

Consolidated Financial Statements
(For the Second Quarter of FY2011)

Consolidated Balance Sheets

(Millions of yen)

	Current Second Quarter	FY2010
	As of September 30, 2010	As of March 31, 2010
Assets		
Current assets:		
Cash and deposits	14,065	20,298
Notes receivable, accounts receivable from completed construction contracts and other	48,653	63,092
Short-term investment securities	23,500	8,056
Real estate for sale	10,189	10,016
Costs on uncompleted construction contracts	58,807	57,785
Costs on real estate business	4,029	4,552
Work in process	1,845	1,150
Raw materials and supplies	255	234
Other	9,071	11,555
Allowance for doubtful accounts	(2,944)	(3,802)
Total current assets	167,474	172,940
Noncurrent assets:		
Property, plant and equipment	26,251	24,137
Intangible assets	391	508
Investments and other assets:		
Investment securities	38,161	42,749
Other	5,318	4,874
Allowance for doubtful accounts	(3,336)	(3,451)
Total investments and other assets	40,144	44,172
Total noncurrent assets	66,787	68,818
Total assets	234,261	241,758

(Millions of yen)

	Current Second Quarter	FY2010
	As of September 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	35,673	40,145
Short-term loans payable	11,913	10,312
Income taxes payable	125	248
Advances received on uncompleted construction contracts	44,669	40,796
Provision	1,219	1,180
Provision for loss on construction contracts	5,273	5,751
Asset retirement obligations	72	—
Other	10,566	13,042
Total current liabilities	109,513	111,477
Noncurrent liabilities:		
Long-term loans payable	191	229
Provision for retirement benefits	5,221	5,784
Asset retirement obligations	56	—
Negative goodwill	708	850
Other	6,726	7,947
Total noncurrent liabilities	12,904	14,812
Total liabilities	122,418	126,290
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,327
Retained earnings	71,232	72,200
Treasury stock	(12,337)	(12,332)
Total shareholders' equity	104,061	105,034
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	7,782	10,434
Total valuation and translation adjustments	7,782	10,434
Total net assets	111,843	115,468
Total liabilities and net assets	234,261	241,758

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2010 April 1, 2009 through September 30, 2009	2Q / FY2011 April 1, 2010 through September 30, 2010
Net sales	69,397	66,230
Cost of sales	64,700	58,635
Gross profit	4,696	7,594
Selling, general and administrative expenses	7,216	7,022
Operating income (loss)	(2,519)	572
Non-operating income:		
Interest income	148	122
Dividends income	447	471
Foreign exchange gains	427	—
Amortization of negative goodwill	141	141
Other	184	185
Total non-operating income	1,349	921
Non-operating expenses:		
Interest expenses	92	95
Other	12	38
Total non-operating expenses	105	133
Ordinary income (loss)	(1,275)	1,360
Extraordinary income:		
Gain on prior period adjustment	159	28
Gain on sales of noncurrent assets	20	—
Gain on sales of investment securities	20	32
Reversal of allowance for doubtful accounts	739	347
Total extraordinary income	939	408
Extraordinary loss:		
Loss on prior period adjustment	417	54
Loss on retirement of noncurrent assets	69	2
Loss on sales of investment securities	1	—
Loss on valuation of investment securities	669	711
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Total extraordinary losses	1,158	879
Income (loss) before income taxes and minority interests	(1,493)	890
Income taxes-current	74	68
Income taxes-deferred	2	(8)
Total income taxes	76	59
Income (loss) before minority interests	—	830
Net income (loss)	(1,570)	830

Consolidated Statements of Cash Flows (Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2010 April 1, 2009 through September 30, 2009	2Q / FY2011 April 1, 2010 through September 30, 2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(1,493)	890
Depreciation and amortization	458	475
Amortization of negative goodwill	(141)	(141)
Increase (decrease) in allowance for doubtful accounts	(739)	(347)
Increase (decrease) in provision for retirement benefits	67	(562)
Increase (decrease) in provision for loss on construction contracts	913	(478)
Interest and dividends income	(596)	(594)
Interest expenses	92	95
Loss (gain) on sales of noncurrent assets	(20)	—
Loss (gain) on sales of short-term and long term investment securities	(19)	(32)
Loss (gain) on valuation of short-term and long term investment securities	669	711
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Decrease (increase) in notes and accounts receivable-trade	27,156	13,421
Decrease (increase) in costs on uncompleted construction contracts	(4,492)	(1,022)
Decrease (increase) in other inventories	(2,628)	(366)
Increase (decrease) in notes and accounts payable-trade	(28,586)	(2,584)
Increase (decrease) in advances received on uncompleted construction contracts	6,623	3,873
Increase (decrease) in accrued consumption taxes	(1,766)	(1,553)
Decrease (increase) in consumption taxes refund receivable	(290)	(1,143)
Other, net	(1,653)	(846)
Subtotal	(6,445)	9,904
Interest and dividends income received	595	594
Interest expenses paid	(92)	(95)
Income taxes (paid) refund	10	(82)
Net cash provided by (used in) operating activities	(5,932)	10,321

(Millions of yen)

	2Q / FY2010 April 1, 2009 through September 30, 2009	2Q / FY2011 April 1, 2010 through September 30, 2010
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(230)	211
Purchase of short-term and long term investment securities	(19)	(6)
Proceeds from sales and redemption of short-term and long term investment securities	32	137
Purchase of property, plant and equipment and intangible assets	(829)	(2,339)
Proceeds from sales of property, plant and equipment and intangible assets	25	—
Payments of loans receivable	(319)	(158)
Collection of loans receivable	120	1,499
Other, net	75	1
Net cash provided by (used in) investing activities	<u>(1,146)</u>	<u>(655)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	3,565	1,668
Repayment of long-term loans payable	(12)	(11)
Purchase of treasury stock	(13)	(5)
Proceeds from sales of treasury stock	1	0
Cash dividends paid	(1,789)	(1,788)
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	<u>1,750</u>	<u>(140)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(21)</u>	<u>(47)</u>
Net increase (decrease) in cash and cash equivalents	<u>(5,349)</u>	<u>9,478</u>
Cash and cash equivalents at beginning of period	<u>30,811</u>	<u>27,831</u>
Cash and cash equivalents at end of period	<u>25,461</u>	<u>37,309</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2010 April 1, 2009 through September 30, 2009			2Q / FY2011 April 1, 2010 through September 30, 2010			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	7,108	36.6	36.6	11,477	68.3	39.2	4,369	61.5	
		Domestic private sector	12,523	64.5		5,905	35.1		(6,617)	(52.8)	
		Overseas	(221)	(1.1)		(579)	(3.4)		(357)	—	
		Subtotal	19,410	100		16,804	100		(2,606)	(13.4)	
	Architectural construction	Domestic public sector	6,167	18.4	63.4	2,292	8.8	60.8	(3,875)	(62.8)	
		Domestic private sector	27,390	81.6		23,740	91.2		(3,649)	(13.3)	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	33,564	100		26,035	100		(7,529)	(22.4)	
	Total	Domestic public sector	13,276	25.1	100	13,770	32.1	100	493	3.7	
		Domestic private sector	39,913	75.3		29,646	69.2		(10,267)	(25.7)	
		Overseas	(214)	(0.4)		(577)	(1.3)		(362)	—	
		Total	52,975	100		42,839	100		(10,136)	(19.1)	
Net sales	Projects completed	Civil engineering	Domestic public sector	21,609	66.3	[49.0]	11,537	49.4	[37.2]	(10,071)	(46.6)
			Domestic private sector	8,406	25.8	47.4	10,908	46.7	35.9	2,501	29.8
			Overseas	2,555	7.9		906	3.9		(1,649)	(64.5)
			Subtotal	32,571	100		23,351	100		(9,219)	(28.3)
	Architectural construction	Domestic public sector	2,031	6.0	[51.0]		8,033	20.4		[62.8]	6,001
		Domestic private sector	31,906	94.0	49.3	31,352	79.6	60.6	(554)	(1.7)	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	33,945	100		39,388	100		5,443	16.0	
	Subtotal	Domestic public sector	23,640	35.5		[100]	19,570		31.2	[100]	(4,069)
		Domestic private sector	40,313	60.6	96.7	42,261	67.4	96.5	1,947	4.8	
		Overseas	2,562	3.9		908	1.4		(1,653)	(64.5)	
		Subtotal	66,516	100		62,740	100		(3,776)	(5.7)	
	Real estate business and other		2,238	3.3		2,267	3.5		28	1.3	
	Total		68,755	100	65,007	100	(3,747)	(5.5)			
Period-end backlog	Civil engineering	Domestic public sector	88,727	65.3	48.2	83,525	69.2	48.2	(5,201)	(5.9)	
		Domestic private sector	34,058	25.0		27,337	22.6		(6,721)	(19.7)	
		Overseas	13,145	9.7		9,843	8.2		(3,302)	(25.1)	
		Subtotal	135,931	100		120,706	100		(15,225)	(11.2)	
	Architectural construction	Domestic public sector	32,661	22.4	51.8	33,017	25.5	51.8	355	1.1	
		Domestic private sector	113,275	77.6		96,639	74.5		(16,635)	(14.7)	
		Overseas	—	—		—	—		—	—	
		Subtotal	145,936	100		129,656	100		(16,280)	(11.2)	
	Total	Domestic public sector	121,388	43.1	100	116,542	46.6	100	(4,845)	(4.0)	
		Domestic private sector	147,334	52.3		123,976	49.5		(23,357)	(15.9)	
		Overseas	13,145	4.6		9,843	3.9		(3,302)	(25.1)	
		Total	281,868	100		250,362	100		(31,505)	(11.2)	