	(0)
Total changes in items during the period	(0)	(22)	(0)
Balance at the end of the period	57	58	612
Translation adjustments:			
Balance at the end of previous period	(656)	(331)	(7,050)
Changes in items during the period			
Net changes in items other than shareholders' equity	52	(324)	558
Total changes in items during the period	52	(324)	558
Balance at the end of the period	(604)	(656)	(6,491)
Total valuation, translation adjustments and other:			
Balance at the end of previous period	(973)	335	(10,457)
Changes in items during the period			
Net changes in items other than shareholders' equity	464	(1,309)	4,987
Total changes in items during the period	464	(1,309)	4,987
Balance at the end of the period	(508)	(973)	(5,460)
Minority interests			
Balance at the end of previous period	2,356	2,254	25,322
Changes in items during the period			
Net changes in items other than shareholders' equity	366	102	3,933
Total changes in items during the period	366	102	3,933
Balance at the end of the period	2,723	2,356	29,266
Total net assets			
Balance at the end of previous period	16,936	23,270	182,029
Changes in items during the period			
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Transfer from capital stock	4,855	–	52,181
Deficit disposition	–	–	–
Net income (loss)	2,543	(5,147)	27,332
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	0	0
Reversal of revaluation reserve for land, net of taxes	0	22	0
Net changes in items other than shareholders' equity	831	(1,207)	8,931
Total changes in items during the period	3,374	(6,334)	36,263
Balance at the end of the period	¥20,310	¥16,936	$218,293

Consolidated Statements of Cash Flows

March 31, 2010

	Years ended March 31,		
	2010	2009	2010
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Operating activities			
Income (loss) before income taxes and minority interests	¥ 3,854	¥ (2,227)	$ 41,423
Depreciation and amortization	1,213	1,257	13,037
(Decrease) increase in allowance for doubtful receivables	(24)	2,605	(257)
Decrease in accrued retirement benefits	(695)	(2,283)	(7,469)
Decrease in reserve for defects on completed construction projects	(236)	(357)	(2,536)
Decrease in allowance for losses on construction contracts	(245)	(718)	(2,633)
Increase in allowance for loss on litigation	1,325	–	14,241
(Gain) loss on sales and disposal of property and equipment	(5)	352	(53)
Gain on sales of investment securities	–	(394)	–
Amortization of negative goodwill upon consolidation	(0)	(74)	(0)
Interest and dividend income	(394)	(436)	(4,234)
Interest expense	989	1,479	10,629
Exchange loss, net	130	298	1,397
Equity in (earnings) losses of affiliates	(36)	855	(386)
Special retirement benefits	–	536	–
Relocation expenses	384	–	4,127
Decrease in trade notes and accounts receivable	17,548	76,567	188,607
Decrease in inventories	2,638	21	28,353
Decrease in other assets	1,957	7,565	21,033
Decrease in trade notes and accounts payable	(17,979)	(70,323)	(193,239)
(Decrease) increase in advances received on contracts in progress	(5,337)	3,854	(57,362)
Increase (decrease) in other liabilities	149	(223)	1,601
Other	33	285	354
Subtotal	5,269	18,641	56,631
Interest and dividends received	882	480	9,479
Interest paid	(983)	(1,382)	(10,565)
Income taxes paid	(815)	(503)	(8,759)
Special retirement benefits	(417)	–	(4,481)
Relocation expenses	(91)	–	(978)
Net cash provided by operating activities	3,845	17,236	41,326
Investing activities			
Increase in short-term investments	(1,026)	(218)	(11,027)
Purchases of property and equipment	(865)	(668)	(9,297)
Proceeds from sales of property and equipment	68	199	730
Purchases of intangible fixed assets	(344)	(577)	(3,697)
Purchases of investments in real estate	(23)	–	(247)
Proceeds from sales of investments in real estate	59	582	634
Purchases of investments in securities	(4)	(36)	(42)
Proceeds from sales of investments in securities	88	1,566	945
Increase in investments in unconsolidated subsidiaries and affiliates	(0)	(40)	(0)
Disbursements for loans	(151)	(1,682)	(1,622)
Proceeds from collection of loans	299	2,739	3,213
Other	212	853	2,278
Net cash (used in) provided by investing activities	(1,689)	2,719	(18,153)
Financing activities			
Increase (decrease) in short-term bank loans	2,525	(20,212)	27,138
Increase in long-term debt	–	2,500	–
Decrease in long-term debt	(1,489)	(3,930)	(16,003)
Decrease in long-term loans of employees	(65)	(198)	(698)
Increase in treasury stock	(1)	(2)	(10)
Cash dividends paid for minority shareholders	(17)	(8)	(182)
Other	(60)	(28)	(644)
Net cash provided by (used in) financing activities	891	(21,880)	9,576
Effect of exchange rate changes on cash and cash equivalents	(75)	(679)	(806)
Net Increase (decrease) in cash and cash equivalents	2,971	(2,604)	31,932
Cash and cash equivalents at beginning of the year	23,995	26,508	257,899
Increase in cash and cash equivalents resulting from merger of unconsolidated subsidiaries	–	91	–
Cash and cash equivalents at end of the year	¥ 26,967	¥ 23,995	$ 289,843

The accompanying notes are an integral part of these statements.

1. Basis of Preparation

The accompanying consolidated financial statements of Sumitomo Mitsui Construction Co., Ltd. (the “Company”) and consolidated subsidiaries (collectively the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan. In addition, certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

As permitted, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Basis of Consolidation and Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

The accompanying consolidated financial statements include the accounts of the Company and the significant companies which it controls directly or indirectly. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The excess of the cost over the underlying net assets at fair value at the respective dates of acquisition of the consolidated subsidiaries (goodwill) or the excess of fair value of the net assets acquired over cost (negative goodwill) is charged or credited to income in the year in which they are acquired.

Investments in affiliates which are not accounted for by the equity method are principally stated at cost.

The Company had 14 consolidated subsidiaries, 2 unconsolidated subsidiaries and 2 affiliates accounted for by the equity method as of March 31, 2010, and 14 consolidated subsidiaries, 2 unconsolidated subsidiaries and 3 affiliates accounted for by the equity method as of March 31, 2009, respectively.

(b) Securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or other securities. Trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities for which market prices are determinable are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(c) Inventories

Inventories other than materials and supplies are stated at cost determined by the specific identification method. Materials and supplies are valued at cost determined by the average method. Book values are written down based on any decline in profitability.

(Change in accounting policy)

Previously, inventories were stated primarily at cost. Effective the year ended March 31, 2009, the Company has adopted "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9 issued on July 5, 2006). As a result of this change, operating income decreased by ¥12 million and loss before income taxes and minority interests increased by ¥42 million for the year ended March 31, 2009 compared with the corresponding amounts which would have been recorded under the previous method.

(d) Depreciation and Amortization

(1) Property and equipment (except leased assets) and investments in real estate

Depreciation of property and equipment (except leased assets) and investments in real estate is determined primarily by the declining-balance method based on the estimated useful lives of the respective assets as prescribed in the Corporation Tax Low of Japan except that the straight-line method is applied to office buildings acquired on or after April 1, 1998.

Depreciation at all overseas subsidiaries is determined by the straight-line method or by the declining-balance method at rates based on the estimated useful lives of the respective assets.

(Additional information)

With an amendment to the Corporation Tax Law, effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries have applied useful lives in light of the amended Corporation Tax Law. The effect of this adoption was immaterial to the consolidated statement of operations for the year ended March 31, 2009.

(2) Intangible fixed assets (except leased assets)

Amortization of intangible fixed assets (except leased assets) is calculated by the straight-line method based on the estimated useful lives of the respective assets as prescribed in the Corporation Tax Law of Japan. Amortization of computer software for internal use is calculated by the straight-line method over the estimated useful lives of 5 years.

(3) Leased assets

Depreciation of leased assets under finance leases other than those that transfer the ownership of the leased assets to the lessees is calculated by the straight-line method over the lease term with a residual value of zero.

Finance leases other than those that transfer the ownership of the leased assets to the lessees, whose commencement dates are on or before March 31, 2008, continue to be accounted for in a similar manner as operating leases. *See Note 4.*

(e) Allowance for Doubtful Receivables

The allowance for doubtful receivables is provided for future losses on general receivables at an amount calculated by applying the percentage of actual losses on collection experienced in the past, and an uncollectible amount for doubtful receivables estimated based on an individual assessment of each receivable and probability of collection.

(f) Advances Received on Contracts in Progress

As is customary in Japan, the Company and its domestic consolidated subsidiaries receive payments from customers on an installment basis in accordance with the terms of the respective construction contracts.

(g) Reserve for Defects on Completed Construction Projects

A reserve has been provided at an estimated amount for the fiscal year's sales proceeds in order to cover the liability for future costs of defects of the completed construction projects.

(h) Allowance for Losses on Construction Contracts

An allowance has been provided based on the estimated amount for the future losses on construction projects in progress at the fiscal year end which are anticipated to be substantial losses in the future.

(i) Allowance for Loss on Litigation

An allowance has been provided for future losses on pending litigation at an estimated amount calculated based on specific circumstances.

(j) Employees' Retirement Benefits

Accrued retirement benefits for employees are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for the unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss and unrecognized prior service cost.

The net retirement benefit obligation at transition is being amortized principally over a period of 15 years. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method over a period of 11 years.

(k) Recognition of Revenues and Costs on Construction Contracts

Revenues and costs of construction contracts that commenced on or after April 1, 2009, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The percentage of completion is calculated at the cost incurred as a percentage of the estimated total cost. The completed-contract method is applied for contracts for which the percentage of completion cannot be reliably estimated.

Revenues and costs of construction contracts of the Company and certain subsidiaries that commenced on or before March 31, 2009, which cover a construction period longer than 12 months are, in principle, also recognized by the percentage-of-completion method, except for revenue on long-term contracts which total less than ¥500 million.

(Change in accounting policy)

Effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 issued on December 27, 2007), and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 issued on December 27, 2007).

Under the new accounting standard and guidance, revenues and costs of construction contracts that commenced on or after April 1, 2009, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The percentage of completion is calculated at the cost incurred as a percentage of the estimated total cost. The completed-contract method continues to be applied for contracts for which the percentage of completion cannot be reliably estimated.

As a result of this change, net sales increased by ¥21,702 million ($233,254 thousand), operating income increased by ¥2,175 million ($23,377 thousand), and income before income taxes increased by ¥2,195 million ($23,592 thousand) for the year ended March 31, 2010 compared with the corresponding amounts which would have been recorded under the previous method.

(k) Recognition of Revenues and Costs on Construction Contracts (continued)

Until the year ended March 31, 2009, revenues and costs of construction contracts, which cover a construction period longer than 12 months, were in principle, recognized by the percentage-of-completion method, except for revenue on long-term contracts which totaled less than ¥500 million. Net sales on such contracts amounted to ¥243,671 million for the year ended March 31, 2009.

(l) Recognition of Income from Finance Leases

Income from finance leases is recorded as sales and cost of sales at the time a lease payment is received.

(m) Consumption Taxes

Consumption taxes are accounted for by the tax exclusion method.

(n) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the amounts calculated for financial reporting purposes and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

The Company files a tax return under the consolidated corporate-tax system.

(o) Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased, which can easily be converted to cash and are subject to little risk of change in value, are considered cash equivalents.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥93.04 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010. This translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

4. Changes in Accounting Methods

(a) Effective the year ended March 31, 2010, the Company has adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19 issued on July 31, 2008).

The effect of this adoption has no impact on the consolidated statement of operations for the year ended March 31, 2010, nor has the amount of the retirement benefit obligation changed.

(b) Effective the year ended March 31, 2009, the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18 issued on May 17, 2006).

The effect of this adoption has no impact on the consolidated statement of operations for the year ended March 31, 2009.

(c) Previously, finance leases other than those that transfer the ownership of the leased assets to the lessees had previously been accounted for in a similar manner as operating leases. However, effective the year ended March 31, 2009, the Company has adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993 with the final revision issued on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued on January 18, 1994 with the final revision issued on March 30, 2007). Under the new accounting standard and guidance, finance leases other than those that transfer the ownership of the leased assets to the lessees are accounted for as sale and purchase transactions.

The effect of this adoption has no impact on the consolidated statement of operations for the year ended March 31, 2009.

Finance leases other than those that transfer the ownership of leased assets to the lessees, of which commencement dates are on or before March 31, 2008, are accounted for in a similar manner as operating leases.

5. Notes to Consolidated Balance Sheets

(a) Inventories

The components of inventories as of March 31, 2010 and 2009 were as follows:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Merchandise and finished goods	¥ 501	¥ 576	$ 5,384
Materials and supplies	1,503	1,093	16,154
Costs on uncompleted construction contracts	21,962	24,946	236,049
Real estate for sale	135	139	1,450
	¥24,103	¥26,755	$259,060

(b) Investments in Real Estate

"Investments in real estate" includes accumulated depreciation in the amount of ¥587 million ($6,309 thousand) and ¥555 million at March 31, 2010 and 2009, respectively.

(c) Pledged Assets

The following assets were pledged at March 31, 2010 principally as collateral for short-term bank loans, long-term debt, and guarantees (such as guarantees for the completion of construction contracts):

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash and deposits	¥ 2,493	¥ 67	$ 26,794
Trade notes and accounts receivable	3,401	2,151	36,554
Land	12,961	12,807	139,305
Buildings and structures, net of accumulated depreciation	1,498	1,536	16,100
Machinery, equipment and vehicles, net of accumulated depreciation	119	166	1,279
Investments in securities	2,001	1,624	21,506
Investments in real estate	3,365	3,397	36,167
	¥25,841	¥21,752	$277,740

(c) Pledged Assets (continued)

Of the above property and equipment, assets that were held in mortgage for factory foundations at March 31, 2010 and 2009 are summarized as follows:

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Land	¥1,236	¥1,236	$13,284
Buildings and structures, net of accumulated depreciation	285	310	3,063
Machinery, equipment and vehicles, net of accumulated depreciation	119	166	1,279
	¥1,642	¥1,713	$17,648

The secured liabilities as of March 31, 2010 and 2009 are summarized as follows:

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Short-term bank loans	¥5,757	¥3,218	$61,876
[Including current portion of long-term debt]	[876]	[2,239]	[9,415]
Long-term debt	1,197	2,073	12,865
Deposits received	100	–	1,074
Other current liabilities	–	100	–
Other long-term liabilities	525	625	5,642

(d) Land Revaluation

Land for operations was revalued by a consolidated subsidiary under the Law for Land Revaluation during the year ended March 31, 2001. The revaluation amount is shown as a separate component of net assets.

The market value of the land was ¥662 million ($7,115 thousand) and ¥603 million more than the revalued book amount at March 31, 2010 and 2009, respectively.

(e) Contingent Liabilities

At March 31, 2010 and 2009, the Company and consolidated subsidiaries were contingently liable for the followings:

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
As guarantors of bank loans to customers, unconsolidated subsidiaries, an affiliate and employees	¥3,576	¥3,920	$38,435
As endorsers of notes receivable endorsed to vendors	10	40	107

(f) Estimated Loss on Uncompleted Construction Contracts

An estimated loss on uncompleted construction contracts was recognized and included as part of inventories but was not offset against the amount on the balance sheet. It has been recorded as an allowance for losses on construction contracts in the amount of ¥159 million ($1,708 thousand) as of March 31, 2010.

6. Notes to Consolidated Statements of Operations

(a) Net sales based on percentage-of-completion method

Net sales on such construction contracts amounted to ¥213,404 million ($2,293,680 thousand) for the year ended March 31, 2010.

(b) Allowance for losses on construction contracts included in cost of sales

The allowance for losses on construction contracts was included in cost of sales in the amount of ¥327 million ($3,514 thousand) for the year ended March 31, 2010.

(c) Selling, General and Administrative Expenses

The significant components of selling, general and administrative expenses at March 31, 2010 and 2009 were as follows:

	Years ended March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Salaries and wages	¥ 6,849	¥ 8,009	$ 73,613
Retirement benefit expenses	1,197	1,349	12,865
Rent	2,080	2,154	22,355
Provision for doubtful receivables	81	–	870
Other	6,327	7,120	68,003
Total	¥16,537	¥18,634	$177,740

(d) Research and Development Expenses

Research and development costs included in selling, general and administrative expenses and manufacturing costs amounted to ¥1,015 million ($10,909 thousand) and ¥1,144 million for the years ended March 31, 2010 and 2009, respectively.

(e) Special Retirement Benefits

Special retirement benefits and outplacement expenses were due to the implementation of the voluntary retirement scheme in the year ended March 31, 2009.

(f) Relocation Expenses

Relocation and integration expenses for head office and branches located around the Tokyo metropolitan area have been recognized for the year ended March 31, 2010.

7. Notes to Consolidated Statements of Charges in Net Assets

(a) Type and number of shares issued and treasury stocks

(1) For the year ended March 31, 2010

	Balance at March 31, 2009	Increase	Decrease	Balance at March 31, 2010
		(Number of shares)		
Shares issued:				
Common stock	275,097,086	216,512	–	275,313,598
2nd Series Class A preferred stock	4,500,000	–	–	4,500,000
3rd Series Class C preferred stock	5,868,700	–	7,500	5,861,200
3rd Series Class D preferred stock	5,961,900	–	–	5,961,900
Total	291,427,686	216,512	7,500	291,636,698

Note 1: Increase of common stock is due to acquisition of common stock by exercising a call option of the 3rd Series Class C preferred stock.

Note 2: Decrease of preferred stock is due to redemption of 3rd Series Class C preferred stock to acquire common stock by exercising a call option.

	Balance at March 31, 2009	Increase	Decrease	Balance at March 31, 2010
		(Number of shares)		
Treasury shares:				
Common stock	411,183	14,722	669	425,236
3rd Series Class C preferred stock	–	7,500	7,500	–
Total	411,183	22,222	8,169	425,236

Note 1: Increase of common stock is due to the purchase of fractional shares.

Note 2: Decrease of common stock is due to the sale of fractional shares in response to requests to purchase fractional shares.

Note 3: Increase of preferred stock is due to the acquisition of common stock by exercising a call option of the 3rd Series Class C preferred stock.

Note 4: Decrease of preferred stock is due to redemption of 3rd Series Class C preferred treasury stock to acquire common stock by exercising a call option.

(a) Type and number of shares issued and treasury stocks (continued)

(2) For the year ended March 31, 2009

	Balance at March 31, 2008	Increase	Decrease	Balance at March 31, 2009
	(Number of shares)			
Shares issued:				
Common stock	271,242,956	3,854,130	–	275,097,086
1st Series preferred stock	870,000	–	870,000	–
2nd Series Class A preferred stock	4,500,000	–	–	4,500,000
3rd Series Class C preferred stock	5,868,700	–	–	5,868,700
3rd Series Class D preferred stock	6,000,000	–	38,100	5,961,900
Total	288,481,656	3,854,130	908,100	291,427,686

Note 1: Increase of common stock is due to acquisition of common stock by exercising a call option of the 1st Series preferred stock and the 3rd Series Class D preferred stock.

Note 2: Decrease of preferred stock is due to redemption of 1st Series preferred stock and 3rd Series Class D preferred stock to acquire common stock by exercising a call option.

	Balance at March 31, 2008	Increase	Decrease	Balance at March 31, 2009
	(Number of shares)			
Treasury shares:				
Common stock	377,598	38,827	5,242	411,183
1st Series preferred stock	–	870,000	870,000	–
3rd Series Class D preferred stock	–	38,100	38,100	–
Total	377,598	946,927	913,342	411,183

Note 1: Increase of common stock is due to the purchase of fractional shares.

Note 2: Decrease of common stock is due to the sale of fractional shares in response to requests to purchase fractional shares.

Note 3: Increase of preferred stock is due to the acquisition of common stock by exercising a call option of the 1st Series preferred stock and the 3rd Series Class D preferred stock.

Note 4: Decrease of preferred stock is due to redemption of 1st Series preferred treasury stock and 3rd Series Class D preferred treasury stock to acquire common stock by exercising a call option.

(b) Dividends:

For the year ended March 31, 2010 and 2009, there were no dividends paid to shareholders.

Dividends with the cut-off date in the year ended March 31, 2010 and the effective date in the year ending March 31, 2011, were as follows:

Resolution	Type of shares	Total dividends *(millions of yen)*	Dividends per share *(yen)*	Cut-off date	Effectiv e date
Annual general meeting of the shareholders on June 29, 2010	2nd Series Class A preferred stock	¥ 38	¥ 8.45	March 31, 2010	June 30, 2010
	3rd Series Class C preferred stock	394	67.25		
	3rd Series Class D preferred stock	400	67.25		
		¥833			

8. Notes to Consolidated Statements of Cash Flows

(a) Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2010 and 2009 were as follows:

	As of March 31, 2010	As of March 31, 2009	As of March 31, 2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash and deposits	¥29,768	¥25,296	$319,948
Time deposits with maturities of over three months	(2,801)	(1,301)	(30,105)
Cash and cash equivalents	¥26,967	¥23,995	$289,843

9. Leases

The following *pro forma* amounts represent the acquisition costs, accumulated depreciation / amortization and net book value of the leased property as of March 31, 2010 and 2009, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

(a) As lessee:

(1) Finance leases (of which commencement dates were prior to the initial year of application of change in accounting method)

	2010			2009		
	Machinery, equipment and vehicles	Intangible fixed assets	Total	Machinery, equipment and vehicles	Intangible fixed assets	Total
	(Millions of yen)					
Acquisition costs	¥774	¥173	¥947	¥1,032	¥268	¥1,300
Accumulated depreciation / amortization	358	113	472	459	157	617
Net book value	¥415	¥ 59	¥475	¥ 572	¥111	¥ 683

	2010		
	Machinery, equipment and vehicles	Intangible fixed assets	Total
	(Thousands of U.S. dollars)		
Acquisition costs	$8,319	$1,859	$10,178
Accumulated depreciation / amortization	3,847	1,214	5,073
Net book value	$4,460	$ 634	$ 5,105

(a) As lessee (continued):

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Future minimum payments:			
Within one year	¥157	¥201	$1,687
Over one year	340	506	3,654
	¥498	¥708	$5,352
Lease payments	¥220	¥326	$2,364
Depreciation / amortization equivalents	192	288	2,063
Interest expense equivalents	26	36	279

Depreciation / amortization equivalents are computed by the straight-line method over the respective lease terms with a residual value of zero.

The difference between total lease expenses and acquisition costs of the leased assets comprise interest equivalents. Interest equivalents are computed by the interest method over the respective lease terms.

(2) Operating leases

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Future minimum payments:			
Within one year	¥11	¥14	$118
Over one year	10	21	107
	¥21	¥35	$225

(b) As lessor:

(1) Finance leases (of which the commencement dates prior to the initial year of application of change in accounting method)

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
	Machinery and equipment		
Acquisition costs	¥27	¥51	$290
Accumulated depreciation / amortization	19	32	204
Net book value	¥ 7	¥19	$ 75

(b) As lessor (continued):

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Future minimum receivable:			
Within one year	¥ 7	¥10	$ 75
Over one year	6	13	64
	¥13	¥24	$139

Future minimum receivable are computed by the interest-inclusive method, since the balance of future minimum payments accounts for a minimal portion of trade accounts at the end of fiscal year.

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Lease receivable	¥9	¥15	$96
Depreciation / amortization	8	12	85

10. Financial Instruments

Financial instruments at March 31, 2010 are summarized as follows:

(a) Overview

(1) Policy for financial instruments

The Group limits investments of surplus funds to the short-term bank deposits, and raises necessary funds through bank loans.

(2) Types of financial instruments and related risk and risk management system

Trade notes and accounts receivable are exposed to credit risk in relation to customers and trading partners. Also, the Group's main investments in securities are shares of companies, and they are exposed to market price fluctuation risk.

The management of credit risks (Risks in relation to default of customers and trading partners)

The Company has systems enabling the management of due dates and balances of trade notes and accounts receivable for individual customers and trading partners and monitors their credit status. These systems enable the Group to identify any concerns for doubtful receivables at an early stage and reduce risks of uncollectible amounts. Consolidated subsidiaries also manage credit risks in the same manner as the Company. The Company minimizes credit risks by mainly holding held-to-maturity securities with high credit ratings.

Management of market risks (Risks in relation to fluctuation of currency exchange and interest rates)

The Company and certain consolidated subsidiaries hold trade receivables in foreign currencies. However, risk of fluctuations in the currency exchange rate is not significant because a similar amount of trade payables are also held.

Loan payables are mainly for short-term operating funds. The Group manages loan payables to flexibly plan or revise its fund management plans.

(3) Supplementary explanation of the fair value of financial instruments

The fair values of financial instruments include prices based on market prices, or, if no market prices are available, they include estimated amounts. Because estimations of the fair value incorporate various factors, applying different assumptions can in some cases result in different fair values.

(b) Fair value of financial instruments

Amounts recognized in the consolidated balance sheet, market value, and the difference on March 31, 2010, are as shown below. Moreover, items for which it is extremely difficult to determine fair values are not included in the following table (see Note 2).

	2010					
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
	(Millions of yen)			*(Thousands of U.S. dollars)*		
Cash and deposits	¥ 29,768	¥ 29,768	¥ –	$ 319,948	$ 319,948	$ –
Trade notes and accounts receivable	102,129			1,097,689		
Allowance for doubtful receivables	(1,104)			(11,865)		
	101,025	100,980	(44)	1,085,823	1,085,339	(472)
Investments in securities	2,045	2,045	0	21,979	21,979	0
Held-to-maturity securities	9	9	0	96	96	0
Other securities	2,035	2,035	–	21,872	21,872	–
Long-term loans receivable	7,611			81,803		
Allowance for doubtful receivables	(5,792)			(62,252)		
	1,819	1,645	(173)	19,550	17,680	(1,859)
Claims provable in bankruptcy and other	7,969			85,651		
Allowance for doubtful receivables	(7,461)			(80,191)		
	507	507	(0)	5,449	5,449	(0)
Long-term non-operating accounts receivable	45,104			484,780		
Allowance for doubtful receivables	(40,421)			(434,447)		
	4,683	4,635	(48)	50,333	49,817	(515)
Total assets	139,848	139,582	(266)	1,503,095	1,500,236	(2,858)
Trade notes and accounts payable	122,336	122,336	–	1,314,875	1,314,875	–
Short-term bank loans and current portion of long-term debt	6,642	6,653	11	71,388	71,506	118
Long-term debt	1,197	1,163	(33)	12,865	12,500	(354)
Total liabilities	¥130,175	¥130,153	¥ (22)	$1,399,129	$1,398,892	$ (236)

Note 1: Calculation of the fair value of financial instruments and other matters related to investment securities.

(b) Fair value of financial instruments (continued)

Assets

(1) Cash and deposits

Because settlement periods of deposits are short and their market values are almost the same as their book values, the book values are used.

(2) Trade notes and accounts receivable

The fair values are determined using the present value of discounted collectible principal and interest amounts estimated reflecting their collectability based on an appropriate rate in which a credit spread is added to a risk-free benchmark rate (such as a government bond yield) corresponding to the remaining term.

(3) Investments in securities

Concerning the market value of investment securities, the market value for stock is the price quoted on the stock exchange, and the market value for bonds is the price provided by financial institutions.

In addition, for matters concerning to securities, see "Notes on investment securities."

(4) Long-term loans receivable, (5) Claims provable in bankruptcy and other and
(6) Long-term non-operating accounts receivable

These fair values are determined using the present value of discounted collectible principal and interest amounts estimated reflecting their collectability, based on an appropriate rate in which a credit spread is added to a risk-free benchmark rate (such as a government bond yield) corresponding to the remaining term. Further, the fair value of doubtful debts are determined by discounting the value of expected cash flows using the same discount rate, or estimated collectible amount secured by collateral or guaranteed.

Liabilities

(1) Trade notes and accounts payable

Because settlement periods are short and their market values are almost the same as their book values, the book values are used.

(2) Short-term bank loans

The carrying amount of the current portion of long-term debt approximates fair value since the carrying amount is equivalent to the present value of future cash flows discounted using the current borrowing rate for similar debt with a compatible maturity. For borrowings other than the current portion of long-term debt, the carrying amount approximates fair value due to the short maturities of these instruments.

(b) Fair value of financial instruments (continued)

(3) Long-term debt

Fair value of long-term debt is based on the price provided by financial institutions or the present value of future cash flows discounted using the current borrowing rate for similar debt with a comparable maturity.

Note 2: Unlisted stock (The carrying value ¥4,114 million ($44,217 thousand)) is not included in "(3) Investments in securities" because these have no market value and it is extremely difficult to measure the fair value.

Note 3: The redemption schedule for monetary claims and held-to-maturity debt securities with maturity dates subsequent to the consolidated balance sheet date.

	2010							
	Within 1 year	Over 1 year and within 5 years	Over 5 years and within 10 years	Over 10 years	Within 1 year	Over 1 year and within 5 years	Over 5 years and within 10 years	Over 10 years
	(Millions of yen)				*(Thousands of U.S. dollars)*			
Deposits	¥ 29,624	¥ –	¥ –	¥ –	$ 318,400	$ –	$ –	$ –
Trade notes and accounts receivable	96,575	4,449	–	–	1,037,994	47,818	–	–
Investments in securities Held-to-maturity securities (Bonds)	–	9	–	–	–	96	–	–
Long-term loans receivable	29	18	784	987	311	193	8,426	10,608
Claims provable in bankruptcy and other (*)	21	6	–	–	225	64	–	–
Long-term non-operating accounts receivable (*)	979	1,543	0	–	10,522	16,584	0	–
	¥127,231	¥6,027	¥784	¥987	$1,367,487	$64,778	$8,426	$10,608

(*) The fair values of these items are extremely difficult to determine. This table does not include the amount of ¥479 million ($5,148 thousand) out of claims provable in bankruptcy and other and the amount of ¥2,160 million ($23,215 thousand) out of long-term non-operating accounts receivable.

Note 4: The redemption schedule for corporate bonds, long-term debt, and other interest bearing debt with maturity dates subsequent to the consolidated balance sheet date. *See note 18.*

(Additional information)

Effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008), and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 issued on March 10, 2010).

11. Securities

Securities at March 31, 2010 and 2009 are summarized as follows:

(a) Held-to-maturity securities

	2010					
	Carrying value	Fair value	Unrealized gain	Carrying value	Fair value	Unrealized gain
	(Millions of yen)			*(Thousands of U.S. dollars)*		
Securities whose fair value exceeds their carrying value:						
Bonds	¥9	¥9	¥0	$96	$96	$0

	2009		
	Carrying value	Fair value	Unrealized gain
	(Millions of yen)		
Securities whose fair value does not exceed their carrying value:			
Bonds	¥9	¥9	¥0

(b) Other securities

	2010					
	Cost	Balance sheet amount	Unrealized gain (loss)	Cost	Balance sheet amount	Unrealized gain (loss)
	(Millions of yen)			*(Thousands of U.S. dollars)*		
Unrealized gain:						
Stock	¥1,064	¥ 835	¥ 229	$11,435	$ 8,974	$ 2,461
Unrealized loss:						
Stock	970	1,117	(147)	10,425	12,005	(1,579)
Total	¥2,035	¥1,953	¥ 82	$21,872	$20,990	$ 881

	2009		
	Cost	Balance sheet amount	Unrealized gain (loss)
	(Millions of yen)		
Unrealized gain:			
Stock	¥ 292	¥ 303	¥ 11
Unrealized loss:			
Stock	1,726	1,353	(372)
Total	¥2,018	¥1,657	¥(361)

(c) Sales of securities classified as other securities

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Sales amount-stock	¥78	¥1,291	$838
Aggregate gain-stock	9	335	96

(d) Major components and book value of securities without market value

	2009
	(Millions of yen)
Other securities:	
Unlisted stock	¥2,683
Investments in unconsolidated subsidiaries and affiliates	1,317

(e) Redemption schedule for held-to maturity securities

	2009			
	Within 1 year	Over 1 year and within 5 years	Over 5 years and within 10 years	Over 10 years
	(Millions of yen)			
Bonds	¥–	¥9	¥–	¥–

12. Retirement Benefit Plans

The Company and its consolidated subsidiaries have lump-sum retirement benefit plans covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service and the conditions under which termination occurs.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2010 and 2009 for the Company's and the consolidated subsidiaries' defined benefit plans:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Retirement benefit obligation	¥(27,351)	¥(30,457)	$(293,970)
Plan assets at fair value	370	364	3,976
Unfunded retirement benefit obligation	(26,980)	(30,092)	(289,982)
Unrecognized net retirement benefit obligation at transition	9,917	11,901	106,588
Unrecognized actuarial loss	1,909	2,301	20,518
Unrecognized prior service cost	158	221	1,698
Net retirement benefit obligation	(14,994)	(15,669)	(161,156)
Prepaid pension cost	2	21	21
Accrued retirement benefits	¥(14,996)	¥(15,690)	$(161,177)

The components of retirement benefit expenses for the years ended March 31, 2010 and 2009 are outlined as follows:

	Years ended March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Service cost	¥1,230	¥1,421	$13,220
Interest cost	721	821	7,749
Expected return on plan assets	(1)	(2)	(10)
Amortization of net retirement benefit obligation at transition	1,983	1,989	21,313
Amortization of actuarial loss	429	381	4,610
Amortization of prior service cost	62	62	666
Total retirement benefit expenses	¥4,426	¥4,675	$47,570

Additions to the above retirement benefit expenses, special retirement benefits and outplacement expenses related to a voluntary retirement scheme amounted to ¥557 million ($5,670 thousand) for the year ended March 31, 2009.

The principal assumptions used for the above plans were as follows:

	2010	**2009**
Discount rate	Principally 2.5%	Principally 2.5%
Expected rate of return on plan assets	1.0%	2.0%
Amortization period for prior service cost	Principally 11 years	Principally 11 years
Amortization period for actuarial differences	Principally 11 years	Principally 11 years
Period for recognition of net retirement benefit obligation at transition	Principally 15 years	Principally 15 years

13. Income Taxes

The significant components of deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Deferred tax assets:			
Tax loss carryforwards	¥ 82,652	¥ 89,446	$ 888,349
Accrued retirement benefits	6,097	6,382	65,530
Allowance for bad debts	3,935	4,140	42,293
Allowance for loss on litigation	539	–	5,793
Reserve for defects on completed construction projects	506	601	5,438
Other	3,033	3,202	32,598
Gross deferred tax assets	96,764	103,773	1,040,025
Valuation allowance	(91,768)	(98,788)	(986,328)
Total deferred tax assets	4,996	4,984	53,697
Deferred tax liabilities:			
Unrealized holding gain on securities	(35)	(1)	(376)
Other	(18)	(23)	(193)
Total deferred tax liabilities	(53)	(24)	(569)
Net deferred tax assets	¥ 4,942	¥ 4,960	$ 53,116

The following table summarizes the significant differences between the statutory tax rate and the effective tax rate at March 31, 2010:

	March 31, 2010
Statutory tax rate	40.7%
Non-deductible expenses	4.6
Non-taxable income	(1.0)
Per capita inhabitants' taxes	(1.5)
Valuation allowance	(17.2)
Adjustments related to consolidation	(0.4)
Other	(1.0)
Effective tax rate	24.2%

A reconciliation of the statutory and effective tax rate for the year ended March 31, 2009 has been omitted because a net loss for the year then ended was recorded.

14. Investment and Rental Property

(a) Types of investment and rental property

A consolidated subsidiary maintains warehouses available for rent including land in Saitama prefecture. Gains on investment and rental property for the year ended March 31, 2010 was ¥134 million ($1,440 thousand).

(b) Fair value of investment and rental property

The book value, net increase (decrease) and fair value of investment and rental property for the year ended March 31, 2010 were as follows:

2010							
Book value				Book value			
Balance as of previous fiscal year-end	Net increase (decrease)	Balance as of current fiscal year-end	Fair value as of current fiscal year-end	Balance as of previous fiscal year-end	Net increase (decrease)	Balance as of current fiscal year-end	Fair value as of current fiscal year-end
(Millions of yen)				*(Thousands of U.S. dollars)*			
¥3,397	¥(31)	¥3,365	¥2,857	$36,511	$(333)	$36,167	$30,707

Note 1: The consolidated amount is acquisition cost less accumulated depreciation and accumulated impairment loss.

Note 2: Net decrease mainly consists of depreciation in the amount of ¥31 million ($333 thousand)

Note 3: Fair values are calculated based on the appraisal value for major property.

(Additional information)

Effective the year ended March 31, 2010, the Company has adopted “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No. 20 issued on November 28, 2008), and “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No. 23 issued on November 28, 2008).

15. Segment Information

The Company and consolidated subsidiaries are primarily engaged in construction business, both in Japan and overseas.

Business segments

Business segment information has been omitted for the year ended March 31, 2009 and 2010 as sales, operating income and total assets of the construction segment constituted over 90% of the consolidated totals for the years then ended.

Geographic segments

Geographic segment information has been omitted for the year ended March 31, 2009 and 2010 as sales, operating income and total assets in Japan constituted over 90% of the consolidated totals for the years then ended.

Overseas sales

Overseas sales information for the Company and consolidated subsidiaries for the year ended March 31, 2010 is summarized below:

	2010					
	Asia	Other	Total	Asia	Other	Total
	(Millions of yen)			*(Thousands of U.S. dollars)*		
Overseas sales	¥31,839	¥2,778	¥ 34,617	$342,207	$29,858	$ 372,065
Consolidated sales			336,476			3,616,466
Overseas sales as a percentage of consolidated sales (%)	9.5	0.8	10.3			

Note 1: Countries and areas are segmented based on their geographic proximity.

Note 2: Major countries and areas that belong to segments are as follows:
(1) Asia .... Singapore, India, Vietnam, Thailand, Philippines
(2) Other .... U.S.A., Guam, Kenya

Note 3: Overseas sales represent sales to countries and regions outside of Japan.

Overseas sales information has been omitted for the year ended March 31, 2009 as overseas sales was less than 10% of the consolidated totals for the year then ended.

16. Related Party Transactions

Transactions with affiliates for the year ended March 31, 2010 are summarized as follows:

	Year ended March 31, 2010					
	Capital contribution of the related party	Number of voting shares held as a percentage of voting shares issued	Nature of transaction	Total amount of transaction	Balance sheet account	Balance at the year end
	(Millions of yen)					
Affiliated company:						
Yoshiikikaku Co., Ltd. (Real estate business)	¥10	30.0%	Guarantee of bank loan	¥2,847	Long-term non-operation accounts receivable	¥609

	Year ended March 31, 2010					
	Capital contribution of the related party	Number of voting shares held as a percentage of voting shares issued	Nature of transaction	Total amount of transaction	Balance sheet account	Balance at the year end
	(Thousands of U.S. dollars)					
Affiliated company:						
Yoshiikikaku Co., Ltd. (Real estate business)	$107	30.0%	Guarantee of bank loan	$30,599	Long-term non-operation accounts receivable	$6,545

Transactions with affiliates for the year ended March 31, 2009 are summarized as follows:

	Year ended March 31, 2009					
	Capital contribution of the related party	Number of voting shares held as a percentage of voting shares issued	Nature of transaction	Total amount of transaction	Balance sheet account	Balance at the year end
	(Millions of yen)					
Affiliated company:						
Yoshiikikaku Co., Ltd. (Real estate business)	¥10	30.0%	Guarantee of bank loan	¥2,903	Long-term non-operation accounts receivable	¥630

(Additional information)

Effective the year ended March 31, 2009, the Company has adopted "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11 issued on October 17, 2006), and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13 issued on October 17, 2006). There were no changes to the scope of disclosure for related party transactions as a result of the adoption of this standard.

17. Per Share Information

Net assets and basic net income (loss) per share as of and for the years ended March 31, 2010 and 2009 were as follows:

	2010	2009	2010
	(Yen)		*(U.S. dollars)*
Net assets per share	¥(54.76)	¥(62.79)	$(0.588)
Net income (loss) per share – basic	6.22	(18.86)	0.066
Net income per share – diluted	4.32	–	0.046

Diluted net income per share is not presented for the years ended March 31, 2009 due to the fact that a net loss was recorded.

The basis of calculation for net assets per share at March 31, 2010 and 2009 was as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Total net assets	¥ 20,310	¥ 16,936	$ 218,293
Amounts deducted from total net assets	35,364	34,183	380,094
[Including paid-in amounts for shares of preferred stock]	[31,807]	[31,826]	[341,863]
[Including amount of preferred dividends]	[833]	[–]	[8,953]
[Including minority interests]	[2,723]	[2,356]	[29,266]
Total net assets for common stock	¥(15,053)	¥(17,246)	$(161,790)
	(Thousands of shares)		
Number of shares of common stock used to determine net assets per share	274,888	274,685	

The basis for calculating basic net income (loss) per share for the years ended March 31, 2010 and 2009 was as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net income per share – basic:			
Net income (loss)	¥2,543	¥(5,147)	$27,332
Amount not available to common shareholders	833	–	8,953
[Including amount of preferred dividends]	[833]	[–]	[8,953]
Net income (loss) per share – basic	¥1,710	¥(5,147)	$18,379
	(Thousands of shares)		
Average number of shares of common stock outstanding	274,857	272,908	

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net income per share – diluted:			
Adjustment for net income	¥833	¥–	$8,953
[Including amount of preferred dividends]	[833]	[–]	[8,953]
	(Thousands of shares)		
Increase in number of share of common stock	313,538	–	
[Including preferred stock]	[313,538]	[–]	

18. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans generally represent notes, principally at average annual interest rates of 1.9% and 1.7% at March 31, 2010 and 2009, respectively.

Long-term debt at March 31, 2010 and 2009 is summarized as follows:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Debt with collateral (at average interest rates of 2.8% at 2010 and 2.8% at 2009)	¥2,073	¥ 3,513	$22,280
Debt without collateral (at average interest rates of 2.4% at 2010 and 2.4% at 2009	50	100	537
Lease obligations	228	190	2,450
Current portion (excluding lease obligations)	(926)	(1,489)	(9,952)
Current portion of lease obligations	(63)	(44)	(677)
Deposits from employees	1,608	1,674	17,282
	¥2,976	¥ 3,944	$31,986

The aggregate annual maturities of long-term debt subsequent to March 31, 2010 are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2011	¥ 926	$ 9,952
2012	856	9,200
2013	37	397
2014 and thereafter	303	3,256
	¥2,123	$22,818

The aggregate annual maturities of lease obligations subsequent to March 31, 2010 are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2011	¥ 63	$ 677
2012	52	558
2013	41	440
2014 and thereafter	71	763
	¥228	$2,450

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Report of Independent Auditors

The Board of Directors
Sumitomo Mitsui Construction Co., Ltd.

We have audited the accompanying consolidated balance sheets of Sumitomo Mitsui Construction Co., Ltd. and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sumitomo Mitsui Construction Co., Ltd. and consolidated subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2 (k), effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Construction Contracts," and "Guidance on Accounting Standard for Construction Contracts."

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon LLC.

June 29, 2010

Non-Consolidated Financial Statements

Sumitomo Mitsui Construction Co., Ltd.

Years ended March 31, 2010 and 2009
with Report of Independent Auditors

Non-Consolidated Balance Sheets

March 31, 2010

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Assets			
Current assets:			
Cash and deposits *(Note 4-3)*	¥ 19,648	¥ 16,964	$ 211,177
Notes receivable *(Note 4-3)*	1,426	3,428	15,326
Accounts receivable on completed contracts *(Note 4-3)*	84,889	105,863	912,392
Short-term loans receivable *(Note 4-2)*	8,211	7,989	88,252
Inventories *(Notes 4-1 and 4-5)*	20,548	24,654	220,851
Deferred tax assets *(Note 9)*	2,900	2,000	31,169
Accounts receivable, other	2,326	3,247	25,000
Advance payments	9,786	9,259	105,180
Other current assets *(Note 4-3)*	2,905	4,863	31,223
Less allowance for doubtful receivables	(2,399)	(5,110)	(25,784)
Total current assets	150,242	173,160	1,614,810
Non-current assets:			
Property and equipment, at cost:			
Land *(Note 4-3)*	5,325	5,349	57,233
Buildings *(Note 4-3)*	4,719	4,341	50,720
Structures *(Note 4-3)*	698	703	7,502
Machinery and equipment	3,453	3,451	37,113
Vehicles	133	149	1,429
Tools, furniture and fixtures	3,576	3,612	38,435
Construction in progress	9	12	96
Accumulated depreciation	(10,090)	(10,021)	(108,447)
Property and equipment, net	7,825	7,599	84,103
Intangible fixed assets	1,865	1,674	20,045
Investments and other assets:			
Investments in securities *(Note 4-3)*	4,494	4,121	48,301
Investments in subsidiaries and affiliates *(Notes 4-3 and 8)*	6,844	6,909	73,559
Long-term loans receivable	6,581	6,631	70,733
Long-term loans to employees	976	1,038	10,490
Claims provable in bankruptcy and other	7,810	8,692	83,942
Long-term prepaid expenses	48	54	515
Deferred tax assets *(Note 9)*	1,566	2,500	16,831
Long-term guarantee deposits	2,347	–	25,225
Long-term non-operating accounts receivable	44,874	40,375	482,308
Other	5,342	7,149	57,416
Less allowance for doubtful receivables	(56,398)	(55,022)	(606,169)
Total investments and other assets	24,488	22,452	263,198
Total non-current assets	34,178	31,725	367,347
Total assets	¥184,421	¥204,886	$1,982,168

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Liabilities and net assets			
Current liabilities:			
Short-term bank loans and current portion of long-term debt *(Notes 4-3 and 11)*	¥ 5,528	¥ 4,180	$ 59,415
Trade notes payable *(Note 4-2)*	42,380	49,774	455,503
Accounts payable on completed contracts *(Note 4-2)*	62,461	72,154	671,334
Accounts payable, other	2,729	4,953	29,331
Accrued expenses	1,455	1,447	15,638
Income taxes payable	268	198	2,880
Consumption taxes payable	4,389	5,891	47,173
Advances received on contracts in progress	20,872	27,140	224,333
Deposits received	11,999	7,888	128,966
Reserve for defects on completed construction projects	1,223	1,442	13,144
Allowance for losses on construction contracts *(Note 4-5)*	222	448	2,386
Allowance for loss on litigation	1,325	–	14,241
Other current liabilities	1,617	1,706	17,379
Total current liabilities	156,476	177,227	1,681,814
Long-term liabilities:			
Long-term debt *(Notes 4-3 and 11)*	820	1,660	8,813
Accrued retirement benefits	13,060	13,890	140,369
Other long-term liabilities	124	104	1,332
Total long-term liabilities	14,005	15,655	150,526
Contingent liabilities *(Note 4-4)*			
Net assets:			
Shareholders' equity:			
Capital stock:	12,003	16,859	129,009
Common stock:			
Authorized:			
2,669,464,970 shares in 2010 and 2009			
Issued and outstanding:			
275,313,598 shares in 2010 and 275,097,086 shares in 2009			
Preferred stock:			
Authorized:			
26,894,644 shares in 2010 and 2009			
Issued and outstanding:			
16,323,100 shares in 2010 and 16,330,600 shares in 2009			
Capital surplus			
Other capital surplus	601	–	6,459
Total capital surpluses	601	–	6,459
Retained earnings (deficit):			
Earned reserve	–	109	–
Earned (deficit) surplus carried forward	1,523	(4,362)	16,369
Total retained earnings (deficit)	1,523	(4,253)	16,369
Less treasury stock, at cost: 425,236 shares in 2010 and 411,183 shares in 2009	(241)	(240)	(2,590)
Total shareholders' equity	13,887	12,365	149,258
Valuation, translation adjustments and other:			
Unrealized holding gain (loss) on securities	51	(361)	548
Total valuation, translation adjustments and other	51	(361)	548
Total net assets	13,939	12,003	149,817
Total liabilities and net assets	¥184,421	¥204,886	$1,982,168

See accompanying notes to non-consolidated financial statements.

	Years ended March 31, 2010	Years ended March 31, 2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Net sales:			
Completed construction *(Note 5-1)*	¥275,321	¥327,258	$2,959,168
Cost of sales:			
Completed construction *(Note 5-2)*	258,868	310,849	2,782,330
Gross profit	16,453	16,409	176,837
Selling, general and administrative expenses *(Note 5-4)*	12,478	14,498	134,114
Operating income	3,974	1,910	42,712
Other income (expenses):			
Interest and dividend income	463	829	4,976
Payments received from insurance claims	176	170	1,891
Employment adjustment subsidies	109	–	1,171
Interest expense	(1,034)	(1,476)	(11,113)
Exchange loss, net	–	(188)	–
Provision for doubtful receivables	(105)	(3,246)	(1,128)
Gain on sales of property and equipment	48	74	515
Gain on sales of investments in securities	–	394	–
Loss on devaluation of investments in subsidiaries and affiliates	–	(502)	–
Gain on prior-period adjustment	112	447	1,203
Special retirement benefits *(Note 5-5)*	–	(557)	–
Allowance for loss on litigation	(1,280)	–	(13,757)
Relocation expenses *(Note 5-6)*	(384)	–	(4,127)
Other, net	(665)	(1,710)	(7,147)
	(2,560)	(5,764)	(27,515)
Income (loss) before income taxes	1,413	(3,853)	15,187
Income taxes *(Note 9)*:			
Current	(109)	(14)	(1,171)
Deferred	–	2,000	–
	(109)	1,985	(1,171)
Net income (loss)	¥ 1,523	¥ (5,839)	$ 16,369
	(Yen)		*(U.S. dollars) (Note 2)*
Net income (loss) per share – basic *(Note 10)*	¥2.51	¥(21.40)	$0.026
Net income per share – diluted *(Note 10)*	2.44	–	0.026

See accompanying notes to non-consolidated financial statements.

	Years ended March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Shareholders' equity			
Capital stock:			
Balance at the end of previous period	¥16,859	¥16,859	$181,201
Changes in items during the period			
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Total changes in items during the period	(4,855)	–	(52,181)
Balance at the end of the period	12,003	16,859	129,009
Additional paid-in capital:			
Other capital surplus:			
Balance at the end of previous period	–	–	–
Changes in items during the period			
Transfer from capital stock	4,855	–	52,181
Deficit disposition	(4,253)	–	(45,711)
Disposal of treasury stock	(0)	–	(0)
Total changes of items during the period	601	–	6,459
Balance at the end of the period	601	–	6,459
Retained earnings (deficit):			
Earned reserve:			
Balance at the end of previous period	109	109	1,171
Changes in items during the period			
Deficit disposition	(109)	–	(1,171)
Total changes in items during the period	(109)	–	(1,171)
Balance at the end of the period	–	109	–
Earned (deficit) surplus carried forward:			
Balance at the end of previous period	(4,362)	1,480	(46,883)
Changes in items during the period			
Deficit disposition	4,362	–	46,883
Net income (loss)	1,523	(5,839)	16,369
Disposition of treasury stock	–	(2)	–
Total changes in items during the period	5,885	(5,842)	63,252
Balance at the end of the period	1,523	(4,362)	16,369
Total retained earnings (deficit):			
Balance at the end of previous period	(4,253)	1,589	(45,711)
Changes in items during the period			
Deficit disposition	4,253	–	45,711
Net income (loss)	1,523	(5,839)	16,369
Disposition of treasury stock	–	(2)	–
Total changes in items during the period	5,776	(5,842)	62,080
Balance at the end of the period	1,523	(4,253)	16,396

	Years ended March 31, 2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars) (Note 2)*
Treasury stock, at cost:			
Balance at the end of previous period	(240)	(240)	(2,579)
Changes in items during the period			
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	3	0
Total changes in items during the period	(0)	0	(0)
Balance at the end of the period	(241)	(240)	(2,590)
Total shareholders' equity:			
Balance at the end of previous period	12,365	18,207	132,899
Changes in items during the period			
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Transfer from capital stock	4,855	–	52,181
Deficit disposition	–	–	–
Net income (loss)	1,523	(5,839)	16,369
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	0	0
Total changes in items during the period	1,522	(5,842)	16,358
Balance at the end of the period	13,887	12,365	149,258
Valuation, translation adjustments and other			
Unrealized holding gain on securities:			
Balance at the end of previous period	(361)	575	(3,880)
Changes in items during the period			
Net changes in items other than shareholders' equity	413	(937)	4,438
Total changes in items during the period	413	(937)	4,438
Balance at the end of the period	51	(361)	548
Total net assets			
Balance at the end of previous period	12,003	18,783	129,009
Changes in items during the period			
Cash dividends paid	–	–	–
Transfer to other additional paid-in capital	(4,855)	–	(52,181)
Transfer from capital stock	4,855	–	52,181
Net income (loss)	1,523	(5,839)	16,369
Purchases of treasury stock	(1)	(2)	(10)
Disposition of treasury stock	0	0	0
Net changes in items other than shareholders' equity	413	(937)	4,438
Total changes in items during the period	1,935	(6,779)	20,797
Balance at the end of the period	¥13,939	¥12,003	$149,817

1. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying non-consolidated financial statements of Sumitomo Mitsui Construction Co., Ltd. (the "Company") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the non-consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying financial statements in a format which is familiar to readers outside Japan. In addition, certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

As permitted, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

(b) Securities and Investments in Subsidiaries and Affiliates

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or other securities. Under this standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities for which market prices are determinable are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(c) Inventories

Inventories other than materials and supplies are stated at cost determined by the specific identification method. Materials and supplies are valued at cost determined by the average method. Book values are written down based on any decline in profitability.

(Change in accounting policy)

Previously, inventories were stated primarily at cost. Effective the year ended March 31, 2009, the Company has adopted "Accounting Standard for Measurement of Inventories" (Accounting Standard Board of Japan (ASBJ) Statement No. 9 issued on July 5, 2006). The effect of this adoption has only minor impact on non-consolidated statements of operations.

(d) Depreciation and Amortization

(1) Property and equipment (except leased assets)

Depreciation of property and equipment (except leased assets) is determined by the declining-balance method based on the estimated useful lives of the respective assets as prescrived in the Corporation Tax Low of Japan except that the straight-line method is applied to office buildings acquired on or after April 1, 1998.

(Additional information)

With an amendment to the Corporation Tax Law, effective the year ended March 31, 2009, the Company has applied useful lives in light of the amended Corporation Tax Law. The effect of this adoption was immaterial to the non-consolidated statements of operations for the year ended March 31, 2009.

(2) Intangible fixed assets (except lease assets) and long-term prepaid expenses

Amortization of intangible fixed assets (except lease assets) and long-term prepaid expenses is calculated by the straight-line method based on the estimated useful lives of the respective assets as prescribed in the Corporation Tax Law of Japan. Amortization of computer software for internal use is calculated by the straight-line method over the estimated useful lives of 5 years.

(3) Leases assets

Depreciation of leased assets under finance leases other than those that transfer the ownership of the leased assets to the lessees is calculated by the straight-line method over the lease term with a residual value of zero.

Finance leases other than those that transfer the ownership of the leased assets to the lessees, whose commencement dates are on or before March 31, 2008, continue to be accounted for in a similar manner as operating leases. *See Note 3*.

(e) Allowance for Doubtful Receivables

The allowance for doubtful receivables is provided for future losses on general receivables at an amount calculated by applying the percentage of actual losses on collection experienced in the past, and an uncollectible amount for doubtful receivables estimated based on an individual assessment of each receivable and probability of collection.

(f) Advances Received on Contracts in Progress

As is customary in Japan, the Company receives payments from customers on an installment basis in accordance with the terms of the respective construction contracts.

(g) Reserve for Defects on Completed Construction Projects

A reserve has been provided at an estimated amount for the fiscal year's sales proceeds in order to cover the liability for future costs of defects of the completed construction projects.

(h) Allowance for Losses on Construction Contracts

An allowance has been provided based on the estimated amount for the future losses on construction projects in progress at the fiscal year end which are anticipated to be substantial losses in the future.

(i) Allowance for Loss on Litigation

An allowance has been provided for future losses on pending litigation at on estimated amount calculated based on specific circumstances.

(j) Employees' Retirement Benefits

Accrued retirement benefits for employees are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for the unrecognized net retirement benefit obligation at transition, unrecognized actuarial gain or loss and unrecognized prior service cost.

(k) Recognition of Revenues and Costs on Construction Contracts

Revenues and costs of construction contracts that commenced on or after April 1, 2009, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The percentage-of-completion is calculated at the cost incurred as a percentage of the estimated total cost. The completed-contract method is applied for contracts for which the percentage of completion cannot be reliably estimated.

Revenues and costs of construction contracts that commenced on or before March 31, 2009, which cover a construction period longer than 12 months are, in principle, also recognized by the percentage-of-completion method, except for revenue on long-term contracts which total less than ¥500 million.

(Change in accounting policy)

Effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 issued on December 27, 2007), and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 issued on December 27, 2007).

(k) Recognition of Revenues and Costs on Construction Contracts (continued)

Under the new accounting standard and guidance, revenues and costs of construction contracts that commenced on or after April 1, 2009, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The percentage of completion is calculated at the cost incurred as a percentage of the estimated total cost. The completed-contract method continues to be applied for contracts for which the percentage of completion cannot be reliably estimated.

As a result of this change, net sales increased by ¥20,452 million ($219,819 thousand), operating income and income before income taxes increased by ¥2,147 million ($23,076 thousand) for the year ended March 31, 2010 compared with the corresponding amounts which would have been recorded under the previous method.

Until the year ended March 31, 2009, revenues and costs of construction contracts, which cover a construction period longer than 12 months, were in principle, recognized by the percentage-of-completion method, except for revenue on long-term contracts which totaled less than ¥500 million. Net sales on such contracts amounted to ¥225,903 million for the year ended March 31, 2009.

(l) Consumption Taxes

Consumption taxes are accounted for by the tax exclusion method.

(m) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the amounts calculated for financial reporting purposes and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

The Company files a tax return under the consolidated corporate-tax system.

2. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at ¥93.04 = U.S.$1.00, the approximate rate of exchange prevailing on March 31, 2010. This translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

3. Changes in Accounting Methods

(a) Effective the year ended March 31, 2010, the Company has adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19 issued on July 31, 2008).

The effect of this adoption has no impact on the consolidated statement of operations for the year ended March 31, 2010, nor has the amount of the retirement benefit obligation changed.

(b) Previously, finance leases other than those that transfer the ownership of the leased assets to the lessees had previously been accounted for in a similar manner as operating leases. However, effective the year ended March 31, 2009, the Company has adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993 with and the final revision issued on March 30, 2007) and "Guidance on Accounting Standard for Lease Transaction" (ASBJ Guidance No. 16 issued on January 18, 1994 with and the final revision issued on March 30, 2007). Under the new accounting standard and guidance, finance leases other than those that transfer the ownership of the leased assets to the lessees are accounted for as sale and purchase transactions.

The effect of this adoption has no impact on the non-consolidated statements of operations for the year ended March 31, 2009.

Finance leases other than those that transfer the ownership of leased assets to the lessees, of which commencement dates are on or before March 31, 2008, are accounted for in a similar manner as operating leases.

4. Notes to Non-Consolidated Balance Sheets

(a) Inventories

The components of inventories as of March 31, 2010 and 2009 were as follows:

	As of March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Costs on uncompleted construction contracts	¥20,414	¥24,517	$219,411
Real estate for sale	133	137	1,429
	¥20,548	¥24,654	$220,851

(b) Transactions and Outstanding Balances with Subsidiaries and Affiliates

Significant outstanding balances for subsidiaries and affiliates other than individually presented on the accompanying non-consolidated balance sheets at March 31, 2010 and 2009 were as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Short-term loans receivable	¥ 8,201	¥ 7,979	$ 88,144
Trade notes payable	637	947	6,846
Accounts payable on completed contracts	12,879	18,695	138,424

(c) Pledged Assets

The following assets were pledged at March 31, 2010 and 2009 principally as collateral for short-term bank loans, long-term debt and guarantees (such as guarantees for the completion of construction contracts):

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Cash and deposits	¥ 2,426	¥ 5	$ 26,074
Notes receivable	289	1,269	3,106
Accounts receivable on completed contracts	2,193	–	23,570
Other current assets	130	117	1,397
Land	5,209	5,209	55,986
Buildings, net of accumulated depreciation	436	416	4,686
Structures, net of accumulated depreciation	40	46	429
Investments in securities	1,978	1,601	21,259
Investments in subsidiaries and affiliates	358	358	3,847
	¥13,063	¥9,024	$140,401

The secured liabilities as of March 31, 2010 and 2009 are summarized as follows:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Short-term bank loans	¥5,528	¥2,855	$59,415
[Including current portion of long-term debt]	[840]	[1,402]	[9,028]
Long-term debt	820	1,660	8,813

(d) Contingent Liabilities

At March 31, 2010 and 2009, the Company was contingently liable for the followings:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
As guarantor of bank loans to customers, subsidiaries, an affiliate and employees	¥4,819	¥6,050	$51,794
As endorser of non-operating notes receivable endorsed to vendors	–	15	–

(e) Estimated Loss on Uncompleted Construction Contracts

An estimated loss on uncompleted construction contracts was recognized and included as part of inventories but was not offset against the amount on the balance sheet. It has been recorded as an allowance for losses on construction contracts in the amount of ¥82 million ($881 thousand) as of March 31, 2010.

5. Notes to Non-Consolidated Statements of Operations

(a) Net sales based on percentage-of-completion method

Net sales on such construction contracts amounted to ¥199,112 million ($2,140,068 thousand) for the year ended March 31, 2010.

(b) Allowance for losses on construction contracts included in cost of sales

The allowance for losses on construction contracts was included in cost of sales in the amount of ¥222 million ($2,386 thousand) for the year ended March 31, 2010.

(c) Transactions and Outstanding Balances with Subsidiaries and Affiliates

Significant transactions with subsidiaries and affiliates other than individually presented on the accompanying non-consolidated statements of operations for the years ended 2010 and 2009 were as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Interest and dividend income	¥361	¥635	$3,880

(d) Selling, General and Administrative Expenses

The significant components of selling, general and administrative expenses at March 31, 2010 and 2009 were as follows:

	Years ended March 31,		
	2010	**2009**	**2010**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Salaries and wages	¥ 5,096	¥ 6,230	$ 54,772
Retirement benefit expenses	1,075	1,193	11,554
Rent	1,800	1,878	19,346
Other	4,507	5,197	48,441
Total	¥12,478	¥14,498	$134,114

(e) Research and Development Expenses

Research and development costs included in selling, general and administrative expenses and manufacturing costs amounted to ¥927 million ($9,963 thousand) and ¥1,052 million for the years ended March 31, 2010 and 2009, respectively.

(f) Special Retirement Benefits

Special retirement benefits and outplacement expenses were due to the implementation of the voluntary retirement scheme in the year ended March 31, 2009.

(g) Relocation Expenses

Relocation and integration expenses for head office and branches located around the Tokyo metropolitan area have been recognized for the year ended March 31, 2010.

6. Notes to Non-Consolidated Statements of Changes in Net Assets

Type and number of treasury stocks at March 31, 2010 are as follows:

	Balance at March 31, 2009	Increase	Decrease	Balance at March 31, 2010
		(Number of shares)		
Treasury shares:				
Common stock	411,183	14,722	669	425,236
3rd Series Class C preferred stock	–	7,500	7,500	–
Total	411,183	22,222	8,169	425,236

Note 1: Increase of common stock is due to the purchase of fractional shares.

Note 2: Decrease of common stock is due to the sale of fractional shares in response to requests to purchase fractional shares.

Note 3: Increase of preferred stock is due to the acquisition of common stock by exercising a call option of the 3rd Series Class C preferred stock.

Note 4: Decrease of preferred stock is due to redemption of 3rd Series Class C preferred treasury stock to acquire common stock by exercising a call option.

Type and number of treasury stocks at March 31, 2009 were as follows:

	Balance at March 31, 2008	Increase	Decrease	Balance at March 31, 2009
		(Number of shares)		
Treasury shares:				
Common stock	377,598	38,827	5,242	411,183
1st Series preferred stock	–	870,000	870,000	–
3rd Series Class D preferred stock	–	38,100	38,100	–
Total	377,598	946,927	913,342	411,183

Note 1: Increase of common stock is due to the purchase of fractional shares.

Note 2: Decrease of common stock is due to the sale of fractional shares in response to requests to purchase fractional shares.

Note 3: Increase of preferred stock is due to the acquisition of common stock by exercising a call option of the 1st Series preferred stock and the 3rd Series Class D preferred stock.

Note 4: Decrease of preferred stock is due to redemption of 1st Series preferred treasury stock and 3rd Series Class D preferred treasury stock to acquire common stock by exercising a call option.

7. Leases

The following *pro forma* amounts represent the acquisition costs, accumulated depreciation / amortization and net book value of the leased property as of March 31, 2010 and 2009, which would have been reflected in the non-consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

(a) As lessee:

(1) Finance leases (of which commencement dates were prior to the initial year of application of change in accounting method)

	2010				2009			
	Vehicles	Tools, furniture and fixtures	Intangible fixed assets	Total	Vehicles	Tools, furniture and fixtures	Intangible fixed assets	Total
	(Millions of yen)							
Acquisition costs	¥10	¥130	¥155	¥296	¥10	¥217	¥247	¥475
Accumulated depreciation / amortization	7	77	99	183	5	119	143	267
Net book value	¥ 3	¥ 53	¥ 56	¥113	¥ 5	¥ 98	¥103	¥207

	2010			
	Vehicles	Tools, furniture and fixtures	Intangible fixed assets	Total
	(Thousands of U.S. dollars)			
Acquisition costs	$107	$1,397	$1,665	$3,181
Accumulated depreciation / amortization	75	827	1,064	1,966
Net book value	$ 32	$ 569	$ 601	$1,214

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Future minimum payments:			
Within one year	¥ 55	¥ 90	$ 591
Over one year	63	126	677
	¥119	¥217	$1,279
Lease payments	¥ 91	¥138	$ 978
Depreciation / amortization equivalents	81	126	870
Interest expense equivalents	6	11	64

Depreciation / amortization equivalents are computed by the straight-line method over the respective lease terms with a residual value of zero.

The difference between total lease expenses and acquisition costs of the leased assets comprise interest equivalents. Interest equivalents are computed by the interest method over the respective lease terms.

(a) As lessee: (continued)

(2) Operating leases

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Future minimum payments:			
Within one year	¥0	¥2	$ 0
Over one year	1	2	10
	¥2	¥4	$21

8. Securities

Stocks of subsidiaries and affiliates at March 31, 2010 were as follows:

	2010					
	Carrying value	Fair value	Unrealized gain	Carrying value	Fair value	Unrealized gain
	(Millions of yen)			*(Thousands of U.S. dollars)*		
Stocks of a subsidiary	¥717	¥926	¥209	$7,706	$9,952	$2,246

Note: Stocks of subsidiaries and affiliates for which it is extremely difficulty to determine market values and therefore excluded from the above as follows:

	2010	
	Carrying value	
	(Millions of yen)	*(Thousands of U.S. dollars)*
Stocks of a subsidiaries	¥2,775	$29,825
Stocks of a affiliates	745	8,007

Stocks of a subsidiary for which market prices were available at March 31, 2009 are summarized as follows:

	2009		
	Carrying value	Fair value	Unrealized loss
	(Millions of yen)		
Stocks of a subsidiary	¥717	¥637	¥(79)

9. Income Taxes

The significant components of the Company's deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Deferred tax assets:			
Tax loss carryforwards	¥ 80,300	¥ 86,979	$ 863,069
Accrued retirement benefits	5,315	5,653	57,125
Allowance for bad debts	5,032	5,241	54,084
Loss on devaluation of investments in subsidiaries and affiliates	1,028	1,110	11,049
Allowance for loss on litigation	539	–	5,793
Reserve for defects on completed construction projects	497	586	5,341
Other	1,963	2,121	21,098
Gross deferred tax assets	94,678	101,693	1,017,605
Valuation allowance	(90,178)	(97,193)	(969,239)
Total deferred tax assets	4,500	4,500	48,366
Deferred tax liabilities:			
Unrealized holding gain on securities	(34)	–	(365)
Total deferred tax liabilities	(34)	–	(365)
Net deferred tax assets	¥ 4,466	¥ 4,500	$ 48,000

The following table summarizes the significant differences between the statutory tax rate and the effective tax rate at March 31, 2010:

	March 31, 2010
Statutory tax rate	40.7 %
Non-deductible expenses	9.7
Non-taxable income	(2.7)
Per capita inhabitants' taxes	(7.7)
Valuation allowance	(47.7)
Effective tax rate	(7.7)%

The significant differences between the statutory tax rate and the effective tax rate:

A reconciliation of the statutory and effective tax rate for the year ended March 31, 2009 has been omitted because a net loss for the year then ended was recorded.

10. Per Share Information

Net assets and basic net income (loss) per share as of and for the years ended March 31, 2010 and 2009 were as follows:

	2010	2009	2010
	(Yen)		*(U.S. dollars)*
Net assets per share	¥(68.03)	¥(72.16)	$(0.731)
Net income (loss) per share – basic	2.51	(21.40)	0.026
Net income per share – diluted	2.44	–	0.026

The basis of calculation for net assets per share at March 31, 2009 was as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Total net assets	¥ 13,939	¥ 12,003	$ 149,817
Amounts deducted from total net assets	32,640	31,826	350,816
[Including paid-in amounts for shares of preferred stock]	[31,807]	[31,826]	[341,863]
[Including amount of preferred dividends]	[833]	[–]	[8,953]
Total net assets for common stock	¥(18,701)	¥ (19,822)	$ (200,999)
	(Thousands of shares)		
Number of shares of common stock used to determine net assets per share	274,888	274,685	

The basis for calculating basic net income (loss) per share – basic and net income per share – diluted for the years ended March 31, 2010 and 2009 was as follows:

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net income per share – basic:			
Net income (loss)	¥1,523	¥(5,839)	$16,369
Amount not available to common shareholders	833	–	8,953
[Including amount of preferred dividends]	[833]	[–]	[8,953]
Net income (loss) per share – basic	¥ 690	¥(5,839)	$ 7,416
	(Thousands of shares)		
Average number of share of common stock outstanding	274,857	272,908	

	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Net income per share – diluted:			
Adjustment for net income	¥394	¥–	$4,234
[Including amount of preferred dividends]	[394]	[–]	[4,234]
	(Thousands of shares)		
Increase in number of share of common stock	169,241	–	
[Including preferred stock]	[169,241]	[–]	

11. Short-Term Bank Loans and Long-Term Debt

Short-term bank loans generally represent notes, principally at average interest rates of 2.8% and 2.1% at March 31, 2010 and 2009, respectively.

Long-term debt at March 31, 2010 and 2009 is summarized as follows:

	As of March 31,		
	2010	2009	2010
	(Millions of yen)		*(Thousands of U.S. dollars)*
Debt with collateral (at average interest rates of 2.8% at 2010 and 2.7% at 2009)	¥1,660	¥ 3,062	$17,841
Less current portion	(840)	(1,402)	(9,028)
	¥ 820	¥ 1,660	$ 8,813

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Report of Independent Auditors

The Board of Directors
Sumitomo Mitsui Construction Co., Ltd.

We have audited the accompanying non-consolidated balance sheets of Sumitomo Mitsui Construction Co., Ltd. as of March 31, 2010 and 2009, and the related non-consolidated statements of operations, changes in net assets for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Sumitomo Mitsui Construction Co., Ltd. at March 31, 2010 and 2009, and the non-consolidated results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 1 (k), effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Construction Contracts," and "Guidance on Accounting Standard for Construction Contracts."

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 29, 2010

CORPORATE OUTLINE

Corporate Name:
Sumitomo Mitsui Construction Co.,Ltd.

Established:
October 14,1941

Permission:
(Special-18)No.200, Specified Constructor, granted by the Minister of Land, Infrastructure and Transport

License:
(14)No.1, Housing, Land and Building Dealer, granted by the Minister of Land, Infrastructure and Transport

Main Scope of Business:

1) To plan, design, supervise, contrant and / or undertake civil engineering, architectural, prestressed concrete, electrical, piping and other construction works

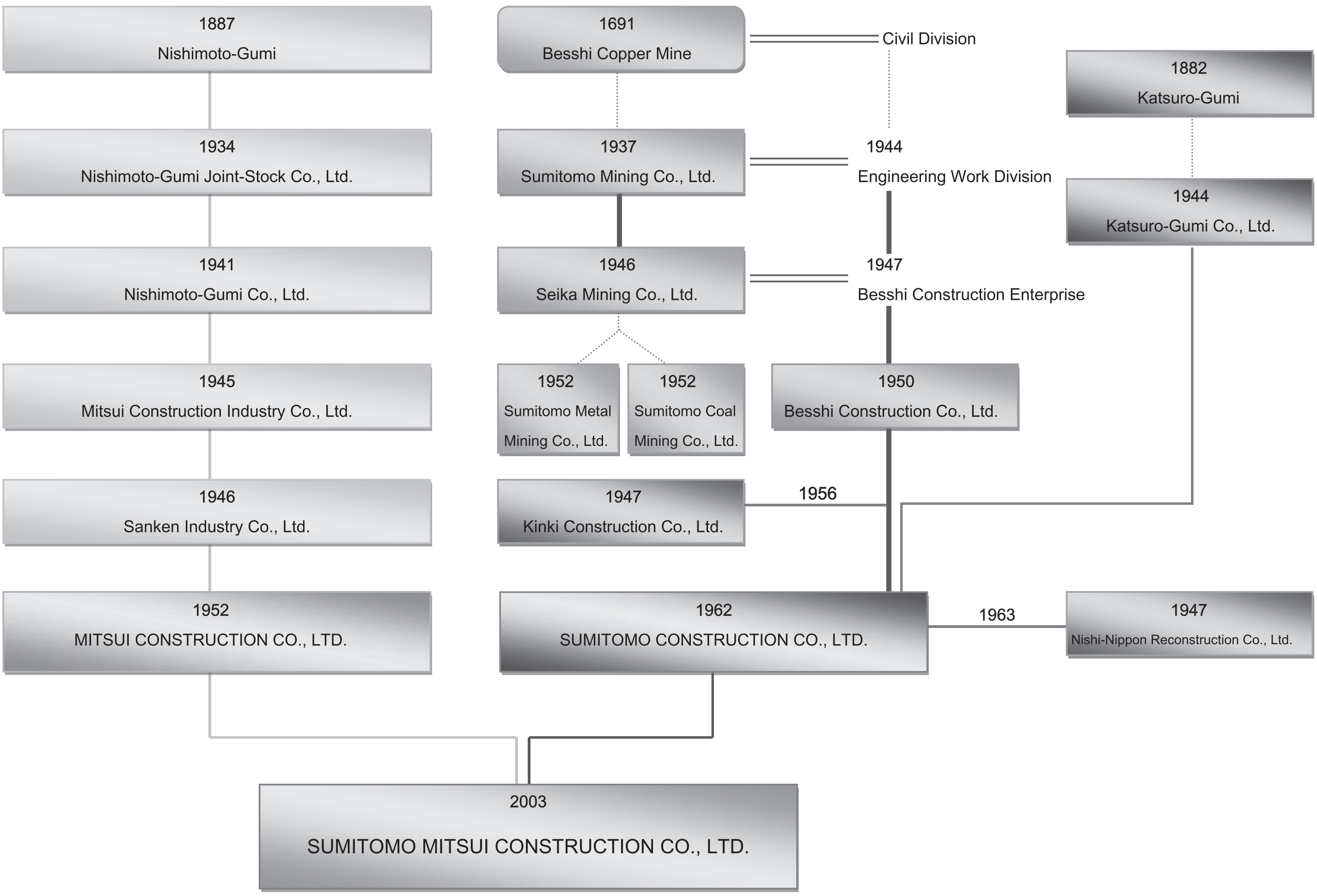
2) To plan, design and supervise marine development, regional development, urban development, natural resource development and environment maintenance

3) To manufacture, sell and lease materials for civil and building works, prestressed concrete products, seismic isolating device, seismic damping device, and other machinery and instruments

Main Banks
Sumitomo Mitsui Banking Corporation
Sumitomo Trust & Banking Co.,Ltd.

Main Shareholders
Daiwa Securities SMBC Principal Investments Co. Ltd.
Mitsui Fudosan Co.,Ltd.
Isao Nasu
Mitsui Sumitomo Insurance Co.,Ltd.
Sumitomo Mitsui Banking Corporation
ORIX Corporation

Corporate History



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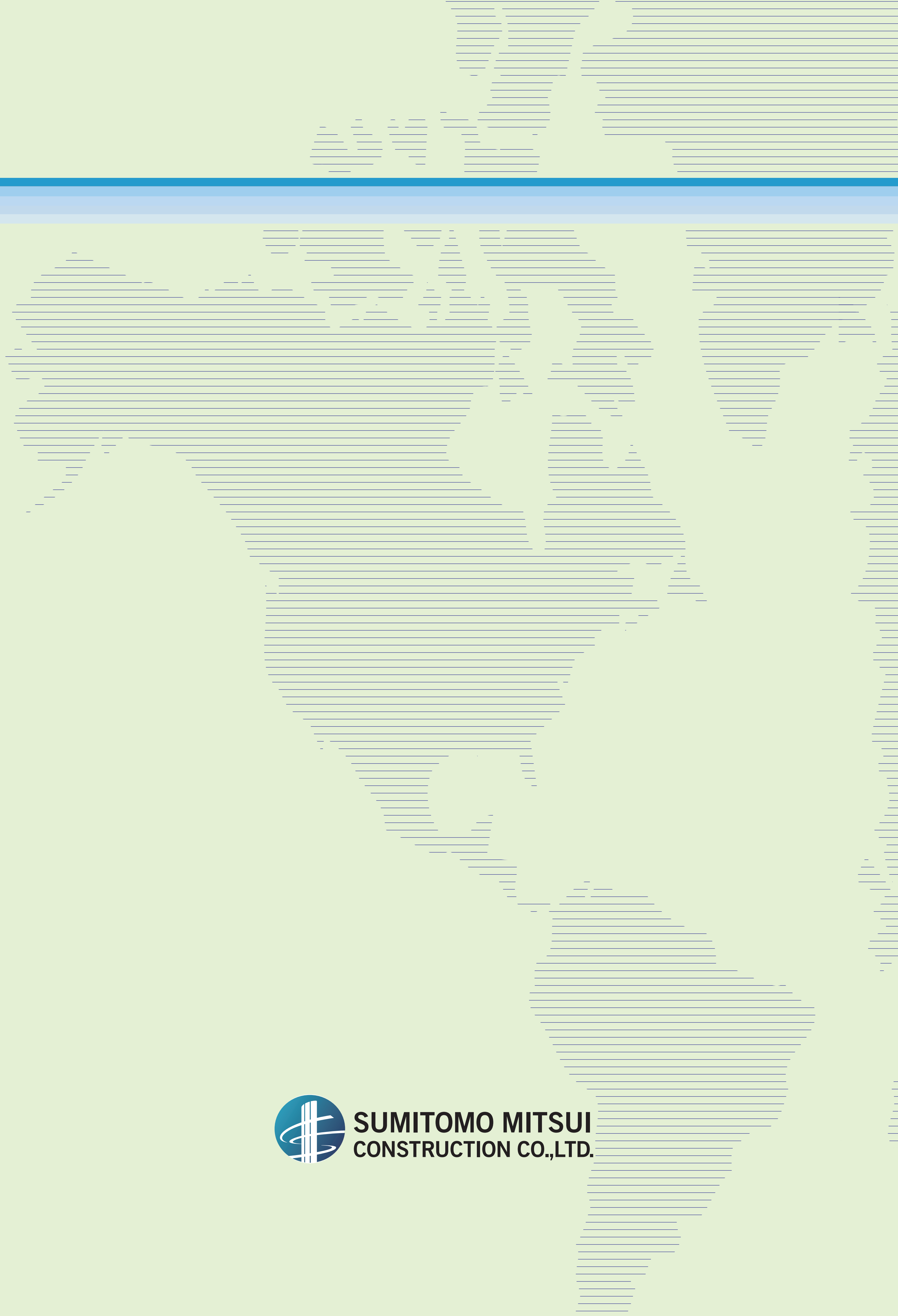

SUMITOMO MITSUI
CONSTRUCTION CO.,LTD.