



Annual Report 2010

Fiscal year ended 31st March 2010



NAKANO
CORPORATION

CONTENTS

FINANCIAL HIGHLIGHTS	1
BUSINESS OVERVIEW AND RESULTS	2
INTERNATIONAL OPERATIONS NETWORK	4
INTERNATIONAL WORKS PORTFOLIO	6
DOMESTIC WORKS PORTFOLIO	10
REPORT OF INDEPENDENT AUDITORS	12
CONSOLIDATED BALANCE SHEETS	13
CONSOLIDATED STATEMENTS OF INCOME	15
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	16
CONSOLIDATED STATEMENTS OF CASH FLOWS	17
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	18
SUPPLEMENTAL INFORMATION	33
NONCONSOLIDATED BALANCE SHEETS	33
NONCONSOLIDATED STATEMENTS OF INCOME	35
CORPORATE PROFILE	36
COMPANY HISTORY	37
INVESTOR INFORMATION	37
SHARE PRICE RANGE	37

Cautionary remarks regarding forward looking statements

This Annual Report includes forward-looking statements that represent Nakano Corporation's assumptions and expectations in light of currently available information. These statements reflect industry trends, client's situations and other factors, and involve risks and uncertainties which may cause actual performance results to differ from those discussed in the forward looking statements in accordance with changes in the domestic and international business environment.

For further information contact:

Nakano Corporation International Operations Headquarters
4-2-28 Kudan-kita, Chiyoda-ku, Tokyo 102-0073, Japan
Tel: +81-(0)3-3265-4685 Fax: +81-(0)3-3265-4698
www.wave-nakano.co.jp

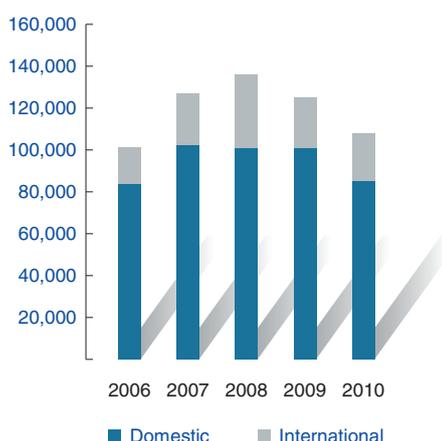
FINANCIAL HIGHLIGHTS

NAKANO CORPORATION and its subsidiaries
Years ended March 31, 2006 through 2010

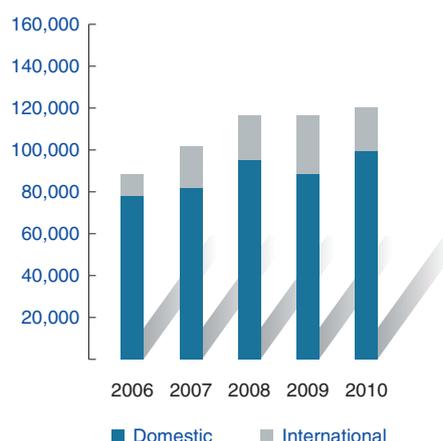
	2006	2007	2008	2009	2010	2010
	Millions of yen					Thousands of U.S. dollars
Contract awards	¥101,168	¥127,069	¥136,232	¥125,333	¥107,751	\$1,158,114
Net sales	88,285	101,702	116,360	116,593	120,186	1,291,766
Operating income	1,254	1,543	2,687	2,902	2,956	31,771
Ordinary income	919	1,281	2,536	2,650	2,740	29,449
Net income	681	953	1,767	1,768	1,829	19,658
Total net assets	10,386	11,583	11,285	10,140	11,941	128,342
Total assets	63,550	78,087	73,542	80,725	71,183	765,079
Net cash provided by (used in) operating activities	972	6,719	(2,344)	(645)	5,468	58,770
Net cash provided by (used in) investing activities	(427)	1,031	5,014	93	73	784
Net cash provided by (used in) financing activities	(5,125)	(1,447)	(5,294)	1,568	(4,058)	(43,615)
Cash and cash equivalents at end of period	6,556	12,976	10,024	10,702	12,326	132,480
	Yen					U.S. dollars
Per share of common stock (in yen and U.S. dollars)						
Net assets	¥220.36	¥243.63	¥259.91	¥285.30	¥336.92	\$3.62
Net income	19.78	26.75	50.47	51.40	53.19	0.57
Cash dividends applicable to the year	0.00	3.50	6.00	6.00	6.00	0.06
Number of employees	1,150	1,133	1,154	1,122	1,129	

Note: The rate of ¥93.04=US\$1.00, the foreign exchange rate on March 31, 2010, has been used for translation.

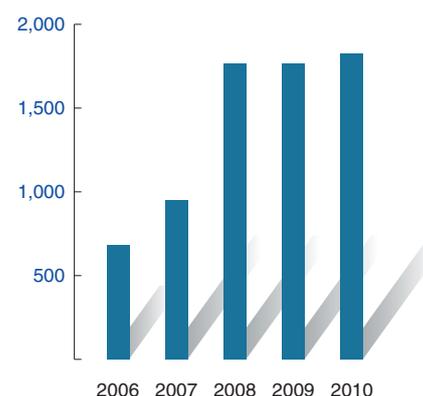
Contract Awards



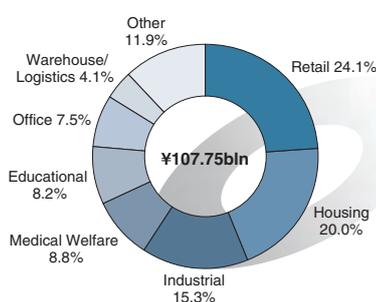
Net Sales



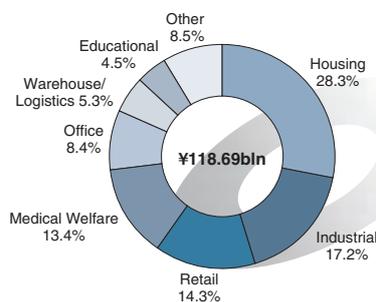
Net Income



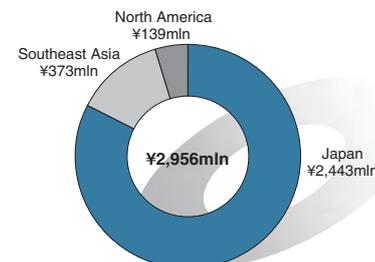
Construction Awards



Construction Sales



Operating Income



Business Overview & Results

Since the foundation of Nakano Corporation in 1933, then known as Nakano-gumi, we have benefited from the unwavering confidence shown to us by our esteemed customers over the last seventy five years. We greatly appreciate the opportunity to have developed into a well established company in the construction industry. Now, a new era has begun in this industry requiring new business models and new visions. We are committed to adapting ourselves to this ever-changing new environment, and to accommodating our customer's expectations and requirements. In order to accomplish this goal, our business philosophy emphasizes three core elements, "Faith, Enthusiasm, and Creativity."

A Message from the President



2010 Business Report

We sincerely thank our shareholders for their loyal support of Nakano Corporation. We are pleased to provide details of the company and its subsidiaries for the fiscal year spanning 1st April 2009 to 31st March 2010.

Although the Japanese economy began to show signs of improvement during the above stated period, it has continued to experience very severe conditions. Most Japanese companies have been unable to substantially improve their profitability due to deflation and the stronger yen. People have become increasingly concerned about unemployment and lost income, meaning a sustainable recovery to the real economy remains unforeseeable.

The business environment surrounding the construction industry has become increasingly difficult as private companies continue to decrease capital investment, and the government initiates further cuts to construction spending in line with a policy shift away from public construction jobs to social welfare valuation.

Under such severe business conditions, this fiscal year was the final year in our company's mid-term business plan. Along with our subsidiaries, our company has devoted particular effort towards improved profitability and strengthened financial standing through reinforcing marketing and improved risk management. Amongst circumstances of decreased construction demand and intensified competition, our company has recorded the following results.

Company reported total orders received of ¥107,751mln (¥17,581mln annual decrease). Of this total, ¥86,062mln was from domestic construction businesses (¥15,680mln annual decrease).

The major domestic orders received during this period are for the construction of a new Fujieda factory by Mitsui Nourin Co., Ltd., a new Shin-Chiba NHK broadcast hall by Japan Broadcasting Corporation, a new Otone factory by Nippo Co., Ltd., and the remodeling and renovation of Tokyo Metropolitan Oota Sakuradai High School by the Tokyo Metropolitan Government. Major International orders received include the Optima at Tanah Merah Condominium ordered by TID Private Ltd., Changi Business Park construction in Singapore by a joint venture between Ascendas Pte Ltd. and Frasers Centrepoint Limited, a new Malaysia factory phase three by Konica Minolta Glass Tech (M) Sdn. Bhd., and the expansion of Le-Lycee French International School in Thailand.

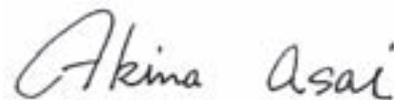
Our company reported total net sales of ¥120,186mIn (¥3,592mIn annual increase) consisting of ¥118,693mIn (¥3,543mIn annual increase) from construction related activities and ¥1,492mIn (¥48mIn annual increase) from real estate businesses. Of this total, domestic business sales were ¥100,421mIn (¥11,504mIn annual increase) consisting of ¥99,328mIn (¥11,371mIn annual increase) from construction sales and ¥1,093mIn (¥133mIn annual increase) from real estate activities.

Major domestic sales during this period were primarily drawn from a new Mo-oka factory by Dixie Japan Ltd., the Hirakata Kousai Hospital ordered by the Federation of National Public Service Personnel Mutual Aid Associations, the north and south wings of a housing condominium at Kamiya Ichome order by Natori Co., Ltd., and a new Chiba distribution center by Suzuken Co., Ltd. Major international sales mainly comprise the Armenian Street Historic Building Preservation Project in Singapore ordered by Hong How Investments Pte Ltd, the new fourth phase of Shimano Components Malaysia's factory in Malaysia, Villa Rachatewi Condominium in Thailand ordered by TCC Capital Land Limited, expansion and renovation of the P.T. Meiji Indonesian Pharmaceutical Industries factory in Indonesia ordered by Meiji Seika Kaisha, Ltd., and a new Vietnam factory ordered by Plus Vietnam Industrial Co., Ltd.

As per the above mentioned result, the total construction balance carried forward to the next period will be ¥134,851mIn (¥10,942mIn annual decrease). Of this, the domestic construction balance of the next period will be ¥103,188mIn (¥13,266mIn annual decrease). On the income side during this period, operating income was ¥2,956mIn (¥53mIn annual increase) ordinary income was ¥2,740mIn (¥89mIn annual increase), and net income was ¥1,829mIn (¥60mIn annual increase).

Of this, domestic businesses were responsible for operating income of ¥2,302mIn (¥532mIn annual increase), ordinary income of ¥2,239mIn (¥325mIn annual increase), and net income of ¥1,617mIn (¥317mIn annual increase).

In this regards, financial results for this period allowed our company to almost achieve our initial targets.



Akira Asai
President, NAKANO CORPORATION



NAKANO INTERNATIONAL OPERATIONS NETWORK

Comprehensive Nationwide and International Design and Construction Coverage

Centering on the diverse economies of Southeast Asia, Nakano Corporation's international construction operations have allowed us the opportunity to partner with some of the world's largest and most prominent international and domestic Japanese corporations to produce a wide and varied array of high quality, competitively priced works. In the future, it is our intention to exert every possible effort towards the realization of even greater international expansion and development.



● Headquarters

● Overseas Office

- USA
- Singapore
- Malaysia
- Thailand
- Indonesia
- Vietnam
- China

● Project Locations

- | | |
|-----------|--------------|
| Algeria | Myanmar |
| Australia | New Zealand |
| Bahrain | Russia |
| China | Saudi Arabia |
| England | Singapore |
| France | South Korea |
| Germany | Spain |
| Guam | Syria |
| Hungary | Taiwan |
| Indonesia | Thailand |
| Iran | USA |
| Iraq | Vanuatu |
| Jordan | Vietnam |
| Libya | Yemen |
| Malaysia | |

GLOBAL WORKS COVERAGE

Translating globalizing client needs into reality

Since the establishment of our first international office in Singapore in 1979, Nakano Corporation has successfully completed upwards of 900 international projects in 35 nations around the world. By integrating advanced technical know-how with safety and quality based project management techniques has forged a reputation for sound, quality works completed within time and budgetary constraints.



● Headquarters

Headquarters
Tokyo Main Office
Civil Engineering Office

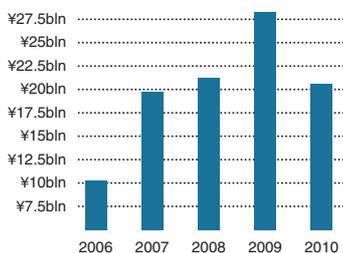
● Regional Office

Tohoku Regional Office, Sendai
Osaka Regional Office, Osaka
Nagoya Regional Office, Nagoya
Kyushu Regional Office, Hakata

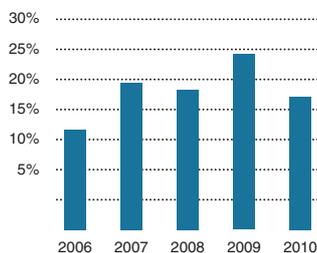
● Branch Office

Hokkaido Branch Office, Sapporo
Higashi Kanto Branch Office, Chiba
Kita Kanto Branch Office, Saitama
Yokohama Branch Office, Yokohama
Ibaraki Branch Office, Tsuchiura
Taito Branch Office, Taito
Kita Tohoku Branch Office, Hachinohe
Mie Sales Office, Yokkaichi
Hamamatsu Sales Office, Hamamatsu
Hyogo Sales Office, Amagasaki
Kitakyushu Sales Office, Kitakyushu

International Operations Sales



International Based Group Sales



INTERNATIONAL WORKS PORTFOLIO 2010



The Metropolitan Condominium | Singapore | 2009

- 8,106m² green area
- 22nd level sky garden
- Rainwater harvesting technology
- Automatic irrigation systems
- Energy efficient lighting systems
- Recycled eco friendly materials



The Metropolitan is a luxury leasehold condominium comprising 382 units in two connecting 45 level towers. Offering residents panoramic views of the Singapore skyline and a comprehensive array of onsite recreational leisure facilities such as 50m lap pool, sky terrace, fitness club, and health spa, the development and its 8,106m² green area is a leading example of Nakano's ability to combine optimum standards of construction safety & luxury residential livability in internationally based large scale tower condominium development projects.



Comprehensive Space Creation

Design, Construction and Real Estate Development Activities

Since initially expanding into the diverse economies of South East Asia, Nakano Corporation's has continually developed its technical expertise in order to expand both the scale and nature of international projects. In addition to our design, construction and technical assistance activities, large scale real estate development projects undertaken by Nakano Corporation in some of Asia's most prestigious residential precincts have affirmed our reputation for premium quality project management.



Latitude Condominium
Singapore | 2010



St. Thomas Suites
Singapore | 2010



Optima at Tanah Merah Condominium
Singapore | 2014



Armenian Street Historic Building Preservation Project
Singapore | 2009



Villa Rachatewi Condominium
Bangkok, Thailand | 2009



Lakeside Condominium
Singapore | 2012



INTERNATIONAL WORKS PORTFOLIO 2010

Changi Business Park | Singapore | 2011



Konica Minolta Glass Tech Malaysia Factory (Phase 3)
Malaka, Malaysia | 2010



Nagai Plastic Indonesia Factory
Cikarang Barat, Bekasi, Indonesia | 2010



Toda Pipe Thailand Factory
Ayuthaya, Thailand | 2010



Kaiyo Seafood Vietnam Factory
Long An, Vietnam | 2010

International Industrial Works Portfolio 2010

Nakano Corporation's commitment to technically advanced, quality based works, ensures our international projects incorporate the very latest standards in energy conservation, production efficiency, and work & operational phase safety. By combining design innovation with a thorough understanding of current and likely future project requirements we are able to tailor works that flexibly respond to both ongoing client growth and future usage alteration.



AIPR New Factory
Eastern Seaboard Industrial Estate, Thailand | 2010



Plus Vietnam No.2 Factory
Bac Ninh, Vietnam | 2009



Shimano Malaysia Factory
Johor, Malaysia | 2009



Le-Lycee French International School in Thailand
Bangkok, Thailand | 2010



CSF CX Data Center
Cyberjaya, Malaysia | 2011

DOMESTIC WORKS PORTFOLIO 2010



Shin-Chiba NHK Broadcast Hall | Chiba | May, 2011



Century Tateishi Sakuradori ●
Tokyo | 2011



Hirakata Kousai Hospital
Osaka | 2010



Kamiya 1-chome Mansion North & South Towers ●
Tokyo | 2010



Nishinomiya Kyoritsu Neurosurgical Hospital Expansion
Hyogo | 2009



Ota Sakuradai High School ●
Tokyo | 2011



Nippo New Kanto Factory
Saitama | 2011

Provision of Total Client Satisfaction

Nakano Corporation's domestic design and construction expertise extends to every aspect and scale of space creation including educational, residential, office, commercial, industrial, health, transport, land development, warehousing, distribution, and welfare facilities. We emphasize a combination of the most advanced construction technologies, and a cost sensitive pricing structure to produce highly esthetically pleasing works conceived on precision and superior quality. Our precise but flexible approach to all phases of planning, design and construction is geared to ensuring functional, durable structures capable of responding to the changing needs of globalizing clients.



(H20) Tegata Sumiyoshicho Housing Tower 2
Akita | 2010



Suzuken Chiba Logistics Center
Chiba | 2010

Nihon Dixie Mo-oka Factory
Tochigi | 2009



Fermo Shinkamagaya
Chiba | 2010



Super Hotel Okachimachi ●
Tokyo | 2010



Nashinokien Specialty Nursing Home
Chiba | 2010



Kitakyushu Medical Penitentiary Facility
Fukuoka | 2010



Mitsui Norin New Fujieda Factory
Shizuoka | 2010

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
NAKANO CORPORATION

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

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

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

Supplemental Information

As described in Note 3 1, effective the year ended March 31, 2010, the Company adopted a new accounting standard for the construction contracts.

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

Izumi Audit Corporation

IZUMI AUDIT CORPORATION
Tokyo, Japan
September 30, 2010

CONSOLIDATED BALANCE SHEETS

NAKANO CORPORATION and its subsidiaries
As at March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2010	2010
Assets			
Current assets:			
Cash and deposits (Notes 4, 6 and 7)	¥ 11,432	¥ 12,750	\$ 137,037
Notes receivable, accounts receivable from completed construction contracts and other (Notes 4 and 7)	27,652	23,444	251,977
Costs on uncompleted construction contracts (Note 4)	18,988	11,211	120,496
Costs on real estate business (Note 4)	470	462	4,965
Raw materials and supplies	39	23	247
Deferred tax assets (Note 10)	796	937	10,070
Accounts receivable-other	506	1,740	18,701
Other	1,085	1,158	12,446
Allowance for doubtful accounts	(632)	(669)	(7,190)
Total current assets	60,339	51,059	548,785
Noncurrent assets:			
Property, plant and equipment (Note 4)			
Buildings and structures	8,419	8,337	89,606
Machinery, vehicles, tools, furniture and fixtures	1,437	1,446	15,541
Land	10,852	11,060	118,873
Construction in progress	0	0	0
Accumulated depreciation	(4,448)	(4,772)	(51,289)
Total property, plant and equipment	16,261	16,072	172,742
Intangible assets	144	131	1,407
Investments and other assets			
Investment securities (Notes 4, 7 and 8)	2,302	2,555	27,461
Long-term loans receivable	507	464	4,987
Claims provable in bankruptcy, claims provable in rehabilitation and other	612	1,000	10,748
Deferred tax assets (Note 10)	831	521	5,599
Other	352	352	3,783
Allowance for doubtful accounts	(628)	(973)	(10,457)
Total investments and other assets	3,979	3,920	42,132
Total noncurrent assets	20,386	20,124	216,294
Total assets	¥ 80,725	¥ 71,183	\$ 765,079

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2010	2010
Liabilities			
Current liabilities:			
Notes payable, accounts payable for construction contracts and other (Note 7)	¥ 31,983	¥ 32,983	\$ 354,503
Current portion of bonds (Note 14)	100	700	7,523
Short-term loans payable (Notes 7 and 15)	7,348	4,108	44,153
Income taxes payable	143	122	1,311
Advances received on uncompleted construction contracts	21,089	12,539	134,769
Provision for warranties for completed construction	150	158	1,698
Provision for loss on construction contracts (Note 4)	191	557	5,986
Provision for bonuses	790	641	6,889
Other (Note 15)	1,062	954	10,253
Total current liabilities	62,858	52,764	567,110
Noncurrent liabilities:			
Bonds payable (Note 14)	800	100	1,074
Long-term loans payable (Notes 7 and 15)	4,860	4,403	47,323
Deferred tax liabilities (Note 10)	122	156	1,676
Provision for retirement benefits (Note 9)	646	702	7,545
Negative goodwill	228	171	1,837
Other (Note 15)	1,068	945	10,156
Total noncurrent liabilities	7,726	6,478	69,625
Total liabilities	70,584	59,242	636,736
Net assets:			
Shareholders' equity:			
Capital stock	¥ 5,061	¥ 5,061	\$ 54,395
Capital surplus	1,400	1,400	15,047
Retained earnings	5,136	6,759	72,646
Treasury stock	(25)	(26)	(279)
Total shareholders' equity	11,572	13,195	141,820
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	37	193	2,074
Foreign currency translation adjustment	(1,795)	(1,800)	(19,346)
Total valuation and translation adjustments	(1,758)	(1,606)	(17,261)
Minority interests: (Note 13)	326	352	3,783
Total net assets (Note 13)	10,140	11,941	128,342
Total liabilities and net assets	¥ 80,725	¥ 71,183	\$ 765,079

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2010	2010
Net sales:			
Net sales of completed construction contracts	¥ 115,150	¥ 118,693	\$ 1,275,720
Sales on real estate business (Note 11)	1,402	1,450	15,584
Sales on other business	41	41	440
Total net sales	116,593	120,186	1,291,766
Cost of sales:			
Cost of sales of completed construction contracts (Note 5)	107,521	111,293	1,196,184
Cost of sales on real estate business (Note 11)	516	573	6,158
Cost of sales on other business	24	25	268
Total cost of sales	108,062	111,892	1,202,622
Gross profit:			
Gross profit on completed construction contracts	7,629	7,399	79,524
Gross profit-real estate business	885	877	9,426
Gross profit-other business	17	16	171
Total gross profit	8,531	8,293	89,133
Selling, general and administrative expenses (Note 5)	5,628	5,337	57,362
Operating income	2,902	2,956	31,771
Non-operating income:			
Interest income	97	50	537
Dividends income	40	32	343
Amortization of negative goodwill	57	57	612
Other	20	30	322
Total non-operating income	215	170	1,827
Non-operating expenses:			
Interest expenses	312	265	2,848
Foreign exchange losses	-	51	548
Other	155	68	730
Total non-operating expenses	467	386	4,148
Ordinary income	2,650	2,740	29,449
Extraordinary income:			
Gain on sales of noncurrent assets (Note 5)	3	13	139
Reversal of allowance for doubtful accounts	-	51	548
Gain on bad debts recovered	28	-	-
Other	2	6	64
Total extraordinary income	33	71	763
Extraordinary loss:			
Loss on sales of noncurrent assets	0	-	-
Impairment loss	31	15	161
Loss on valuation of investment securities	184	-	-
Provision of allowance for doubtful accounts	419	495	5,320
Other	24	126	1,354
Total extraordinary losses	660	637	6,846
Income before income taxes and minority interests	2,023	2,174	23,366
Income taxes:			
Income taxes-current	327	249	2,676
Refund of income taxes for prior periods	(160)	-	-
Income taxes-deferred (Note 10)	(63)	82	881
Total income taxes	104	332	3,568
Minority interests in income	151	12	128
Net income (Note 13)	¥ 1,768	¥ 1,829	\$ 19,658

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2009 and 2010

Millions of yen

	Shareholders' Equity					Valuation and Translation Adjustments					Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available -for-sale securities	Foreign currency translation adjustment	Total valuation and translation adjustment	Minority interests		
Balance as at March 31, 2008	¥ 5,061	¥ 1,400	¥ 5,527	¥ (23)	¥ 11,966	¥ 306	¥ (1,498)	¥ (1,192)	¥ 511	¥ 11,285	
Dividends from surplus	-	-	(237)	-	(237)	-	-	-	-	(237)	
Net income (Note 13)	-	-	1,768	-	1,768	-	-	-	-	1,768	
Purchase of treasury stock	-	-	-	(1,924)	(1,924)	-	-	-	-	(1,924)	
Retirement of treasury stock	-	-	(1,922)	1,922	-	-	-	-	-	-	
Net changes of items other than shareholders' equity	-	-	-	-	-	(268)	(297)	(566)	(184)	(751)	
Total changes of items during the period	-	-	(391)	(2)	(393)	(268)	(297)	(566)	(184)	(1,144)	
Balance as at March 31, 2009 (Note 13)	¥ 5,061	¥ 1,400	¥ 5,136	¥ (25)	¥ 11,572	¥ 37	¥ (1,795)	¥ (1,758)	¥ 326	¥ 10,140	
Dividends from surplus	-	-	(206)	-	(206)	-	-	-	-	(206)	
Net income (Note 13)	-	-	1,829	-	1,829	-	-	-	-	1,829	
Purchase of treasury stock	-	-	-	(0)	(0)	-	-	-	-	(0)	
Net changes of items other than shareholders' equity	-	-	-	-	-	156	(4)	151	26	178	
Total changes of items during the period	-	-	1,623	(0)	1,622	156	(4)	151	26	1,800	
Balance as at March 31, 2010 (Note 13)	¥ 5,061	¥ 1,400	¥ 6,759	¥ (26)	¥ 13,195	¥ 193	¥ (1,800)	¥ (1,606)	¥ 352	¥ 11,941	

Thousands of U.S. dollars (Note 2)

	Shareholders' Equity					Valuation and Translation Adjustments					Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available -for-sale securities	Foreign currency translation adjustment	Total valuation and translation adjustment	Minority interests		
Balance as at March 31, 2009	\$ 54,395	\$ 15,047	\$ 55,202	\$ (268)	\$124,376	\$ 397	\$ (19,292)	\$ (18,895)	\$ 3,503	\$108,985	
Dividends from surplus	-	-	(2,214)	-	(2,214)	-	-	-	-	(2,214)	
Net income (Note 13)	-	-	19,658	-	19,658	-	-	-	-	19,658	
Purchase of treasury stock	-	-	-	(0)	(0)	-	-	-	-	(0)	
Net changes of items other than shareholders' equity	-	-	-	-	-	1,676	(42)	1,622	279	1,913	
Total changes of items during the period	-	-	17,444	(0)	17,433	1,676	(42)	1,622	279	19,346	
Balance as at March 31, 2010 (Note 13)	\$ 54,395	\$ 15,047	\$ 72,646	\$ (279)	\$141,820	\$ 2,074	\$ (19,346)	\$ (17,261)	\$ 3,783	\$128,342	

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2010	2010
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥ 2,023	¥ 2,174	\$ 23,366
Adjustments for:			
Depreciation and amortization	354	430	4,621
Impairment loss	31	15	161
Amortization of negative goodwill	(57)	(57)	(612)
Increase in allowance for doubtful accounts	433	378	4,062
(Decrease) increase in provision for retirement benefits	(22)	52	558
Interest and dividends income	(137)	(83)	(892)
Interest expenses	322	265	2,848
Loss on sales and retirement of noncurrent assets	1	-	-
Loss on sales and valuation of investment securities	184	-	-
(Increase) decrease in notes and accounts receivable-trade	(8,421)	3,902	41,938
(Increase) decrease in costs on uncompleted construction contracts	(715)	7,770	83,512
Decrease in other inventories	11	23	247
(Decrease) increase in notes and accounts payable-trade	(17)	731	7,856
Increase (decrease) in advances received on uncompleted construction contracts	5,642	(8,588)	(92,304)
Other, net	216	(1,086)	(11,672)
Subtotal	(149)	5,929	63,725
Interest and dividends income received	137	83	892
Interest expenses paid	(326)	(271)	(2,912)
Income taxes paid	(306)	(272)	(2,923)
Net cash (used in) provided by operating activities	(645)	5,468	58,770
Net cash provided by (used in) investing activities:			
Payments into time deposits	(150)	(770)	(8,276)
Proceeds from withdrawal of time deposits	210	1,077	11,575
Purchase of property, plant and equipment	(99)	(409)	(4,395)
Proceeds from sales of property, plant and equipment	27	105	1,128
Purchase of intangible assets	(13)	(0)	(0)
Purchase of investment securities	(9)	(24)	(257)
Proceeds from sales of investment securities	1	6	64
Other, net	126	89	956
Net cash provided by investing activities	93	73	784
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	4,293	(3,240)	(34,823)
Repayment of long-term loans payable	(433)	(457)	(4,911)
Redemption of bonds	(100)	(100)	(1,074)
Purchase of treasury stock	(1,924)	-	-
Cash dividends paid	(237)	(206)	(2,214)
Other, net	(29)	(54)	(580)
Net cash provided by (used in) financing activities	1,568	(4,058)	(43,615)
Effect of exchange rate change on cash and cash equivalents	(338)	139	1,493
Net increase in cash and cash equivalents	678	1,623	17,444
Cash and cash equivalents at beginning of period	10,024	10,702	115,025
Cash and cash equivalents at end of period (Note 6)	¥ 10,702	¥ 12,326	\$ 132,480

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NAKANO CORPORATION and its subsidiaries

1. Basis of Presenting Consolidated Financial Statements	<p>The consolidated financial statements presented herein of NAKANO CORPORATION (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared in accordance with the provisions set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law of Japan, 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.</p> <p>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 2009 financial statements to conform to the classifications used in 2010.</p>
2. U.S. Dollar Amounts	<p>The accounts of consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto have been translated from Japanese yen into U.S. dollars on the basis of ¥93.04 to U.S.\$1, the rate of exchange prevailing at March 31, 2010, and have been then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.</p>
3. Summary of Significant Accounting Policies	<p>a. Consolidation</p> <p>1) Scope of Consolidation</p> <p>The Company had 11 subsidiaries as at March 31, 2010 (12 for 2009). The consolidated financial statements for the years ended March 31, 2009 and 2010 include the accounts of the Company and all subsidiaries. The Company had 3 affiliates as at March 31, 2010 (3 for 2009). As at March 31, 2009 and 2010, the equity method was not applied to all affiliates, as these companies were not significant in terms of retained earnings or net income of the consolidated financial statements.</p> <p>2) Financial Statements of Subsidiaries</p> <p>The financial year-end of an overseas subsidiary is December 31.</p> <p>Consolidation of the subsidiary is therefore performed by using the provisional financial statements prepared as at March 31. Other subsidiaries' financial year-end is March 31.</p> <p>3) Valuation of Subsidiaries' Assets and Liabilities</p> <p>All assets and liabilities of consolidated subsidiaries are valued at fair value as at the date of acquisition of the controlling interest in such subsidiaries.</p> <p>4) Difference between the Cost of Investment and Equity in the Net Assets of a Subsidiary</p> <p>Any difference (positive or negative) between the cost of investment in a subsidiary and the amount of the underlying equity in the net assets of the subsidiary is principally amortized over a five-year period on a straight-line basis.</p> <p>b. Investment Securities</p> <p>Investment securities are classified and accounted for, depending on management's intent, as follows:</p> <p>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, reported in a separate component of net assets, while the cost of securities sold is computed using the moving-average method.</p> <p>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.</p> <p>c. Inventories</p> <p>Costs of uncompleted construction contracts are determined by the specific identification method.</p> <p>Real estate for sale, costs on real estate business and raw materials and supplies are stated at cost determined by the specific identification method for real estate for sale and costs of real estate business and by the last purchase price method for raw material and supplies, while the net book value of these inventories in the balance sheet is written down if the net realizable value declines.</p>

d. Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is computed by the declining-balance method, while buildings (excluding building fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method. The useful lives and residual values of the assets are determined based on the regulations of the Corporate Income Tax Law.

Foreign consolidated subsidiaries use primarily the straight-line method.

e. Intangible Assets (excluding lease assets)

Intangible fixed assets are amortized by the straight-line method. Useful lives of the assets are determined based on the regulations of the Corporate Income Tax Law.

Software for internal use is amortized over a period of the internal available years (five years) using the straight-line method.

f. Lease Assets

Depreciation of lease assets under finance leases that do not transfer ownership of the lease assets to the lessee is calculated by the straight-line method over the lease term of the lease assets with no residual value.

Finance leases which existed at March 31, 2008 and do not transfer ownership of the lease assets to the lessee are accounted for as operating lease transactions, as permitted by the accounting standard.

g. Allowance for Doubtful Accounts

The allowance for doubtful accounts provided by the Company and its domestic consolidated subsidiaries is stated in amounts considered to be appropriate based on each company's past credit loss experience and an evaluation of potential losses in the receivables and others outstanding.

Foreign consolidated subsidiaries provide for such possible losses based on the estimated uncollectible amounts of the specific accounts.

h. Provision for Warranties for Completed Construction

The provision for warranties for completed construction is provided by the Company and its domestic consolidated subsidiaries to cover expenses for defects claimed concerning completed work based on the estimated amount of compensation to be paid in the future for the work completed during the fiscal year.

i. Provision for Loss on Construction Contracts

The provision for loss on construction contracts is provided with respect to construction projects for which eventual losses are reasonably estimated.

j. Provision for Bonuses

The provision for bonuses provided by the Company and its domestic consolidated subsidiaries is accrued at the year end to which such bonuses are attributable.

k. Provision for Retirement Benefits

The provision for retirement benefits for employees provided by the Company and its foreign consolidated subsidiaries is calculated based on estimated amounts of retirement benefit obligations and pension assets as of the consolidated fiscal year-end.

Actuarial differences are amortized commencing in the following year after the difference is recognized primarily by the straight-line method over a period (12 years) which is shorter than the average remaining years of service of the employees.

(Accounting Change)

Effective from the year ended March 31, 2010, the Company adopted ASBJ Statement No. 19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008). There is no effect of the change on operating income, ordinary income and income before income taxes and minority interests.

I. Revenue and Cost of Construction Contracts

Revenue of construction contracts is recorded by the percentage-of-completion method for the completed portion of the contracts at the balance sheet date, if the outcome of the construction contract can be reliably estimated and the completed-contract method is applied to other contracts whose outcome cannot be reliably estimated. The percentage of completion is calculated based on the cost incurred to date as a percentage of the estimated total cost.

Construction revenue recognized based on the percentage-of-completion method for the year ended March 31, 2010 was ¥55,971 million (\$601,579 thousand).

(Accounting Change)

Effective from the year ended March 31, 2010, the Company adopted new accounting standards, "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) and applied for the construction contracts which started during the year ended March 31, 2010.

With respect to construction contracts which started prior to April 1, 2009, the percentage-of-completion method is applied to the long-term (more than 24 months) contracts whose contract amount is ¥2 billion or more and the completed-contract method is applied to other construction contracts.

The effect of this change was to increase "Net sales of completed construction contracts" by ¥12,121 million (\$130,277 thousand), "Operating income" and "Ordinary income" by ¥757 million (\$8,136 thousand), respectively, and "Income before income taxes and minority interests" by ¥752 million (\$8,082 thousand) for the year ended March 31, 2010, compared with those amounts that would have been reported under the previous method.

The effect of this change on business segment is described in Note 12 "Segment Information".

m. Hedge Accounting

(1) Method of hedge accounting employed:

Special accounting treatment is applied to interest rate swaps. Under the special accounting treatment, the interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

(2) Hedging instrument and hedged item:

Hedging instrument: Interest rate swaps

Hedged item: Loans payable

(3) Hedging principles:

The Company has a policy of using the above-mentioned hedging instruments only as a means of reducing the Company's exposure to interest rate fluctuation risks on loans payable, and not for speculative purposes.

(4) Assessment method for hedge effectiveness:

Assessment of hedge effectiveness has been omitted with respect to interest rate swap transactions because they meet the requirements for hedge accounting (special accounting treatment).

n. Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash and cash equivalents include cash on hand, readily-available deposits and short-term highly liquid investments with maturities less than three months at the time of acquisition that are exposed to insignificant risk of changes in value.

4. Notes to
Consolidated
Balance Sheets

1) The following assets are pledged as collateral for long-term loans payable of ¥4,860 million and ¥4,403 million (\$47,323 thousand), short-term loans payable of ¥5,408 million and ¥2,548 million (\$27,386 thousand) and security deposits as at March 31, 2009 and 2010, respectively:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Cash and deposits	¥ 457	¥ 102	\$ 1,096
Notes receivable	2,292	801	8,609
Costs on real estate business	195	195	2,095
Buildings	2,243	2,132	22,914
Land	9,852	9,791	105,234
Investment securities	835	1,042	11,199
Total	¥ 15,877	¥ 14,063	\$ 151,150

2) The Companies are contingently liable for the following:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Guarantees of completion of construction contracts	¥ 3,698	¥ 4,260	\$ 45,786
Guarantee on earnest money	21	—	—
Guarantee on employees' housing loan	10	5	53
Total	¥ 3,729	¥ 4,266	\$ 45,851

3) Discounted notes receivable amounted to ¥1,571 million and nil as at March 31, 2009 and 2010, respectively.

4) "Costs on uncompleted construction contracts" which are estimated to recognize losses and "Provision for loss on construction contracts" are recorded on a gross basis without offsetting. Costs on uncompleted construction contracts which are estimated to recognize losses and covered by "Provision for loss on construction contracts" amounted to ¥557 million (\$5,986 thousand) as at March 31, 2010.

5. Notes to
Consolidated
Statements of
Income

1) Provision for loss on construction contracts in the amount of ¥476 million (\$5,116 thousand) is included in "Cost of sales of completed construction contracts" for the year ended March 31, 2010.

2) The major components of "Selling, general and administrative expenses" were as follows:

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Depreciation	¥ 132	¥ 137	\$ 1,472
Provision for bonuses	315	258	2,773
Retirement benefit expenses	277	312	3,353
Employees' salaries and allowances	2,623	2,582	27,751

3) Research and development costs which are included in selling, general and administrative expenses were ¥36 million and ¥32 million (\$343 thousand) for the years ended March 31, 2009 and 2010, respectively.

4) "Gain on sales of noncurrent assets" for the year ended March 31, 2010 consists of the following:

Land: ¥6 million (\$64 thousand), Vehicles: ¥5 million (\$53 thousand) and Other: ¥1 million (\$10 thousand)

6. Notes to Consolidated Statements of Cash Flows

The reconciliation between “Cash and cash equivalents” reported in the consolidated statements of cash flows and “Cash and deposits” reported in the consolidated balance sheets is as follows:

As at March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Cash and deposits per consolidated balance sheets	¥ 11,432	¥ 12,750	\$ 137,037
Less: Time deposits maturing over three months	(729)	(423)	(4,546)
Cash and cash equivalents per consolidated statements of cash flows	¥ 10,702	¥ 12,326	\$ 132,480

7. Financial Instruments

1. Overview

1) Policy for financial instruments

The Companies raise operating funds primarily through bank loans and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the policy of the Companies, the Companies use derivatives only for the purpose of reducing foreign exchange fluctuation risks associated with foreign currency denominated transactions and interest rate fluctuation risks associated with loans payable, and not for speculative purposes.

2) Types of financial instruments, risk and risk management

The Companies control risks by type of financial instruments in accordance with the risk management policy.

Regarding credit risk associated with notes receivable and accounts receivable from completed construction contracts, the Companies identify major customers' credit status by monitoring the payment terms and credit balances by each customer.

Regarding investment securities principally consisting of equity securities, the Companies regularly identify the quoted market price of the listed securities to manage the risks arising from market value fluctuations.

The Companies manage liquidity risk associated with loans payable by appropriately planning for fund raising based on monthly cash flow projections.

Regarding derivative transactions, the Companies execute and control the transactions based on the internal control rules which define the transaction authority and limits and enter into contracts with only the high credit rating financial institutions to reduce credit risk.

3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is determined based on the market price or reasonable estimated amount if there is no market price. Certain assumptions are used for calculation of such fair value, and accordingly, the result of such calculation may vary, if different assumptions are used.

2. Fair value of financial instruments

The carrying amount, fair value and difference of the financial instruments as at March 31, 2010 are as follows:

Note that the financial instruments whose fair value is extremely difficult to determine are not included in the following table (See (Notes): 2):

	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 12,750	¥ 12,750	¥ –
(2) Notes receivable, accounts receivable from completed construction contracts and other	23,444	23,444	–
(3) Investment securities			
Held-to-maturity securities	24	24	(0)
Available-for-sale securities	1,291	1,291	–
Assets total	37,510	37,510	(0)
(1) Notes payable, accounts payable for construction contracts and other	32,983	32,983	–
(2) Short-term loans payable	4,108	4,108	–
(3) Long-term loans payable	4,403	4,403	–
Liabilities total	41,494	41,494	–
Derivative transactions	–	–	–

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	\$ 137,037	\$ 137,037	\$ –
(2) Notes receivable, accounts receivable from completed construction contracts and other	251,977	251,977	–
(3) Investment securities			
Held-to-maturity securities	257	257	(0)
Available-for-sale securities	13,875	13,875	–
Assets total	403,159	403,159	(0)
(1) Notes payable, accounts payable for construction contracts and other	354,503	354,503	–
(2) Short-term loans payable	44,153	44,153	–
(3) Long-term loans payable	47,323	47,323	–
Liabilities total	445,980	445,980	–
Derivative transactions	–	–	–

(Notes): 1. Method used for determining the fair value of the financial instruments and matters regarding securities and derivative transactions:

Assets:

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed contracts and other
The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because they will be settled within a short period of their maturity.

(3) Investment securities

The fair value of equity securities is determined based on the quoted price of the exchanges, the fair value of investment trust is determined based on the published standard quotation price and the fair value of debt securities is determined based on the published price by the Japan Securities Dealers Association. Notes regarding investment securities classified by the management's intent of holding are described in Note 8 "Investment Securities".

Liabilities:

(1) Notes payable, accounts payable for construction contracts and other and (2) Short-term loans payable
The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because they will be settled within a short period of their maturity.

(3) Long-term loans payable

The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because their interest rates will be reset within a short period of their maturity.

2. Unlisted equity securities in the carrying amount of ¥1,239 million (\$13,316 thousand) are not included in "(3) Investment securities" in the above table, since there is no market price and their fair value is extremely difficult to identify.

3. Redemption schedule for monetary assets and investment securities with contractual maturities after balance sheet date

As at March 31, 2010	Millions of yen			
	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 deposits	¥ 12,750	¥ -	¥ -	¥ -
Notes receivable, accounts receivable from completed construction contracts and other	23,444	-	-	-
Investment securities:				
Hel-to-maturity securities (Japanese government bonds)	-	14	9	-
Available-for-sale securities with contractual maturities	-	-	3	-
Total	¥ 36,194	¥ 14	¥ 13	¥ -

As at March 31, 2010	Thousands of U.S. dollars			
	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 deposits	\$ 137,037	\$ -	\$ -	\$ -
Notes receivable, accounts receivable from completed construction contracts and other	251,977	-	-	-
Investment securities:				
Hel-to-maturity securities (Japanese government bonds)	-	150	96	-
Available-for-sale securities with contractual maturities	-	-	32	-
Total	\$ 389,015	\$ 150	\$ 139	\$ -

4. Regarding repayment schedule of long-term loans payable, please see Note 15 "Loans Payable and Other Debts".

(Additional Information)

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

8. Investment Securities

Investment securities as at March 31, 2009 and 2010 consisted of the following:

As at March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Held-to-maturity securities	¥ 29	¥ 24	\$ 257
Available-for-sale securities with market value	1,033	1,291	13,875
Available-for-sale securities without market value	1,239	1,239	13,316
Total	¥ 2,302	¥ 2,555	\$ 27,461

The carrying amount and fair value of held-to-maturity debt securities as at March 31, 2009 and 2010 are as follows:

As at March 31, 2009	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	¥ 29	¥ 0	¥ (0)	¥ 30

As at March 31, 2010	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	¥ 24	¥ 0	¥ (0)	¥ 24

As at March 31, 2010	Thousands of U.S. dollars			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	\$ 257	\$ 0	\$ (0)	\$ 257

The carrying amount (fair value) and acquisition cost of available-for-sale securities as at March 31, 2009 and 2010 are as follows:

As at March 31, 2009	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	¥ 1,026	¥ 173	¥ (110)	¥ 963
Other	7	—	(0)	7
Total	¥ 1,033	¥ 173	¥ (110)	¥ 970

Note: Impairment loss on marketable equity securities was recognized and recorded as "Loss on valuation of investment securities" in the amount of ¥184 million.

As at March 31, 2010	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	¥ 1,287	¥ 391	¥ (67)	¥ 963
Other	3	1	—	1
Total	¥ 1,291	¥ 393	¥ (67)	¥ 965

As at March 31, 2010	Thousands of U.S. dollars			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	\$ 13,832	\$ 4,202	\$ (720)	\$ 10,350
Other	32	10	—	10
Total	\$ 13,875	\$ 4,223	\$ (720)	\$ 10,371

Available-for-sale securities which are carried at cost since the fair value is extremely difficult to identify are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Unlisted equity securities	¥ 1,239	¥ 1,239	\$ 13,316

Available-for-sale securities which were sold during the years ended March 31, 2009 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Sales proceeds	¥ 1	¥ 6	\$ 64
Gain on sales	—	0	0
Loss on sales	(0)	—	—

9. Retirement Benefits 1) Outline of the Company's retirement benefit plans

The Company has defined benefit plans that consist of a tax qualified pension plan and a lump-sum retirement benefit plan. Certain consolidated subsidiaries have lump-sum benefit plans. Furthermore, the Company may pay additional retirement benefits upon the retirement of certain employees.

In addition, the Company participates in Tokyo Construction Pension Fund.

2) Projected benefit obligations

As at March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Projected benefit obligations	¥ (4,997)	¥ (5,091)	\$ (54,718)
Plan assets	3,033	3,515	37,779
Unfunded benefit obligations	(1,963)	(1,575)	(16,928)
Unrecognized actuarial differences	1,317	872	9,372
Provision for retirement benefits	¥ (646)	¥ (702)	\$ (7,545)

3) Retirement benefit expenses

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Service cost	¥ 291	¥ 301	\$ 3,235
Interest cost	124	99	1,064
Expected return of plan assets	(91)	(60)	(644)
Amortization of actuarial differences	79	138	1,483
Subtotal	403	478	5,137
Contribution to Welfare Pension Fund	257	253	2,719
Retirement benefit expenses	¥ 661	¥ 732	\$ 7,867

4) Assumption and policies used in computing projected benefit obligations

	2009	2010
Inter-period allocation method of projected benefit obligations	Straight-line basis	Straight-line basis
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	2.5%	2.0%
Amortization periods for actuarial differences	12 years (amortized by the straight-line method over a defined period within the range of average remaining service years of employees at the time of occurrence from the following year of occurrence)	12 years (amortized by the straight-line method over a defined period within the range of average remaining service years of employees at the time of occurrence from the following year of occurrence)

10. Deferred Tax Accounting

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rate of approximately 40.7% for the years ended March 31, 2009 and 2010.

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

As at March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Deferred tax assets:			
Provision for bonuses	¥ 321	¥ 261	\$ 2,805
Provision for retirement benefits	254	274	2,944
Allowance for doubtful accounts	480	657	7,061
Loss on valuation of real estate for sale	483	487	5,234
Provision for loss on construction contracts	77	226	2,429
Impairment loss	1,552	1,546	16,616
Tax loss carryforwards	2,088	988	10,619
Other	542	606	6,513
Subtotal	5,802	5,047	54,245
Less: valuation allowance	(4,163)	(3,477)	(37,371)
Deferred tax assets	¥ 1,638	¥ 1,569	\$ 16,863
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	¥ (23)	¥ (130)	\$ (1,397)
Undistributed earnings of foreign consolidated subsidiaries	(105)	(131)	(1,407)
Other	(4)	(5)	(53)
Deferred tax liabilities	¥ (133)	¥ (267)	\$ (2,869)
Net deferred tax assets	¥ 1,505	¥ 1,302	\$ 13,993

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2009 and 2010 is as follows:

	2009	2010
Normal effective statutory tax rate	40.7%	40.7%
Expenses not deductible income tax purposes	2.7	2.2
Dividend income from foreign consolidated subsidiaries	10.2	–
Tax rate differences in foreign consolidated subsidiaries	(5.8)	(0.5)
Undistributed earnings of foreign consolidated subsidiaries	(7.4)	1.2
Inhabitant per capita taxes	1.9	1.7
Refund of income taxes for prior periods	(7.9)	–
Valuation allowance	(30.5)	(31.5)
Other	1.2	1.5
Actual effective tax rate	5.1	15.3

11. Investment and Rental Properties

The Company and certain consolidated subsidiaries own office buildings, commercial facilities and residual units for lease in Tokyo, other domestic areas and overseas countries. Rental income from these real estate properties for lease for the year ended March 31, 2010 was ¥800 million (\$8,598 thousand). Rental income and related costs are included in "Sales on real estate business" and "Cost of sales on real estate business", respectively in the accompanying consolidated statement of income for the year ended March 31, 2010.

The carrying amounts, changes in such balances during the year and fair values of such properties are as follows:

		Millions of yen	
		Carrying amount	Fair value
April 1, 2009	Decrease	March 31, 2010	March 31, 2010
¥ 14,288	¥ (78)	¥ 14,209	¥ 17,990

		Thousands of U.S. dollars	
		Carrying amount	Fair value
April 1, 2009	Decrease	March 31, 2010	March 31, 2010
\$ 153,568	\$ (838)	\$ 152,719	\$ 193,357

- (Notes): 1. The carrying amount is presented after deducting accumulated depreciation from the acquisition cost.
 2. Increase during the year ended March 31, 2010 primarily represents the acquisition of real estate of ¥346 million (\$3,718 thousand) and decrease primarily represents the sales of real estate of ¥88 million (\$945 thousand) and depreciation of ¥241 million (\$2,590 thousand).
 3. Fair values of properties as at March 31, 2010 are measured as follows:
 (1) The fair values of major domestic properties are determined based on the real estate appraisal value by independent real estate appraisers and the fair values of other properties are determined based on the internal appraisal in accordance with "Japanese Real Estate Appraisal Standard".
 (2) The fair values of overseas properties are determined based on the real estate appraisal by local independent real estate appraisers.

(Additional Information)

Effective from the year ended March 31, 2010, the Companies adopted new accounting standards, "Accounting Standard for Investment Property and Related Disclosures" (ASBJ Statement No. 20, November 28, 2008) and "Guidance on Accounting Standard for Investment Property and Related Disclosures" (ASBJ Guidance No. 23, November 28, 2008).

12. Segment Information

a. Business Segments

		Millions of yen				
For the year ended March 31, 2009	Construction	Real estate	Other	Total	Eliminations	Consolidated
Net sales:						
Customers	¥ 115,150	¥ 1,402	¥ 41	¥ 116,593	¥ -	¥ 116,593
Inter-segment	-	-	-	-	-	-
Total	115,150	1,402	41	116,593	-	116,593
Operating expenses	112,961	701	28	113,691	-	113,691
Operating income	¥ 2,188	¥ 701	¥ 12	¥ 2,902	¥ -	¥ 2,902
Assets	¥ 54,399	¥ 16,185	¥ 62	¥ 70,647	¥ 10,078	¥ 80,725
Depreciation	186	168	-	354	-	354
Impairment loss	-	31	-	31	-	31
Capital expenditures	315	1,640	-	1,956	-	1,956

For the year ended March 31, 2010	Millions of yen					
	Construction	Real estate	Other	Total	Eliminations	Consolidated
Net sales:						
Customers	¥ 118,693	¥ 1,450	¥ 41	¥ 120,186	–	¥ 120,186
Inter-segment	–	–	–	–	–	–
Total	118,693	1,450	41	120,186	–	120,186
Operating expenses	116,468	730	31	117,230	–	117,230
Operating income	¥ 2,225	¥ 720	¥ 10	¥ 2,956	–	¥ 2,956
Assets	¥ 43,984	¥ 15,967	¥ 58	¥ 60,010	¥ 11,173	¥ 71,183
Depreciation	186	244	–	430	–	430
Impairment loss	–	15	–	15	–	15
Capital expenditures	62	347	–	410	–	410

For the year ended March 31, 2010	Thousands of U.S. dollars					
	Construction	Real estate	Other	Total	Eliminations	Consolidated
Net sales:						
Customers	\$ 1,275,720	\$ 15,584	\$ 440	\$ 1,291,766	–	\$ 1,291,766
Inter-segment	–	–	–	–	–	–
Total	1,275,720	15,584	440	1,291,766	–	1,291,766
Operating expenses	1,251,805	7,846	333	1,259,995	–	1,259,995
Operating income	\$ 23,914	\$ 7,738	\$ 107	\$ 31,771	–	\$ 31,771
Assets	\$ 472,742	\$ 171,614	\$ 623	\$ 644,991	\$ 120,088	\$ 765,079
Depreciation	1,999	2,622	–	4,621	–	4,621
Impairment loss	–	161	–	161	–	161
Capital expenditures	666	3,729	–	4,406	–	4,406

Business segments are principally composed of the following:
 Construction ... Building construction, civil engineering, etc.
 Real estate ... Resale, rent, etc. of land, buildings, and other real estate
 Other business ... Insurance agent

As discussed in Note 3 I, effective from the year ended March 31, 2010, the Companies adopted new accounting standards, "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). The effect of this change was to increase "Net sales" and "Operating income" of "Construction" by ¥12,121 million (\$130,277 thousand) and ¥757 million (\$8,136 thousand), respectively, compared with those amounts that would have been reported under the previous method.

b. Geographical Segments

For the year ended March 31, 2009	Millions of yen					
	Japan	Southeast Asia	North America	Total	Eliminations	Consolidated
Net sales:						
Customers	¥ 88,325	¥ 27,948	¥ 319	¥ 116,593	–	¥ 116,593
Inter-segment	340	25	–	366	(366)	–
Total	88,666	27,974	319	116,960	(366)	116,593
Operating expenses	86,709	27,217	130	114,057	(366)	113,691
Operating income	¥ 1,956	¥ 757	¥ 188	¥ 2,902	–	¥ 2,902
Assets	¥ 58,630	¥ 9,689	¥ 2,327	¥ 70,647	¥ 10,078	¥ 80,725

For the year ended March 31, 2010	Millions of yen					
	Japan	Southeast Asia	North America	Total	Eliminations	Consolidated
Net sales:						
Customers	¥ 99,608	¥ 20,288	¥ 289	¥ 120,186	–	¥ 120,186
Inter-segment	310	19	–	330	(330)	–
Total	99,919	20,308	289	120,516	(330)	120,186
Operating expenses	97,475	19,935	149	117,560	(330)	117,230
Operating income	¥ 2,443	¥ 373	¥ 139	¥ 2,956	–	¥ 2,956
Assets	¥ 47,299	¥ 10,609	¥ 2,102	¥ 60,010	¥ 11,173	¥ 71,183

For the year ended March 31, 2010	Thousands of U.S. dollars					
	Japan	Southeast Asia	North America	Total	Eliminations	Consolidated
Net sales:						
Customers	\$ 1,070,593	\$ 218,056	\$ 3,106	\$ 1,291,766	–	\$ 1,291,766
Inter-segment	3,331	204	–	3,546	(3,546)	–
Total	1,073,935	218,271	3,106	1,295,313	(3,546)	1,291,766
Operating expenses	1,047,667	214,262	1,601	1,263,542	(3,546)	1,259,995
Operating income	\$ 26,257	\$ 4,009	\$ 1,493	\$ 31,771	–	\$ 31,771
Assets	\$ 508,372	\$ 114,026	\$ 22,592	\$ 644,991	\$ 120,088	\$ 765,079

Each area primarily refers to the following countries:
Southeast Asia ... Singapore, Malaysia, Indonesia, Thailand, China and Vietnam
North America ... U.S.A.

As discussed in Note 3 I, effective from the year ended March 31, 2010, the Companies adopted new accounting standards, "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). The effect of this change was to increase "Net sales" and "Operating income" of "Japan" by ¥11,947 million (\$128,407 thousand) and ¥748 million (\$8,039 thousand), respectively, and to increase "Net sales" and "Operating income" of "Southeast Asia" by ¥173 million (\$1,859 thousand) and ¥9 million (\$96 thousand), respectively, compared with those amounts that would have been reported under the previous method.

13. Per Share Information

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during the year. Diluted net income per share is not presented for the years ended March 31, 2009 and 2010 since the Company had no potentially dilutive shares outstanding as at the balance sheet dates.

Net assets per share is computed based on the number of shares of common stock outstanding as at the balance sheet dates.

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

For the years ended March 31	Yen		U.S. dollars
	2009	2010	2010
Net assets per share	¥ 285.30	¥ 336.92	\$ 3.62
Basic net income per share	51.40	53.19	0.57

(Notes): 1. Net assets per share is calculated based on the following information:

As at March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Total net assets	¥ 10,140	¥ 11,941	\$ 128,342
Deductions from total net assets:			
Minority interests	(326)	(352)	(3,783)
Net assets attributable to common stock	9,814	11,588	124,548
Number of shares of common stock used in computing net assets per share (in thousand shares)			
	34,399	34,394	

2. Net income per share is calculated based on the following information:

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Net income	¥ 1,768	¥ 1,829	\$ 19,658
Amount not attributable to common stock	—	—	—
Net income attributable to common stock	1,768	1,829	19,658
Average number of shares of common stock during the year (in thousand shares)			
	34,403	34,396	

14. Bonds Payable

Short-term and long-term bonds payable as at March 31, 2009 and 2010 consisted of the following:

Issuer and Issue type	Issue date	Millions of yen		Thousands of U.S. dollars	Interest rate (%)	Collateral	Maturity
		2009	2010	2010			
(Nakano Corporation)							
1 st unsecured bond with early redemption clause	Mar. 31, 2008	¥ 300	¥ 300	\$ 3,224	(Note) 2	None	Mar. 31, 2011
			(300)	(3,224)			
2 nd unsecured bond with early redemption clause	Mar. 31, 2008	300	300	3,224	(Note) 2	None	Mar. 31, 2011
			(300)	(3,224)			
3 rd unsecured bond with early redemption clause	Mar. 31, 2008	300	200	2,149	(Note) 2	None	Mar. 30, 2012
		(100)	(100)	(1,074)			
Total		¥ 900	¥ 800	\$ 8,598			
		(100)	(700)	(7,523)			

(Notes): 1. () denotes the amount expected to be redeemed within one year.

2. The interest rate of above bonds is 0.99% p.a. for the period from April 1, 2008 through September 30, 2008 and the interest rate for the subsequent interest periods is set to be a rate computed by deducting 1.00% p.a. from the short-term prime rate on the second preceding banking day ("Interest rate base date") from the starting date of the interest calculation period. However, if such interest rate is less than the interest rate which is added by 0.10% p.a. to 6 month TIBOR (p.a.) of Japanese yen ("Minimum interest rate") at the interest rate base date, the minimum interest rate will be applied.

3. The following is a summary of maturities of bonds subsequent to March 31, 2010:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥ 700	\$ 7,523
2012	100	1,074
2013 and thereafter	—	—
Total	¥ 800	8,598

15. Loans Payable and Other Debts Short-term loans payable, long-term loans payable and other debts as at March 31, 2009 and 2010 are as follows:

As at March 31	Millions of yen		Thousands of U.S. dollars	Average interest rate (%)	Maturity
	2009	2010	2010		
Short-term loans payable	¥ 7,000	¥ 3,760	\$40,412	2.36	
Current portion of long-term loans payable	348	348	3,740	2.34	
Current portion of lease obligations	53	53	569	–	
Long-term loans payable excluding current portion	4,860	4,403	47,323	2.31	Mar. 31, 2012 – Mar. 31, 2016
Lease obligations excluding current portion	133	79	849	–	May. 31, 2012 – Dec. 31, 2012
Total	¥12,395	¥ 8,644	\$92,906		

(Notes):1. "Average interest rate" represents the weighted average interest rate on loans payable outstanding as at the balance sheet date. "Average interest rate" of lease obligations is not shown since interest equivalent amounts included in the aggregated lease premiums are allocated to each fiscal year using the straight-line method.

2. The following is a summary of annual maturities of loans payable and lease obligations subsequent to March 31, 2010:

Years ending March 31	Millions of yen		Thousands of U.S. dollars	
	Long-term loans payable	Lease obligations	Long-term loans payable	Lease obligations
2011	¥ 348	¥ 53	\$ 3,740	\$ 569
2012	920	53	9,888	569
2013	920	25	9,888	268
2014	920	–	9,888	–
2015	920	–	9,888	–
2016 and thereafter	723	–	7,770	–
Total	¥ 4,751	¥ 133	\$ 51,064	\$ 1,429

16. Subsequent Events

At the Annual General Meeting of Shareholders held on June 29, 2010, it was resolved to distribute the year-end cash dividends of ¥6 (\$0.06) per share of common stock of the Company.

The aggregate amount of such cash dividends is ¥206 million (\$2,214 thousand).

SUPPLEMENTAL INFORMATION

NONCONSOLIDATED BALANCE SHEETS

NAKANO CORPORATION

As at March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Assets			
Current assets:			
Cash and deposits	¥ 6,477	¥ 6,965	\$ 74,860
Notes receivable-trade	4,482	1,822	19,582
Accounts receivable from completed construction contracts	18,899	17,231	185,199
Costs on uncompleted construction contracts	18,971	11,156	119,905
Costs on real estate business	426	417	4,481
Raw materials and supplies	33	23	247
Short-term loans receivable to subsidiaries and affiliates	50	15	161
Deferred tax assets	727	873	9,383
Accounts receivable-other	546	1,798	19,325
Other	648	508	5,460
Allowance for doubtful accounts	(634)	(669)	(7,190)
Total current assets	50,629	40,143	431,459
Noncurrent assets:			
Property, plant and equipment			
Buildings	6,623	6,601	70,947
Accumulated depreciation	(2,891)	(3,068)	(32,975)
Buildings, net	3,732	3,532	37,962
Structures	228	228	2,450
Accumulated depreciation	(151)	(164)	(1,762)
Structures, net	76	64	687
Machinery and equipment	179	179	1,923
Accumulated depreciation	(166)	(169)	(1,816)
Machinery and equipment, net	13	10	107
Vehicles	23	23	247
Accumulated depreciation	(13)	(17)	(182)
Vehicles, net	9	5	53
Tools, furniture and fixtures	450	428	4,600
Accumulated depreciation	(378)	(377)	(4,052)
Tools, furniture and fixtures, net	71	50	537
Land	10,043	10,279	110,479
Lease assets	205	205	2,203
Accumulated depreciation	(26)	(78)	(838)
Lease assets, net	178	127	1,365
Total property, plant and equipment	14,126	14,069	151,214
Intangible assets			
Total intangible assets	138	125	1,343
Investments and other assets			
Investment securities	2,222	2,464	26,483
Stocks of subsidiaries and affiliates	2,281	2,274	24,441
Long-term loans receivable from subsidiaries and affiliates	710	690	7,416
Claims provable in bankruptcy, claims provable in rehabilitation	603	1,000	10,748
Insurance funds	155	140	1,504
Deferred tax assets	654	396	4,256
Other	631	607	6,524
Allowance for doubtful accounts	(863)	(1,218)	(13,091)
Total investments and other assets	6,396	6,356	68,314
Total noncurrent assets	20,660	20,552	220,894
Total assets	¥ 71,289	¥ 60,695	\$ 652,353

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Liabilities			
Current liabilities:			
Notes payable-trade	¥ 15,329	¥ 15,555	\$ 167,186
Accounts payable for construction contracts	10,451	10,617	114,112
Current portion of bonds	100	700	7,523
Short-term loans payable	7,348	4,108	44,153
Income taxes payable	74	72	773
Advances received on uncompleted construction contracts	20,640	11,843	127,289
Provision for warranties for completed construction	148	158	1,698
Provision for loss on construction contracts	191	557	5,986
Provision for bonuses	778	637	6,846
Other	826	719	7,727
Total current liabilities	55,887	44,968	483,319
Noncurrent liabilities:			
Bonds payable	800	100	1,074
Long-term loans payable	4,860	4,403	47,323
Provision for retirement benefits	625	673	7,233
Long-term deposits received	722	634	6,814
Other	313	278	2,987
Total noncurrent liabilities	7,321	6,089	65,444
Total liabilities	63,209	51,057	548,763
Net assets			
Shareholders' equity:			
Capital stock	¥ 5,061	¥ 5,061	\$ 54,395
Capital surplus			
Legal capital surplus	1,400	1,400	15,047
Total capital surpluses	1,400	1,400	15,047
Retained earnings			
Other retained earnings			
Retained earnings brought forward	1,628	3,040	32,674
Total earned surpluses	1,628	3,040	32,674
Treasury stock	(25)	(26)	(279)
Total shareholders' equity	8,064	9,475	101,837
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	15	162	1,741
Total valuation and translation adjustments	15	162	1,741
Total net assets	8,080	9,637	103,579
Total liabilities and net assets	¥ 71,289	¥ 60,695	\$ 652,353

NONCONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION

For the years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Net sales:			
Net sales of completed construction contracts	¥ 87,957	¥ 99,328	\$ 1,067,583
Sales on real estate business	959	1,093	11,747
Total net sales	88,917	100,421	1,079,331
Cost of sales:			
Cost of sales of completed construction contracts	81,821	92,942	998,946
Cost of sales on real estate business	447	506	5,438
Total cost of sales	82,269	93,448	1,004,385
Gross profit:			
Gross profit on completed construction contracts	6,135	6,385	68,626
Gross profit-real estate business	511	587	6,309
Total gross profit	6,647	6,972	74,935
Selling, general and administrative expenses	4,877	4,670	50,193
Operating income	1,769	2,302	24,742
Non-operating income:			
Interest income	38	20	214
Dividends income	552	228	2,450
Foreign exchange gains	–	2	21
Other	15	11	118
Total non-operating income	606	262	2,815
Non-operating expenses:			
Interest expenses	312	265	2,848
Other	149	59	634
Total non-operating expenses	461	325	3,493
Ordinary income	1,914	2,239	24,064
Extraordinary income:			
Reversal of allowance for doubtful accounts	–	52	558
Gain on bad debts recovered	28	–	–
Other	–	12	128
Total extraordinary income	28	64	687
Extraordinary loss:			
Loss on sales of noncurrent assets	0	–	–
Impairment loss	6	–	–
Loss on valuation of investment securities	176	–	–
Provision of allowance for doubtful accounts	429	495	5,320
Loss on liquidation of an affiliate	–	30	322
Other	3	116	1,246
Total extraordinary losses	616	642	6,900
Income before income taxes	1,326	1,661	17,852
Income taxes:			
Income taxes-current	40	32	343
Income taxes-deferred	(15)	11	118
Total income taxes	25	44	472
Net income	¥ 1,300	¥ 1,617	\$ 17,379

CORPORATE PROFILE

As of March 31, 2010

Company Outline

Company Name	NAKANO CORPORATION
Headquarters	4-2-28 Kudan-kita, Chiyoda-ku, Tokyo 102-0073, Japan
Foundation	8th February 1933
Established	19th December 1942
Paid-in Capital	¥5,061,678,686
Employees	1,129
Stock Listing	Tokyo Stock Exchange, First Section
Primary Business	Domestic Construction Projects International Construction Projects

Board of Directors

Honorary Chairman	Yoshikazu Oshima		
President	Akira Asai		
Directors	Yutaka Sasa	Munekazu Sako	Koichiro Nakano
	Toshihide Kurokawa	Makoto Yasuhiro	
Standing Corporate Auditors	Masaru Kono	Tadayoshi Watanabe	
Corporate Auditors:	Hirotsugu Sugimoto	Shunichi Sato	

Main Affiliated Financial Institutions

The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Mizuho Corporate Bank, Ltd.	The Bank of Yokohama, Ltd.
The Yamanashi Chuo Bank, Ltd.	The Fukushima Bank, Ltd.

Major Shareholders

Oshima Scholarship Foundation	Kanto Kogyo Co., Ltd.
Yoshikazu Oshima	Marine Dream Co., Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nakano Employee Shareholder Association
Nakano Investment Fraternity Association	Sompo Japan Insurance Inc.

Domestic Offices

Headquarters	Higashi Kanto Branch Office
Tokyo Main Office	Kita Kanto Branch Office
Civil Engineering Office	Yokohama Branch Office
Tohoku Regional Office	Ibaraki Branch Office
Nagoya Regional Office	Taito Branch Office
Osaka Regional Office	Kita Tohoku Branch Office
Kyushu Regional Office	Sales Offices (Mie, Hamamatsu, Hyogo, Kitakyushu)
Hokkaido Branch Office	

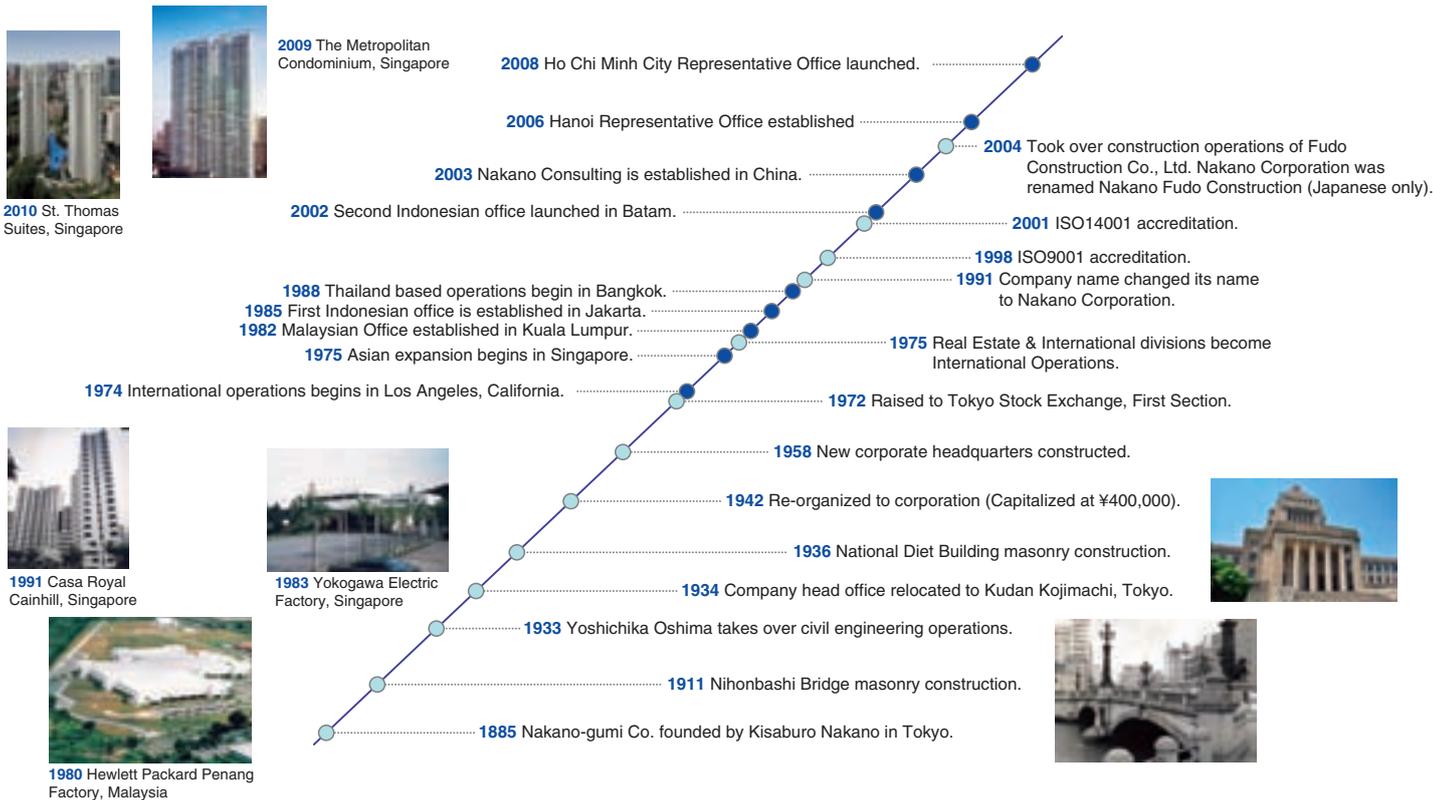
International Offices

Nakano International Corporation (USA)	PT. Indonakano (Indonesia)
Nakano Singapore (Pte.) Ltd. (Singapore)	PT. Nakano S Batam (Indonesia)
Nakano Construction Sdn. Bhd. (Malaysia)	Nakano Consulting Shanghai Co., Ltd. (China)
Thai Nakano Co., Ltd. (Thailand)	Hanoi Representative Office (Vietnam)
	Representative Office in Ho Chi Minh City (Vietnam)

Industry Affiliations

Japan Federation of Construction Contractors	Building Contractors Society
National General Contractors Association of Japan	The Associated General Contractors of Tokyo
Association of Representative General Contractors	Japan Prefabricated Construction Suppliers & Manufacturers Association

COMPANY HISTORY



INVESTOR INFORMATION

As of March 31, 2010

Stock Listing

Tokyo Stock Exchange, First Section,
Code Number 1827

Authorized Number of Shares

154,792,300

Issued Number of Shares

34,498,097

Minimum Trading Unit

500

Number of Shareholders

4,639

Stock Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation

SHAREHOLDER COMPOSITION

Financial Institutions

3,713,249

Securities Companies

263,980

Other Institutions

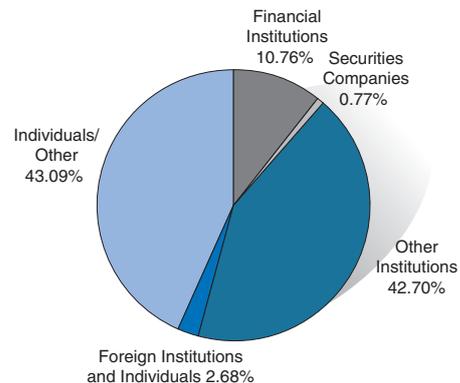
14,731,539

Foreign Institutions and Individuals

922,932

Individuals/ Other

14,866,397



SHARE PRICE RANGE





NAKANO CORPORATION

4-2-28 Kudan-kita, Chiyoda-ku, Tokyo, 102-0073, Japan
Tel: +81-(0)3-3265-4685 Fax: +81-(0)3-3265-4698
www.wave-nakano.co.jp

USA

111 W Saint John St., #514 San Jose, CA 95113, USA
Tel: +1-408-286-9702
Fax: +1-408-286-9701
3020 Old Ranch Road, Suite 300, Seal Beach, CA 90740, USA
Tel: +1-562-799-5726
Fax: +1-562-799-5727

SINGAPORE

1 Coleman St., #06-02 The Adelphi, 179803, Singapore
Tel: +65-6333-4933
Fax: +65-6338-8568

MALAYSIA

Block B, 15-4-2, Megan Salak Park Jalan 1/125E, Taman Desa Petaling, Kuala Lumpur 57100, Malaysia
Tel: +60-3-9059-6977
Fax: +60-3-905-96277

THAILAND

#17-03, 2170 Bangkok Tower, New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310, Thailand
Tel: +66-2-308-0500
Fax: +66-2-308-0497

INDONESIA

1401 Wisma Tamara 14th Floor Jl. Jend. Sudirman KAV. 24, Jakarta 12920, Indonesia
Tel: +62-21-5203674
Fax: +62-21-5203670

Jalan Laksamana Bintang Komp. Tanah Mas Blok G3A Sei Panas-Batam, Indonesia
Tel: +62-0788-463004
Fax: +62-0788-463006

VIETNAM

No.302 3rd Floor of Thang Long Industrial Park Techno-Center Dong Anh District, Hanoi, Vietnam
Tel: +84-4-3-955-0050
Fax: +84-4-3-955-0053
2nd Floor New Agency Service Center Building 19 Vo Van Tan Street Ward 6 District 3 Ho Chi Minh City, Vietnam
Tel: +84-8-3-930-6501
Fax: +84-8-3-930-6499

CHINA

Room 10A3, First World Plaza, Hongli Road West, Shenzhen 518034, China
Tel: +86-755-8296-8491
Fax: +86-755-8296-8493