

Consolidated Financial Statements
(For the First Quarter of FY2011)

Consolidated Balance Sheets

(Millions of yen)

	Current First Quarter	FY2010
	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets:		
Cash and deposits	24,946	20,298
Notes receivable, accounts receivable from completed construction contracts and other	40,254	63,092
Short-term investment securities	23,701	8,056
Real estate for sale	10,377	10,016
Costs on uncompleted construction contracts	58,511	57,785
Costs on real estate business	4,003	4,552
Work in process	1,462	1,150
Raw materials and supplies	235	234
Other	9,939	11,555
Allowance for doubtful accounts	(2,810)	(3,802)
Total current assets	170,620	172,940
Noncurrent assets:		
Property, plant and equipment	24,293	24,137
Intangible assets	445	508
Investments and other assets:		
Investment securities	38,583	42,749
Other	5,681	4,874
Allowance for doubtful accounts	(3,701)	(3,451)
Total investments and other assets	40,562	44,172
Total noncurrent assets	65,301	68,818
Total assets	235,922	241,758

(Millions of yen)

	Current First Quarter	FY2010
	As of June 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	31,766	40,145
Short-term loans payable	11,851	10,312
Income taxes payable	61	248
Advances received on uncompleted construction contracts	47,300	40,796
Provision	813	1,180
Provision for loss on construction contracts	5,318	5,751
Asset retirement obligations	72	—
Other	13,552	13,042
Total current liabilities	110,736	111,477
Noncurrent liabilities:		
Long-term loans payable	229	229
Provision for retirement benefits	5,513	5,784
Asset retirement obligations	55	—
Negative goodwill	779	850
Other	6,828	7,947
Total noncurrent liabilities	13,407	14,812
Total liabilities	124,143	126,290
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,327
Retained earnings	71,098	72,200
Treasury stock	(12,333)	(12,332)
Total shareholders' equity	103,931	105,034
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	7,846	10,434
Total valuation and translation adjustments	7,846	10,434
Total net assets	111,778	115,468
Total liabilities and net assets	235,922	241,758

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2010	1Q / FY2011
	April 1, 2009 through June 30, 2009	April 1, 2010 through June 30, 2010
Net sales	20,899	30,053
Cost of sales	18,957	26,352
Gross profit	1,941	3,700
Selling, general and administrative expenses	3,960	3,519
Operating income (loss)	(2,019)	181
Non-operating income:		
Interest income	69	52
Dividends income	434	460
Foreign exchange gains	366	—
Amortization of negative goodwill	70	70
Other	58	170
Total non-operating income	999	754
Non-operating expenses:		
Interest expenses	44	46
Other	6	7
Total non-operating expenses	50	54
Ordinary income (loss)	(1,070)	881
Extraordinary income:		
Gain on prior period adjustment	77	5
Gain on sales of noncurrent assets	3	—
Gain on sales of investment securities	20	—
Reversal of allowance for doubtful accounts	635	454
Total extraordinary income	737	459
Extraordinary loss:		
Loss on prior period adjustment	16	7
Loss on retirement of noncurrent assets	34	1
Loss on sales of investment securities	1	—
Loss on valuation of investment securities	449	489
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Total extraordinary losses	503	609
Income (loss) before income taxes and minority interests	(836)	730
Income taxes-current	36	34
Income taxes-deferred	(10)	(0)
Total income taxes	25	33
Income (loss) before minority interests	—	697
Net income (loss)	(861)	697

Consolidated Statements of Cash Flows (Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2010 April 1, 2009 through June 30, 2009	1Q / FY2011 April 1, 2010 through June 30, 2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(836)	730
Depreciation and amortization	213	228
Amortization of negative goodwill	(70)	(70)
Increase (decrease) in allowance for doubtful accounts	(635)	(454)
Increase (decrease) in provision for retirement benefits	27	(271)
Increase (decrease) in provision for loss on construction contracts	403	(432)
Interest and dividends income	(503)	(513)
Interest expenses	44	46
Loss (gain) on sales of noncurrent assets	(3)	—
Loss (gain) on sales of short-term and long term investment securities	(19)	—
Loss (gain) on valuation of short-term and long term investment securities	449	489
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Decrease (increase) in notes and accounts receivable-trade	30,834	21,772
Decrease (increase) in costs on uncompleted construction contracts	(14,341)	(726)
Decrease (increase) in other inventories	(2,327)	(125)
Increase (decrease) in notes and accounts payable-trade	(18,172)	(6,347)
Increase (decrease) in advances received on uncompleted construction contracts	20,030	6,504
Increase (decrease) in accrued consumption taxes	(1,766)	(1,553)
Decrease (increase) in consumption taxes refund receivable	(752)	(611)
Other, net	325	1,432
Subtotal	12,900	20,208
Interest and dividends income received	503	513
Interest expenses paid	(44)	(46)
Income taxes (paid) refund	(191)	(155)
Net cash provided by (used in) operating activities	13,167	20,519

(Millions of yen)

	1Q / FY2010 April 1, 2009 through June 30, 2009	1Q / FY2011 April 1, 2010 through June 30, 2010
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(0)	237
Purchase of short-term and long term investment securities	(6)	(2)
Proceeds from sales and redemption of short-term and long term investment securities	26	57
Purchase of property, plant and equipment and intangible assets	(692)	(188)
Proceeds from sales of property, plant and equipment and intangible assets	7	—
Payments of loans receivable	(291)	(74)
Collection of loans receivable	93	9
Other, net	31	1
Net cash provided by (used in) investing activities	(831)	40
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	2,178	1,603
Repayment of long-term loans payable	(1)	—
Purchase of treasury stock	(6)	(1)
Proceeds from sales of treasury stock	0	—
Cash dividends paid	(1,517)	(1,536)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	652	64
Effect of exchange rate change on cash and cash equivalents	5	(39)
Net increase (decrease) in cash and cash equivalents	12,995	20,585
Cash and cash equivalents at beginning of period	30,811	27,831
Cash and cash equivalents at end of period	43,806	48,416

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			1Q / FY2010 April 1, 2009 through June 30, 2009			1Q / FY2011 April 1, 2010 through June 30, 2010			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	2,845	47.4	30.7	2,058	51.4	27.4	(786)	(27.7)	
		Domestic private sector	2,988	49.8		2,407	60.1		(581)	(19.4)	
		Overseas	165	2.8		(462)	(11.5)		(628)	—	
		Subtotal	5,999	100		4,003	100		(1,996)	(33.3)	
	Architectural construction	Domestic public sector	5,677	41.9	69.3	628	5.9	72.6	(5,049)	(88.9)	
		Domestic private sector	7,879	58.1		9,973	94.1		2,093	26.6	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	13,564	100		10,604	100		(2,960)	(21.8)	
	Total	Domestic public sector	8,523	43.6	100	2,686	18.4	100	(5,836)	(68.5)	
		Domestic private sector	10,868	55.6		12,380	84.8		1,512	13.9	
		Overseas	172	0.8		(460)	(3.2)		(633)	—	
		Total	19,564	100		14,607	100		(4,956)	(25.3)	
Net sales	Projects completed	Civil engineering	Domestic public sector	3,539	44.1	[38.5]	5,656	56.9	[35.0]	2,116	59.8
			Domestic private sector	2,909	36.2	36.6	3,694	37.2	33.7	784	27.0
			Overseas	1,579	19.7		586	5.9		(993)	(62.9)
			Subtotal	8,028	100		9,936	100		1,907	23.8
	Architectural construction	Domestic public sector	714	5.6	[61.5]		3,887	21.1		[65.0]	3,173
		Domestic private sector	12,115	94.4	58.6	14,542	78.9	62.5	2,427	20.0	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	12,836	100		18,432	100		5,595	43.6	
	Subtotal	Domestic public sector	4,254	20.4		[100]	9,543		33.6	[100]	5,289
		Domestic private sector	15,024	72.0	95.2	18,236	64.3	96.2	3,211	21.4	
		Overseas	1,586	7.6		588	2.1		(997)	(62.9)	
		Subtotal	20,865	100		28,368	100		7,503	36.0	
	Real estate business and other			1,054		4.8			1,117	3.8	
	Total			21,919	100		29,486	100		7,566	34.5
Period-end backlog	Civil engineering	Domestic public sector	102,533	69.7	50.0	79,987	65.9	47.3	(22,546)	(22.0)	
		Domestic private sector	30,021	20.4		31,053	25.6		1,031	3.4	
		Overseas	14,509	9.9		10,280	8.5		(4,228)	(29.1)	
		Subtotal	147,064	100		121,320	100		(25,743)	(17.5)	
	Architectural construction	Domestic public sector	33,487	22.8	50.0	35,498	26.3	52.7	2,011	6.0	
		Domestic private sector	113,556	77.2		99,682	73.7		(13,874)	(12.2)	
		Overseas	—	—		—	—		—	—	
		Subtotal	147,044	100		135,181	100		(11,862)	(8.1)	
	Total	Domestic public sector	136,021	46.3	100	115,486	45.0	100	(20,535)	(15.1)	
		Domestic private sector	143,577	48.8		130,735	51.0		(12,842)	(8.9)	
		Overseas	14,509	4.9		10,280	4.0		(4,228)	(29.1)	
		Total	294,108	100		256,502	100		(37,606)	(12.8)	