

Consolidated Financial Statements
(For the Second Quarter of FY2012)

Consolidated Balance Sheets

(Millions of yen)

	FY2011	Current Second Quarter
	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets:		
Cash and deposits	25,953	13,194
Notes receivable, accounts receivable from completed construction contracts and other	84,612	69,778
Short-term investment securities	9,001	31,497
Real estate for sale	8,225	2,748
Costs on uncompleted construction contracts	27,281	24,082
Costs on real estate business	3,018	3,552
Work in process	808	1,328
Raw materials and supplies	698	657
Other	8,633	6,666
Allowance for doubtful accounts	(3,481)	(3,336)
Total current assets	164,751	150,168
Noncurrent assets:		
Property, plant and equipment	25,948	25,723
Intangible assets	269	229
Investments and other assets:		
Investment securities	37,702	35,679
Other	5,350	5,231
Allowance for doubtful accounts	(4,250)	(4,242)
Total investments and other assets	38,801	36,669
Total noncurrent assets	65,019	62,622
Total assets	229,771	212,790

(Millions of yen)

	FY2011	Current Second Quarter
	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	46,803	40,632
Short-term loans payable	11,290	11,260
Income taxes payable	205	131
Advances received on uncompleted construction contracts	25,928	21,680
Provision	2,177	1,008
Provision for loss on construction contracts	4,271	4,089
Asset retirement obligations	71	73
Other	12,792	11,071
Total current liabilities	<u>103,541</u>	<u>89,948</u>
Noncurrent liabilities:		
Long-term loans payable	181	170
Provision for retirement benefits	4,683	3,964
Asset retirement obligations	52	50
Negative goodwill	567	425
Other	6,358	5,873
Total noncurrent liabilities	<u>11,843</u>	<u>10,484</u>
Total liabilities	<u>115,384</u>	<u>100,432</u>
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	74,006	73,154
Treasury stock	(12,348)	(12,353)
Total shareholders' equity	<u>106,823</u>	<u>105,967</u>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	7,563	6,390
Total accumulated other comprehensive income	<u>7,563</u>	<u>6,390</u>
Total net assets	<u>114,387</u>	<u>112,358</u>
Total liabilities and net assets	<u>229,771</u>	<u>212,790</u>

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2011 April 1, 2010 through September 30, 2010	2Q / FY2012 April 1, 2011 through September 30, 2011
Net sales	66,230	83,258
Cost of sales	58,635	76,331
Gross profit	7,594	6,927
Selling, general and administrative expenses	7,022	6,642
Operating income (loss)	572	285
Non-operating income:		
Interest income	122	96
Dividends income	471	486
Amortization of negative goodwill	141	141
Other	185	293
Total non-operating income	921	1,018
Non-operating expenses:		
Interest expenses	95	88
Other	38	12
Total non-operating expenses	133	101
Ordinary income (loss)	1,360	1,202
Extraordinary income:		
Gain on prior period adjustment	28	—
Gain on sales of noncurrent assets	—	7
Gain on sales of investment securities	32	0
Reversal of allowance for doubtful accounts	347	—
Total extraordinary income	408	7
Extraordinary loss:		
Loss on prior period adjustment	54	—
Loss on retirement of noncurrent assets	2	11
Loss on valuation of investment securities	711	198
Loss on adjustment for changes of accounting standard for asset retirement obligations	111	—
Total extraordinary losses	879	210
Income (loss) before income taxes and minority interests	890	999
Income taxes-current	68	69
Income taxes-deferred	(8)	(16)
Total income taxes	59	52
Income (loss) before minority interests	830	946
Net income (loss)	830	946

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2011 April 1, 2010 through September 30, 2010	2Q / FY2012 April 1, 2011 through September 30, 2011
Income (loss) before minority interests	830	946
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,651)	(1,172)
Total other comprehensive income	(2,651)	(1,172)
Comprehensive income	(1,821)	(225)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(1,821)	(225)
Comprehensive income attributable to minority interests	—	—

Consolidated Statements of Cash Flows

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2011 April 1, 2010 through September 30, 2010	2Q / FY2012 April 1, 2011 through September 30, 2011
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	890	999
Depreciation and amortization	475	364
Amortization of negative goodwill	(141)	(141)
Increase (decrease) in allowance for doubtful accounts	(347)	(153)
Increase (decrease) in provision for retirement benefits	(562)	(719)
Increase (decrease) in provision for loss on construction contracts	(478)	(181)
Interest and dividends income	(594)	(583)
Interest expenses	95	88
Loss (gain) on sales of noncurrent assets	—	(7)
Loss (gain) on sales of short-term and long term investment securities	(32)	(0)
Loss (gain) on valuation of short-term and long term investment securities	711	198
Loss on adjustment for changes of accounting standard for asset retirement obligations	111	—
Decrease (increase) in notes and accounts receivable-trade	13,421	14,834
Decrease (increase) in costs on uncompleted construction contracts	(1,022)	3,199
Decrease (increase) in other inventories	(366)	4,464
Increase (decrease) in notes and accounts payable-trade	(2,584)	(4,006)
Increase (decrease) in advances received on uncompleted construction contracts	3,873	(4,247)
Increase (decrease) in accrued consumption taxes	(1,553)	(3)
Decrease (increase) in consumption taxes refund receivable	(1,143)	—
Other, net	(846)	(2,875)
Subtotal	9,904	11,228
Interest and dividends income received	594	577
Interest expenses paid	(95)	(88)
Income taxes (paid) refund	(82)	(105)
Net cash provided by (used in) operating activities	10,321	11,612

(Millions of yen)

	2Q / FY2011 April 1, 2010 through September 30, 2010	2Q / FY2012 April 1, 2011 through September 30, 2011
Cash flows from investing activities:		
Net decrease (increase) in time deposits	211	(1,871)
Purchase of short-term and long term investment securities	(6)	(17,011)
Proceeds from sales and redemption of short-term and long term investment securities	137	3,202
Purchase of property, plant and equipment and intangible assets	(2,339)	(88)
Proceeds from sales of property, plant and equipment and intangible assets	—	8
Payments of loans receivable	(158)	(123)
Collection of loans receivable	1,499	43
Other, net	1	(4)
Net cash provided by (used in) investing activities	<u>(655)</u>	<u>(15,845)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	1,668	(29)
Repayment of long-term loans payable	(11)	(12)
Purchase of treasury stock	(5)	(4)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,788)	(1,787)
Other, net	(3)	(5)
Net cash provided by (used in) financing activities	<u>(140)</u>	<u>(1,839)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(47)</u>	<u>(58)</u>
Net increase (decrease) in cash and cash equivalents	<u>9,478</u>	<u>(6,130)</u>
Cash and cash equivalents at beginning of period	<u>27,831</u>	<u>34,720</u>
Cash and cash equivalents at end of period	<u>37,309</u>	<u>28,590</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2011 April 1, 2010 through September 30, 2010			2Q / FY2012 April 1, 2011 through September 30, 2011			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	11,477	68.3	39.2	11,462	60.6	34.5	(15)	(0.1)	
		Domestic private sector	5,905	35.1		7,766	41.1		1,860	31.5	
		Overseas	(579)	(3.4)		(321)	(1.7)		258	—	
		Subtotal	16,804	100		18,908	100		2,103	12.5	
	Architectural construction	Domestic public sector	2,292	8.8	60.8	5,391	15.0	65.5	3,099	135.2	
		Domestic private sector	23,740	91.2		30,464	85.0		6,724	28.3	
		Overseas	2	0.0		—	—		(2)	—	
		Subtotal	26,035	100		35,856	100		9,821	37.7	
	Total	Domestic public sector	13,770	32.1	100	16,853	30.8	100	3,083	22.4	
		Domestic private sector	29,646	69.2		38,231	69.8		8,585	29.0	
		Overseas	(577)	(1.3)		(321)	(0.6)		256	—	
		Total	42,839	100		54,764	100		11,925	27.8	
Net sales	Projects completed	Civil engineering	Domestic public sector	11,537	49.4	[37.2]	16,480	67.2	[33.1]	4,943	42.8
			Domestic private sector	10,908	46.7	35.9	6,819	27.8	32.0	(4,089)	(37.5)
			Overseas	906	3.9		1,224	5.0		318	35.1
			Subtotal	23,351	100		24,523	100		1,172	5.0
	Architectural construction	Domestic public sector	8,033	20.4	[62.8]		5,909	11.9		[66.9]	(2,124)
		Domestic private sector	31,352	79.6	60.6	43,704	88.1	64.7	12,352	39.4	
		Overseas	2	0.0		—	—		(2)	—	
		Subtotal	39,388	100		49,614	100		10,225	26.0	
	Subtotal	Domestic public sector	19,570	31.2		[100]	22,389		30.2	[100]	2,819
		Domestic private sector	42,261	67.4	96.5	50,523	68.1	96.7	8,262	19.6	
		Overseas	908	1.4		1,224	1.7		315	34.8	
		Subtotal	62,740	100		74,137	100		11,397	18.2	
	Real estate business and other			2,267		3.5			2,565	3.3	
	Total			65,007	100		76,703	100		11,695	18.0
	Period-end backlog	Civil engineering	Domestic public sector	83,525	69.2	48.2	54,856	67.1	40.7	(28,669)	(34.3)
Domestic private sector			27,337	22.6	23,881		29.2	(3,456)		(12.6)	
Overseas			9,843	8.2	3,047		3.7	(6,796)		(69.0)	
Subtotal			120,706	100	81,784		100	(38,921)		(32.2)	
Architectural construction		Domestic public sector	33,017	25.5	51.8	26,690	22.4	59.3	(6,326)	(19.2)	
		Domestic private sector	96,639	74.5		92,616	77.6		(4,022)	(4.2)	
		Overseas	—	—		—	—		—	—	
		Subtotal	129,656	100		119,306	100		(10,349)	(8.0)	
Total		Domestic public sector	116,542	46.6	100	81,546	40.6	100	(34,996)	(30.0)	
		Domestic private sector	123,976	49.5		116,497	57.9		(7,478)	(6.0)	
		Overseas	9,843	3.9		3,047	1.5		(6,796)	(69.0)	
		Total	250,362	100		201,091	100		(49,271)	(19.7)	