

Consolidated Financial Statements
(For the Third Quarter of FY2011)

Consolidated Balance Sheets

(Millions of yen)

	Current Third Quarter	FY2010
	As of December 31, 2010	As of March 31, 2010
Assets		
Current assets:		
Cash and deposits	9,792	20,298
Notes receivable, accounts receivable from completed construction contracts and other	60,466	63,092
Short-term investment securities	24,000	8,056
Real estate for sale	10,969	10,016
Costs on uncompleted construction contracts	52,171	57,785
Costs on real estate business	3,101	4,552
Work in process	2,273	1,150
Raw materials and supplies	270	234
Other	11,197	11,555
Allowance for doubtful accounts	(3,171)	(3,802)
Total current assets	171,072	172,940
Noncurrent assets:		
Property, plant and equipment	26,083	24,137
Intangible assets	326	508
Investments and other assets:		
Investment securities	38,701	42,749
Other	4,838	4,874
Allowance for doubtful accounts	(2,914)	(3,451)
Total investments and other assets	40,624	44,172
Total noncurrent assets	67,034	68,818
Total assets	238,107	241,758

(Millions of yen)

	Current Third Quarter	FY2010
	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	42,439	40,145
Short-term loans payable	12,096	10,312
Income taxes payable	129	248
Advances received on uncompleted construction contracts	38,727	40,796
Provision	783	1,180
Provision for loss on construction contracts	5,529	5,751
Asset retirement obligations	72	—
Other	12,085	13,042
Total current liabilities	111,864	111,477
Noncurrent liabilities:		
Long-term loans payable	191	229
Provision for retirement benefits	4,964	5,784
Asset retirement obligations	56	—
Negative goodwill	638	850
Other	6,608	7,947
Total noncurrent liabilities	12,458	14,812
Total liabilities	124,322	126,290
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,327
Retained earnings	72,794	72,200
Treasury stock	(12,345)	(12,332)
Total shareholders' equity	105,614	105,034
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	8,170	10,434
Total valuation and translation adjustments	8,170	10,434
Total net assets	113,785	115,468
Total liabilities and net assets	238,107	241,758

Consolidated Statements of Income

(Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2010 April 1, 2009 through December 31, 2009	3Q / FY2011 April 1, 2010 through December 31, 2010
Net sales	115,757	116,453
Cost of sales	106,511	104,108
Gross profit	9,246	12,344
Selling, general and administrative expenses	10,784	10,388
Operating income (loss)	(1,538)	1,955
Non-operating income:		
Interest income	192	171
Dividends income	703	728
Amortization of negative goodwill	212	212
Other	470	149
Total non-operating income	1,578	1,262
Non-operating expenses:		
Interest expenses	140	140
Foreign exchange losses	—	56
Other	18	52
Total non-operating expenses	159	249
Ordinary income (loss)	(119)	2,968
Extraordinary income:		
Gain on prior period adjustment	175	46
Gain on sales of noncurrent assets	41	—
Gain on sales of investment securities	21	41
Reversal of allowance for doubtful accounts	504	127
Total extraordinary income	744	215
Extraordinary loss:		
Loss on prior period adjustment	464	68
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	127	4
Loss on reduction of noncurrent assets	0	—
Loss on sales of investment securities	1	—
Loss on valuation of investment securities	680	521
Loss on fire accident	1,692	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Total extraordinary losses	2,967	704
Income (loss) before income taxes and minority interests	(2,342)	2,479
Income taxes-current	111	102
Income taxes-deferred	(4)	(16)
Total income taxes	106	86
Income (loss) before minority interests	—	2,392
Net income (loss)	(2,449)	2,392

Consolidated Statements of Cash Flows (Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2010 April 1, 2009 through December 31, 2009	3Q / FY2011 April 1, 2010 through December 31, 2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(2,342)	2,479
Depreciation and amortization	706	724
Amortization of negative goodwill	(212)	(212)
Increase (decrease) in allowance for doubtful accounts	(504)	(127)
Increase (decrease) in provision for retirement benefits	117	(820)
Increase (decrease) in provision for loss on construction contracts	754	(222)
Interest and dividends income	(895)	(899)
Interest expenses	140	140
Loss (gain) on sales of noncurrent assets	(41)	0
Loss (gain) on sales of short-term and long term investment securities	(20)	(41)
Loss (gain) on valuation of short-term and long term investment securities	680	521
Loss on fire accident	1,692	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Decrease (increase) in notes and accounts receivable-trade	15,911	915
Decrease (increase) in costs on uncompleted construction contracts	3,731	5,613
Decrease (increase) in other inventories	(5,112)	(813)
Increase (decrease) in notes and accounts payable-trade	(30,132)	2,848
Increase (decrease) in advances received on uncompleted construction contracts	(2,176)	(2,068)
Increase (decrease) in accrued consumption taxes	(1,622)	(1,553)
Decrease (increase) in consumption taxes refund receivable	—	(1,767)
Other, net	(746)	1,002
Subtotal	<u>(20,070)</u>	<u>5,828</u>
Interest and dividends income received	894	899
Interest expenses paid	(140)	(140)
Income taxes (paid) refund	(36)	(105)
Net cash provided by (used in) operating activities	<u>(19,353)</u>	<u>6,481</u>

(Millions of yen)

	3Q / FY2010 April 1, 2009 through December 31, 2009	3Q / FY2011 April 1, 2010 through December 31, 2010
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(360)	207
Purchase of short-term and long term investment securities	(84)	(82)
Proceeds from sales and redemption of short-term and long term investment securities	34	146
Purchase of property, plant and equipment and intangible assets	(869)	(2,368)
Proceeds from sales of property, plant and equipment and intangible assets	71	0
Payments of loans receivable	(471)	(217)
Collection of loans receivable	159	1,555
Other, net	75	20
Net cash provided by (used in) investing activities	<u>(1,444)</u>	<u>(737)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	3,059	1,852
Repayment of long-term loans payable	(22)	(41)
Purchase of treasury stock	(15)	(14)
Proceeds from sales of treasury stock	1	0
Cash dividends paid	(1,791)	(1,790)
Other, net	(1)	(5)
Net cash provided by (used in) financing activities	<u>1,230</u>	<u>2</u>
Effect of exchange rate change on cash and cash equivalents	<u>(8)</u>	<u>(45)</u>
Net increase (decrease) in cash and cash equivalents	<u>(19,575)</u>	<u>5,700</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>11,235</u>	<u>33,532</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			3Q / FY2010		3Q / FY2011		Change	% Change			
			April 1, 2009 through		April 1, 2010 through		Increase	Increase			
			December 31, 2009		December 31, 2010		(Decrease)	(Decrease)			
				%		%		%			
Construction orders awarded	Civil engineering	Domestic public sector	13,955	44.0	38.2	19,326	67.0	37.1	5,371	38.5	
		Domestic private sector	17,618	55.5		9,474	32.9		(8,144)	(46.2)	
		Overseas	174	0.5		19	0.1		(154)	(88.5)	
		Subtotal	31,748	100		28,821	100		(2,927)	(9.2)	
	Architectural construction	Domestic public sector	7,323	14.3	61.8	6,111	12.5	62.9	(1,212)	(16.6)	
		Domestic private sector	43,992	85.7		42,719	87.5		(1,273)	(2.9)	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	51,323	100		48,833	100		(2,490)	(4.9)	
	Total	Domestic public sector	21,279	25.6	100	25,438	32.8	100	4,158	19.5	
		Domestic private sector	61,610	74.2		52,193	67.2		(9,417)	(15.3)	
		Overseas	181	0.2		22	0.0		(159)	(87.7)	
		Total	83,071	100		77,654	100		(5,417)	(6.5)	
Net sales	Projects completed	Civil engineering	Domestic public sector	29,039	63.1	[41.3]	21,673	49.8	[39.1]	(7,366)	(25.4)
			Domestic private sector	13,279	28.9	40.2	15,631	36.0	37.9	2,352	17.7
			Overseas	3,667	8.0		6,176	14.2		2,508	68.4
			Subtotal	45,986	100		43,481	100		(2,505)	(5.4)
	Architectural construction	Domestic public sector	13,074	20.0	[58.7]		13,318	19.7		[60.9]	243
		Domestic private sector	52,170	80.0	57.0	54,354	80.3	59.1	2,184	4.2	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	65,251	100		67,675	100		2,423	3.7	
	Subtotal	Domestic public sector	42,114	37.9		[100]	34,991		31.5	[100]	(7,122)
		Domestic private sector	65,449	58.8	97.2	69,985	63.0	97.0	4,536	6.9	
		Overseas	3,674	3.3		6,178	5.5		2,503	68.1	
		Subtotal	111,238	100		111,156	100		(82)	(0.1)	
	Real estate business and other	3,243	2.8	3,440		3.0	196		6.1		
	Total			114,482	100		114,596	100		113	0.1
Period-end backlog	Civil engineering	Domestic public sector	88,143	65.4	50.5	81,238	72.1	47.6	(6,905)	(7.8)	
		Domestic private sector	34,281	25.4		26,182	23.3		(8,098)	(23.6)	
		Overseas	12,429	9.2		5,172	4.6		(7,256)	(58.4)	
		Subtotal	134,854	100		112,594	100		(22,260)	(16.5)	
	Architectural construction	Domestic public sector	22,773	17.2	49.5	31,551	25.4	52.4	8,777	38.5	
		Domestic private sector	109,614	82.8		92,616	74.6		(16,997)	(15.5)	
		Overseas	—	—		—	—		—	—	
		Subtotal	132,388	100		124,167	100		(8,220)	(6.2)	
	Total	Domestic public sector	110,917	41.5	100	112,789	47.6	100	1,872	1.7	
		Domestic private sector	143,895	53.8		118,799	50.2		(25,096)	(17.4)	
		Overseas	12,429	4.7		5,172	2.2		(7,256)	(58.4)	
		Total	267,242	100		236,761	100		(30,480)	(11.4)	