

Summary of Consolidated Financial Results For the Year Ended December 2009

February 19, 2010

Name of Company:	Okabe Co., Ltd.
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
Stock Code:	5959
URL:	http://www.okabe.co.jp/
Representative	
Title:	President
Name:	Noriaki Matsumoto
Responsible person for inquiries	
Title:	Managing Director in charge of Management Division
Name:	Eiichi Tomita
Telephone:	+81-(0)3-3624-5119
Date of regular general meeting of shareholders (tentative):	March 26, 2010
Date of commencement of dividend payment (tentative):	March 29, 2010
Date of filing of securities report (tentative):	March 26, 2010

(Yen in millions, rounded down)

1. Financial results for the current fiscal year (January 1, 2009 – December 31, 2009)

(1) Result of operations (Consolidated, year-to-date) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 2009	49,799	(22.4)	3,022	(42.2)	2,981	(44.3)	1,901	(21.3)
Fiscal year ended December 2008	64,160	7.2	5,232	18.2	5,353	20.5	2,416	(38.1)

	Net income per share	Net income per share, fully diluted	Return on equity	Ratio of ordinary income to asset	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 2009	34.54	34.53	6.3	4.6	6.1
Fiscal year ended December 2008	43.93	43.88	7.7	7.5	8.2

Reference: Equity in (earnings) losses of affiliates

For the fiscal year ended December 31, 2009: — million yen

For the fiscal year ended December 31, 2008: — million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2009	63,200	30,814	48.8	559.54
As of December 31, 2008	67,700	29,471	43.0	529.57

Reference: Shareholders' equity

As of December 31, 2009: 30,814 million yen

As of December 31, 2008: 29,140 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 2009	4,057	(2,228)	(2,416)	15,415
Fiscal year ended December 2008	6,098	(1,657)	(1,665)	15,698

2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 2008	-	7.00	-	8.00	15.00	825	34.1	2.6
Fiscal year ended December 2009	-	5.00	-	5.00	10.00	550	29.0	1.8
Fiscal year ending December 2010 (est.)	-	5.00	-	5.00	10.00		29.6	

3. Forecast for the fiscal year ending December 2010 (Consolidated, January 1, 2010 – December 31, 2010)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	24,140	(4.4)	1,250	(13.5)	1,150	(20.4)	750	13.1	13.62
Full year	50,000	0.4	3,230	6.9	3,020	1.3	1,860	(2.2)	33.78

4. Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements (Presented in the section on Changes to the Basis of Presenting the Consolidated Financial Statements)
 - (a) Changes due to revision of accounting standards: Yes
 - (b) Changes other than in (a): None
- (3) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury stock)

As of December 31, 2009: 55,144,632 As of December 31, 2008: 55,100,632
 - (b) Treasury stock

As of December 31, 2009: 73,429 As of December 31, 2008: 73,137

Non-consolidated Financial Results (For reference)

1. Financial results for the current fiscal year (January 1, 2009 – December 31, 2009)

(1) Result of operations (Non-consolidated, year-to-date) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 2009	35,931	(15.2)	2,332	(30.5)	2,765	(24.5)	822	(49.3)
Fiscal year ended December 2008	42,354	4.8	3,355	44.3	3,662	43.0	1,621	(2.1)

	Net income per share	Net income per share, fully diluted
	Yen	Yen
Fiscal year ended December 2009	14.94	14.94
Fiscal year ended December 2008	29.48	29.45

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2009	54,218	27,757	51.2	504.02
As of December 31, 2008	59,706	27,657	46.3	502.60

Reference: Shareholders' equity

As of December 31, 2009: 27,757 million yen

As of December 31, 2008: 27,657 million yen

2. Forecast for the fiscal year ending December 2010 (Non-consolidated, January 1, 2010 – December 31, 2010)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	17,050	(6.9)	820	(36.4)	910	(43.8)	490	(49.9)	8.90
Full year	34,560	(3.8)	1,960	(16.0)	2,080	(24.8)	1,220	48.3	22.16

*Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time, this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.

1. Results of Operations

(1) Analysis of results of operations

(a) Result for the fiscal year ended December 31, 2009 (January 1, 2009 – December 31, 2009)

In 2009, despite signs of a recovery in some sectors of the Japanese economy, the real economy remains weak. With consumer spending declining even more as unemployment rises and personal incomes fall, the outlook for the Japanese economy remained uncertain.

In the construction industry, which accounts for a majority of sales at the Okabe Group, market conditions were extremely challenging. The reluctance of companies to make capital expenditures and weak demand for condominiums caused the total floor area of construction starts (excluding wood-frame buildings) to fall more than 30% from 2008.

To overcome these challenges, the Okabe Group focused resources on strategic fields and worked on starting new businesses and adding new products in accordance with “Plan-Seeds-2011,” a three-year management plan that began in 2009. One initiative is concentrating resources on structural construction products, a market sector with excellent growth prospects, to strengthen sales activities. Other goals are developing new products for wood-frame houses and building internal skills in metal processing technologies.

As emergency measures, Okabe cut remuneration for directors and, to further cut costs, temporarily suspended operations at all business sites, combined production and distribution bases, and conducted a cost-reduction campaign with the participation of all employees.

Activities and results of operations in business segments were as follows.

[Construction-related products]

Sales of temporary building and formwork products decreased 22.2% from 2008 mainly because of decline in unit volume sales caused by the small number of housing starts.

Sales of civil engineering products decreased 7.7%. Although sales activities focused on the slope-reinforcement construction method, sales were lower because of a decline in public-works projects.

Sales of construction materials and equipment were down 21.2%. Okabe conducted aggressive sales activities for the core earthquake-proof products but sales were brought down by weak demand for condominiums.

Sales of building materials, which are purchased from other companies for resale, decreased 17.7% because the product lineup was narrowed in order to place more emphasis on profitability.

Total sales of construction-related products decreased 18.9% to 38,871 million yen and operating income decreased 35.4% to 2,523 million yen.

[Automotive products]

Sales of automotive products were down 37.3% to 5,110 million yen because of a big decline in sales of new automobiles in the United States. Operating income fell 65.6% to 247 million yen.

[Hotel business]

In the hotel business, there was a sharp decline in the number of business guests because of the negative impact of low crude oil prices on the oil sands operations in Canada. The result was a 40.5% decline in sales to 3,740 million yen and an 81.3% decline in operating income to 147 million yen.

[Other businesses]

Sales increased 16.8% to 2,077 million yen because of a strong performance by the marine materials business. Operating income was 105 million yen compared with a loss of 178 million yen in 2008.

Consolidated net sales decreased 22.4% to 49,799 million yen. Operating income was down 42.2% to 3,022 million yen, ordinary income was down 44.3% to 2,981 million yen and net income was down 21.3% to 1,901 million yen.

By geographic area, sales in Japan decreased 17.7% to 39,617 million yen, sales in North America decreased 34.8% to 9,436 million yen and sales in other regions decreased 52.4% to 746 million yen.

(For reference)

Net sales by business segments and product category (consolidated)

(Yen in millions, rounded down)

Business segments		Fiscal year ended Dec. 2008 (Jan. 1, 2008 – Dec. 31, 2008)		Fiscal year ended Dec. 2009 (Jan. 1, 2009 – Dec. 31, 2009)		Change
		Amount	Proportion (%)	Amount	Proportion (%)	(%)
Construction-related products	Temporary building and formwork products	8,356	13.0	6,504	13.0	(22.2)
	Civil engineering products	5,296	8.3	4,886	9.8	(7.7)
	Construction materials/equipment	21,442	33.4	16,891	33.9	(21.2)
	Building materials	12,859	20.0	10,588	21.3	(17.7)
	Total of Construction-related products	47,954	74.7	38,871	78.0	(18.9)
Automotive products		8,145	12.7	5,110	10.3	(37.3)
Hotel business		6,282	9.8	3,740	7.5	(40.5)
Other businesses		1,778	2.8	2,077	4.2	16.8
Total		64,160	100.0	49,799	100.0	(22.4)

Note: Product categories within the construction-related products segment were changed in 2009 and segment data in 2008 have been restated using the new categories. Please see Segment Information on pages 17 and 18 for more information about the business activities of each segment.

(b) Forecast for fiscal year 2010

(Yen in millions, rounded down)

	Net sales	Operating income	Ordinary income	Net income
Fiscal year ended December 2009 (Actual)	49,799	3,022	2,981	1,901
Fiscal year ending December 2010 (Estimate)	50,000	3,230	3,020	1,860
Percentage increase (decrease) %	0.4	6.9	1.3	(2.2)

(2) Analysis of financial condition

(a) Assets, liabilities and net assets

Assets decreased 4,500 million yen to 63,200 million yen from the end of 2008 mainly because of a decrease in notes and accounts receivable-trade.

Liabilities decreased 5,843 million yen to 32,385 million yen mainly because of a decrease in trust payables.

Net assets increased 1,342 million yen to 30,814 million yen and the equity ratio increased 5.8 points from one year earlier to 48.8%.

(b) Cash flows

There was a net decrease in cash and cash equivalents of 283 million yen to 15,415 million yen. The following is a summary of 2009 cash flows and major components.

Operating activities

Net cash provided by operating activities decreased 2,040 million yen to 4,057 million yen. The decrease was the net result mainly of a decrease in income before income taxes and minority interest and an increase in income taxes paid.

Investing activities

Net cash used in investing activities increased 570 million yen to 2,228 million yen. Major factors were an increase in the purchase of property, plant and equipment and a decrease in collection of loans receivable.

Financing activities

Net cash used in financing activities increased 750 million yen to 2,416 million yen mainly because of an increase in repayments of loans.

The following table shows consolidated cash flow indicators.

	Fiscal year ended Dec. 2005	Fiscal year ended Dec. 2006	Fiscal year ended Dec. 2007	Fiscal year ended Dec. 2008	Fiscal year ended Dec. 2009
Equity ratio (%)	41.7	42.9	45.3	43.0	48.8
Market value equity ratio (%)	35.5	38.8	35.7	33.2	26.4
Interest-bearing debt/cash flow ratio (years)	-	4.4	3.4	2.4	3.4
Interest coverage ratio (times)	-	7.6	7.9	11.6	10.3

Notes:

Equity ratio: equity/total assets

Market value equity ratio: market capitalization/total assets

Interest-bearing debt/cash flow ratio: interest-bearing debt/operating cash flows

Interest coverage ratio: operating cash flows/paid interest

- All figures are calculated based on consolidated financial data.
- Market capitalization uses the number of shares issued less treasury stock.
- Interest-bearing debt is the sum of all liabilities on the balance sheet on which the Group is obligated to pay interest.

Interest-bearing debt/cash flow and interest coverage ratio are not shown in 2005 because operating cash flows were negative in that year.

(3) Basic policy for dividends and dividends for the current and next years

The policy for determining dividends is to base the dividend on consolidated performance in each year while making adjustments for extreme volatility from year to year. The dividend also reflects the need for retained earnings to strengthen the company's financial condition and fund future business operations. The target for the consolidated dividend payout ratio is at least 30%. Retained earnings are used for production systems, research and development programs and other activities that make Okabe more competitive.

Okabe plans to pay a year-end dividend of 5 yen per share for 2009. With the interim dividend of 5 yen, this will result in an annual dividend of 10 yen per share applicable to 2009.

For 2010, in accordance with this basic policy, Okabe plans to pay a dividend of 10 yen per share, the sum of interim and year-end dividends of 5 yen each.

2. Status of group companies

The Okabe Group (Okabe and its associated companies) includes Okabe, 20 subsidiaries (17 of which are consolidated) and five affiliated companies. These companies are engaged primarily in the manufacture and sale of construction materials and equipment. The group is also focusing on expanding operations in other business fields.

The positions of Okabe and other major group companies and their relationships with business segments are as follows.

Construction-related products

[Temporary building and formwork products]

Okabe develops associated construction methods and develops, manufactures and sells products used with these methods. Subsidiary OMM Co., Ltd. manufactures temporary building and formwork products that are sold mainly by using the nationwide branch network of Okabe. Okabe Lease Co., Ltd. leases products applicable for other uses that are purchased mainly from Okabe. Naoe Bussan Co., Ltd. sells in Hokkaido temporary building and formwork products that are purchased mainly from Okabe. Fukuoka Form Tie Co., Ltd. sells in Kyushu temporary building and formwork products that are purchased mainly from Okabe. In addition, Okabe sells products in China by using sales subsidiary Okabe China Co., Ltd.

The liquidation of regional sales subsidiary Okako Shikoku Co., Ltd. was completed on April 20, 2009. In addition, Sanyo Okabe Co., Ltd. was dissolved on March 31, 2009 and its liquidation was completed on December 10, 2009.

[Civil engineering products]

Okabe develops associated construction methods and develops, manufactures products used with these methods. Okabe Civil Engi Co., Ltd. sells civil engineering products that are purchased mainly from Okabe.

[Construction materials and equipment]

Okabe develops associated construction methods and develops, manufactures and sells products used with these methods. In addition, Okabe outsources technical services, etc. concerning the construction-related products business to Base Business Co., Ltd.

[Building products]

Okabe uses its sales network to sell building products that are purchased from other companies. In addition, Okabe uses U.S. sales subsidiary OCM, Inc. to sell in the United States products that were purchased in Japan.

[Temporary personnel service]

Okabe Manpower Co., Ltd. provides temporary workers for the construction-related products business and has a personnel introduction and intermediary service for this business.

Automotive products business

U.S. subsidiary Okabe Co., Inc. is engaged mainly in the design and sale in the United States of automotive bolts and screw nuts. U.S. subsidiary Water Gremlin Co. manufactures and sells automotive battery parts in the United States. Italian subsidiary Water Gremlin Aquila S.P.A. manufactures and sells automotive battery parts in Europe. Okabe Holding USA, Inc. is a holding company that owns all shares of Water Gremlin Co. and Water Gremlin Aquila S.P.A.

Hotel business

Canadian subsidiary Okabe North America, Inc. leases hotel facility real estate to its subsidiary Coast Hotels Ltd., which operates the hotels.

Other businesses

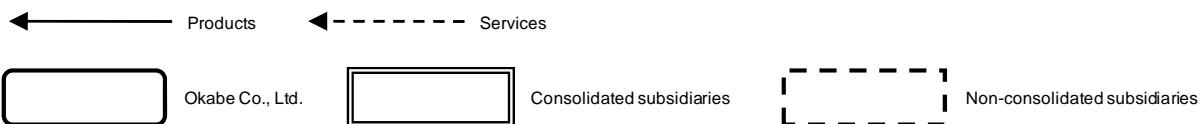
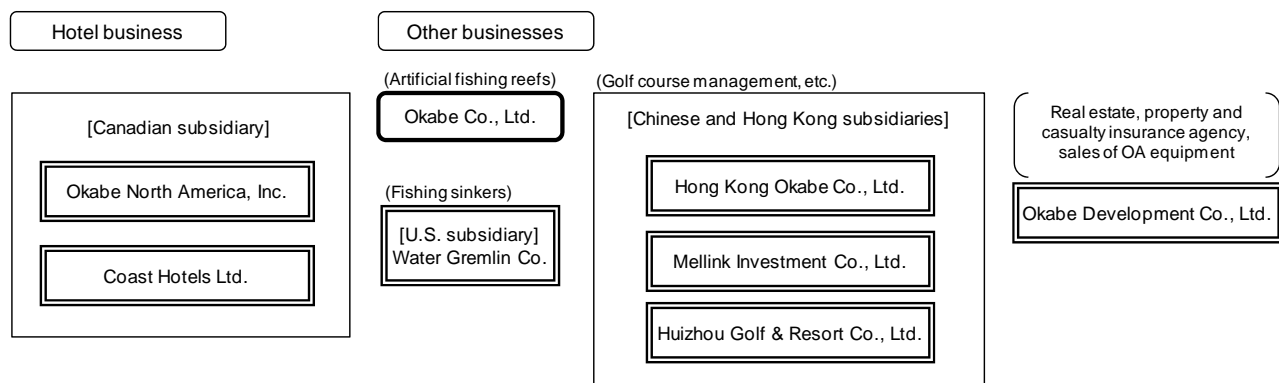
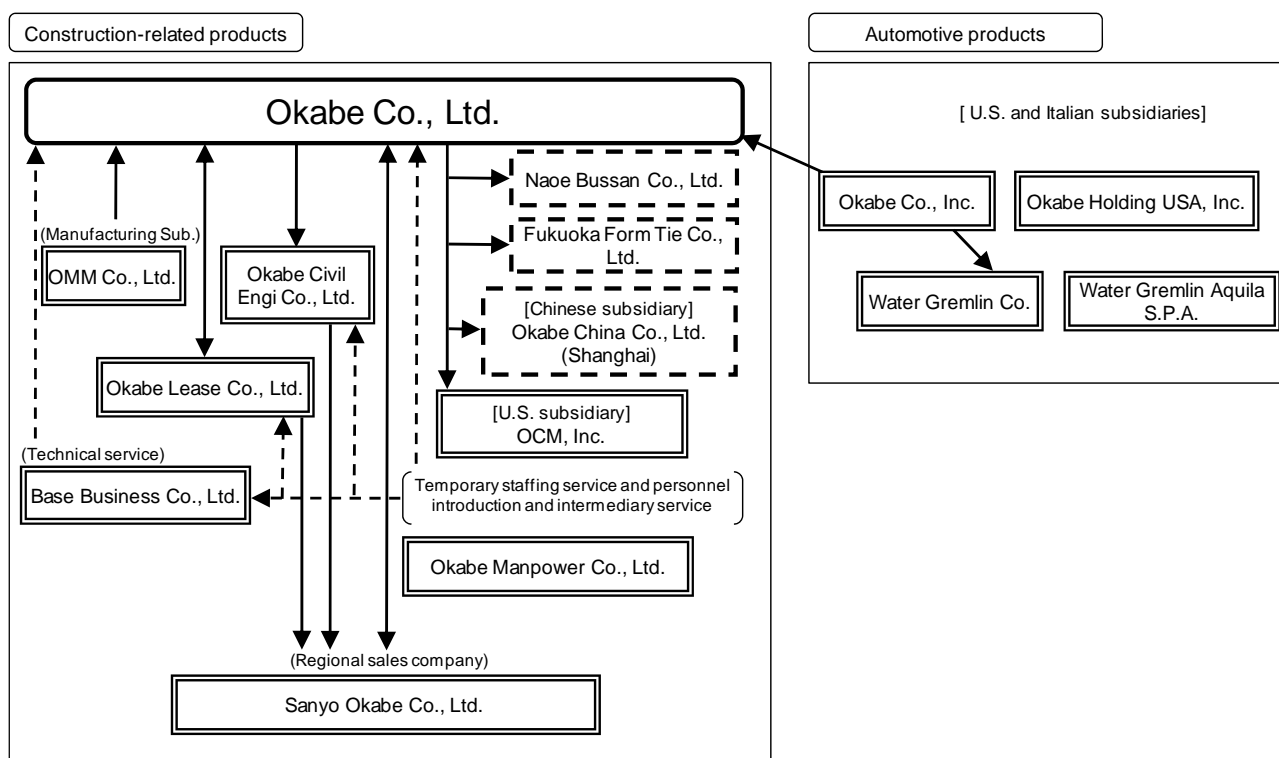
Okabe Development Co., Ltd. is engaged in the sale/purchase, intermediary services, mediation and management of real estate, the property and casualty insurance agency business, and the sale of OA equipment.

Hong Kong subsidiary Hong Kong Okabe Co., Ltd. is a holding company. Subsidiaries Mellink Investment Co., Ltd. and Huizhou Golf & Resort Co., Ltd. manage golf courses in China. Okabe signed a contract on January 27, 2010 for the sale of all shares of Hong Kong Okabe Co., Ltd. in order to withdraw from the golf course business.

Water Gremlin Co., which is engaged mainly in the manufacture and sale of automotive products, also manufactures and sells fishing sinkers, which are non-automotive products.

In the marine civil engineering sector, Okabe develops, manufactures and sells artificial fish reefs and other products.

The following diagram summarizes the business operations listed above.



Notes:

1. Aquila Piombo S.r.l. changed its name to Water Gremlin Aquila S.P.A. on July 1, 2009.
2. Okako Shikoku Co., Ltd. was completed on April 20, 2009.
3. Sanyo Okabe Co., Ltd. was dissolved on March 31, 2009 and its liquidation was completed on December 10, 2009.
4. Okabe signed a contract on January 27, 2010 for the sale of all shares of Hong Kong Okabe Co., Ltd.

3. Management policy

(1) Fundamental management policy

The management philosophy of the Okabe Group is “to contribute to society as a source of safety and security.”

(2) Targeted performance indicators

In the “Plan-Seeds-2011” three-year management plan, the Okabe Group has selected as its performance indicators the return on assets, which shows how much group resources are utilized, and the ordinary income/sales ratio, which is a clear indicator of profitability.

(3) Medium and long-term strategies and important issues

In accordance with the “Plan-Seeds-2011” three-year management plan, the Okabe Group is focusing resources on core business fields and on new businesses and products.

A progress report on key initiatives of the “Plan-Seeds-2011” three-year management plan is provided below.

(a) In the construction-related products business, focus resources on structural products

Okabe will increase the structural products sales staff in stages and offer training programs so that employees can learn the basics of structural designs. The aim is to create a sales team with the advanced knowledge required to sell products to structural design offices. Another goal is shortening the development cycle for earthquake-resistant, seismic isolation and tremor-damping products and for products used in wood-frame houses. To accomplish this, Okabe will use state-of-the-art testing equipment and analytical software in technology development activities and upgrade the skills of employees involved in developing technologies. For wood-frame houses, Okabe will start selling its Accordi joint reinforcement method in March 2010 to enlarge the lineup of products. In addition, technical services will be improved in order to quickly establish the okabe brand.

(b) In the automotive products business, enter new markets and introduce new products

Use the advanced production technologies of the U.S. subsidiary to focus on developing sales channels in emerging markets, where growth is foreseen in automobile ownership. Other opportunities are created by the greater demands placed on automobile batteries by progress in electronic control, the increasing use of idle-stop mechanisms and other advances. Okabe is working on the development of value-added battery components for the high-performance batteries needed to meet these demands.

(c) Build on expertise in metal processing technologies and use M&A to enter the metal processing business

Okabe will conduct training programs for young engineers for the purpose of giving more employees skill in a variety of metal processing technologies, which are one of the Okabe Group’s major strengths. A Monozukuri (Manufacturing) Okabe School will be established with the aim of making greater use of the “spirit of monozukuri” that is at the heart of the Okabe Group’s operations. In addition, starting in 2010, along with the operation of the Monozukuri Okabe School, Okabe will establish a Neighborhood Factory Section at the Kuki Factory that is equipped with a full selection of general manufacturing equipment. Operating this section will better enable Okabe to supply many types of products in small lots. For example, skills will be used to fabricate prototypes for internal use and the customized products requested by customers. In addition, the Neighborhood Factory Section will be used for performing challenging fabrication processes.

One more objective is to enter markets for value-added products by further refining metal processing technologies. To accomplish this goal, Okabe will conduct studies concerning the establishment of alliances with companies that have superior technologies. Involving mainly companies in Japan, these alliances will use equity investments that may include mergers and acquisitions.

(d) In the marine business, focus on environmental protection and the use of marine resources

Okabe plans to help protect the environment by using the ability of seaweed to absorb large volumes of CO₂. This will be accomplished through the greater use of the marine forest system and other outstanding Okabe technologies for creating sites for growing seaweed. In addition, there are increasing concerns about the disappearance of marine resources along with the rising popularity worldwide of Japanese food. Okabe will work in Japan and other countries to increase the use of its products for fish habitat reefs and contribute to the protection of valuable marine resources. Demand for floating fish habitat reefs is increasing because of their substantial benefits in relation to the cost. Okabe has accumulated many technologies and other know-how in this field from years of R&D activities. These capabilities will be used to create more demand for these floating reefs and capture a larger share of this market.

(e) Return earnings to shareholders by repurchasing stock

Okabe's target for the consolidated dividend payout ratio is at least 30%. In addition, stock will be repurchased to increase net assets per share.

Okabe has decided today (February 19, 2010) to repurchase stock. More information about stock repurchases is provided in a press release dated today and titled "Notice of Purchase of Treasury Stock."

(4) Other important items concerning management:

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousand yen)

	Fiscal year ended December 2008 (As of December 31, 2008)	Fiscal year ended December 2009 (As of December 31, 2009)
ASSETS		
Current assets		
Cash and deposits	15,698,660	15,415,332
Notes and accounts receivable-trade	20,490,668	15,933,425
Lease receivables and investment assets	-	3,796
Inventories	6,395,186	-
Merchandise and finished goods	-	2,620,809
Products in progress	-	812,537
Raw materials and supplies	-	1,374,222
Deferred tax assets	284,312	130,898
Others	733,524	782,568
Allowance for doubtful accounts	(64,079)	(38,014)
Total current assets	43,538,272	37,035,576
Fixed assets		
Property, plant and equipment		
Buildings and structures	11,778,811	17,115,447
Accumulated depreciation	(6,234,197)	(6,235,053)
Buildings and structures, net	5,544,613	10,880,393
Machinery, equipment and vehicles	9,285,784	8,795,821
Accumulated depreciation	(6,885,323)	(6,711,958)
Machinery, equipment and vehicles, net	2,400,460	2,083,862
Land	2,525,169	3,687,157
Lease assets	-	456,423
Accumulated depreciation	-	(166,845)
Lease assets, net	-	289,577
Construction in progress	2,393,173	164,434
Others	3,367,179	3,860,482
Accumulated depreciation	(2,085,226)	(2,263,040)
Others, net	1,281,953	1,597,441
Total property, plant and equipment	14,145,370	18,702,866
Intangible assets		
Goodwill	1,042,020	794,944
Lease assets	-	14,680
Others	1,768,228	1,474,691
Total intangible assets	2,810,249	2,284,316
Investments and other assets		
Investment securities	4,974,434	3,256,850
Long-term loans receivable	37,263	51,284
Deferred tax assets	1,076,332	796,205
Others	1,678,469	1,470,359
Allowance for doubtful accounts	(559,470)	(397,443)
Total investments and other assets	7,207,029	5,177,256
Total fixed assets	24,162,649	26,164,440
Total assets	67,700,922	63,200,016

(Thousand yen)

	Fiscal year ended December 2008 (As of December 31, 2008)	Fiscal year ended December 2009 (As of December 31, 2009)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	5,741,308	5,073,379
Trust payables	10,122,333	7,421,044
Short-term loans payable	7,318,375	7,390,762
Lease obligations	-	120,049
Income taxes payable	1,159,799	198,669
Deferred tax liabilities	12,036	3,697
Provision for bonuses	138,272	60,497
Provision for directors' bonuses	104,340	-
Others	2,089,182	1,561,727
Total current liabilities	26,685,648	21,829,828
Long-term liabilities		
Long-term loans payable	7,117,097	6,415,893
Lease obligations	-	186,412
Deferred tax liabilities	1,359,442	1,079,519
Provision for retirement benefits	1,871,872	1,936,628
Provision for directors' retirement benefits	5,476	-
Others	1,189,918	937,305
Total fixed liabilities	11,543,807	10,555,758
Total liabilities	38,229,455	32,385,586
NET ASSETS		
Shareholder's equity		
Paid-in capital	6,879,994	6,883,502
Capital surplus	6,063,962	6,013,839
Retained earnings	20,186,725	21,080,974
Treasury stock	(17,857)	(17,959)
Total shareholder's equity	33,112,824	33,960,356
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(159,142)	(173,037)
Foreign currency translation adjustment	(3,812,988)	(2,972,889)
Total valuation and translation adjustments	(3,972,130)	(3,145,926)
Minority interests	330,773	-
Total net assets	29,471,466	30,814,429
Total liabilities and net assets	67,700,922	63,200,016

(2) Consolidated statements of income

(Thousand yen)

	Fiscal year ended December 2008 (Jan. 1, 2008 – Dec. 31, 2008)	Fiscal year ended December 2009 (Jan. 1, 2009 – Dec. 31, 2009)
Net sales	64,160,593	49,799,992
Cost of sales	45,780,956	35,641,355
Gross profit	18,379,636	14,158,637
Selling, general and administrative expenses	13,147,544	11,136,003
Operating income	5,232,092	3,022,634
Non-operating income		
Interest income	309,278	102,036
Dividends income	57,171	46,054
Gain on sales of investment securities	-	66,022
Insurance income	-	51,031
Income from sale of scrap	134,756	39,180
Others	172,252	56,272
Total non-operating income	673,459	360,598
Non-operating expenses		
Interest expenses	494,967	385,160
Others	57,351	16,684
Total non-operating expenses	552,319	401,845
Ordinary income	5,353,232	2,981,387
Extraordinary income		
Gain on sales of fixed assets	778	204
Reversal of allowance for doubtful accounts	48,887	51,497
Gain on bad debts recovered	48,499	-
Gain on liquidation of subsidiaries and affiliates	-	284,907
Others	688	3,262
Total extraordinary income	98,854	339,872
Extraordinary loss		
Loss on disposal of fixed assets	427,664	59,653
Provision of allowance for doubtful accounts	3,385	-
Loss on valuation of investment securities	430,489	111,642
Retirement benefit expenses for prior periods	-	25,403
Loss on valuation of golf club membership	-	51,323
Others	144,947	10,691
Total extraordinary loss	1,006,486	258,715
Income before income taxes and minority interests	4,445,600	3,062,544
Income taxes-current	1,938,627	1,118,475
Income taxes-deferred	36,804	43,955
Total income taxes	1,975,431	1,162,431
Minority interests in income (loss)	53,180	(1,670)
Net income	2,416,988	1,901,784

(3) Statement of Changes in Consolidated Shareholders' Equity

(Thousand yen)

	Fiscal year ended December 2008 (Jan. 1, 2008 – Dec. 31, 2008)	Fiscal year ended December 2009 (Jan. 1, 2009 – Dec. 31, 2009)
Shareholders' equity		
Paid-in capital		
Balance at the end of previous period	6,875,218	6,879,994
Changes of items during the period		
Issuance of new shares	4,776	3,508
Total changes of items during the period	4,776	3,508
Balance at the end of current period	6,879,994	6,883,502
Capital surplus		
Balance at the end of previous period	6,105,223	6,063,962
Changes of items during the period		
Issuance of new shares	4,776	3,472
Disposal of treasury stock	8	-
Decrease of consolidated subsidiaries	(46,045)	(53,594)
Total changes of items during the period	(41,260)	(50,122)
Balance at the end of current period	6,063,962	6,013,839
Retained earnings		
Balance at the end of previous period	18,760,977	20,186,725
Increase (decrease) due to changes in accounting treatment at overseas subsidiaries	-	(174,036)
Changes of items during the period		
Dividends from surplus	(770,206)	(715,546)
Net income	2,416,988	1,901,784
Decrease of consolidated subsidiaries	(221,035)	(117,952)
Total changes of items during the period	1,425,747	1,068,285
Balance at the end of current period	20,186,725	21,080,974
Treasury stock		
Balance at the end of previous period	(17,723)	(17,857)
Changes of items during the period		
Purchase of treasury stock	(153)	(102)
Disposal of treasury stock	20	-
Total changes of items during the period	(133)	(102)
Balance at the end of current period	(17,857)	(17,959)
Total Shareholders' equity		
Balance at the end of previous period	31,723,695	33,112,824
Increase (decrease) resulted from changes in accounting methods for subsidiaries	-	(174,036)
Changes of items during the period		
Issuance of new shares	9,552	6,980
Dividends from surplus	(770,206)	(715,546)
Net income	2,416,988	1,901,784
Purchase of treasury stock	(153)	(102)
Disposal of treasury stock	28	-
Decrease of consolidated subsidiaries	(267,080)	(171,546)
Total changes of items during the period	1,389,129	1,021,568
Balance at the end of current period	33,112,824	33,960,356

(Thousand yen)

	Fiscal year ended December 2008 (Jan. 1, 2008 – Dec. 31, 2008)	Fiscal year ended December 2009 (Jan. 1, 2009 – Dec. 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	388,394	(159,142)
Changes of items during the period		
Net changes of items other than shareholders' equity	(547,536)	(13,895)
Total changes of items during the period	(547,536)	(13,895)
Balance at the end of current period	(159,142)	(173,037)
Foreign currency translation adjustment		
Balance at the end of previous period	1,528,797	(3,812,988)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,341,786)	840,099
Total changes of items during the period	(5,341,786)	840,099
Balance at the end of current period	(3,812,988)	(2,972,889)
Total valuation and translation adjustments		
Balance at the end of previous period	1,917,192	(3,972,130)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,889,322)	826,204
Total changes of items during the period	(5,889,322)	826,204
Balance at the end of current period	(3,972,130)	(3,145,926)
Minority interests		
Balance at the end of previous period	486,755	330,773
Changes of items during the period		
Decrease of consolidated subsidiaries	(173,350)	(179,032)
Net changes of items other than shareholders' equity	17,368	(151,740)
Total changes of items during the period	(155,982)	(330,773)
Balance at the end of current period	330,773	-
Total net assets		
Balance at the end of previous period	34,127,642	29,471,466
Increase (decrease) due to changes in accounting treatment at overseas subsidiaries	-	(174,036)
Changes of items during the period		
Issuance of new shares	9,552	6,980
Dividends from surplus	(770,206)	(715,546)
Net income	2,416,988	1,901,784
Purchase of treasury stock	(153)	(102)
Disposal of treasury stock	28	-
Decrease of consolidated subsidiaries	(440,430)	(350,579)
Net changes of items other than shareholders' equity	(5,871,954)	674,463
Total changes of items during the period	(4,656,176)	1,516,999
Balance at the end of current period	29,471,466	30,814,429

(4) Consolidated statements of cash flows

(Thousand yen)

	Fiscal year ended December 2008 (Jan. 1, 2008 – Dec. 31, 2008)	Fiscal year ended December 2009 (Jan. 1, 2009 – Dec. 31, 2009)
Cash flows from operating activities		
Income before income taxes and minority interest	4,445,600	3,062,544
Depreciation	1,655,267	1,619,566
Increase (decrease) in allowance for doubtful accounts	(17,620)	(119,472)
Increase (decrease) in provision for retirement benefits	(125,039)	65,654
Interest and dividends income	(366,450)	(148,091)
Interest expenses	494,967	385,160
Loss (gain) on valuation of investment securities	430,489	111,642
Loss (gain) on liquidation of subsidiaries and affiliates	-	(284,907)
Loss (gain) on sales of property, plant and equipment	345,373	3,826
Decrease (increase) in notes and accounts receivable-trade	(1,158,094)	4,546,463
Decrease (increase) in other current assets	(178,858)	181,089
Decrease (increase) in inventories	(79,230)	1,524,839
Increase (decrease) in notes and accounts payable-trade	567,935	(4,006,832)
Increase (decrease) in other current liabilities	393,947	(336,017)
Increase (decrease) in other long-term liabilities	(124,510)	(194,558)
Increase (decrease) in accrued consumption taxes	265,104	(162,468)
Others	694,741	10,271
Sub-total	7,243,623	6,258,709
Income taxes paid	(1,145,501)	(2,201,334)
Net cash provided by (used in) operating activities	6,098,122	4,057,375
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,804,096)	(4,125,262)
Proceeds from sales of property, plant and equipment	799,136	11,681
Purchase of intangible assets	(88,080)	(63,759)
Purchase of investment securities	(5,664,900)	(4,404,011)
Proceeds from sales of investment securities	4,303,450	6,135,629
Proceeds from liquidation of subsidiaries and affiliates	-	308,407
Payments of loans receivable	(14,468)	(226,329)
Collection of loans receivable	1,683,463	174,466
Interest and dividends income received	376,875	138,632
Others	(248,725)	(177,594)
Net cash provided by (used in) investing activities	(1,657,345)	(2,228,140)
Cash flows from financing activities		
Increase in short-term loans payable	17,526,792	20,933,475
Decrease in short-term loans payable	(17,690,509)	(21,513,514)
Proceeds from long-term loans payable	400,000	3,530,000
Repayment of long-term loans payable	(576,143)	(4,034,498)
Proceeds from issuance of common stock	9,552	6,980
Cash dividends paid	(802,230)	(866,103)
Interest expenses paid	(527,734)	(395,840)
Others	(5,445)	(76,777)
Net cash provided by (used in) financing activities	(1,665,718)	(2,416,278)
Effect of exchange rate change on cash and cash equivalents	(2,527,558)	317,879
Net increase (decrease) in cash and cash equivalents	247,500	(269,164)
Cash and cash equivalents, beginning of period	15,529,034	15,698,660
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(105,646)	(14,163)
Increase in cash and cash equivalents resulting from merger	27,773	-
Cash and cash equivalents, end of period	15,698,660	15,415,332

[Segment Information]

a. Operating segment information

Fiscal year ended December 2008 (January 1, 2008 – December 31, 2008)

(Thousand yen)

	Construction -related products	Automotive products	Hotel business	Other businesses	Total	Elimination or Corporate	Consolidated
I. Net sales and operating income (loss)							
Net sales							
(1) Sales to external customers	47,954,164	8,145,503	6,282,170	1,778,755	64,160,593	-	64,160,593
(2) Inter-segment sales and transfers	-	-	-	52,894	52,894	(52,894)	-
Total	47,954,164	8,145,503	6,282,170	1,831,650	64,213,487	(52,894)	64,160,593
Operating expenses	44,049,603	7,426,766	5,495,124	2,009,902	58,981,395	(52,894)	58,928,501
Operating income (loss)	3,904,560	718,736	787,046	(178,251)	5,232,092	(-)	5,232,092
II. Assets, depreciation and capital expenditures							
Assets	41,900,152	7,479,892	11,288,443	2,784,226	63,452,715	4,248,206	67,700,922
Depreciation	875,264	425,568	239,654	154,147	1,694,635	541	1,695,177
Capital expenditures	306,752	202,921	1,265,088	197,951	1,972,714	(604)	1,972,110

Notes:

1) Business segmentation criteria

The segmentation of business activities was performed based on units used to calculate sales and by grouping products and other items that are similar in terms of usage, selling method and other characteristics.

2) Major activities of business segments

Construction-related products: Manufacture and sales of temporary buildings, formwork, civil engineering products and structural products and sale of construction materials

Automotive products: Manufacture and sales of automotive products

Hotel business: Management of hotels

Other businesses: Real estate, property and casualty insurance agency, sales of OA equipment, manufacture and sales of fish reefs, manufacture and sales of fishing sinkers in the United States, golf course management in China

3) The elimination or corporate item for assets includes corporate assets of 6,071,086 thousand yen. These assets consist primarily of investments of excess funds (deposits and securities) and long-term investments (investment securities).

4) Depreciation includes the depreciation of long-term prepaid expenses and capital expenditures include capital expenditures for long-term prepaid expenses.

5) As described in “additional information,” the Company and its domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law for assets acquired on or prior to March 31, 2007. Such assets are to be depreciated based on the difference between the equivalent of 5% of acquisition cost and residual value by the straight-line method over a period of five years starting from the fiscal year following the fiscal year in which they have been reached to the 5 % of the acquisition cost by applying the depreciation method stipulated in the Corporate Tax Law before these amendments .The impact of this change on segment information was immaterial.

Fiscal year ended December 2009 (January 1, 2009 – December 31, 2009)

(Thousand yen)

	Construction -related products	Automotive products	Hotel business	Other businesses	Total	Elimination or Corporate	Consolidated
I. Net sales and operating income (loss)							
Net sales							
(1) Sales to external customers	38,871,293	5,110,531	3,740,969	2,077,198	49,799,992	-	49,799,992
(2) Inter-segment sales and transfers	-	-	-	50,392	50,392	(50,392)	-
Total	38,871,293	5,110,531	3,740,969	2,127,591	49,850,385	(50,392)	49,799,992
Operating expenses	36,347,994	4,863,455	3,593,795	2,022,505	46,827,751	(50,392)	46,777,358
Operating income (loss)	2,523,298	247,076	147,173	105,086	3,022,634	(-)	3,022,634
II. Assets, depreciation and capital expenditures							
Assets	37,762,721	6,948,920	13,202,017	2,748,477	60,662,136	2,537,880	63,200,016
Depreciation	981,793	568,647	160,703	169,831	1,880,977	(11,008)	1,869,968
Capital expenditures	807,106	203,071	4,156,204	23,293	5,189,675	(27,197)	5,162,478

Notes:

- 1) Business segmentation criteria
The segmentation of business activities was performed based on units used to calculate sales and by grouping products and other items that are similar in terms of usage, selling method and other characteristics.
- 2) Major activities of business segments
Construction-related products: Manufacture and sales of temporary buildings, formwork, civil engineering products and structural products and sale of construction materials
Automotive products: Manufacture and sales of automotive products
Hotel business: Management of hotels
Other businesses: Real estate, property and casualty insurance agency, sales of OA equipment, manufacture and sales of fish reefs, manufacture and sales of fishing sinkers in the United States, golf course management in China
- 3) The elimination or corporate item for assets includes corporate assets of 4,293,533 thousand yen. These assets consist primarily of investments of excess funds (deposits and securities) and long-term investments (investment securities).
- 4) Depreciation includes the depreciation of goodwill and long-term prepaid expenses and capital expenditures include capital expenditures for long-term prepaid expenses.
- 5) Change in accounting method
As described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” in prior periods, inventories held for sale in the normal course of business operations were stated at cost determined by the period average method. Starting with 2009, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied. As a result, inventories are stated at cost determined primarily by the period average method (reduction of book value from decline in profitability). This change had only a negligible effect on earnings.

As is described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” starting with 2009, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied and the consolidated financial statements revised as necessary. This change increased operating expenses in 2009 by 70,919 thousand yen in the automotive products segment and by 361 thousand yen in the other businesses segment and decreased operating income in these segments by the same amounts, respectively.

As is described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” starting with 2009, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, June 17, 1993, revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, January 18, 1994, revised March 30, 2007) have been applied. As a result, financial leases other than leases where ownership is transferred are now accounted for using accounting methods applicable to ordinary buying and selling transactions rather than accounting methods applicable to rental transactions. This change increased assets in 2009 by 305,756 thousand yen in the construction-related products segment, 556 thousand yen in the automotive products segment and 4,175 thousand yen in the other businesses segment.

6) As described in “additional information,” due to amendments to the Corporate Tax Act, starting with 2009, the Company and its consolidated subsidiaries in Japan have revised the useful life for machinery. This change had only a negligible effect on segment information.

b. Geographical segment information

Fiscal year ended December 2008 (January 1, 2008 – December 31, 2008)

(Thousand yen)

	Japan	North America	Others	Total	Eliminations or Corporate	Consolidated
I. Net sales and operating income (loss)						
Net sales						
(1) Sales to external customers	48,130,896	14,462,604	1,567,092	64,160,593	-	64,160,593
(2) Inter-segment sales and transfers	96,911	51,358	-	148,269	(148,269)	-
Total	48,227,808	14,513,962	1,567,092	64,308,862	(148,269)	64,160,593
Operating expenses	44,616,237	12,694,801	1,765,731	59,076,770	(148,269)	58,928,501
Operating income (loss)	3,611,570	1,819,160	(198,639)	5,232,092	(-)	5,232,092
II. Assets	41,875,074	18,300,932	3,206,246	63,382,253	4,318,668	67,700,922

Notes:

- 1) Countries and regions are classified according to geographical proximity.
- 2) Countries and regions outside Japan are broken down into the following geographical areas.
 North America: United States and Canada
 Others: Italy and China
- 3) The elimination or corporate item for assets includes corporate assets of 6,071,086 thousand yen. These assets consist primarily of investments of excess funds (deposits and securities) and long-term investments (investment securities).
- 4) As described in “additional information,” the Company and its domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law for assets acquired on or prior to March 31, 2007. Such assets are to be depreciated based on the difference between the equivalent of 5% of acquisition cost and residual value by the straight-line method over a period of five years starting from the fiscal year following the fiscal year in which they have been reached to the 5 % of the acquisition cost by applying the depreciation method stipulated in the Corporate Tax Law before these amendments .The impact of this change on segment information was immaterial.

Fiscal year ended December 2009 (January 1, 2009 – December 31, 2009)

(Thousand yen)

	Japan	North America	Others	Total	Eliminations or Corporate	Consolidated
I. Net sales and operating income (loss)						
Net sales						
(1) Sales to external customers	39,617,457	9,436,480	746,054	49,799,992	-	49,799,992
(2) Inter-segment sales and transfers	88,614	-	-	88,614	(88,614)	-
Total	39,706,071	9,436,480	746,054	49,888,607	(88,614)	49,799,992
Operating expenses	37,072,518	8,969,659	823,795	46,865,972	(88,614)	46,777,358
Operating income (loss)	2,633,553	466,821	(77,740)	3,022,634	(-)	3,022,634
II. Assets	38,166,996	19,702,532	2,766,323	60,635,853	2,564,163	63,200,016

Notes:

- 1) Countries and regions are classified according to geographical proximity.
- 2) Countries and regions outside Japan are broken down into the following geographical areas.
North America: United States and Canada
Others: Italy and China
- 3) The elimination or corporate item for assets includes corporate assets of 4,293,533 thousand yen. These assets consist primarily of investments of excess funds (deposits and securities) and long-term investments (investment securities).
- 4) Change in accounting method
As described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” in prior periods, inventories held for sale in the normal course of business operations were stated at cost determined by the period average method. Starting with 2009, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied. As a result, inventories are stated at cost determined primarily by the period average method (reduction of book value from decline in profitability). This change had only a negligible effect on earnings.

As is described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” starting with 2009, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied and the consolidated financial statements revised as necessary. This change increased operating expenses in 2009 by 70,919 thousand yen in North America and by 361 thousand yen in Others and decreased operating income in North America by 70,919 thousand yen and increased the operating loss in Others by 361 thousand yen.

As is described in “changes in accounting principles and procedures, presentation methods and other items in the preparation of the consolidated financial statements,” starting with 2009, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, June 17, 1993, revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, January 18, 1994, revised March 30, 2007) have been applied. As a result, financial leases other than leases where ownership is transferred are now accounted for using accounting methods applicable to ordinary buying and selling transactions rather than accounting methods applicable to rental transactions. This change increased assets in 2009 by 308,055 thousand yen in Japan.

- 5) As described in “additional information,” due to amendments to the Corporate Tax Act, starting with 2009, the Company and its consolidated subsidiaries in Japan have revised the useful life for machinery. This change had only a negligible effect on segment information.

c. Overseas sales

Fiscal year ended December 2008 (January 1, 2008 – December 31, 2008)

(Thousand yen)

	North America	Others	Total
I Overseas sales	12,712,133	3,428,135	16,140,268
II Consolidated sales			64,160,593
III Share of overseas sales in total sales (%)	19.8%	5.4%	25.2%

Notes:

1. Countries and regions are classified according to geographical proximity.
2. Countries and regions outside Japan are broken down into the following geographical areas.
North America: United States and Canada
Others: China, Mexico, Brazil, Italy, and others
3. Overseas sales refer to sales posted by the Company and its consolidated subsidiaries in countries and regions outside Japan.

Fiscal year ended December 2009 (January 1, 2009 – December 31, 2009)

(Thousand yen)

	North America	Others	Total
I Overseas sales	8,335,807	1,866,194	10,202,001
II Consolidated sales			49,799,992
III Share of overseas sales in total sales (%)	16.7%	3.8%	20.5%

Notes:

1. Countries and regions are classified according to geographical proximity.
2. Countries and regions outside Japan are broken down into the following geographical areas.
North America: United States and Canada
Others: China, Mexico, Brazil, Italy, and others
3. Overseas sales refer to sales posted by the Company and its consolidated subsidiaries in countries and regions outside Japan.

[Lease accounting]

Information on leases is omitted since its disclosure is insignificant in the context of the Summary of Consolidated Financial Results

[Affiliated party information]

Fiscal year ended December 2008 (January 1, 2008 – December 31, 2008):

None

Fiscal year ended December 2009 (January 1, 2009 – December 31, 2009):

None