

Consolidated Financial Statements
(For the fiscal year ended March 31, 2013)

Consolidated Balance Sheets

(Millions of yen)

	FY2012	FY2013
	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets:		
Cash and deposits	16,624	13,448
Notes receivable, accounts receivable from completed construction contracts and other	88,491	98,240
Securities	9,999	15,000
Real estate for sale	2,058	678
Costs on uncompleted construction contracts	21,228	8,484
Costs on real estate business	3,086	2,785
Work in process	750	349
Raw materials and supplies	392	159
Deferred tax assets	58	43
Other	6,950	6,898
Allowance for doubtful accounts	(4,460)	(4,393)
Total current assets	145,178	141,696
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	18,092	19,382
Machinery, vehicles, tools, furniture and fixtures	4,820	4,920
Land	19,767	26,362
Lease assets	57	125
Construction in progress	82	210
Accumulated depreciation	(14,585)	(15,161)
Total property, plant and equipment	28,234	35,839
Intangible assets	285	284
Investments and other assets:		
Investment securities	42,357	55,591
Long-term loans receivable	1,050	222
Other	3,842	3,306
Allowance for doubtful accounts	(4,093)	(2,907)
Total investments and other assets	43,156	56,213
Total noncurrent assets	71,677	92,337
Total assets	216,856	234,033

(Millions of yen)

	FY2012	FY2013
	As of March 31, 2012	As of March 31, 2013
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	46,397	47,488
Short-term loans payable	11,160	16,416
Lease obligations	15	31
Income taxes payable	184	226
Advances received on uncompleted construction contracts	17,830	9,145
Provision for warranties for completed construction	445	509
Provision for bonuses	731	1,886
Provision for loss on construction contracts	4,360	1,856
Asset retirement obligations	74	74
Other	13,884	17,787
Total current liabilities	95,085	95,423
Noncurrent liabilities:		
Long-term loans payable	154	4,128
Lease obligations	40	73
Deferred tax liabilities	6,150	10,333
Provision for retirement benefits	3,288	2,023
Asset retirement obligations	50	51
Negative goodwill	283	—
Other	89	75
Total noncurrent liabilities	10,056	16,686
Total liabilities	105,141	112,110
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	69,250	70,136
Treasury stock	(12,357)	(12,365)
Total shareholders' equity	102,058	102,936
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	9,655	18,987
Total accumulated other comprehensive income	9,655	18,987
Total net assets	111,714	121,923
Total liabilities and net assets	216,856	234,033

Consolidated Statements of Income

(Millions of yen)

	FY2012 April 1, 2011 through March 31, 2012	FY2013 April 1, 2012 through March 31, 2013
Net sales:		
Net sales of completed construction contracts	163,865	184,768
Net sales of real estate business and other	15,419	11,785
Total net sales	179,284	196,554
Cost of sales:		
Cost of sales of completed construction contracts	154,543	174,566
Cost of sales on real estate business and other	12,509	7,147
Total cost of sales	167,053	181,714
Gross profit:		
Gross profit on completed construction contracts	9,322	10,202
Gross profit on real estate business and other	2,909	4,637
Total gross profit	12,231	14,840
Selling, general and administrative expenses	16,171	13,500
Operating income (loss)	(3,939)	1,339
Non-operating income:		
Interest income	184	147
Dividends income	767	883
Amortization of negative goodwill	283	283
Reversal of allowance for doubtful accounts	—	521
Foreign exchange gains	—	393
Other	214	243
Total non-operating income	1,450	2,473
Non-operating expenses:		
Interest expenses	176	179
Commission fee	13	62
Foreign exchange losses	121	—
Other	26	6
Total non-operating expenses	339	249
Ordinary income (loss)	(2,828)	3,563
Extraordinary income:		
Gain on sales of noncurrent assets	7	5
Gain on sales of investment securities	0	1
Total extraordinary income	7	7
Extraordinary loss:		
Loss on sales of noncurrent assets	—	0
Impairment loss	180	—
Loss on valuation of investment securities	112	219
Loss on retirement of noncurrent assets	60	2
Loss on reduction of noncurrent assets	—	0
Loss on valuation of stocks of subsidiaries and affiliates	—	103
Loss on construction contracts	—	406
Total extraordinary losses	354	734
Income (loss) before income taxes and minority interests	(3,175)	2,836
Income taxes-current	138	163
Income taxes-deferred	(355)	(11)
Total income taxes	(217)	152
Income (loss) before minority interests	(2,958)	2,683
Net income (loss)	(2,958)	2,683

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2012 April 1, 2011 through March 31, 2012	FY2013 April 1, 2012 through March 31, 2013
Income (loss) before minority interests	(2,958)	2,683
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,092	9,331
Total other comprehensive income	2,092	9,331
Comprehensive income	(865)	12,015
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(865)	12,015
Comprehensive income attributable to minority interests	—	—

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2012 April 1, 2011 through March 31, 2012	FY2013 April 1, 2012 through March 31, 2013
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(3,175)	2,836
Depreciation and amortization	777	810
Impairment loss	180	—
Amortization of negative goodwill	(283)	(283)
Increase (decrease) in allowance for doubtful accounts	2,909	(521)
Increase (decrease) in provision for retirement benefits	(1,394)	(1,265)
Increase (decrease) in provision for bonuses	(1,097)	1,154
Increase (decrease) in provision for loss on construction contracts	88	(2,503)
Interest and dividends income	(952)	(1,031)
Interest expenses	176	179
Loss (gain) on sales of noncurrent assets	(7)	(4)
Loss (gain) on sales of short-term and long term investment securities	(0)	(1)
Loss (gain) on valuation of short-term and long term investment securities	112	219
Loss on valuation of stocks of subsidiaries and affiliates	—	103
Loss on construction contracts	—	406
Decrease (increase) in notes and accounts receivable-trade	(5,860)	(9,764)
Decrease (increase) in costs on uncompleted construction contracts	6,052	12,743
Decrease (increase) in other inventories	6,464	2,456
Increase (decrease) in notes and accounts payable-trade	1,540	879
Increase (decrease) in advances received on uncompleted construction contracts	(8,098)	(8,684)
Increase (decrease) in accrued consumption taxes	188	286
Other, net	1,029	4,127
Subtotal	(1,347)	2,141
Interest and dividends income received	942	1,028
Interest expenses paid	(176)	(179)
Income taxes (paid) refund	(132)	(217)
Net cash provided by (used in) operating activities	(714)	2,773

(Millions of yen)

	FY2012 April 1, 2011 through March 31, 2012	FY2013 April 1, 2012 through March 31, 2013
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(871)	1,000
Purchase of short-term and long term investment securities	(11,662)	(1,015)
Proceeds from sales and redemption of short-term and long term investment securities	8,205	2,005
Purchase of property, plant and equipment and intangible assets	(3,199)	(8,502)
Proceeds from sales of property, plant and equipment and intangible assets	8	5
Payments of loans receivable	(311)	(38)
Collection of loans receivable	374	125
Other, net	(36)	33
Net cash provided by (used in) investing activities	(7,494)	(6,386)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(127)	5,240
Proceeds from long-term loans payable	—	4,000
Repayment of long-term loans payable	(30)	(25)
Purchase of treasury stock	(9)	(9)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,798)	(1,804)
Other, net	(12)	(22)
Net cash provided by (used in) financing activities	(1,976)	7,378
Effect of exchange rate change on cash and cash equivalents	(15)	58
Net increase (decrease) in cash and cash equivalents	(10,200)	3,823
Cash and cash equivalents at beginning of period	34,720	24,520
Cash and cash equivalents at end of period	24,520	28,343

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY 2012			FY 2013			Change	% Change	
			April 1, 2011 through March 31, 2012			April 1, 2012 through March 31, 2013			Increase	Increase	
				%	%		%	(Decrease)	(Decrease)		
Construction orders awarded	Civil engineering	Domestic public sector	29,943	61.5	34.7	61,043	88.4	39.7	31,100	103.9	
		Domestic private sector	14,969	30.8		7,397	10.7		(7,572)	(50.6)	
		Overseas	3,748	7.7		633	0.9		(3,114)	(83.1)	
		Subtotal	48,661	100		69,074	100		20,413	42.0	
	Architectural construction	Domestic public sector	18,564	20.3	65.3	40,456	38.5	60.3	21,892	117.9	
		Domestic private sector	72,813	79.7		62,749	59.8		(10,064)	(13.8)	
		Overseas	—	—		1,740	1.7		1,740	—	
		Subtotal	91,378	100		104,947	100		13,569	14.8	
	Total	Domestic public sector	48,507	34.6	100	101,500	58.3	100	52,992	109.2	
		Domestic private sector	87,783	62.7		70,146	40.3		(17,636)	(20.1)	
		Overseas	3,748	2.7		2,374	1.4		(1,373)	(36.6)	
		Total	140,039	100		174,021	100		33,982	24.3	
Net sales	Projects completed	Civil engineering	Domestic public sector	39,817	67.7	[35.9]	54,276	74.4	[39.4]	14,458	36.3
			Domestic private sector	16,484	28.0	34.6	15,533	21.3	37.8	(950)	(5.8)
			Overseas	2,512	4.3		3,116	4.3		604	24.1
			Subtotal	58,814	100		72,927	100		14,112	24.0
		Architectural construction	Domestic public sector	15,567	14.8		[64.1]	19,788		17.7	[60.6]
			Domestic private sector	89,483	85.2	61.8	91,904	82.0	58.1	2,420	2.7
			Overseas	—	—		339	0.3		339	—
			Subtotal	105,051	100		112,031	100		6,980	6.6
		Subtotal	Domestic public sector	55,385	33.8		[100]	74,064		40.0	[100]
			Domestic private sector	105,967	64.7	96.4	107,438	58.1	95.9	1,470	1.4
			Overseas	2,512	1.5		3,455	1.9		943	37.6
			Subtotal	163,865	100		184,959	100		21,093	12.9
	Real estate business and other	6,168	3.6		7,982		4.1			1,813	29.4
	Total			170,034	100		192,941	100		22,906	13.5
	Period-end backlog	Civil engineering	Domestic public sector	49,999	64.7	39.3	56,766	77.3	39.5	6,766	13.5
Domestic private sector			21,419	27.7	13,282		18.1	(8,136)		(38.0)	
Overseas			5,828	7.6	3,345		4.6	(2,482)		(42.6)	
Subtotal			77,247	100	73,394		100	(3,852)		(5.0)	
Architectural construction		Domestic public sector	30,205	25.3	60.7	50,873	45.3	60.5	20,668	68.4	
		Domestic private sector	89,186	74.7		60,031	53.5		(29,154)	(32.7)	
		Overseas	—	—		1,401	1.2		1,401	—	
		Subtotal	119,391	100		112,307	100		(7,084)	(5.9)	
Total		Domestic public sector	80,204	40.8	100	107,640	58.0	100	27,435	34.2	
		Domestic private sector	110,605	56.2		73,314	39.5		(37,291)	(33.7)	
		Overseas	5,828	3.0		4,747	2.5		(1,081)	(18.6)	
		Total	196,638	100		185,701	100		(10,937)	(5.6)	