

**Consolidated Financial Statements**  
**(For the fiscal year ended March 31, 2014)**

**Consolidated Balance Sheets**

(Millions of yen)

	FY2013	FY2014
	As of March 31, 2013	As of March 31, 2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	13,448	19,292
Notes receivable, accounts receivable from completed construction contracts and other	98,240	97,253
Securities	15,000	7,000
Real estate for sale	678	1,034
Costs on uncompleted construction contracts	8,484	7,718
Costs on real estate business	2,785	2,340
Work in process	349	630
Raw materials and supplies	159	131
Deferred tax assets	43	60
Other	6,898	8,663
Allowance for doubtful accounts	(4,393)	(4,261)
<b>Total current assets</b>	<b>141,696</b>	<b>139,864</b>
<b>Non-current assets:</b>		
Property, plant and equipment:		
Buildings and structures	19,382	19,966
Machinery, vehicles, tools, furniture and fixtures	4,920	4,716
Land	26,362	27,669
Leased assets	125	147
Construction in progress	210	133
Accumulated depreciation	(15,161)	(15,159)
<b>Total property, plant and equipment</b>	<b>35,839</b>	<b>37,473</b>
Intangible assets	284	237
Investments and other assets:		
Investment securities	55,591	60,972
Long-term loans receivable	222	185
Net defined benefit asset	—	435
Deferred tax assets	—	0
Other	3,306	3,261
Allowance for doubtful accounts	(2,907)	(2,768)
<b>Total investments and other assets</b>	<b>56,213</b>	<b>62,087</b>
<b>Total non-current assets</b>	<b>92,337</b>	<b>99,799</b>
<b>Total assets</b>	<b>234,033</b>	<b>239,663</b>

(Millions of yen)

	<b>FY2013</b>	<b>FY2014</b>
	As of March 31, 2013	As of March 31, 2014
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	47,488	55,548
Short-term loans payable	16,416	7,524
Lease obligations	31	36
Income taxes payable	226	291
Advances received on uncompleted construction contracts	9,145	10,610
Provision for warranties for completed construction	509	795
Provision for bonuses	1,886	2,117
Provision for directors' bonuses	—	14
Provision for loss on construction contracts	1,856	1,876
Asset retirement obligations	74	73
Other	17,787	14,356
<b>Total current liabilities</b>	<b>95,423</b>	<b>93,244</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	4,128	5,208
Lease obligations	73	66
Deferred tax liabilities	10,333	12,235
Provision for retirement benefits	2,023	—
Asset retirement obligations	51	51
Other	75	63
<b>Total non-current liabilities</b>	<b>16,686</b>	<b>17,626</b>
<b>Total liabilities</b>	<b>112,110</b>	<b>110,871</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	70,136	72,094
Treasury shares	(12,365)	(12,390)
<b>Total shareholders' equity</b>	<b>102,936</b>	<b>104,869</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	18,987	22,753
Remeasurements of defined benefit plans	—	1,169
<b>Total accumulated other comprehensive income</b>	<b>18,987</b>	<b>23,923</b>
<b>Total net assets</b>	<b>121,923</b>	<b>128,792</b>
<b>Total liabilities and net assets</b>	<b>234,033</b>	<b>239,663</b>

# Consolidated Statements of Income

(Millions of yen)

	FY2013 April 1, 2012 through March 31, 2013	FY2014 April 1, 2013 through March 31, 2014
<b>Net sales:</b>		
Net sales of completed construction contracts	184,768	183,696
Net sales of real estate business and other	11,785	9,328
<b>Total net sales</b>	<b>196,554</b>	<b>193,024</b>
<b>Cost of sales:</b>		
Cost of sales of completed construction contracts	174,566	171,029
Cost of sales on real estate business and other	7,147	6,111
<b>Total cost of sales</b>	<b>181,714</b>	<b>177,141</b>
<b>Gross profit:</b>		
Gross profit on completed construction contracts	10,202	12,666
Gross profit on real estate business and other	4,637	3,216
<b>Total gross profit</b>	<b>14,840</b>	<b>15,883</b>
<b>Selling, general and administrative expenses</b>	<b>13,500</b>	<b>13,565</b>
<b>Operating income</b>	<b>1,339</b>	<b>2,317</b>
<b>Non-operating income:</b>		
Interest income	147	174
Dividend income	883	825
Amortization of negative goodwill	283	—
Reversal of allowance for doubtful accounts	521	233
Foreign exchange gains	393	266
Other	243	208
<b>Total non-operating income</b>	<b>2,473</b>	<b>1,708</b>
<b>Non-operating expenses:</b>		
Interest expenses	179	187
Commission fee	62	24
Other	6	24
<b>Total non-operating expenses</b>	<b>249</b>	<b>235</b>
<b>Ordinary income</b>	<b>3,563</b>	<b>3,789</b>
<b>Extraordinary income:</b>		
Gain on sales of investment securities	1	432
Other	5	7
<b>Total extraordinary income</b>	<b>7</b>	<b>439</b>
<b>Extraordinary losses:</b>		
Loss on valuation of investment securities	219	—
Loss on retirement of non-current assets	2	212
Loss on valuation of shares of subsidiaries and associates	103	—
Loss on construction contracts	406	—
Other	0	2
<b>Total extraordinary losses</b>	<b>734</b>	<b>214</b>
<b>Income before income taxes and minority interests</b>	<b>2,836</b>	<b>4,015</b>
<b>Income taxes - current</b>	<b>163</b>	<b>307</b>
<b>Income taxes - deferred</b>	<b>(11)</b>	<b>(46)</b>
<b>Total income taxes</b>	<b>152</b>	<b>260</b>
<b>Income before minority interests</b>	<b>2,683</b>	<b>3,755</b>
<b>Net income</b>	<b>2,683</b>	<b>3,755</b>

# Consolidated Statements of Comprehensive Income

(Millions of yen)

	<b>FY2013</b> April 1, 2012 through March 31, 2013	<b>FY2014</b> April 1, 2013 through March 31, 2014
<b>Income before minority interests</b>	2,683	3,755
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	9,331	3,766
Total other comprehensive income	9,331	3,766
<b>Comprehensive income</b>	12,015	7,521
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of parent	12,015	7,521
Comprehensive income attributable to minority interests	—	—

## Consolidated Statements of Cash Flows

(Millions of yen)

	<b>FY2013</b>	<b>FY2014</b>
	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	2,836	4,015
Depreciation	810	823
Amortization of negative goodwill	(283)	—
Loss on retirement of non-current assets	2	212
Increase (decrease) in allowance for doubtful accounts	(521)	(233)
Increase (decrease) in provision for retirement benefits	(1,265)	—
Increase (decrease) in net defined benefit liability	—	(1,134)
Increase (decrease) in provision for warranties for completed construction	63	286
Increase (decrease) in provision for bonuses	1,154	231
Increase (decrease) in provision for directors' bonuses	—	14
Increase (decrease) in provision for loss on construction contracts	(2,503)	20
Interest and dividend income	(1,031)	(1,000)
Interest expenses	179	187
Loss (gain) on sales of short-term and long-term investment securities	(1)	(432)
Loss (gain) on valuation of short-term and long-term investment securities	219	—
Loss on valuation of shares of subsidiaries and associates	103	—
Loss on construction contracts	406	—
Decrease (increase) in notes and accounts receivable - trade	(9,764)	987
Decrease (increase) in costs on uncompleted construction contracts	12,743	766
Decrease (increase) in other inventories	2,456	(23)
Increase (decrease) in notes and accounts payable - trade	879	7,259
Increase (decrease) in advances received on uncompleted construction contracts	(8,684)	1,464
Other, net	4,341	(3,937)
<b>Subtotal</b>	<b>2,141</b>	<b>9,505</b>
Interest and dividend income received	1,028	998
Interest expenses paid	(179)	(187)
Income taxes (paid) refund	(217)	(121)
<b>Net cash provided by (used in) operating activities</b>	<b>2,773</b>	<b>10,195</b>

(Millions of yen)

	<b>FY2013</b>	<b>FY2014</b>
	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in time deposits	1,000	58
Purchase of short-term and long-term investment securities	(1,015)	(1,162)
Proceeds from sales and redemption of short-term and long-term investment securities	2,005	1,335
Purchase of property, plant and equipment and intangible assets	(8,502)	(2,579)
Proceeds from sales of property, plant and equipment and intangible assets	5	12
Payments of loans receivable	(38)	(307)
Collection of loans receivable	125	129
Other, net	33	(158)
Net cash provided by (used in) investing activities	(6,386)	(2,671)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans payable	5,240	(8,889)
Proceeds from long-term loans payable	4,000	1,100
Repayments of long-term loans payable	(25)	(22)
Purchase of treasury shares	(9)	(25)
Proceeds from sales of treasury shares	0	0
Cash dividends paid	(1,804)	(1,796)
Other, net	(22)	(34)
Net cash provided by (used in) financing activities	7,378	(9,666)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>58</b>	<b>44</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,823</b>	<b>(2,098)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24,520</b>	<b>28,343</b>
<b>Cash and cash equivalents at end of period</b>	<b>28,343</b>	<b>26,245</b>

## Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY2013			FY2014			Change	% Change	
			April 1, 2012 through March 31, 2013			April 1, 2013 through March 31, 2014			Increase (Decrease)	Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	61,043	88.4	39.7	87,400	85.2	46.6	26,357	43.2	
		Domestic private sector	7,397	10.7		14,833	14.4		7,436	100.5	
		Overseas	633	0.9		403	0.4		(230)	(36.4)	
		Subtotal	69,074	100		102,637	100		33,562	48.6	
	Architectural construction	Domestic public sector	40,456	38.5	60.3	40,512	34.5	53.4	55	0.1	
		Domestic private sector	62,749	59.8		76,866	65.4		14,117	22.5	
		Overseas	1,740	1.7		99	0.1		(1,640)	(94.3)	
		Subtotal	104,947	100		117,479	100		12,531	11.9	
	Total	Domestic public sector	101,500	58.3	100	127,913	58.1	100	26,412	26.0	
		Domestic private sector	70,146	40.3		91,700	41.7		21,553	30.7	
		Overseas	2,374	1.4		503	0.2		(1,871)	(78.8)	
		Total	174,021	100		220,116	100		46,094	26.5	
Net sales	Projects completed	Civil engineering	Domestic public sector	54,276	74.4	[39.4]	54,511	75.6	[39.1]	235	0.4
			Domestic private sector	15,533	21.3	37.8	15,593	21.6	38.0	59	0.4
			Overseas	3,116	4.3		1,987	2.8		(1,129)	(36.2)
			Subtotal	72,927	100		72,092	100		(834)	(1.1)
		Architectural construction	Domestic public sector	19,788	17.7		[60.6]	26,486		23.6	[60.9]
			Domestic private sector	91,904	82.0	58.1	85,251	76.1	59.1	(6,652)	(7.2)
			Overseas	339	0.3		355	0.3		16	4.9
			Subtotal	112,031	100		112,094	100		62	0.1
		Subtotal	Domestic public sector	74,064	40.0		[100]	80,998		44.0	[100]
			Domestic private sector	107,438	58.1	95.9	100,844	54.7	97.1	(6,593)	(6.1)
			Overseas	3,455	1.9		2,343	1.3		(1,112)	(32.2)
			Subtotal	184,959	100		184,186	100		(772)	(0.4)
	Real estate business and other		7,982	4.1			5,550	2.9			(2,431)
	Total		192,941	100		189,737	100		(3,203)	(1.7)	
	Period-end backlog	Civil engineering	Domestic public sector	56,766	77.3	39.5	89,655	86.3	46.9	32,888	57.9
Domestic private sector			13,282	18.1	12,522		12.0	(760)		(5.7)	
Overseas			3,345	4.6	1,761		1.7	(1,584)		(47.4)	
Subtotal			73,394	100	103,938		100	30,544		41.6	
Architectural construction		Domestic public sector	50,873	45.3	60.5	64,899	55.1	53.1	14,025	27.6	
		Domestic private sector	60,031	53.5		51,646	43.9		(8,384)	(14.0)	
		Overseas	1,401	1.2		1,145	1.0		(255)	(18.3)	
		Subtotal	112,307	100		117,692	100		5,384	4.8	
Total		Domestic public sector	107,640	58.0	100	154,554	69.7	100	46,914	43.6	
		Domestic private sector	73,314	39.5		64,169	29.0		(9,144)	(12.5)	
		Overseas	4,747	2.5		2,906	1.3		(1,840)	(38.8)	
		Total	185,701	100		221,631	100		35,929	19.3	