

Consolidated Financial Statements
(For the Second Quarter of FY2013)

Consolidated Balance Sheets

(Millions of yen)

	FY2012	Current Second Quarter
	As of March 31, 2012	As of September 30, 2012
Assets		
Current assets:		
Cash and deposits	16,624	23,162
Notes receivable, accounts receivable from completed construction contracts and other	88,491	68,947
Short-term investment securities	9,999	17,299
Real estate for sale	2,058	528
Costs on uncompleted construction contracts	21,228	21,697
Costs on real estate business	3,086	3,298
Work in process	750	716
Raw materials and supplies	392	390
Other	7,008	6,854
Allowance for doubtful accounts	(4,460)	(3,173)
Total current assets	145,178	139,721
Noncurrent assets:		
Property, plant and equipment:		
Land	19,767	23,572
Other, net	8,467	8,738
Total property, plant and equipment	28,234	32,311
Intangible assets	285	287
Investments and other assets:		
Investment securities	42,357	38,981
Other	4,892	4,410
Allowance for doubtful accounts	(4,093)	(3,668)
Total investments and other assets	43,156	39,723
Total noncurrent assets	71,677	72,322
Total assets	216,856	212,044

(Millions of yen)

	FY2012	Current Second Quarter
	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	46,397	40,250
Short-term loans payable	11,160	14,740
Income taxes payable	184	128
Advances received on uncompleted construction contracts	17,830	18,736
Provision	1,177	1,188
Provision for loss on construction contracts	4,360	3,699
Asset retirement obligations	74	74
Other	13,900	14,522
Total current liabilities	<u>95,085</u>	<u>93,342</u>
Noncurrent liabilities:		
Long-term loans payable	154	2,143
Provision for retirement benefits	3,288	2,643
Asset retirement obligations	50	50
Negative goodwill	283	141
Other	6,279	5,498
Total noncurrent liabilities	<u>10,056</u>	<u>10,477</u>
Total liabilities	<u>105,141</u>	<u>103,820</u>
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	69,250	67,789
Treasury stock	(12,357)	(12,360)
Total shareholders' equity	<u>102,058</u>	<u>100,593</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	9,655	7,630
Total accumulated other comprehensive income	<u>9,655</u>	<u>7,630</u>
Total net assets	<u>111,714</u>	<u>108,223</u>
Total liabilities and net assets	<u>216,856</u>	<u>212,044</u>

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2012 April 1, 2011 through September 30, 2011	2Q / FY2013 April 1, 2012 through September 30, 2012
Net sales	83,258	82,696
Cost of sales	76,331	77,531
Gross profit	6,927	5,164
Selling, general and administrative expenses	6,642	6,489
Operating income (loss)	285	(1,325)
Non-operating income:		
Interest income	96	78
Dividends income	486	635
Amortization of negative goodwill	141	141
Reversal of allowance for doubtful accounts	153	1,695
Other	139	108
Total non-operating income	1,018	2,660
Non-operating expenses:		
Interest expenses	88	86
Foreign exchange losses	—	213
Other	12	13
Total non-operating expenses	101	314
Ordinary income (loss)	1,202	1,020
Extraordinary income:		
Gain on sales of noncurrent assets	7	0
Gain on sales of investment securities	0	—
Total extraordinary income	7	0
Extraordinary loss:		
Loss on retirement of noncurrent assets	11	0
Loss on valuation of investment securities	198	485
Loss on valuation of stocks of subsidiaries and affiliates	—	103
Total extraordinary losses	210	590
Income (loss) before income taxes and minority interests	999	430
Income taxes-current	69	77
Income taxes-deferred	(16)	17
Total income taxes	52	94
Income (loss) before minority interests	946	336
Net income (loss)	946	336

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2012 April 1, 2011 through September 30, 2011	2Q / FY2013 April 1, 2012 through September 30, 2012
Income (loss) before minority interests	946	336
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,172)	(2,025)
Total other comprehensive income	(1,172)	(2,025)
Comprehensive income	(225)	(1,689)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(225)	(1,689)
Comprehensive income attributable to minority interests	—	—

Consolidated Statements of Cash Flows

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2012 April 1, 2011 through September 30, 2011	2Q / FY2013 April 1, 2012 through September 30, 2012
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	999	430
Depreciation and amortization	364	382
Amortization of negative goodwill	(141)	(141)
Increase (decrease) in allowance for doubtful accounts	(153)	(1,695)
Increase (decrease) in provision for retirement benefits	(719)	(644)
Increase (decrease) in provision for loss on construction contracts	(181)	(660)
Interest and dividends income	(583)	(714)
Interest expenses	88	86
Loss (gain) on sales of noncurrent assets	(7)	(0)
Loss (gain) on sales of short-term and long term investment securities	(0)	—
Loss (gain) on valuation of short-term and long term investment securities	198	485
Loss on valuation of stocks of subsidiaries and affiliates	—	103
Decrease (increase) in notes and accounts receivable-trade	14,834	19,528
Decrease (increase) in costs on uncompleted construction contracts	3,199	(469)
Decrease (increase) in other inventories	4,464	1,353
Increase (decrease) in notes and accounts payable-trade	(4,006)	(5,403)
Increase (decrease) in advances received on uncompleted construction contracts	(4,247)	906
Increase (decrease) in accrued consumption taxes	(3)	(333)
Decrease (increase) in consumption taxes refund receivable	—	(595)
Other, net	(2,875)	1,434
Subtotal	11,228	14,055
Interest and dividends income received	577	713
Interest expenses paid	(88)	(86)
Income taxes (paid) refund	(105)	(195)
Net cash provided by (used in) operating activities	11,612	14,486

(Millions of yen)

	2Q / FY2012 April 1, 2011 through September 30, 2011	2Q / FY2013 April 1, 2012 through September 30, 2012
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(1,871)	(3,000)
Purchase of short-term and long term investment securities	(17,011)	(9)
Proceeds from sales and redemption of short-term and long term investment securities	3,202	1,000
Purchase of property, plant and equipment and intangible assets	(88)	(4,444)
Proceeds from sales of property, plant and equipment and intangible assets	8	0
Payments of loans receivable	(123)	(30)
Collection of loans receivable	43	46
Other, net	(4)	28
Net cash provided by (used in) investing activities	<u>(15,845)</u>	<u>(6,408)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(29)	3,586
Proceeds from long-term loans payable	—	2,000
Repayment of long-term loans payable	(12)	(11)
Purchase of treasury stock	(4)	(4)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,787)	(1,789)
Other, net	(5)	(9)
Net cash provided by (used in) financing activities	<u>(1,839)</u>	<u>3,772</u>
Effect of exchange rate change on cash and cash equivalents	<u>(58)</u>	<u>(12)</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,130)</u>	<u>11,837</u>
Cash and cash equivalents at beginning of period	<u>34,720</u>	<u>24,520</u>
Cash and cash equivalents at end of period	<u>28,590</u>	<u>36,358</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2012 April 1, 2011 through September 30, 2011			2Q / FY2013 April 1, 2012 through September 30, 2012			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	11,462	60.6	34.5	23,685	82.4	34.9	12,222	106.6	
		Domestic private sector	7,766	41.1		4,844	16.8		(2,922)	(37.6)	
		Overseas	(321)	(1.7)		230	0.8		552	—	
		Subtotal	18,908	100		28,760	100		9,852	52.1	
	Architectural construction	Domestic public sector	5,391	15.0	65.5	23,533	43.8	65.1	18,142	336.5	
		Domestic private sector	30,464	85.0		28,684	53.4		(1,780)	(5.8)	
		Overseas	—	—		1,484	2.8		1,484	—	
		Subtotal	35,856	100		53,702	100		17,845	49.8	
	Total	Domestic public sector	16,853	30.8	100	47,218	57.3	100	30,365	180.2	
		Domestic private sector	38,231	69.8		33,528	40.6		(4,703)	(12.3)	
		Overseas	(321)	(0.6)		1,715	2.1		2,036	—	
		Total	54,764	100		82,462	100		27,698	50.6	
Net sales	Projects completed	Civil engineering	Domestic public sector	16,480	67.2	[33.1]	19,777	70.3	[36.6]	3,297	20.0
			Domestic private sector	6,819	27.8	32.0	7,522	26.7	34.7	703	10.3
			Overseas	1,224	5.0		856	3.0		(368)	(30.1)
			Subtotal	24,523	100		28,156	100		3,632	14.8
	Architectural construction	Domestic public sector	5,909	11.9	[66.9]		8,823	18.1		[63.4]	2,913
		Domestic private sector	43,704	88.1	64.7	39,987	81.9	60.1	(3,717)	(8.5)	
		Overseas	—	—		—	—		—	—	
		Subtotal	49,614	100		48,810	100		(803)	(1.6)	
	Subtotal	Domestic public sector	22,389	30.2		[100]	28,601		37.2	[100]	6,211
		Domestic private sector	50,523	68.1	96.7	47,509	61.7	94.8	(3,014)	(6.0)	
		Overseas	1,224	1.7		856	1.1		(368)	(30.1)	
		Subtotal	74,137	100		76,966	100		2,828	3.8	
	Real estate business and other			2,565		3.3			4,237	5.2	
	Total			76,703	100		81,204	100		4,500	5.9
Period-end backlog	Civil engineering	Domestic public sector	54,856	67.1	40.7	53,906	69.2	38.5	(949)	(1.7)	
		Domestic private sector	23,881	29.2		18,741	24.1		(5,140)	(21.5)	
		Overseas	3,047	3.7		5,203	6.7		2,156	70.8	
		Subtotal	81,784	100		77,851	100		(3,933)	(4.8)	
	Architectural construction	Domestic public sector	26,690	22.4	59.3	44,915	36.1	61.5	18,224	68.3	
		Domestic private sector	92,616	77.6		77,883	62.7		(14,732)	(15.9)	
		Overseas	—	—		1,484	1.2		1,484	—	
		Subtotal	119,306	100		124,283	100		4,976	4.2	
	Total	Domestic public sector	81,546	40.6	100	98,822	48.9	100	17,275	21.2	
		Domestic private sector	116,497	57.9		96,624	47.8		(19,872)	(17.1)	
		Overseas	3,047	1.5		6,687	3.3		3,640	119.5	
		Total	201,091	100		202,134	100		1,043	0.5	