

Consolidated Financial Statements
(For the fiscal year ended March 31, 2011)

Consolidated Balance Sheets

(Millions of yen)

	FY2010	FY2011
	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets:		
Cash and deposits	20,298	25,953
Notes receivable, accounts receivable from completed construction contracts and other	63,092	84,612
Short-term investment securities	8,056	9,001
Real estate for sale	10,016	8,225
Costs on uncompleted construction contracts	57,785	27,281
Costs on real estate business	4,552	3,018
Work in process	1,150	808
Raw materials and supplies	234	698
Other	11,555	8,633
Allowance for doubtful accounts	(3,802)	(3,481)
Total current assets	172,940	164,751
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	16,161	17,331
Machinery, vehicles, tools, furniture and fixtures	5,514	5,431
Land	16,679	17,965
Lease assets	26	40
Construction in progress	39	19
Accumulated depreciation	(14,284)	(14,841)
Total property, plant and equipment	24,137	25,948
Intangible assets	508	269
Investments and other assets:		
Investment securities	42,749	37,702
Long-term loans receivable	1,333	1,086
Other	3,541	4,263
Allowance for doubtful accounts	(3,451)	(4,250)
Total investments and other assets	44,172	38,801
Total noncurrent assets	68,818	65,019
Total assets	241,758	229,771

(Millions of yen)

	FY2010	FY2011
	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	40,145	46,803
Short-term loans payable	10,312	11,290
Lease obligations	5	8
Income taxes payable	248	205
Advances received on uncompleted construction contracts	40,796	25,928
Provision for warranties for completed construction	407	347
Provision for bonuses	773	1,829
Provision for loss on construction contracts	5,751	4,271
Asset retirement obligations	—	71
Other	13,036	12,783
Total current liabilities	111,477	103,541
Noncurrent liabilities:		
Long-term loans payable	229	181
Lease obligations	17	21
Deferred tax liabilities	7,805	6,242
Provision for retirement benefits	5,784	4,683
Asset retirement obligations	—	52
Negative goodwill	850	567
Other	124	94
Total noncurrent liabilities	14,812	11,843
Total liabilities	126,290	115,384
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,326
Retained earnings	72,200	74,006
Treasury stock	(12,332)	(12,348)
Total shareholders' equity	105,034	106,823
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	10,434	7,563
Total accumulated other comprehensive income	10,434	7,563
Total net assets	115,468	114,387
Total liabilities and net assets	241,758	229,771

Consolidated Statements of Income

(Millions of yen)

	FY2010 April 1, 2009 through March 31, 2010	FY2011 April 1, 2010 through March 31, 2011
Net sales:		
Net sales of completed construction contracts	187,949	182,640
Net sales of real estate business and other	10,544	9,976
Total net sales	<u>198,493</u>	<u>192,617</u>
Cost of sales:		
Cost of sales of completed construction contracts	174,602	166,077
Cost of sales on real estate business and other	7,979	7,262
Total cost of sales	<u>182,581</u>	<u>173,340</u>
Gross profit:		
Gross profit on completed construction contracts	13,346	16,562
Gross profit on real estate business and other	2,565	2,713
Total gross profit	<u>15,911</u>	<u>19,276</u>
Selling, general and administrative expenses	<u>15,047</u>	<u>15,896</u>
Operating income (loss)	<u>864</u>	<u>3,380</u>
Non-operating income:		
Interest income	241	214
Dividends income	714	736
Amortization of negative goodwill	283	283
Other	420	202
Total non-operating income	<u>1,660</u>	<u>1,437</u>
Non-operating expenses:		
Interest expenses	197	192
Loss on valuation of securities	60	—
Foreign exchange losses	—	65
Other	29	59
Total non-operating expenses	<u>286</u>	<u>317</u>
Ordinary income (loss)	<u>2,237</u>	<u>4,500</u>
Extraordinary income:		
Gain on prior period adjustment	333	179
Gain on sales of noncurrent assets	961	0
Gain on sales of investment securities	435	43
Total extraordinary income	<u>1,731</u>	<u>223</u>
Extraordinary loss:		
Loss on prior period adjustment	446	180
Loss on sales of noncurrent assets	0	0
Loss on sales of investment securities	1	—
Loss on valuation of investment securities	167	701
Loss on retirement of noncurrent assets	228	7
Loss on reduction of noncurrent assets	—	2
Loss on fire accident	1,353	—
Provision of allowance for doubtful accounts	1,022	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Total extraordinary loss	<u>3,220</u>	<u>1,003</u>
Income (loss) before income taxes and minority interests	<u>747</u>	<u>3,719</u>
Income taxes-current	136	138
Income taxes-deferred	(40)	(23)
Total income taxes	<u>96</u>	<u>114</u>
Income (loss) before minority interests	<u>—</u>	<u>3,604</u>
Net income (loss)	<u>651</u>	<u>3,604</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2010	FY2011
	April 1, 2009 through March 31, 2010	April 1, 2010 through March 31, 2011
Income (loss) before minority interests	—	3,604
Other comprehensive income:		
Valuation difference on available-for-sale securities	—	(2,871)
Total other comprehensive income	—	(2,871)
Comprehensive income	—	733
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	—	733
Comprehensive income attributable to minority interests	—	—

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2010 April 1, 2009 through March 31, 2010	FY2011 April 1, 2010 through March 31, 2011
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	747	3,719
Depreciation and amortization	956	975
Amortization of negative goodwill	(283)	(283)
Increase (decrease) in allowance for doubtful accounts	1,528	1,467
Increase (decrease) in provision for retirement benefits	145	(1,101)
Increase (decrease) in provision for bonuses	(36)	1,056
Increase (decrease) in provision for loss on construction contracts	619	(1,480)
Interest and dividends income	(956)	(951)
Interest expenses	197	192
Loss (gain) on sales of noncurrent assets	(961)	(0)
Loss (gain) on sales of short-term and long term investment securities	(433)	(43)
Loss (gain) on valuation of short-term and long term investment securities	227	701
Loss on fire accident	1,353	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	111
Decrease (increase) in notes and accounts receivable-trade	(853)	(23,642)
Decrease (increase) in costs on uncompleted construction contracts	44,337	30,504
Decrease (increase) in other inventories	(3,447)	3,050
Increase (decrease) in notes and accounts payable-trade	(29,976)	7,364
Increase (decrease) in advances received on uncompleted construction contracts	(19,972)	(14,867)
Increase (decrease) in accrued consumption taxes	(212)	(1,408)
Other, net	1,287	2,482
Subtotal	(5,733)	7,847
Interest and dividends income received	955	951
Interest expenses paid	(197)	(192)
Income taxes (paid) refund	(40)	(110)
Net cash provided by (used in) operating activities	(5,016)	8,495

(Millions of yen)

	FY2010 April 1, 2009 through March 31, 2010	FY2011 April 1, 2010 through March 31, 2011
Cash flows from investing activities:		
Net decrease (increase) in time deposits	1,539	235
Purchase of short-term and long term investment securities	(98)	(112)
Proceeds from sales and redemption of short-term and long term investment securities	1,693	151
Purchase of property, plant and equipment and intangible assets	(910)	(2,397)
Proceeds from sales of property, plant and equipment and intangible assets	998	1
Payments of loans receivable	(504)	(203)
Collection of loans receivable	296	1,562
Other, net	108	29
Net cash provided by (used in) investing activities	<u>3,123</u>	<u>(733)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	774	1,063
Repayment of long-term loans payable	(32)	(50)
Purchase of treasury stock	(17)	(17)
Proceeds from sales of treasury stock	1	0
Cash dividends paid	(1,800)	(1,798)
Other, net	(3)	(7)
Net cash provided by (used in) financing activities	<u>(1,077)</u>	<u>(809)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(10)</u>	<u>(63)</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,979)</u>	<u>6,889</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>27,831</u>	<u>34,720</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY 2010 April 1, 2009 through March 31, 2010		FY 2011 April 1, 2010 through March 31, 2011			Change Increase (Decrease)	% Change Increase (Decrease)		
				%		%		%			
Construction orders awarded	Civil engineering	Domestic public sector	33,367	54.9	35.8	25,500	61.5	(7,867)	(23.6)		
		Domestic private sector	26,914	44.3		15,784	38.0	(11,129)	(41.4)		
		Overseas	452	0.8		220	0.5	(232)	(51.4)		
		Subtotal	60,734	100		41,505	100	(19,229)	(31.7)		
	Architectural construction	Domestic public sector	27,494	25.3	64.2	11,814	12.9	(15,679)	(57.0)		
		Domestic private sector	81,199	74.7		79,519	87.1	(1,680)	(2.1)		
		Overseas	7	0.0		2	0.0	(4)	(65.9)		
		Subtotal	108,701	100		91,336	100	(17,364)	(16.0)		
	Total	Domestic public sector	60,861	35.9	100	37,315	28.1	(23,546)	(38.7)		
		Domestic private sector	108,114	63.8		95,304	71.7	(12,810)	(11.8)		
		Overseas	459	0.3		222	0.2	(237)	(51.6)		
		Total	169,436	100		132,842	100	(36,593)	(21.6)		
Net sales	Projects completed	Civil engineering	Domestic public sector	53,010	64.2	[42.4]	49,211	60.5	[44.5]	(3,799)	(7.2)
			Domestic private sector	24,517	29.7	41.4	25,191	31.0	43.3	674	2.7
			Overseas	5,046	6.1		6,956	8.5		1,910	37.9
			Subtotal	82,573	100		81,359	100		(1,214)	(1.5)
	Architectural construction	Domestic public sector	17,260	15.4	[57.6]		23,364	23.1		[55.5]	6,103
		Domestic private sector	94,740	84.6	56.1	77,914	76.9	53.9	(16,825)	(17.8)	
		Overseas	7	0.0		2	0.0		(4)	(65.9)	
		Subtotal	112,008	100		101,281	100		(10,726)	(9.6)	
	Subtotal	Domestic public sector	70,271	36.1		[100]	72,575		39.7	[100]	2,304
		Domestic private sector	119,257	61.3	97.5	103,105	56.5	97.2	(16,151)	(13.5)	
		Overseas	5,053	2.6		6,959	3.8		1,905	37.7	
		Subtotal	194,582	100		182,640	100		(11,941)	(6.1)	
	Real estate business and other	4,979	2.5	5,328		2.8	348		7.0		
	Total			199,561	100		187,969	100	(11,592)	(5.8)	
Period-end backlog	Civil engineering	Domestic public sector	83,585	65.7	47.1	59,874	68.5	39.6	(23,710)	(28.4)	
		Domestic private sector	32,339	25.4		22,933	26.2		(9,406)	(29.1)	
		Overseas	11,329	8.9		4,592	5.3		(6,736)	(59.5)	
		Subtotal	127,254	100		87,400	100		(39,853)	(31.3)	
	Architectural construction	Domestic public sector	38,758	27.1	52.9	27,208	20.4	60.4	(11,549)	(29.8)	
		Domestic private sector	104,251	72.9		105,856	79.6		1,604	1.5	
		Overseas	—	—		—	—		—	—	
		Subtotal	143,009	100		133,064	100		(9,944)	(7.0)	
	Total	Domestic public sector	122,343	45.3	100	87,082	39.5	100	(35,260)	(28.8)	
		Domestic private sector	136,591	50.5		128,789	58.4		(7,801)	(5.7)	
		Overseas	11,329	4.2		4,592	2.1		(6,736)	(59.5)	
		Total	270,263	100		220,465	100		(49,798)	(18.4)	