

Consolidated Financial Statements
(For the fiscal year ended March 31, 2010)

Consolidated Balance Sheets

(Millions of yen)

	FY2009	FY2010
	As of March 31, 2009	As of March 31, 2010
Assets		
Current assets:		
Cash and deposits	18,318	20,298
Notes receivable, accounts receivable from completed construction contracts and other	64,287	63,092
Short-term investment securities	14,621	8,056
Real estate for sale	1,875	10,016
Costs on uncompleted construction contracts	103,537	57,785
Costs on real estate business	9,380	4,552
Work in process	1,103	1,150
Raw materials and supplies	146	234
Other	15,572	11,555
Allowance for doubtful accounts	(4,316)	(3,802)
Total current assets	224,527	172,940
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	15,577	16,161
Machinery, vehicles, tools, furniture and fixtures	6,285	5,514
Land	16,679	16,679
Lease assets	8	26
Construction in progress	752	39
Accumulated depreciation	(15,182)	(14,284)
Total property, plant and equipment	24,121	24,137
Intangible assets	727	508
Investments and other assets:		
Investment securities	41,708	42,749
Long-term loans receivable	2,515	1,333
Other	1,531	3,541
Allowance for doubtful accounts	(1,454)	(3,451)
Total investments and other assets	44,300	44,172
Total noncurrent assets	69,149	68,818
Total assets	293,677	241,758

(Millions of yen)

	FY2009	FY2010
	As of March 31, 2009	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	75,238	40,145
Short-term loans payable	9,496	10,312
Lease obligations	1	5
Income taxes payable	240	248
Advances received on uncompleted construction contracts	60,769	40,796
Provision for repairs	25	—
Provision for warranties for completed construction	456	407
Provision for bonuses	809	773
Provision for loss on construction contracts	5,132	5,751
Other	12,194	13,036
Total current liabilities	164,364	111,477
Noncurrent liabilities:		
Long-term loans payable	259	229
Lease obligations	6	17
Deferred tax liabilities	6,936	7,805
Provision for retirement benefits	5,638	5,784
Negative goodwill	1,134	850
Other	181	124
Total noncurrent liabilities	14,157	14,812
Total liabilities	178,521	126,290
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,327
Retained earnings	73,347	72,200
Treasury stock	(12,316)	(12,332)
Total shareholders' equity	106,197	105,034
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	8,958	10,434
Total valuation and translation adjustments	8,958	10,434
Total net assets	115,155	115,468
Total liabilities and net assets	293,677	241,758

Consolidated Statements of Income

(Millions of yen)

	FY2009 April 1, 2008 through March 31, 2009	FY2010 April 1, 2009 through March 31, 2010
Net sales:		
Net sales of completed construction contracts	214,835	187,949
Net sales of real estate business and other	12,137	10,544
Total net sales	<u>226,973</u>	<u>198,493</u>
Cost of sales:		
Cost of sales of completed construction contracts	196,679	174,602
Cost of sales on real estate business and other	8,474	7,979
Total cost of sales	<u>205,154</u>	<u>182,581</u>
Gross profit:		
Gross profit on completed construction contracts	18,156	13,346
Gross profit on real estate business and other	3,662	2,565
Total gross profit	<u>21,819</u>	<u>15,911</u>
Selling, general and administrative expenses	<u>17,420</u>	<u>15,047</u>
Operating income (loss)	<u>4,399</u>	<u>864</u>
Non-operating income:		
Interest income	393	241
Dividends income	1,125	714
Amortization of negative goodwill	283	283
Other	158	420
Total non-operating income	<u>1,961</u>	<u>1,660</u>
Non-operating expenses:		
Interest expenses	192	197
Loss on valuation of securities	63	60
Foreign exchange losses	129	—
Other	69	29
Total non-operating expenses	<u>454</u>	<u>286</u>
Ordinary income (loss)	<u>5,906</u>	<u>2,237</u>
Extraordinary income:		
Gain on prior period adjustment	810	333
Gain on sales of noncurrent assets	431	961
Gain on sales of investment securities	685	435
Total extraordinary income	<u>1,927</u>	<u>1,731</u>
Extraordinary loss:		
Loss on prior period adjustment	105	446
Loss on sales of noncurrent assets	13	0
Loss on sales of investment securities	639	1
Loss on valuation of investment securities	2,729	167
Loss on retirement of noncurrent assets	108	228
Special extra retirement payments	4,152	—
Loss on development business cancellation and other	3,274	—
Loss on fire accident	—	1,353
Provision of allowance for doubtful accounts	—	1,022
Total extraordinary loss	<u>11,023</u>	<u>3,220</u>
Income (loss) before income taxes and minority interests	<u>(3,190)</u>	<u>747</u>
Income taxes-current	120	136
Income taxes-deferred	95	(40)
Total income taxes	<u>215</u>	<u>96</u>
Net income (loss)	<u>(3,405)</u>	<u>651</u>

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2009 April 1, 2008 through March 31, 2009	FY2010 April 1, 2009 through March 31, 2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(3,190)	747
Depreciation and amortization	943	956
Amortization of negative goodwill	(283)	(283)
Increase (decrease) in allowance for doubtful accounts	990	1,528
Increase (decrease) in provision for retirement benefits	113	145
Increase (decrease) in provision for bonuses	(245)	(36)
Increase (decrease) in provision for loss on construction contracts	(1,771)	619
Interest and dividends income	(1,519)	(956)
Interest expenses	192	197
Loss (gain) on sales of noncurrent assets	(418)	(961)
Loss (gain) on sales of short-term and long term investment securities	(45)	(433)
Loss (gain) on valuation of short-term and long term investment securities	2,792	227
Special extra retirement payments	4,152	—
Loss on development business cancellation and other	3,274	—
Loss on fire accident	—	1,353
Decrease (increase) in notes and accounts receivable-trade	20,738	(853)
Decrease (increase) in costs on uncompleted construction contracts	(946)	44,337
Decrease (increase) in other inventories	(1,858)	(3,447)
Increase (decrease) in notes and accounts payable-trade	(11,550)	(29,976)
Increase (decrease) in advances received on uncompleted construction contracts	(7,402)	(19,972)
Increase (decrease) in accrued consumption taxes	1,766	(212)
Other, net	2,191	1,287
Subtotal	7,924	(5,733)
Interest and dividends income received	1,522	955
Interest expenses paid	(192)	(197)
Income taxes (paid) refund	(157)	(40)
Payments for special extra retirement payments	(4,153)	—
Net cash provided by (used in) operating activities	4,943	(5,016)

(Millions of yen)

	FY2009 April 1, 2008 through March 31, 2009	FY2010 April 1, 2009 through March 31, 2010
Cash flows from investing activities:		
Net decrease (increase) in time deposits	216	1,539
Purchase of short-term and long term investment securities	(276)	(98)
Proceeds from sales and redemption of short-term and long term investment securities	9,353	1,693
Purchase of property, plant and equipment and intangible assets	(1,972)	(910)
Proceeds from sales of property, plant and equipment and intangible assets	517	998
Payments of loans receivable	(288)	(504)
Collection of loans receivable	257	296
Other, net	80	108
Net cash provided by (used in) investing activities	7,889	3,123
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(1,318)	774
Repayment of long-term loans payable	(157)	(32)
Purchase of treasury stock	(71)	(17)
Proceeds from sales of treasury stock	13	1
Cash dividends paid	(1,803)	(1,800)
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	(3,339)	(1,077)
Effect of exchange rate change on cash and cash equivalents	(127)	(10)
Net increase (decrease) in cash and cash equivalents	9,365	(2,979)
Cash and cash equivalents at beginning of period	21,445	30,811
Cash and cash equivalents at end of period	30,811	27,831

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY 2009 April 1, 2008 through March 31, 2009		FY 2010 April 1, 2009 through March 31, 2010			Change Increase (Decrease)	% Change Increase (Decrease)		
			¥	%	¥	%	¥	%			
Construction orders awarded	Civil engineering	Domestic public sector	51,499	72.9	42.2	33,367	54.9	(18,131)	(35.2)		
		Domestic private sector	20,445	29.0		26,914	44.3	6,469	31.6		
		Overseas	(1,312)	(1.9)		452	0.8	1,765	—		
		Subtotal	70,631	100		60,734	100	(9,896)	(14.0)		
	Architectural construction	Domestic public sector	16,425	16.9	57.8	27,494	25.3	11,068	67.4		
		Domestic private sector	80,275	82.9		81,199	74.7	924	1.2		
		Overseas	184	0.2		7	0.0	(177)	(96.2)		
		Subtotal	96,886	100		108,701	100	11,814	12.2		
	Total	Domestic public sector	67,925	40.6	100	60,861	35.9	(7,063)	(10.4)		
		Domestic private sector	100,720	60.1		108,114	63.8	7,393	7.3		
		Overseas	(1,128)	(0.7)		459	0.3	1,588	—		
		Total	167,517	100		169,436	100	1,918	1.1		
Net sales	Projects completed	Civil engineering	Domestic public sector	35,130	42.8	[38.1]	53,010	64.2	[42.4]	17,880	50.9
			Domestic private sector	38,976	47.4		24,517	29.7	(14,459)	(37.1)	
			Overseas	8,031	9.8		5,046	6.1	(2,985)	(37.2)	
			Subtotal	82,138	100		82,573	100	41.4	434	0.5
		Architectural construction	Domestic public sector	12,414	9.3	[61.9]	17,260	15.4	[57.6]	4,846	39.0
			Domestic private sector	120,743	90.6		94,740	84.6		(26,002)	(21.5)
			Overseas	184	0.1		7	0.0		(177)	(96.2)
			Subtotal	133,342	100		112,008	100		56.1	(21,333)
		Subtotal	Domestic public sector	47,544	22.1	[100]	70,271	36.1	[100]	22,726	47.8
			Domestic private sector	159,720	74.1		119,257	61.3		(40,462)	(25.3)
			Overseas	8,216	3.8		5,053	2.6		(3,163)	(38.5)
			Subtotal	215,481	100		194,582	100		97.5	(20,899)
	Real estate business and other		5,279	2.4		4,979	2.5		(299)	(5.7)	
	Total		220,760	100		199,561	100		(21,198)	(9.6)	
Period-end backlog	Civil engineering	Domestic public sector	103,227	69.2	50.5	83,585	65.7	47.1	(19,642)	(19.0)	
		Domestic private sector	29,942	20.1		32,339	25.4		2,397	8.0	
		Overseas	15,922	10.7		11,329	8.9		(4,593)	(28.8)	
		Subtotal	149,093	100		127,254	100		(21,838)	(14.6)	
	Architectural construction	Domestic public sector	28,524	19.5	49.5	38,758	27.1	52.9	10,233	35.9	
		Domestic private sector	117,791	80.5		104,251	72.9		(13,540)	(11.5)	
		Overseas	—	—		—	—		—	—	
		Subtotal	146,316	100		143,009	100		(3,307)	(2.3)	
	Total	Domestic public sector	131,752	44.6	100	122,343	45.3	100	(9,409)	(7.1)	
		Domestic private sector	147,734	50.0		136,591	50.5		(11,143)	(7.5)	
		Overseas	15,922	5.4		11,329	4.2		(4,593)	(28.8)	
		Total	295,409	100		270,263	100		(25,146)	(8.5)	