NIPPON KOEI
Challenging mind, Changing dynamics

Annual Report 2011

Year Ended March 31, 2011

Company Profile

Nippon Koei Co., Ltd. established in 1946, specializes in engineering consulting and electric power engineering. Since its foundation, the Company has adhered to a policy of contributing to society through technology.
Our engineering consulting services, provided by the Consulting Administration Group, draws on the technical expertise of specialists in diverse fields. Since our first overseas venture, a hydroelectric power project in Myanmar in 1954, we have participated in a broad variety of sophisticated development projects worldwide.
The Engineering Administration Group spearheads the Company's electric power engineering business. Here, we provide a complete engineering package, from surveys and designs to the installation of a wide range of equipment, including power stations and substations, transmission lines, and end-user equipment. We are active both in Japan and overseas.
Committed to responsible corporate citizenship, Nippon Koei and its employees dedicate their efforts to creating comfortable living environments for people around the world.

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Financial Highlights

Consolidated

Years Ended March 31	Millions of Yen 2011	Millions of Yen 2010	Thousands of U.S. Dollars 2011
Net sales	**¥65,807**	¥65,096	**$791,425**
Net income	**1,207**	2,026	**14,516**
Net income per share (Yen/Dollars)	**15.16**	25.17	**0.18**
As of March 31			
Total assets	**74,741**	80,100	**898,870**
Equity	**43,698**	43,361	**525,532**

Non-Consolidated

Years Ended March 31	Millions of Yen 2011	Millions of Yen 2010	Thousands of U.S. Dollars 2011
Net sales	**¥48,426**	¥47,006	**$582,393**
Net income	**3,160**	1,396	**38,004**
Net income per share (Yen/Dollars)	**39.67**	17.34	**0.48**
As of March 31			
Total assets	**66,763**	69,030	**802,922**
Equity	**40,335**	38,006	**485,087**

Consolidated Business Report for Fiscal 2010 (Fiscal Year Ended March 31, 2011)

1. Overview of Performance

The Japanese economy came to a standstill in the current year due to a decline in consumer spending and fewer public works projects on top of stagnate exports to emerging markets. The massive earthquake and tsunami that struck northeastern Japan on March 11, taking thousands of lives, as well as the subsequent nuclear accident are also expected to take toll on Japan's economy.

While the Nippon Koei Group's overseas consulting and power-related operations remained healthy, thanks to Japan's increased Official Development Assistance (ODA) budget for yen-loan-financed projects as well as an increase in distribution equipment investments for public power utilities, the overall outlook for the future remains bleak as more companies compete for fewer public works projects.

Working against this backdrop during the last fiscal year of its medium-term management plan aimed at "reform for growth," the Group has focused on more promising business areas. These areas have included railways, environment and energy as well as new business models for small hydroelectric generation.

We also boosted our technological capabilities via employee professional development initiatives and improved productivity while implementing ongoing risk and earnings management improvement measures for overseas consulting operations.

Consolidated orders received during the year dropped 13.1% below last year's level to total 60,532 million yen while year-on-year sales remained virtually flat at 65,807 million yen.

Net income fell sharply by 40.4% on a year-on-year basis to hit 1,207 million yen owing to loss from a natural disaster.

The performance for each business segment is outlined below.

Domestic Consulting Operations

While performance was up for consulting operations related to park management and maintenance as well as data sharing services using the Intelligent Transport Systems (ITS), sales dwindled in operations related to dam and river facility engineering, soil quality and geo-environmental assessment, in addition to public sector IT infrastructure development. As a result, orders fell 16.6% below the previous year's figure to total 30,550 million yen while sales were down 5.9% year on year to total 31,938 million yen. In the final analysis segment loss amounted to a total of 827 million yen.

Overseas Consulting Operations

Although orders were up in the railway industry (our key market) along with an increase in environmental management projects aimed at fighting global warming and climate change, overall orders declined 24.0% to hit 15,329 million yen due mainly to a delay in a large-scale yen-loan project. Sales remained flat at 15,960 million yen while segment profit totaled 1,311 million yen.

Power Engineering Operations

Orders were up for the power equipment manufacturing as well as electrical transformer installation and other civil engineering operations. The spike in orders was fueled by public power utilities'increased investments in computer control systems and electrical transformer installation work that included expansions and upgrades to transformer substations. The electrical system consulting operations saw a big increase in orders for disaster communication network system design and overseas thermal power plant consulting services. This rising demand brought orders up 13.8% year on year to total 14,630 yen. Sales also rose 20.3% year on year to reach 15,742 million yen while segment profit totaled 1,606 million yen.

Real Estate Leasing

Sales from our real estate leasing operations remained about the same as the previous year at 1,262 million yen while segment profit totaled 779 million yen.

2. Future Challenges

At Nippon Koei Group we “act with sincerity and contribute to society through technology.” It’s the philosophy behind everything we do. Just as our slogan says, Nippon Koei is a company that is continually “Challenging mind, Changing dynamics.”
These two statements sum up our commitment to maintaining the highest technological standards. That commitment is the driving force that enables us to maintain our position as a major player in the domestic arena who is steadily making inroads into the quickly growing global market via a road map for sustainable growth. Over the next ten years we will make the dream of global operations driven by a multi domestic strategy a reality. Each of our operational bases throughout the world will forge an operational foundation best suited to its local environment and market while working together to build a strong global network upon which the entire Group can rest. Our priorities and specific measures are as outlined below.

(1) Step up efforts for global expansion and implementation of multi domestic strategy
(2) Place more emphasis on promising businesses
(3) Explore and develop new business models
(4) Develop and implement core technologies for key business areas
(5) Improve productivity

Dark clouds continue to loom over the business horizon. Although public work projects in Japan are expected to grow in the short-run, the long-term outlook is cloudy. Once the Japanese government’s first supplementary budget to fund quick reconstruction of areas affected by the March 11 disaster is spent, we expect Japan’s public works project budget to shrink under the weight of the government’s financial burdens.

The nuclear accident in Fukushima will have major impact on power companies’ bottom lines and trigger cutbacks in capital investments, making the overall business climate even stormier.

Working against this backdrop, the Nippon Koei Group is doing everything it can to aid recovery efforts in the wake of the devastating March 11 earthquake. We went to work on reconstruction immediately after the earthquake struck. Leveraging the infrastructure engineering expertise of our entire Group, we will continue to help earthquake-hit areas rise from the rubble with safe, disaster-resistant communities.

Regulatory compliance is built into the very foundation of Nippon Koei. We will continue to build on that foundation via effective use of our internal regulations as well as meticulous risk, safety, and quality control management to firmly establish our place as a leading company that is trusted by the public.

In May 2011, the Nippon Koei merged with our consolidated subsidiary NEPCO Ltd., and has worked to fully integrate this company as we work to make group management more streamlined than ever.

Noriaki Hirose
President:

3. Analysis of Financial Status, Management Performance

Here is an analysis of the Nippon Koei Group financial status, management performance as well as cash flow status for the current consolidated fiscal year.

(1) Analysis of Financial Status

Our consolidated assets as of the end of the fiscal year under review amounted to 74,741 million yen, a 5,359 million yen drop from the preceding year.
The primary cause for the drop was a 5,724 million yen decrease in current assets and a 365 million yen increase in fixed assets.
The decrease in current assets was due primarily to a 1,080 million yen decrease in cash and cash equivalents, a 3,926 million yen decrease in accounts receivables (trade notes and trade accounts) as well as a 794 million yen decrease for work in process.
The increase in fixed assets was due primarily to a 518 million yen decrease in tangible and intangible fixed assets, a 670 million yen increase in investment securities, and a 198 million yen increase in long-term deferred tax assets.
On the downside, consolidated liabilities at the end of the fiscal year under review decreased 5,696 million yen compared to the previous year to reach a figure of 31,043 million yen.
The main reason for the decline was a drop of 5,523 million yen in current liabilities, as well as a decrease of 173 million yen in long-term liabilities.
The decrease in current liabilities was due primarily to a 601 million yen dip in accounts payables a 4,017 million yen drop in current portion of long-term debt, and a 708 million yen decline in advances received.
The decline in long-term liabilities was due primarily to a 162 million yen decrease in long-term debt a 127 million yen increase in liability for retirement benefits and a 150 million yen decrease in deposits received.
Equity (net assets) at the end of this fiscal year increased 337 million yen compared to the previous year to reach 43,698 million yen.
The main cause behind this uptick was an increase of 605 million yen in retained earnings coupled with a 212 million yen decrease in unrealized loss on available-for-sale securities.

(2) Analysis of Performance

Net sales in the current fiscal year increased 711 million yen (1.1%) over the previous year to reach a total of 65,807 million yen.
Sales for the Power Engineering segment in particular increased 2,661 million yen (20.3%) over the previous year to reach a total of 15,742 million yen. Sales from the segment accounted for 23.9% of overall sales, up 3.8 percentage points from the previous year.

Operating income totaled 2,703 million yen, down 664 million yen (19.7%) from the previous year. The cost to sales ratio was 74.5%, up 1.2 points over the previous year, while the ratio of SG&A expenses to sales was 21.4%, down 0.1 percentage points from the previous year. These results brought the ratio of operating income to sales down 1.1 points year on year to 4.1%.

All this added up to income before income taxes and minority interests totaling 2,261 million yen, in addition to net income totaling 1,207 million yen, down 819 million yen (40.4%) from the previous year.

The basic net income per share came to 15.16 yen, down 10.01 yen year on year from 25.17 yen.

(3) Analysis of Cash Flow Status

Cash and cash equivalents at the end of the current year totaled 5,157 million yen, down 1,080 million yen compared to the end of the previous year. The factors behind this decrease are described below.

Net cash flow from operating activities came to 5,965 million yen (vs. 1,443 million yen for the previous year). This drop was due to a 1,330 million yen year-on-year decline that brought income before income taxes and minority interests down to 2,261 million yen, as well as a 7,314 million yen year-on-year dip that brought trade accounts receivable and inventories down to 4,760 million yen.

Cash flow from investing activities totaled 2,137 million yen (vs. expenditures of 817 million yen previous year). This jump was due primarily to a year-on-year increase of 856 million yen for purchases of investment securities totaling 2,322 million yen as well as a 336 million yen year-on-year increase in expenditures for purchases of property, plant and equipment totaling 671 million yen.

Cash flow from financing activities amounted to 4,847 million (vs. expenditures of 1,114 million yen in the previous year). This 3,927 million yen year-on-year increase totaling 4,118 million yen came from the repayments of long-term debt.

The table below shows trends in cash flow-related indicators for the Group.

Reference: Trends in cash flow-related indicators

	Fiscal Year Ended March 2007	**Fiscal Year Ended March 2008**	**Fiscal Year Ended March 2009**	**Fiscal Year Ended March 2010**	**Fiscal Year Ended March 2011**
Capital-to-asset ratio (%)	53.1	52.1	52.2	53.8	58.1
Capital-to-asset ratio on market value basis (%)	36.2	25.4	22.7	27.5	32.0
Interest-bearing debt-to-cash flow ratio (annual)	2.7	17.8	2.5	9.5	1.6
Interest coverage ratio	27.5	10.2	28.0	9.8	52.3

Capital-to-asset ratio: stockholders' equity / total assets
Capital-to-asset ratio on market value basis: market capitalization / total assets
Interest-bearing debt-to-cash flow ratio: interest-bearing debts / cash flow
Interest coverage ratio: cash flow / interest payment

Notes: 1. All figures are calculated on the basis of consolidated financial figures.
2. Market capitalization is computed on the basis of the number of shares issued, excluding treasury stocks.
3. Cash flow here means operating cash flow.
4. Interest-bearing debt here comprises all debts included in the balance sheet on which interest is paid.

4. Production, New Orders and Sales

(1) New Orders

Business Category	**This Consolidated Fiscal Year** (Millions of yen)	**Change on Previous Year (%)**
New Orders		
Domestic consulting operations	¥30,550	-16.6
Overseas consulting operations	15,329	-24.0
Power engineering operations	14,630	13.8
Other business operations	23	-25.2
Total new orders	60,532	-13.1
Outstanding orders		
Domestic consulting operations	11,292	-21.4
Overseas consulting operations	31,907	-5.4
Power engineering operations	5,438	20.0
Total orders on hand	¥48,637	-7.6

Notes: 1. Figures above do not include consumption tax.
2. The above figures are related to transactions with non-Group organizations: They do not include internal transactions between Group segments or the transfer amounts involved.

(2) Sales Performance

Business Category	**This Consolidated Fiscal Year** (Millions of yen)	**Change on Previous Year (%)**
Domestic consulting operations	¥31,938	-5.9
Overseas consulting operations	15,960	1.0
Power engineering operations	15,742	20.3
Real estate leasing operations	1,262	0.4
Other business operations	905	-11.7
Total 2011 sales	¥65,807	1.1

Notes: 1. Figures above do not include consumption tax.
2. Sales to major customers as a proportion to total sales are given as follows.

Customer	**This Consolidated Fiscal Year**		Previous Consolidated Fiscal Year	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Ministry of Land, Infrastructure, Transport and Tourism	**¥10,659**	**16.2**	¥12,993	20.0
Tokyo Electric Power Co., Ltd.	**8,414**	**12.8**	6,712	10.3
Japan International Cooperation Agency	**6,832**	**10.4**	6,210	9.5

5. Research and Development

You can see the Nippon Koei Group's philosophical commitment to "act with sincerity and contribute to society through technology" behind everything it does. Nippon Koei is putting technology to work with an eye to creating a better world for everyone.

Overall Group research and development costs for the consolidated fiscal year under review amounted to 326 million yen.

Domestic and Overseas Consulting and Other Operations

Research and development over a wide range of construction consulting services is conducted at Research & Developing Laboratory. We monitor research by means of adjusted return mapping in order to accelerate the research process and evaluate the results with an eye to practical application. The following R&D projects were conducted during the consolidated fiscal year under review:

(1) Research and development of advanced numerical analysis techniques and general-purpose software applications

R&D work was conducted on the development of automated design software for canal/dock management, geographical information and NK-GIAS hydrology application software, as well as research relating to practical applications of two- and three-dimensional hydraulic analysis.

(2) Research and development relating to national disaster prevention

R&D work also focused on ground surface uplift due to the recovery of groundwater levels, development of a risk assessment technique for tsunamis and storm surges, development of a method for assessing the impact of landslides on tunnels, research to enhance systems designed to detect slope failure, development of a comprehensive river basin sediment control model as well as the study of earthquake fault and seismic load design.

(3) Research and development for climate change measures

Research efforts involved developing multi layer flow analysis techniques for CO2 aquifer storage, localized weather prediction aimed at reducing water damage risk caused by seasonal fluctuations, simulations designed to help prevent groundwater salinization and groundwater resource management technology, real-time disaster information IT, development of an ecosystem and water environment management simulator, as well as techniques for monitoring and preserving biodiversity in the context of global warming.

(4) Research and development in performance verification and management support systems

Research was carried out on a dynamic crack propagation analytical model for concrete structures, as well as a project assessment model for social infrastructure improvements.

(5) Technical exchanges with overseas research institutes

Technical exchange activities were conducted with the Asian Institute of Technology, the United Nations University, the Korean Electrical Power Research Authority, and National Cheng Kung University in Taiwan.

Research and development costs to support these activities totaled 218 million yen.

Power Engineering Operations

R&D work in this area was mainly carried out at the Fukushima operations site. Main R&D efforts for this consolidated fiscal year included:

(1) Development of modified down-sized monitor control panels

The panel is designed to meet the need for a lower cost, down-sized monitor control panel for use at power-feed substations in the 275 kV class or below. We worked on developing smaller monitor control panels that utilize an internal structure LAN for inter-machine data transmission, e.g. between a monitor control panel and an interface panel for substation control.

(2) Development of a 275 kV or less large-capacity IP type TC

TEPCO has plans to use large-capacity Internet Protocol (IP) telecontrol (TC) equipment for power-feed substations of 275 kV or less. Working with an eye to securing future orders, we focused on developing a large-capacity IP type TC based on equipment designed for power distribution substations.

(3) Research on improving water turbine performance

We conducted computational fluid dynamics (CFD) and model tests for a Francis turbine with a specific speed of 200 m/kW. Better turbine performance will enable us to capitalize on the rising demand predicted for the small to medium hydropower plant market.
We plan to design a model turbine and complete a prototype runner during fiscal year 2011.

(4) Research on commercial application of hybrid servo governor

We conducted research and development on a cost-effective, easy-to-maintain governor (a device used for controlling turbine speed). The governor incorporates a hybrid servo system, which is driven by the rotation of the pump to open and close a hydraulic cylinder, in the turbine's operating mechanism.

(5) Basic smart grid research

The smart grid is an effective way to deliver electricity over networks consisting of solar and other distributed power systems. A growing number of power companies and related industries are investing in smart grid research. Our research efforts have been focused on discovering specific areas and business models that offer us the greatest potential.

Research and development costs to support these activities totaled 108 million yen.

6. Business Risks

The following are deemed as risks that might affect Nippon Koei's future financial status or corporate performance as of the date this report was submitted. These risks moreover are not limited to those listed below.

Uneven Annual Distribution of Performance Results

The primary operations of Nippon Koei include domestic and overseas construction consultancy and power engineering. The domestic construction consultancy operations entail mainly government and public agency projects whose orders come in as a cluster towards the end of the financial year (March). As a result, 70-80% of Group sales tend to occur in the second half of the year.

Dependence on Major Customers

Our domestic and overseas construction consultancy operations rely on foreign and national government contracts for some 90% of its sales. Sales performance on the domestic front tends to be affected by trends in government spending while our international orders are a reflection of the Japanese ODA budget.
Since about 50-70% of our power engineering operations are for the Tokyo Electric Power Company (TEPCO), our sales performance is largely dictated by capital investments at TEPCO.

Consolidated Balance Sheets

Nippon Koei Co., Ltd. and Consolidated Subsidiaries
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
ASSETS	**2011**	2010	**2011**
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	**¥ 5,157**	¥ 6,237	**$ 62,020**
Receivables (Note 15):			
Trade notes	**189**	33	**2,273**
Trade accounts	**24,166**	28,248	**290,631**
Allowance for doubtful accounts	**(44)**	(107)	**(529)**
Inventories (Note 4)	**6,863**	7,696	**82,538**
Deferred tax assets (Note 11)	**1,309**	1,241	**15,743**
Prepaid expenses and other current assets	**1,541**	1,557	**18,533**
Total current assets	**39,181**	44,905	**471,209**
PROPERTY, PLANT AND EQUIPMENT (Notes 5, 6 and 9)**:**			
Land	**13,986**	13,644	**168,202**
Buildings and structures	**20,012**	19,863	**240,673**
Machinery and equipment	**2,375**	2,272	**28,563**
Furniture and fixtures	**2,679**	2,678	**32,219**
Lease assets	**286**	346	**3,440**
Construction in progress	**6**	10	**72**
Total	**39,344**	38,813	**473,169**
Accumulated depreciation	**(15,685)**	(15,011)	**(188,635)**
Net property, plant and equipment	**23,659**	23,802	**284,534**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 15)	**7,523**	6,853	**90,475**
Investments in unconsolidated subsidiaries and associated companies (Note 15)	**530**	530	**6,374**
Long-term loans receivable	**26**	34	**313**
Goodwill	**1,238**	1,545	**14,889**
Receivables in bankruptcy	**121**	118	**1,455**
Deferred tax assets (Note 11)	**621**	423	**7,468**
Other assets	**2,038**	2,122	**24,510**
Allowance for doubtful accounts	**(196)**	(232)	**(2,357)**
Total investments and other assets	**11,901**	11,393	**143,127**
TOTAL	**¥74,741**	¥80,100	**$898,870**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2011	2010	Thousands of U.S.Dollars (Note 1) 2011
CURRENT LIABILITIES:			
Short-term borrowings (Notes 6 and 15)	**¥ 8,000**	¥ 8,000	**$ 96,212**
Current portion of long-term debt (Notes 6 and 15)	**168**	4,185	**2,020**
Payables (Note 15):			
Trade notes	**401**	411	**4,823**
Trade accounts	**4,704**	5,295	**56,572**
Income taxes payable	**517**	828	**6,218**
Advances received	**5,816**	6,524	**69,946**
Accrued bonuses	**1,717**	1,681	**20,649**
Allowance for anticipated project loss	**92**	259	**1,106**
Allowance for loss from a disaster	**63**		**758**
Other current liabilities	**3,493**	3,311	**42,009**
Total current liabilities	**24,971**	30,494	**300,313**
LONG-TERM LIABILITIES:			
Long-term debt (Note 6)	**286**	448	**3,440**
Liability for retirement benefits (Note 7)	**3,369**	3,242	**40,517**
Allowance for environmental measures	**83**	110	**998**
Asset retirement obligations (Note 8)	**53**		**637**
Deposits received (Note 9)	**2,185**	2,335	**26,278**
Deferred tax liabilities (Note 11)	**68**	68	**818**
Negative goodwill	**28**	42	**337**
Total long-term liabilities	**6,072**	6,245	**73,025**
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12, 14 and 15)			
EQUITY (Notes 9 and 16)**:**			
Common stock, authorized, 189,580,000 shares; issued, 86,656,510 shares in 2011 and 2010	**7,393**	7,393	**88,912**
Capital surplus	**6,132**	6,132	**73,746**
Retained earnings	**33,005**	32,400	**396,933**
Treasury stock—at cost 7,170,987 shares in 2011 and 6,923,529 shares in 2010	**(2,304)**	(2,245)	**(27,709)**
Accumulated other comprehensive loss:			
Unrealized loss on available-for-sale securities	**(812)**	(600)	**(9,765)**
Deferred loss on derivatives under hedge accounting	**26**	(7)	**313**
Foreign currency translation adjustments	**(3)**		**(37)**
Total	**43,437**	43,073	**522,393**
Minority interests	**261**	288	**3,139**
Total equity	**43,698**	43,361	**525,532**
TOTAL	**¥74,741**	¥80,100	**$898,870**

Consolidated Statement of Income and Comprehensive Income, Consolidated Statement of Income

Nippon Koei Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
	2011	2010	**2011**
NET SALES	**¥65,807**	¥65,096	**$791,425**
COST OF SALES	**49,016**	47,734	**589,489**
Gross profit	**16,791**	17,362	**201,936**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 12)	**14,088**	13,995	**169,428**
Operating income	**2,703**	3,367	**32,508**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**285**	300	**3,428**
Interest expense	**(95)**	(125)	**(1,143)**
Foreign currency exchange (loss) gain	**(152)**	114	**(1,828)**
Loss on disposal of property, plant and equipment	**(9)**	(26)	**(108)**
Gain on sales of investment securities	**19**	88	**229**
Loss on sales of investment securities	**(577)**	(181)	**(6,939)**
Loss on valuation of investment securities		(8)	
Loss from a natural disaster (Note 13)	**(69)**		**(830)**
Other-net	**156**	62	**1,875**
Other (expenses) income-net	**(442)**	224	**(5,316)**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**2,261**	3,591	**27,192**
INCOME TAXES (Note 11):			
Current	**1,183**	1,170	**14,227**
Deferred	**(150)**	367	**(1,804)**
Total income taxes	**1,033**	1,537	**12,423**
NET INCOME BEFORE MINORITY INTERESTS	**1,228**	2,054	**14,769**
MINORITY INTERESTS IN NET INCOME	**21**	28	**253**
NET INCOME	**1,207**	2,026	**14,516**
MINORITY INTERESTS IN NET INCOME	**21**		**253**
NET INCOME BEFORE MINORITY INTERESTS	**1,228**		**14,769**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18) **:**			
Unrealized loss on available-for-sale securities	**(212)**		**(2,550)**
Deferred gain on derivatives under hedge accounting	**33**		**397**
Foreign currency translation adjustment	**(4)**		**(48)**
Total other comprehensive income (loss)	**(183)**		**(2,201)**
COMPREHENSIVE INCOME (Note 18)	**¥ 1,045**		**$ 12,568**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	**¥ 1,025**		**$ 12,327**
Minority interests	**¥ 20**		**$ 241**

	Yen		U.S.Dollars (Note 1)
PER SHARE OF COMMON STOCK (Note2. r.):			
Basic net income	**¥ 15.16**	¥ 25.17	**$ 0.18**
Cash dividends applicable to the year	**7.50**	7.50	**0.09**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Nippon Koei Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Thousands	Millions of Yen									
						Accumulated other comprehensive income (loss)					
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain (loss) on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2009	**80,575**	**¥7,393**	**¥6,132**	**¥30,869**	**¥(2,017)**	**¥(1,898)**			**¥40,479**	**¥232**	**¥40,711**
Adjustment of retained earnings for a newly consolidated subsidiary				109					109		109
Net income				2,026					2,026		2,026
Cash dividends, ¥7.50 per share				(604)					(604)		(604)
Purchase of treasury stock	(842)				(228)				(228)		(228)
Net change in the year						1,298	(7)		1,291	56	1,347
BALANCE, MARCH 31, 2010	**79,733**	**7,393**	**6,132**	**32,400**	**(2,245)**	**(600)**	**(7)**		**43,073**	**288**	**43,361**
Net income				1,207					1,207		1,207
Cash dividends, ¥7.50 per share				(598)					(598)		(598)
Other retained earnings				(4)					(4)		(4)
Purchase of treasury stock	(247)				(59)			(3)	(62)		(62)
Net change in the year						(212)	33		(179)	(27)	(206)
BALANCE, MARCH 31, 2010	**79,486**	**¥7,393**	**¥6,132**	**¥33,005**	**¥(2,304)**	**¥ (812)**	**¥26**	**¥(3)**	**¥43,437**	**¥261**	**¥43,698**

	Thousands of U.S.Dollars (Note 1)									
					Accumulated other comprehensive income (loss)					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain (loss) on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2010	**$88,912**	**$73,746**	**$389,657**	**$(26,999)**	**$(7,216)**	**$(84)**		**$518,016**	**$3,464**	**$521,480**
Net income			14,516					14,516		14,516
Cash dividends, $0.09 per share			(7,192)					(7,192)		(7,192)
Other retained earnings			(48)					(48)		(48)
Purchase of treasury stock				(710)			(37)	(747)		(747)
Net change in the year					(2,549)	397		(2,152)	(325)	(2,477)
BALANCE, MARCH 31, 2011	**$88,912**	**$73,746**	**$396,933**	**$(27,709)**	**$(9,765)**	**$313**	**$(37)**	**$522,393**	**$3,139**	**$525,532**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Koei Co., Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
OPERATING ACTIVITIES:	**2011**	2010	**2011**
Income before income taxes and minority interests	**¥2,261**	¥3,591	**$27,192**
Adjustments for:			
Income taxes – paid	**(1,550)**	(874)	**(18,641)**
Depreciation and amortization	**1,010**	1,088	**12,147**
Gain on sales of property, plant and equipment		(4)	
Loss on disposal of property, plant and equipment	**7**	25	**84**
Loss on adjustment for changes of accounting standard for asset retirement obligations	**36**		**433**
Loss on sales of investment securities	**558**	93	**6,711**
Changes in assets and liabilities, net of effects from a newly consolidated subsidiary:			
Decrease (Increase) in trade accounts receivable	**3,927**	(1,854)	**47,228**
Decrease (Increase) in inventories	**833**	(700)	**10,018**
Decrease in trade accounts payable	**(601)**	(41)	**(7,228)**
Increase in liability for retirement benefits	**128**	173	**1,539**
Other—net	**(644)**	(54)	**(7,745)**
Net cash provided by operating activities	**5,965**	1,443	**71,738**
INVESTING ACTIVITIES:			
Proceeds from sales of marketable securities		14	
Proceeds from sales of property, plant and equipment	**15**	9	**180**
Purchases of property, plant and equipment	**(671)**	(335)	**(8,070)**
Proceeds from sales and redemption of investment securities	**843**	1,120	**10,138**
Purchases of investment securities	**(2,322)**	(1,466)	**(27,925)**
Increase in other assets	**(2)**	(159)	**(24)**
Net cash used in investing activities	**¥ (2,137)**	¥ (817)	**$ (25,701)**

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
FINANCING ACTIVITIES:	**2011**	2010	**2011**
Repayments of long-term debt	**¥(4,118)**	¥ (191)	**$(49,525)**
Repayments of lease obligations	**(68)**	(89)	**(818)**
Purchase of treasury stock	**(59)**	(228)	**(710)**
Dividends paid	**(598)**	(604)	**(7,192)**
Other—net	**(4)**	(2)	**(47)**
Net cash used in financing activities	**(4,847)**	(1,114)	**(58,292)**
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	**(61)**	15	**(734)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,080)**	(473)	**(12,989)**
CASH AND CASH EQUIVALENTS OF A NEWLY CONSOLIDATED SUBSIDIARY, BEGINNING OF YEAR		113	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**6,237**	6,597	**75,009**
CASH AND CASH EQUIVALENTS, END OF YEAR	**¥5,157**	¥6,237	**$62,020**
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Assets increased by consolidation of a subsidiary previously unconsolidated		¥ 113	
Liabilities increased by consolidation of a subsidiary previously unconsolidated		90	
Increase in liability due to changes of accounting standard for assets retirement obligations	**¥ 53**		**$ 637**

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Under Japanese GAAP, a consolidated statement of income and comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. In addition, "net income before minority interests" is disclosed in the consolidated statement of income and comprehensive income from the year ended March 31, 2011.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Koei Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U. S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥ 83.15 to $1, the rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation —The consolidated financial statements as of March 31, 2011 include the accounts of the Company and its ten significant (ten in 2010) subsidiaries (together, the "Group").

Nippon Koei Power Systems Co., Ltd. was merged with the Company on April 1, 2010 and excluded from the Group, from the fiscal year ended March 31, 2011. NKLAC, Inc. was established in 2010 and included in the Group from the fiscal year ended March 31, 2011.

Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

Investments in unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiaries at the date of acquisition.

Goodwill and negative goodwill which occurred before March 31, 2010 are amortized using the straight-line method over 5 to 10 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and investment trusts, all of which mature or become due within three months of the date of acquisition.

c. Inventories —Work in process is stated at the lower of cost, mainly determined by the specific identification cost method, or net selling value.

d. *Marketable and Investment Securities* —Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:
i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost and ii) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

e. *Property, Plant and Equipment* —Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed substantially by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998 and lease assets as well as other equipment for rent. The range of useful lives is principally from 3 to 50 years for buildings and structures, from 2 to 15 years for machinery and equipment, and from 2 to 20 years for furniture and fixtures. The useful lives for lease assets are the terms of the respective leases.

f. *Allowance for Doubtful Accounts* —The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

g. *Retirement and Pension Plans* —The Group has contributory defined benefit pension plans and unfunded retirement benefit plans for the benefit of its employees.

Effective April 1, 2000, the Group adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The transitional obligation of ¥2,016 million for the subsidiaries, determined as of April 1, 2000, is being amortized over mainly 15 years. Unrecognized actuarial gain or loss is recognized by the straight-line method over mainly 13 years.

Unrecognized prior service costs are recognized by the straight-line method over mainly 13 years.

Retirement benefits for directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

h. *Allowance for Anticipated Project Loss* —The Group has made a provision for anticipated losses on uncompleted project contracts.

i. *Asset Retirement Obligations*— In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Group applied this accounting standard effective April 1, 2010. The effect of this change was to decrease income before income taxes and minority interests by ¥36 million ($ 433 thousand).

j. ***Leases*** —In March 2007, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

Under the previous accounting standard, finance leases that deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and did not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases less interest expense at the transition date and recorded as acquisition cost of lease assets.

The Group applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as acquisition cost of lease assets measured at the obligations under finance leases at the transition date.

All other leases are accounted for as operating leases.

k. ***Accrued Bonuses*** —Bonuses to employees, directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

l. ***Allowance for Environmental Measures*** —The Group has made a provision for treatment of PCB Wastes based on Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

m. ***Allowance for Loss from a Disaster*** —The Group has made a provision for rehabilitation of property, plant and equipment which were damaged by the Great East Japan Earthquake.

n. ***Income Taxes*** —The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

o. ***Foreign Currency Transactions*** —All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income and comprehensive income.

p. ***Revenue Recognition*** —If the outcome of a construction contract can be estimated reliably, the contract revenue is recognized by the percentage-of-completion method which is measured by reference to the percentage of total cost incurred to date to estimated total cost.
All other construction projects, except the aforementioned, are recorded using the completed-contract method (including the partially completed-contract method).

q. ***Derivatives and Hedging Activities*** —The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts are measured at their fair value but the unrealized gains / losses are deferred until the underlying transactions are completed.

r. ***Per Share Information*** —Basic net income per share is computed by dividing net income available to shareholders of common stock, by the weighted-average number of shares of common stock outstanding for the period. The weighted-average numbers of shares of common stock for the years ended March 31, 2011 and 2010 were 79,639,800 and 80,482,654, respectively.

Diluted net income per share of common stock is not disclosed because the Group has nothing which might dilute the per share information for the years ended March 31, 2011 and 2010.

Cash dividends per share presented in the accompanying consolidated statements of income and comprehensive income are dividends applicable to the respective years including dividends to be paid after the end of the year.

s. ***New Accounting Pronouncements***
Accounting Changes and Error Corrections —In December 2009, ASBJ issued ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows;
(1) Changes in Accounting Policies:
When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.
(2) Changes in Presentations:
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.
(3) Changes in Accounting Estimates:
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.
(4) Corrections of Prior Period Errors:
When an error in prior period financial statements is discovered, those statements are restated.
This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Non-current:			
Marketable equity securities	**¥5,967**	¥4,994	**$71,762**
Government and corporate bonds	**1,027**	970	**12,351**
Other	**529**	889	**6,362**
Total	**¥7,523**	¥6,853	**$90,475**

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2011 and 2010 were as follows:

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥6,731**	**¥377**	**¥1,427**	**¥5,681**
Debt securities	**947**	**26**	**91**	**882**
Other	**744**		**215**	**529**
Total	**¥8,422**	**¥403**	**¥1,733**	**¥7,092**

	Millions of Yen			
March 31, 2010	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥5,351	¥339	¥ 975	¥4,715
Debt securities	967		143	824
Other	1,112	7	230	889
Total	¥7,430	¥346	¥1,348	¥6,428

	Thousands of U.S. Dollars			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$ 80,950**	**$4,534**	**$17,162**	**$68,322**
Debt securities	**11,389**	**313**	**1,094**	**10,608**
Other	**8,948**		**2,586**	**6,362**
Total	**$101,287**	**$4,847**	**$20,842**	**$85,292**

The information of available-for-sale securities which were sold during the year ended March 31, 2011 and 2010 was as follows:

	Millions of Yen		
March 31, 2011	Proceeds	Realized Gains	Realized Losses
Securities classified as:			
Available-for-sale:			
Equity securities	**¥ 275**	**¥ 6**	**¥517**
Debt securities	**425**	**8**	
Other	**335**	**5**	**60**
Total	**¥1,035**	**¥19**	**¥577**

March 31, 2010	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
Securities classified as:			
Available-for-sale:			
Equity securities	¥ 872	¥77	¥ 97
Debt securities			
Other	243	11	84
Total	¥1,115	¥88	¥181

March 31, 2011	Thousands of U.S. Dollars		
	Proceeds	Realized Gains	Realized Losses
Securities classified as:			
Available-for-sale:			
Equity securities	**$ 3,307**	**$ 72**	**$6,218**
Debt securities	**5,111**	**96**	
Other	**4,029**	**61**	**721**
Total	**$12,447**	**$229**	**$6,939**

The impairment losses on available-for-sale equity securities for the years ended March 31, 2010 were ¥8 million.

The carrying values of debt securities and other by contractual maturities for securities classified as available-for-sale at March 31, 2011 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due after ten years	¥1,020	$12,267
Total	¥1,020	$12,267

4. INVENTORIES

Inventories at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Merchandise	**¥ 43**	¥ 92	**$ 517**
Work in process	**6,642**	7,436	**79,880**
Raw materials and supplies	**178**	168	**2,141**
Total	**¥6,863**	¥7,696	**$82,538**

5. INVESTMENT PROPERTY

On November 28, 2008, the ASBJ issued ASBJ Statement No. 20 "Accounting Standard for Investment Property and Related Disclosures" and issued ASBJ Guidance No.23 "Guidance on Accounting Standard for Investment Property and Related Disclosures". This accounting standard and the guidance were applicable to investment property and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the new accounting standard and guidance effective March 31, 2010.

The Group holds some rental properties such as office buildings and land in the metropolitan area. Net of rental income and operating expenses for those rental properties was ¥779 million ($9,369 thousand) for the fiscal year ended March 31, 2011.

In addition, the carrying amounts, changes in such balances and market prices of such properties are as follows.

Millions of Yen			
Carrying amount			Fair value
April 1, 2010	Decrease	March 31,2011	March 31,2011
8,253	**(95)**	**8,158**	**15,359**

Millions of Yen			
Carrying amount			Fair value
April 1, 2009	Decrease	March 31,2010	March 31,2010
8,426	(173)	8,253	16,018

Thousands of U.S. Dollars			
Carrying amount			Fair value
April 1, 2010	Decrease	March 31,2011	March 31,2011
99,254	**(1,143)**	**98,111**	**184,714**

Notes:
1) Carrying amount recognized in balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.
2) Decrease during the fiscal year ended March 31, 2011 represents the recognition of depreciation of ¥95 million ($1,143 thousand).
3) Fair value of properties as of March 31, 2011 is measured by the Group in accordance with its Real-estate Appraisal Standard.

6. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2011 and 2010 consisted of notes to banks. The annual interest rates applicable to the short-term borrowings ranged from 0.511% to 0.555% and 0.630% to 0.637% at March 31, 2011 and 2010, respectively.

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Unsecured loans from banks due serially to 2010 with interest rates ranging from 1.515% to 1.670%		¥4,000	
Loan from bank due serially to 2013 with interest rate of 1.250%	**¥315**	433	**$3,788**
Obligation under finance leases	**139**	200	**1,672**
Total	**454**	4,633	**5,460**
Less current portion	**(168)**	(4,185)	**(2,020)**
Long-term debt, less current portion	**¥286**	¥ 448	**$3,440**

Annual maturities of long-term debt at March 31, 2011 for the five years and thereafter were as follows:

Year Ending March 31	Millions of Yen		Thousands of U.S. Dollars	
	Long-term debt	Lease obligations	Long-term debt	Lease obligations
2012	¥118	¥ 50	$1,419	$ 601
2013	118	35	1,419	421
2014	79	24	950	290
2015		18		216
2016 and thereafter		12		144
Total	¥315	¥139	$3,788	$1,672

The Group had a commitment-line contract of ¥8,000 million ($96,212 thousand) over three years with financial institutions in order to secure the stability of long-term funding. The contract included a restrictive financial covenant. At March 31, 2011, the Group had utilized ¥8,000 million ($96,212 thousand) of the commitment-line. In addition, the Group had overdraft contracts of ¥7,000 million ($84,185 thousand) in total. At March 31, 2011, the Group had not utilized the overdraft.

Financial covenants

Short-term borrowings of ¥8,000 million includes financial covenants, with which the Group is in compliance. The major financial covenants are as follows:
If the Group fails to comply with the following covenants, creditors may require repayment of all debt.

(1) Shareholder's equity of each fiscal year will not fall below 75% of the higher of the following:

a. Shareholder's equity of fiscal year immediately preceding the fiscal year; or
b. Shareholder's equity of fiscal year ending on March 31, 2008

(2) Ordinary income for each fiscal year will not be negative for two consecutive fiscal years.

At March 31, 2011, land, building and structures of ¥2,067 million ($24,859 thousand) were pledged as collateral for long-term debt of ¥315 million ($3,788 thousand).

7. RETIREMENT AND PENSION PLANS

The Group has severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

In addition, the group completely transitioned from the approved pension plan to the defined benefit corporate pension plan in October 2010.

The liabilities for retirement benefits at March 31, 2011 and 2010 for directors and corporate auditors were ¥90 million ($1,082 thousand) and ¥103 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

The liability for employees' retirement benefits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Projected benefit obligation	**¥(13,548)**	¥(13,468)	**$(162,934)**
Fair value of plan assets	**7,795**	7,520	**93,746**
Unrecognized actuarial loss	**2,032**	2,642	**24,437**
Unrecognized transitional obligation	**543**	638	**6,530**
Unrecognized prior service cost	**331**	(127)	**3,981**
Prepaid pension cost	**432**	344	**5,195**
Net liability	**¥ (3,279)**	¥ (3,139)	**$ (39,435)**

The components of net periodic benefit costs for the years ended March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Service cost	**¥ 916**	¥ 907	**$11,016**
Interest cost	**301**	303	**3,620**
Expected return on plan assets	**(185)**	(184)	**(2,225)**
Amortization of prior service cost	**(10)**	(13)	**(120)**
Recognized actuarial loss	**402**	497	**4,834**
Amortization of transitional obligation	**135**	135	**1,624**
Net periodic benefit costs	**¥1,559**	¥1,645	**$18,749**

Note:
The net periodic benefit costs above excludes required funding for the multi-employer pension plan amounting to ¥850 million ($10,222 thousand) and ¥831 million at March 31, 2011 and 2010 respectively, for which plan assets could not be allocated to each participating employer.

Assumptions used for the years ended March 31, 2011 and 2010 were set forth as follows:

	2011	2010
Discount rate	**2.50%**	2.50%
Expected rate of return on plan assets	**2.50%**	3.00%
Amortization of prior service cost	**13 years**	13 years
Recognition period of actuarial gain / loss	**13 years**	13 years
Amortization period of transitional obligation	**15 years**	15 years

Funded status of the multi-employer pension plan at March 31, 2010 (available information as of March 31, 2011), to which contributions were recorded as net periodic retirement benefit costs, was as follow:

	Millions of Yen
	2010
Fair value of plan assets	**¥142,729**
Pension benefit obligation recorded by pension fund	**172,380**
Difference	**¥(29,651)**

The Groups' contribution percentage for multi-employer pension plan......11.1%

Note:
1. The difference mainly resulted from prior service cost of ¥(29,236) million, adjustment of asset valuation of ¥(15,252) million and surplus of ¥14,836 million.

2. Prior service cost is amortized over 20 years.
3. The Group expensed special contributions of ¥327 million in the consolidated statement of income and comprehensive income in the fiscal year ended March 31, 2011.
4. The above contribution ratio does not conform to the actual ratio applied to the Group.

8. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the year ended March 31, 2011 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2011	**2011**
Balance at beginning of year	**¥50**	**$601**
Additional previsions associated with the acquisition of property, plant and equipment	**2**	**24**
Reconciliation associated with passage of time	**1**	**12**
Balance at end of year	**¥53**	**$637**

9. DEPOSITS RECEIVED

Deposits received from tenants amounted to ¥1,878 million ($22,586 thousand) at March 31, 2011 and ¥2,045 million at March 31, 2010.

At March 31, 2011, land, building and structures for rent of ¥1,499 million ($18,028 thousand) were pledged as collateral for these deposits.

10. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends
Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.
Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus
The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.
Under the Companies Act, stock acquisition rights are presented as a separate component of equity.
The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

11. INCOME TAXES

The Company and its domestic subsidiaries were subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 39.5% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deferred tax assets :			
Unrealized loss on available-for-sale securities	**¥ 536**	¥ 396	**$ 6,446**
Accrued bonuses	**844**	791	**10,150**
Tax loss carryforwards	**1,433**	1,537	**17,234**
Liability for retirement benefits for directors and corporate auditors	**37**	42	**445**
Liability for retirement benefits for employees	**1,333**	1,260	**16,031**
Allowance for anticipated project loss	**37**	103	**445**
Loss on impairment of long-lived assets	**110**	109	**1,323**
Other	**681**	570	**8,190**
Less valuation allowance	**(2,675)**	(2,791)	**(32,170)**
Total	**¥2,336**	¥2,017	**$28,094**
Deferred tax liabilities :			
Reserve for deferred gains on sale of property	**¥ 209**	¥ 214	**$ 2,514**
Prepaid pension cost	**171**	136	**2,057**
Other	**93**	71	**1,118**
Total	**¥ 473**	¥ 421	**$ 5,689**
Net deferred tax assets	**¥1,863**	¥1,596	**$22,405**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income and comprehensive income for the years ended March 31, 2011 and 2010 was as follows:

	2011	2010
Normal effective statutory tax rate	**39.5%**	39.5%
Per capita levy of local tax	**5.5**	3.6
Expenses not deductible for tax purposes	**2.3**	1.4
Valuation allowance	**(5.9)**	(8.3)
Other – net	**4.3**	6.6
Actual effective tax rate	**45.7%**	42.8%

As of March 31, 2011, certain subsidiaries had tax loss carryforwards aggregating approximately ¥3,502 million ($42,118 thousand) which were available to be offset against taxable income of these companies in future years. These tax loss carryforwards, if not utilized, will expire as follows:

Years Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2012	¥ 7	$ 84
2013	3,196	38,437
2015	133	1,600
2016	98	1,179
2017	1	12
2018	67	806
Total	**¥3,502**	**$42,118**

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥326 million ($3,921 thousand) and ¥341 million for the years ended March 31, 2011 and 2010, respectively.

13. LOSS FROM A NATURAL DISASTER

Loss from a natural disaster caused by the Great East Japan Earthquake in March, 2011 consisted of the following:

	Millions of Yen	Thousands of U.S. Dollars
	2011	**2011**
Removal Cost and Repair Expenses	**¥ 6**	**$ 72**
Provision of Allowance for Loss from a Disaster	**63**	**758**
Total	**¥69**	**$830**

14. LEASES

(1) Lessee

The minimum rental commitments under noncancellable operating leases at March 31, 2011 and 2010, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Due within one year		¥0	
Due after one year			
Total		¥0	

(2) Lessor

The minimum rental commitments under noncancellable operating leases at March 31, 2011 and 2010, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Due within one year	**¥ 697**	¥ 676	**$ 8,382**
Due after one year	**2,761**	3,233	**33,205**
Total	**¥3,458**	¥3,909	**$41,587**

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the ASBJ revised ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures". This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Group policy for financial instruments

The Group uses financial instruments (mainly bank loans) based on its capital financing plan. Cash surpluses, if any, are invested in low risk financial assets. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (2) below. To clarify the accountability for transactions, the Group set up the investment committee and it examines basic principles of transactions and each financial instrument.

(2) Nature and extent of risks arising from financial instruments

Receivables such as trade notes and trade accounts are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of a portion of payables in foreign currencies, is hedged by using forward foreign currency contracts. Marketable and investment securities, mainly held-to-maturity securities and equity instruments of customers and suppliers of the Group, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and trade accounts, are less than one year.
Maturities of bank loans and lease obligation are less than seven years after the balance sheet date.

Derivatives mainly include forward foreign currency contracts, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables and investment securities. Please see Note 16 for more detail about derivatives.

(3) Risk management for financial instruments

Credit Risk Management
Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment term and balances of major customers by each business administration department to identify the default risk of customers in early stage. With respect to held-to-maturity financial investment, the Group manages its exposure to credit risk by limiting its funding to high credit rating bonds in accordance with in its internal guidelines. Please see Note 16 for the detail about derivatives.
The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2011.

Market risk management (foreign exchange risk and interest rate risk)
Foreign currency trade receivables and payables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk is hedged principally by forward foreign currency contracts.

Marketable and investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

Basic principles of derivative transactions have been approved by the investment committee based on the internal guidelines which prescribe the authority and the limit for each transaction by the corporate treasury department. Reconciliation of the transaction and balances with customers is made, and the transaction data has been reported to the chief financial officer on a monthly basis.

Liquidity risk management
Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk by concluding the commitment-line and overdraft contracts, along with adequate financial planning by the corporate treasury department.

(4) Concentration of credit risk
43.1% of total receivables is from three major customers of the Group as of March 31, 2011.

(5) Fair values of financial instruments
Fair values of financial instruments are based on quoted prices in active markets. If quoted price is not available, other rational valuation techniques are used instead. Also please see Note 16 for the detail of fair value for derivatives.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2011	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**¥ 5,157**	**¥ 5,157**	
Receivables	**24,355**		
Allowance for doubtful accounts	**(44)**		
	24,311	**24,311**	
Investment securities	**7,092**	**7,092**	
Total	**¥36,560**	**¥36,560**	
Short-term borrowings	**¥ 8,000**	**¥ 8,000**	
Payables	**5,105**	**5,105**	
Total	**¥13,105**	**¥13,105**	

March 31, 2010	Millions of Yen Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 6,237	¥ 6,237	
Receivables	28,281	28,281	
Investment securities	6,574	6,574	
Total	¥41,092	¥41,092	
Short-term borrowings	¥ 8,000	¥ 8,000	
Payables	5,706	5,706	
Long-term debt	4,633	4,648	¥15
Total	¥18,339	¥18,354	¥15

March 31, 2011	Thousands of U.S. Dollars Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	**$ 62,020**	**$ 62,020**	
Receivables	**292,904**		
Allowance for doubtful accounts	**(529)**		
	292,375	**292,375**	
Investment securities	**85,292**	**85,292**	
Total	**$439,687**	**$439,687**	
Short-term borrowings	**$ 96,212**	**$ 96,212**	
Payables	**61,395**	**61,395**	
Total	**$157,607**	**$157,607**	

Cash and cash equivalents, receivables, payables and short-term borrowings
The carrying values of these financial instruments approximate fair values because of their short maturities.

Investment securities
The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The information of the fair value for the investment securities by classification is included in Note 3.

Long- term debt
The fair value of long-term debt is determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.

Derivatives
The information of the fair value for derivatives is included in Note 16.

(b) Financial instruments whose fair value cannot be reliably determined

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
March 31, 2011 and 2010	**2011**	2010	**2011**
Investments in equity instruments that do not have a quoted market price in an active market	**¥816**	¥810	**$9,814**
Investments in debt instruments that do not have a quoted market price in an active market	**¥145**		**$1,744**

(6) Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
March 31, 2011	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**¥ 5,157**			
Receivables	**24,354**			
Investment securities				
Available-for-sale securities with contractual maturities				**¥1,020**
Total	**¥29,511**			**¥1,020**

	Thousands of U.S. Dollars			
March 31, 2011	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**$ 62,020**			
Receivables	**292,892**			
Investment securities				
Available-for-sale securities with contractual maturities				**$12,267**
Total	**$354,912**			**$12,267**

Please see Note 6 for annual maturities of long-term debt.

16. DERIVATIVES

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange.

It is the Group's policy to use derivatives only for the purpose of reducing risks, not for trading or speculative purpose.

Because the counterparties to these derivatives are limited to domestic banks having high reputations, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative transactions to which hedge accounting is not applied

	Millions of Yen			
March 31, 2011	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain
Foreign currency forward contracts: Selling EURO	**¥1,567**	**¥936**	**¥44**	**¥33**

	Thousands of U.S. Dollars			
March 31, 2011	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain
Foreign currency forward contracts: Selling EURO	**$18,845**	**$11,257**	**$529**	**$397**

March 31, 2010	Millions of Yen Contract Amount	Fair Value	Unrealized Gain
Foreign currency forward contracts: Selling U.S.$	¥631	¥11	¥11
Interest rate swaps: (fixed rate payment, floating rate receipt)	¥140	¥ (1)	¥ 1

Derivative transactions to which hedge accounting is applied

March 31, 2011	Millions of Yen Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts: Selling U.S.$	Investment securities	**¥755**	**¥755**	**¥43**

March 31, 2011	Thousands of U.S. Dollars Hedged item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts: Selling U.S.$	Investment securities	**$9,080**	**$9,080**	**$517**

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

The contract amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risk.

17. CONTINGENT LIABILITIES

At March 31, 2011, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees of bank loans related to employees	¥161	$1,936
Guarantees of bank credit line of an unconsolidated subsidiary	¥ 93	$1,118

18. COMPREHENSIVE INCOME

For the year ended March 31, 2010

Total comprehensive income for the year ended March 31, 2010 was the following:

	Millions of Yen **2010**
Total comprehensive income attributable to: Owners of the parent	**¥3,317**
Minority interests	**28**
Total comprehensive incomes	**¥3,345**

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	Millions of Yen
	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	**¥1,298**
Deferred loss on derivatives under hedge accounting	**(7)**
Total other comprehensive income	**¥1,291**

19. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

On May 20, 2011, the following appropriation of retained earnings at March 31, 2011 was resolved by the Board of Directors:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥10.0 ($0.12) per share	¥795	$9,561

20. SEGMENT INFORMATION

For the year ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No. 17 “Accounting Standard for Segment Information Disclosures” and issued ASBJ Guidance No.20 “Guidance on Accounting Standard for Segment Information Disclosures”. Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010.
The segment information for the year ended March31, 2010 under the revised accounting standard is also disclosed hereunder as required.

(1) Description of reportable segments

The Group’s reportable segments are those for which separate financial information is available and regular evaluation by the Company’s management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group consists of the Domestic, Overseas, Power Engineering and Real estate leasing segments. Domestic consists of consulting services in public and private sectors related to mainly infrastructure development. Overseas consists of consulting services related to mainly ODA funded development projects. Power Engineering consists of manufacturing of products and appliances related to electric production and distribution systems and engineering services related to construction and maintenance of public and private electric power facilities. Real estate leasing consists of sales of our Group’s real estate leasing operation.

(2) Methods of measurement for the amount of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, “Summary of Significant Accounting Policies”.

(3) Information about products and services

The information about sales, profit (loss), assets, liabilities and other items at March 31, 2011 and 2010 were as follows:

Millions of Yen

2011

	Reportable segment: Domestic	Reportable segment: Overseas	Reportable segment: Power Engineering	Reportable segment: Real estate leasing	Reportable segment: Total	Others	Total	Reconciliations	Consolidated
Sales									
Sales to customers	¥31,938	¥15,960	¥15,742	¥ 1,262	¥64,902	¥ 905	¥ 65,807		¥65,807
Intersegment sales	328	9	161	128	626	6	632	¥ (632)	
Total sales	32,266	15,969	15,903	1,390	65,528	911	66,439	(632)	65,807
Segment profit (loss)	¥ (827)	¥ 1,311	¥ 1,606	¥ 779	¥ 2,869	¥ (168)	¥ 2,701	¥ (3)	¥ 2,698
Segment assets	¥25,653	¥ 9,166	¥ 9,166	¥10,590	¥54,575	¥51,168	¥105,743	¥(31,002)	74,741
Other:									
Depreciation	¥ 216	¥ 68	¥ 219	¥ 176	¥ 679	¥ 331	¥ 1,010		¥ 1,010
Interest income	185	13	17	23	238	419	657	¥ (572)	85
Interest expense	281	51	62	123	517	149	666	(571)	95
Increase in property, plant and intangible assets..........	60	74	182	116	432	420	852		852

Thousands of U.S. Dollars

2011

	Reportable segment: Domestic	Reportable segment: Overseas	Reportable segment: Power Engineering	Reportable segment: Real estate leasing	Reportable segment: Total	Others	Total	Reconciliations	Consolidated
Sales									
Sales to customers	$384,101	$191,942	$189,321	$ 15,177	$780,541	$ 10,884	$ 791,425		$791,425
Intersegment sales	3,945	109	1,936	1,539	7,529	72	7,601	$ (7,601)	
Total sales	388,046	192,051	191,257	16,716	788,070	10,956	799,026	(7,601)	791,425
Segment profit (loss)	$ (9,946)	$ 15,767	$ 19,314	$ 9,369	$ 34,504	$ (2,021)	$ 32,483	$ (36)	$ 32,447
Segment assets	$308,515	$110,235	$110,235	$127,359	$656,344	$615,370	$1,271,714	$(372,844)	$898,870
Other:									
Depreciation	$ 2,598	$ 818	$ 2,634	$ 2,116	$ 8,166	$ 3,981	$ 12,147		$ 12,147
Interest income	2,225	156	204	277	2,862	5,039	7,901	$ (6,879)	1,022
Interest expense	3,379	614	746	1,479	6,218	1,792	8,010	(6,867)	1,143
Increase in property, plant and intangible assets..........	722	890	2,189	1,394	5,195	5,052	10,247		10,247

	Millions of Yen								
	2010								
	Reportable segment					Others	Total	Reconciliations	Consolidated
	Domestic	Overseas	Power Engineering	Real estate leasing	Total				
Sales									
Sales to customers	¥33,927	¥15,806	¥13,081	¥ 1,257	¥64,071	¥ 1,025	¥ 65,096		¥65,096
Intersegment sales	324	10	209	137	680	74	754	¥ (754)	
Total sales	34,251	15,816	13,290	1,394	64,751	1,099	65,850	(754)	65,096
Segment profit (loss)	¥ 537	¥ 1,276	¥ 1,166	¥ 884	¥ 3,863	¥ (219)	¥ 3,644		¥ 3,644
Segment assets	¥29,731	¥10,103	¥11,274	¥10,647	¥61,755	¥50,830	¥112,585	¥(32,485)	¥80,100
Other:									
Depreciation	¥ 260	¥ 61	¥ 244	¥ 188	¥ 753	¥ 335	¥ 1,088		¥ 1,088
Interest income	155	9	32	24	220	277	497	¥ (412)	85
Interest expense	191	76	76	29	372	164	536	(411)	125
Increase in property, plant and intangible assets	120	58	155	1	334	188	522		522

Note:
The followings are differences between total amounts for reportable segments and amounts in the consolidated balance sheets or consolidated statements of income and comprehensive income and main details of these differences, which related to difference adjustments at March 31, 2011 and 2010:

Net sales

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Reportable segment total	**¥65,528**	¥64,751	**$788,070**
Other net sales	**911**	1,099	**10,956**
Elimination of intersegment transactions	**(632)**	(754)	**(7,601)**
Net Sales in the consolidated statements of income and comprehensive income	**¥65,807**	¥65,096	**$791,425**

Profit

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Reportable segment total	**¥2,869**	¥3,863	**$34,504**
Other loss	**(168)**	(219)	**(2,021)**
Elimination of intersegment transactions	**(3)**		**(36)**
Operating income in the consolidated statements of income and comprehensive income	**¥2,698**	¥3,644	**$32,447**

Assets

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Reportable segment total	**¥54,575**	¥61,755	**$656,344**
Other property	**51,168**	50,830	**615,370**
Elimination of intersegment transactions	**(31,002)**	(32,485)	**(372,844)**
Total assets in the consolidated balance sheet	**¥74,741**	¥80,100	**$898,870**

Other items

	Millions of Yen			
	2011			
	Reportable segment	Others	Reconciliations	Total
Depreciation	**¥679**	**¥331**		**¥1,010**
Amortization of Goodwill	**313**			**313**
Amortization of Negative Goodwill	**14**			**14**
Interest income	**238**	**419**	**¥(572)**	**85**
Interest expense	**517**	**149**	**(571)**	**95**
Increase in property, plant and intangible assets	**432**	**420**		**852**

	Thousands of U.S. Dollars			
	2011			
	Reportable segment	Others	Reconciliations	Total
Depreciation	**$8,166**	**$3,981**		**$12,147**
Amortization of Goodwill	**3,764**			**3,764**
Amortization of Negative Goodwill	**168**			**168**
Interest income	**2,862**	**5,039**	**$(6,879)**	**1,022**
Interest expense	**6,218**	**1,792**	**(6,867)**	**1,143**
Increase in property, plant and intangible assets	**5,195**	**5,052**		**10,247**

	Millions of Yen			
	2010			
	Reportable segment	Others	Reconciliations	Total
Depreciation	¥753	¥335		¥1,088
Amortization of Goodwill	312			312
Amortization of Negative Goodwill	14			14
Interest income	220	277	¥(412)	85
Interest expense	372	164	(411)	125
Increase in property, plant and intangible assets	334	188		522

Note:
The reconciliatory main items of interest income and expense are eliminations of corporate interest in accounting for control.

The information about geographical areas at March 31, 2011 was as follows:

Sales

Millions of Yen						
2011						
Japan	Asia	Middle East	Africa	Latain America	Other	Total
¥48,636	**¥10,427**	**¥1,017**	**¥1,794**	**¥3,603**	**¥330**	**¥65,807**

Thousands of U.S. Dollars						
2011						
Japan	Asia	Middle East	Africa	Latain America	Other	Total
$584,919	**$125,400**	**$12,231**	**$21,575**	**$43,331**	**$3,969**	**$791,425**

The information about major customers at March 31, 2011 was as follows:

	Millions of Yen	
	2011	
Name of Customers	Sales	Related Segment Name
Ministry of Land, Infrastructure, Transport and Tourism ..	**¥ 10,659**	Domestic
Tokyo Electric Power Co., Ltd.	**8,414**	Power Engineering
Japan International Cooperation Agency	**6,832**	Overseas

	Thousands of U.S. Dollars	
	2011	
Name of Customers	Sales	Related Segment Name
Ministry of Land, Infrastructure, Transport and Tourism ..	**$128,190**	Domestic
Tokyo Electric Power Co., Ltd.	**101,191**	Power Engineering
Japan International Cooperation Agency	**82,165**	Overseas

The information about goodwill and negative goodwill at March 31, 2011 was as follows:

	Millions of Yen							
	2011							
	Reportable Segment					Others	Elimination/ Corporate	Consolidated
	Domestic	Overseas	Power Engineering	Real estate leasing	Total			
Amortization of Goodwill ..	**¥ 313**				**¥ 313**			**¥ 313**
Goodwill at March 31, 2011	**1,238**				**1,238**			**1,238**
Amortization of Negative Goodwill	**14**				**14**			**14**
Negative Goodwill at March 31, 2011	**28**				**28**			**28**

	Thousands of U.S. Dollars							
	2011							
	Reportable Segment					Others	Elimination/ Corporate	Consolidated
	Domestic	Overseas	Power Engineering	Real estate leasing	Total			
Amortization of Goodwill ..	**$3,764**				**$3,764**			**$3,764**
Goodwill at March 31, 2011	**14,889**				**14,889**			**14,889**
Amortization of Negative Goodwill	**168**				**168**			**168**
Negative Goodwill at March 31, 2011	**337**				**337**			**337**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nippon Koei Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Nippon Koei Co., Ltd. (the "Company") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statement of income and comprehensive income for the year ended March 31, 2011, the consolidated statement of income for the year ended March 31, 2010, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Koei Co., Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, 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.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

Non-consolidated Balance Sheets

Nippon Koei Co., Ltd.
March 31, 2011 and 2010

	Million of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2011**	2010	**2011**
CURRENT ASSETS:			
Cash and cash equivalents	**¥ 3,590**	¥ 4,561	**$ 43,175**
Receivables:			
Trade notes	**189**	27	**2,273**
Trade accounts	**17,818**	21,337	**214,287**
Allowance for doubtful accounts	**(2)**	(22)	**(24)**
Short-term loan receivables	**1,650**	4,164	**19,844**
Inventories - work in process	**4,518**	3,664	**54,336**
Deferred tax assets (Note 10)	**865**	694	**10,403**
Prepaid expenses and other current assets	**1,620**	1,410	**19,482**
Total current assets	**30,248**	35,835	**363,776**
PROPERTY, PLANT AND EQUIPMENT (Note 8)**:**			
Land	**11,884**	10,248	**142,922**
Buildings and structures	**18,085**	16,266	**217,498**
Machinery and equipment	**2,016**	1,156	**24,245**
Furniture and fixtures	**2,143**	1,144	**25,773**
Construction in progress	**6**		**73**
Lease assets	**184**	222	**2,213**
Total	**34,318**	29,036	**412,724**
Accumulated depreciation	**(14,193)**	(11,423)	**(170,692)**
Net property, plant and equipment	**20,125**	17,613	**242,032**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 3)	**7,395**	6,710	**88,936**
Investments in and advances to subsidiaries and associated companies (Note 4)	**6,078**	6,156	**73,097**
Deferred tax assets (Note 10)	**308**	204	**3,704**
Other assets	**2,631**	2,535	**31,642**
Allowance for doubtful accounts	**(22)**	(23)	**(265)**
Total investments and other assets	**16,390**	15,582	**197,114**
TOTAL	**¥66,763**	¥69,030	**$802,922**

See notes to non-consolidated financial statements.

LIABILITIES AND EQUITY	Million of Yen 2011	Million of Yen 2010	Thousands of U.S. Dollars (Note 1) 2011
CURRENT LIABILITIES:			
Short-term borrowings (Note 5)	**¥10,550**	¥10,100	**$126,879**
Current portion of long-term debt (Note 5)	**154**	4,048	**1,852**
Payables:			
Trade notes	**401**	56	**4,823**
Trade accounts	**3,814**	5,994	**45,869**
Income taxes payable	**340**	332	**4,089**
Advances received	**3,902**	3,931	**46,927**
Accrued bonuses	**1,429**	1,229	**17,186**
Allowance for anticipated project loss	**53**	214	**637**
Allowance for loss from a disaster	**63**		**758**
Other current liabilities	**2,862**	2,350	**34,420**
Total current liabilities	**23,568**	28,254	**283,440**
LONG-TERM LIABILITIES:			
Long-term debt (Note 5)	**240**	67	**2,886**
Liability for retirement benefits (Note 6)	**317**	368	**3,812**
Allowance for environmental measures	**74**		**890**
Asset retirement obligations (Note 7)	**44**		**529**
Deposits received (Note 8)	**2,185**	2,335	**26,278**
Total long-term liabilities	**2,860**	2,770	**34,395**
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 13 and 14)			
EQUITY (Notes 9 and 16)**:**			
Common stock, authorized, 189,580,000 shares; issued, 86,656,510 shares in 2011 and 2010	**7,393**	7,393	**88,912**
Capital surplus:			
Additional paid-in capital	**6,093**	6,093	**73,277**
Other capital surplus	**38**	38	**457**
Retained earnings:			
Legal reserve	**1,546**	1,546	**18,593**
Retained earnings - unappropriated	**28,271**	25,710	**339,999**
Unrealized loss on available-for-sale securities	**(798)**	(592)	**(9,597)**
Deferred loss on derivatives under hedge accounting	**26**	(7)	**313**
Treasury stock—at cost 7,170,987 shares in 2011 and 6,923,529 shares in 2010	**(2,234)**	(2,175)	**(26,867)**
Total equity	**40,335**	38,006	**485,087**
TOTAL	**¥66,763**	¥69,030	**$802,922**

Non-consolidated Statements of Income

Nippon Koei Co., Ltd.
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	**2011**
NET SALES	**¥48,426**	¥47,006	**$582,393**
COST OF SALES	**36,067**	36,359	**433,758**
Gross profit	**12,359**	10,647	**148,635**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 11)	**10,342**	9,154	**124,378**
Operating income	**2,017**	1,493	**24,257**
OTHER INCOME (EXPENSES):			
Interest and dividend income	**335**	550	**4,029**
Interest expense	**(133)**	(155)	**(1,600)**
Foreign currency exchange (loss) gain	**(76)**	125	**(914)**
Gain on sales of investment securities	**15**	59	**180**
Loss on sales of investment securities	**(577)**	(181)	**(6,939)**
Loss on valuation of investment securities		(6)	
Loss from a natural disaster (Note 12)	**(69)**		**(830)**
Gain on extinguishment of tie-in shares (Note 15)	**2,338**		**28,118**
Reversal of allowance for doubtful accounts	**20**	36	**241**
Other-net	**109**	326	**1,311**
Other income-net	**1,962**	754	**23,596**
INCOME BEFORE INCOME TAXES	**3,979**	2,247	**47,853**
INCOME TAXES (Note 10)**:**			
Current	**880**	593	**10,583**
Deferred	**(61)**	258	**(734)**
Total income taxes	**819**	851	**9,849**
NET INCOME	**¥ 3,160**	¥ 1,396	**$ 38,004**

	Yen		U.S. Dollars (Note 1)
PER SHARE OF COMMON STOCK (Note2. s.)**:**			
Basic net income	**¥ 39.67**	¥ 17.34	**$ 0.48**
Cash dividends applicable to the year	**7.50**	7.50	**0.09**

See notes to non-consolidated financial statements.

Non-consolidated Statements of Changes in Equity

Nippon Koei Co., Ltd.
Years Ended March 31, 2011 and 2010

	Thousands	Millions of Yen								
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus		Retained Earnings		Unrealized Gain (loss) on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Treasury Stock	Total Equity
			Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, MARCH 31, 2009	**80,575**	**¥7,393**	**¥6,093**	**¥38**	**¥1,546**	**¥24,918**	**¥(1,887)**		**¥(1,947)**	**¥36,154**
Net income						1,396				1,396
Cash dividends, ¥7.50 per share						(604)				(604)
Purchase of treasury stock	(842)								(228)	(228)
Net change in the year							1,295	(7)		1,288
BALANCE, MARCH 31, 2010	**79,733**	**7,393**	**6,093**	**38**	**1,546**	**25,710**	**(592)**	**(7)**	**(2,175)**	**38,006**
Net income						3,160				3,160
Cash dividends, ¥7.50 per share						(599)				(599)
Purchase of treasury stock	(247)								(59)	(59)
Net change in the year							(206)	33		(173)
BALANCE, MARCH 31, 2011	**79,486**	**¥7,393**	**¥6,093**	**¥38**	**¥1,546**	**¥28,271**	**¥ (798)**	**¥26**	**¥(2,234)**	**¥40,335**

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus		Retained Earnings		Unrealized Gain (loss) on Available-for-sale Securities	Deferred Gain (loss) on Derivatives under Hedge Accounting	Treasury Stock	Total Equity
		Additional Paid-in Capital	Other Capital Surplus	Legal Reserve	Unappropriated				
BALANCE, MARCH 31, 2010	**$88,912**	**$73,277**	**$457**	**$18,593**	**$309,200**	**$(7,120)**	**$(84)**	**$(26,158)**	**$457,077**
Net income					38,004				38,004
Cash dividends, $0.09 per share					(7,205)				(7,205)
Purchase of treasury stock								(709)	(709)
Net change in the year						(2,477)	397		(2,080)
BALANCE, MARCH 31, 2011	**$88,912**	**$73,277**	**$457**	**$18,593**	**$339,999**	**$(9,597)**	**$313**	**$(26,867)**	**$485,087**

See notes to non-consolidated financial statements.

Notes to Non-consolidated Financial Statements

Nippon Koei Co., Ltd.
Years Ended March 31, 2011 and 2010

1. BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Nippon Koei Co., Ltd. (the “Company”) in accordance with the provisions set forth in the Corporate Act of Japan and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

As consolidated statements of cash flows and certain disclosures are presented in the consolidated financial statements of the Company, non-consolidated statements of cash flows and certain disclosures are not presented herein in accordance with accounting principles generally accepted in Japan.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the Company’s financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to $1, the rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. ***Non-consolidation*** —The non-consolidated financial statements do not include the accounts of subsidiaries. Investments in subsidiaries and associated companies are stated at cost.

b. ***Business Combination*** —In October 2003, the Business Accounting Council (the “BAC”) issued a Statement of Opinion, “Accounting for Business Combinations”, and in December 2005, the ASBJ issued ASBJ Statement No.7, “Accounting Standard for Business Divestitures” and ASBJ Guidance No.10, “Guidance for Accounting Standard for Business Combinations and Business Divestitures”. This accounting standard for business combinations allowed companies to apply the pooling of interests method of accounting only when certain specific criteria were met such that the business combination was essentially regarded as a uniting-of-interests. For business combinations that did not meet the uniting-of-interests criteria, the business combination was considered to be an acquisition and the purchase method of accounting was required. This standard also prescribed the accounting for combinations of entities under common control and for joint ventures.

   In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, “Accounting Standard for Business Combinations.” Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed. (2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in a business combination is capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation. This standard was applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

   The Company merged with Nippon Koei Power Systems Co., Ltd on April 1, 2010 and accounted for the merger as a common control transaction.

c. ***Cash Equivalents*** —Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

   Cash equivalents include time deposits and investment trusts, all of which mature or become due within three months of the date of acquisition.

d. ***Inventories*** —Work in process is stated at the lower of cost, mainly determined by the specific identification cost method, or net selling value.

e. ***Marketable and Investment Securities*** —Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:
i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, ii) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity and iii) investments in subsidiaries and associated companies, are reported at cost.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to operations.

f. ***Property, Plant and Equipment*** —Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed substantially by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998 and lease assets as well as other equipment for rent. The range of useful lives is principally from 3 to 50 years for buildings and structures, from 2 to 15 years for machinery and equipment, and from 2 to 20 years for furniture and fixtures. The useful lives for lease assets are the terms of the respective leases.

g. ***Allowance for Doubtful Accounts*** —The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

h. ***Retirement and Pension Plans*** —The Company has a contributory defined benefit pension plan and unfunded retirement benefit plan for the benefit of its employees.

Effective April 1, 2000, the Company adopted a new accounting standard for the employees' retirement benefits and accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.
Unrecognized actuarial gain or loss is recognized by the straight-line method over 13 years.

Unrecognized prior service costs are recognized by the straight-line method over 13 years.

Retirement benefits for directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

i. ***Allowance for Anticipated Project Loss*** —The Company has made a provision for anticipated losses on uncompleted project contracts.

j. ***Asset Retirement Obligations*** —In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No.18 “Accounting Standard for Asset Retirement Obligations” and ASBJ Guidance No.21 “Guidance on Accounting Standard for Asset Retirement Obligations”. Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. The effect of this change was to decrease income before income taxes and minority interests by ¥30 million ($361thousand).

k. ***Leases*** —In March 2007, the ASBJ issued ASBJ Statement No.13, “Accounting Standard for Lease Transactions”, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

Under the previous accounting standard, finance leases that deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if capitalized” information was disclosed in the note to the lessee’s financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and did not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases less interest expense at the transition date and recorded as acquisition cost of lease assets.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as acquisition cost of lease assets measured at the obligations under finance leases at the transition date.

All other leases are accounted for as operating leases.

l. ***Accrued Bonuses*** —Bonuses to employees, directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

m. ***Allowance for Environmental Measures*** —The Company has made a provision for treatment of PCB Wastes based on Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes.

n. ***Allowance for Loss from a Disaster*** —The Company has made a provision for rehabilitation of property, plant and equipment which were damaged by the Great East Japan Earthquake.

o. ***Income Taxes*** —The provision for income taxes is computed based on the pretax income included in the statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

p. ***Foreign Currency Transactions*** —All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the non-consolidated statements of operations.

q. ***Revenue Recognition*** —If the outcome of a construction contract can be estimated reliably, the contract revenue is recognized by the percentage-of-completion method which is measured by reference to the percentage of total cost incurred to date to estimated total cost.
All other construction projects, except the aforementioned, are recorded using the completed-contract method (including the partially completed-contract method).

r. ***Derivatives and Hedging Activities*** — The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Company to reduce foreign currency exchange. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statement of operations and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts are measured at their fair value but the unrealized gains / losses are deferred until the underlying transactions are completed.

s. ***Per Share Information*** —Basic net operations per share is computed by dividing net operations available to shareholders of common stock, by the weighted-average number of shares of common stock outstanding for the period. The weighted-average numbers of shares of common stock for the years ended March 31, 2011 and 2010 were 79,639,800 and 80,482,654, respectively.

Diluted net operations per share of common stock is not disclosed because the Company has nothing which might dilute the per share information for the years ended March 31, 2011 and 2010.

Cash dividends per share presented in the accompanying non-consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

t. ***New Accounting Pronouncements***

Accounting Changes and Error Corrections —In December 2009, the ASBJ issued ASBJ Statement No. 24 "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows;

(1) Changes in Accounting Policies:

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations:

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates:

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors:

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Non-current:			
Marketable equity securities	**¥5,862**	¥4,879	**$70,499**
Government and corporate bonds	**1,004**	941	**12,075**
Other	**529**	890	**6,362**
Total	**¥7,395**	¥6,710	**$88,936**

4. INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in and advances to subsidiaries and associated companies as of March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Investments	**¥6,018**	¥5,618	**$72,375**
Advances	**60**	538	**722**
Total	**¥6,078**	¥6,156	**$73,097**

The value of the investment securities of subsidiaries and associated companies are measured at the original acquisition costs, for the fair value of them cannot be reliably determined at March 31, 2011 since market value and estimated future cash flow are not available.

5. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2011 and 2010 consisted of notes to banks and subsidiaries. The annual interest rates applicable to the short-term borrowings ranged from 0.511% to 1.475% and 0.630% to 1.475% at March 31, 2011 and 2010, respectively.

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Unsecured loans from banks due serially to 2010 with interest rates ranging from 1.515% to 1.670%		¥4,000	
Loan from bank due serially to 2013 with interest rate of 1.250%	**¥315**		**$3,788**
Obligation under finance leases	**79**	115	**950**
Total	**394**	4,115	**4,738**
Less current portion	**(154)**	(4,048)	**(1,852)**
Long-term debt, less current portion	**¥240**	¥ 67	**$2,886**

Annual maturities of long-term debt at March 31, 2011 for the five years and thereafter were as follows:

Year Ending March 31	Millions of Yen		Thousands of U.S. Dollars	
	Long-term debt	Lease obligations	Long-term debt	Lease obligations
2012	¥118	¥36	$1,419	$433
2013	118	22	1,419	265
2014	79	12	950	144
2015		5		60
2016 and thereafter		4		48
Total	¥315	¥79	$3,788	$950

The Company had a commitment-line contract of ¥8,000 million ($96,212 thousand) over three years with financial institutions in order to secure the stability of long-term funding. The contract included a restrictive financial covenant. At March 31, 2011, the Company had utilized ¥8,000 million ($96,212 thousand) of the commitment-line. In addition, the Company had overdraft contracts of ¥7,000 million ($84,185 thousand) in total. At March 31, 2011, the Company had not utilized the overdraft.

Financial covenants

Short-term borrowings of ¥8,000 million includes financial covenants, with which the Company is in compliance.
The major financial covenants are as follows:
If the Company fails to comply with the following covenants, creditors may require repayment of all debt.

(1) Shareholder’s equity of each fiscal year will not fall below 75% of the higher of the following:

a. Shareholder’s equity of fiscal year immediately preceding the fiscal year; or
b. Shareholder’s equity of fiscal year ending on March 31, 2008

(2) Ordinary income for each fiscal year will not be negative for two consecutive fiscal years.

At March 31, 2011, land, building and structures of ¥2,067 million ($24,859 thousand) were pledged as collateral for long-term debt of ¥315 million ($3,788 thousand).

6. RETIREMENT AND PENSION PLANS

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump sum severance payment from the Company and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

In addition, the group completely transitioned from the approved pension plan to the defined benefit corporate pension plan in October 2010.

The liabilities for retirement benefits at March 31, 2011 and 2010 for directors and corporate auditors were ¥27 million ($325 thousand) and ¥48 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

7. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the year ended March 31, 2011 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2011	**2011**
Balance at beginning of year	**¥41**	**$493**
Additional previsions associated with the acquisition of property, plant and equipment	**2**	**24**
Reconciliation associated with passage of time	**1**	**12**
Balance at end of year	**¥44**	**$529**

8. DEPOSITS RECEIVED

Deposits received from tenants amounted to ¥1,878 million ($22,586 thousand) at March 31, 2011 and ¥2,045 million at March 31, 2010.

At March 31, 2011, land, building and structures for rent of ¥1,499 million ($18,028 thousand) were pledged as collateral for these deposits.

9. EQUITY

Japanese companies are subject to the Corporate Act of Japan (the “Corporate Act”). The significant provisions in the Corporate Act that affect financial and accounting matters are summarized below:

(a) Dividends
Under the Corporate Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.
Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus
The Corporate Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights
The Corporate Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.
Under the Corporate Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.
The Corporate Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. INCOME TAXES

The Company is subject to Japanese national and local operations taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 39.5% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	**2011**
Deferred tax assets :			
Unrealized loss on available-for-sale securities	**¥ 522**	¥ 387	**$ 6,278**
Accrued bonuses	**695**	514	**8,358**
Liability for retirement benefits for directors and corporate auditors	**11**	19	**132**
Liability for retirement benefits for employees	**115**	127	**1,383**
Allowance for anticipated project loss	**21**	85	**253**
Loss on impairment of long-lived assets	**62**	62	**746**
Other	**464**	205	**5,580**
Less valuation allowance	**(316)**	(150)	**(3,800)**
Total	**¥1,574**	¥1,249	**$18,930**
Deferred tax liabilities:			
Reserve for deferred gains on sale of property	**¥ 209**	¥ 214	**$ 2,514**
Prepaid pension cost	**171**	136	**2,057**
Other	**22**	1	**264**
Total	**¥ 402**	¥ 351	**$ 4,835**
Net deferred tax assets	**¥1,172**	¥ 898	**$14,095**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying non-consolidated statements of income for the years ended March 31, 2011 and 2010 was as follows:

	2011	2010
Normal effective statutory tax rate	**39.5%**	39.5%
Per capita levy of local tax	**1.9**	3.4
Expenses not deductible for tax purposes	**1.1**	1.7
Valuation allowance	**2.0**	(8.1)
Gain on extinguishment of tie-in shares	**(22.8)**	
Other – net	**(1.1)**	1.4
Actual effective tax rate	**20.6%**	37.9%

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to operations were ¥319 million ($3,836 thousand) and ¥214 million for the years ended March 31, 2011 and 2010, respectively.

12. LOSS FROM A NATURAL DISASTER

Loss from a natural disaster caused by the Great East Japan Earthquake in March, 2011 consisted of the following:

	Millions of Yen	Thousands of U.S. Dollars
	2011	**2011**
Removal Cost and Repair Expenses	**¥ 6**	**$ 72**
Provision of Allowance for Loss from a Disaster	**63**	**758**
Total	**¥69**	**$830**

13. LEASES

(1) Lessee

The minimum rental commitments under noncancellable operating leases at March 31, 2011 and 2010, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Due within one year		¥0	
Due after one year			
Total		¥0	

(2) Lessor

The minimum rental commitments under noncancellable operating leases at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2010	2009	**2010**
Due within one year	**¥ 697**	¥ 676	**$ 8,382**
Due after one year	**2,761**	3,233	**33,205**
Total	**¥3,458**	¥3,909	**$41,587**

14. CONTINGENT LIABILITIES

At March 31, 2011, the Company had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees of bank loans related to a subsidiary and employees	¥254	$3,055

15. BUSINESS COMBINATION

Nippon Koei Power Systems Co., Ltd. was merged with the Company on April 1, 2010.

The details of this merger are as follows:

1. Names of combined parties and description of business

Company name	Description of business
Nippon Koei Co., Ltd (The "Company")	Engineering consulting and electric power engineering
Nippon Koei Power Systems Co., Ltd	Manufacture of electrical equipment and construction work

2. Legal structure of the business combination
   This is the merger with the Company as a surviving company and Nippon Koei Power Systems Co., Ltd. as a company that ceases to exist.

3. Name of company after business combination
   There is no change to the Company name.

4. Summary of transaction
   The Nippon Koei Board of Directors deliberated on a merger to take effect on April 1, 2010 with its consolidated subsidiary, Nippon Koei Power Systems Co., Ltd., at a meeting on January 13, 2010, and the two companies were then bound into a merger on the planned date of April 1, 2010.
   The present merger was implemented to promote the further streamlining of corporate group business operations based on management goals towards unification and consolidation.

5. Summary of accounting procedure
   The Company accounted as common control transaction, based on ASBJ Statement No.21, "Accounting Standard for Business Combinations" and ASBJ Guidance No.10, "Guidance for Accounting Standard for Business combinations and Business Divestitures".

16. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

On May 20, 2011, the following appropriation of retained earnings at March 31, 2011 was resolved by the Board of Directors:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥10.0 ($0.12) per share	¥795	$9,561

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nippon Koei Co., Ltd.:

We have audited the accompanying non-consolidated balance sheets of Nippon Koei Co., Ltd. (the "Company") as of March 31, 2011 and 2010, and the related non-consolidated statements of income and changes in equity for the years then ended, all expressed in Japanese yen. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated 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 non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nippon Koei Co., Ltd. as of March 31, 2011 and 2010, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

Corporate Information

Board of Directors, Officers and Corporate Auditors

Chairperson
Yoshihiko Tsunoda*

President:
Noriaki Hirose*

Director and Executive Vice President:
Seijiro Usuda *

Director and Senior Managing Executive Officers:
Katsumi Yoshida
Shoji Nishitani
Yutaka Murai

Director and Managing Executive Officers:
Tamotsu Yoshida
Yoichi Abe

Director and Executive Officers:
Ryuichi Arimoto
Akira Mizukoshi
Noboru Takano

Director:
Masahisa Naito

Corporate Auditors:
Kenichi Sakata
Koichi Kosumi
Mineo Enomoto

Managing Executive Officers:
Yoichi Kobayashi
Yoshiki Tamemitsu
Hiromichi Sekine

Executive Officers:
Kunio Kurokawa
Kiyotaka Mizushima
Masanao Nishimura
Takashi Seki
Yoshikimi Inoue
Hiroyuki Kasahara
Hiroyuki Akiyoshi
Haruyoshi Takura
Naoki Honjo

*Representative Directors   As of June 29, 2011

Stock Information

Shares authorized	189,580,000
Shares issued	86,656,510
Stockholders of minimum tradable stock unit	7,052

As of March 31, 2011

Major Stockholders

	Share owned (thousands)	Percentage of total owned
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,699	4.26
Meiji Yasuda Life Insurance Company.	3,530	4.07
CSSEL SPECIAL CSTDY AC EXCL FBO CUS	3,280	3.78
Japan Trustee Services Bank, Ltd. (Trustee)	2,774	3.20
The Koei Employees' Stockholders Association	2,728	3.14
The Master Trust Bank of Japan, Ltd. (Trustee)	2,154	2.48
Mizuho Corporate Bank, Ltd.	1,911	2.20
Tsukishima Kikai Co.,Ltd	1,843	2.12
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	1,470	1.69
Nippon Life Insurance Company	1,349	1.55

As of March 31, 2011

Besides the above, the Company owns thousands of shares of treasury stock 7170 (8.3%)

Major Offices and Facilities

Head Office
4 Kojimachi 5-chome, Chiyoda-ku,
Tokyo 102-8539, Japan

Shin-Kojimachi Office
2 Kojimachi 4-chome, Chiyoda-ku,
Tokyo 102-0083, Japan

Hanzomon Office
5 Kojimachi 2-chome, Chiyoda-ku,
Tokyo 102-0083, Japan

Domestic Branch Offices
Tokyo, Sapporo, Sendai, Fukushima, Niigata, Nagoya, Osaka, Hiroshima, Shikoku, Fukuoka

Research Facility
Research and Development Center in Tsukuba Science City, Ibaraki

Overseas Offices (Liaison Office)
Jakarta, Manila, Hanoi (Ho Chi Minh), Bangkok (Vientiane, Phnom Penh, Yangon), New Delhi, Colombo, Middle East (Amman, Baghdad, Tunis, Rabat), Nairobi

Major Businesses

Consulting Administration

Field of activity
- Water
- Energy
- Urban & Regional Development
- Transportation
- Agriculture & Rural Development
- Environment
- Climate Change
- Information & Communication Technology
- Geosphere Engineering
- Project and Program Management
- Public Private Partnership/Private Finance Initiative

Services
- Preliminary investigation Planning, Feasibility studies, Assessment, Detailed design, Construction supervision , Operation and maintenance

Engineering Administration

Field of activity
- Electrical and civil works for electric power facilities (generation, transmission, substation, distribution schemes and wiring of buildings)
- Electric power utilities (turbines, generators, transformers, control deices and communications equipment)
- Electric equipment and devices
- Safety equipment
- Skin electric thermo-system heaters (SECT-heaters)
- Factory automation equipment

Services
- Surveys, Studies, Planning, Design, Construction, Installation, Sale

Major Nippon Koei Group Companies

While mainly focused on technical consulting, electrical power engineering, and power generation, the Nippon Koei Group is also active in a wide range of related fields. The various businesses peripheral to the activities of Nippon Koei, the main company in the Group, are taken on by subsidiaries and affiliates located both at home and abroad.
These related companies, together with the principle corporation, make up the Nippon Koei Group. The various firms maintain close cooperation based on relationships of interdependence that enhance the strength and cohesion of the Group as a whole.
As of March 2011, the total number of employees of the Group companies based in Japan came to about 2780, of which over 1,200 were registered engineers. The Group truly has a wealth of highly skilled technical experts.

The subsidiary companies that comprise the consolidated Nippon Koei Group are as follows:

Tamano Consultants Co., Ltd.
This company is headquartered in the city of Nagoya and provides engineering consulting services centered on the Chubu Region. The company boasts the most highly regarded urban and regional planning group in Japan.

Nippon Civic Consulting Engineers Co., Ltd.
This company provides consulting services centered on planning, design, and construction supervision of underground structures such as urban tunnels. The company specializes in shield tunneling technology and the development of new underground construction technology.

NEPCO Ltd. *
This company provides services for geological disaster prevention. Services include landslide prediction and preventative activities such as hazard surveys, action planning, and construction of protective measures. NEPCO also manufactures and sells various types of equipment for landslide monitoring and management.

KRI International Corporation
This company has been established to enhance non-engineering consulting works of the Nippon Koei Group's activities. KRI provides the consulting services mainly in the fields of economic and industrial development including finance and management, education and human resources development, and regional and community development.

Nippon Koei U.K. Co., Ltd.
This company provides engineering consulting services to enforce Nippon Koei's overseas operation in the primary fields of transportation, environment, water supply and wastewater.

Nippon Koei Latin America-Caribbean Co., Ltd.
This company has been established to enhance Nippon Koei's operation in Latin America and Caribbean and provides consulting engineering and technical services for various development sectors in the region.

NKLAC, Inc.
This company has been incorporated in Panama in order to promote further localization of Nippon Koei's operation in Latin America and Caribbean region.

Nikki Corporation
This company conducts real estate management, leasing, and insurance services for Nippon Koei and other Group companies. It also sells, imports, and exports electrical power equipment and rents and leases various goods.

Koei System Inc.
This company develops software programs used in computer control applications, dispatches personnel, and provides support and software development for office automation systems on a consignment basis.

El Koei Co., Ltd.
This company conducts employment and staff supply for Nippon Koei Group. The company provides various fields of qualified human resources to support the activity of the Group Companies.

* NEPCO Ltd. was merged into Nippon Koei Co., Ltd. on May 1, 2011.

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