

Consolidated Financial Statements
(For the fiscal year ended March 31, 2012)

Consolidated Balance Sheets

(Millions of yen)

	FY2011	FY2012
	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets:		
Cash and deposits	25,953	16,624
Notes receivable, accounts receivable from completed construction contracts and other	84,612	88,491
Short-term investment securities	9,001	9,999
Real estate for sale	8,225	2,058
Costs on uncompleted construction contracts	27,281	21,228
Costs on real estate business	3,018	3,086
Work in process	808	750
Raw materials and supplies	698	392
Deferred tax assets	—	58
Other	8,633	6,950
Allowance for doubtful accounts	(3,481)	(4,460)
Total current assets	164,751	145,178
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	17,331	18,092
Machinery, vehicles, tools, furniture and fixtures	5,431	4,820
Land	17,965	19,767
Lease assets	40	57
Construction in progress	19	82
Accumulated depreciation	(14,841)	(14,585)
Total property, plant and equipment	25,948	28,234
Intangible assets	269	285
Investments and other assets:		
Investment securities	37,702	42,357
Long-term loans receivable	1,086	1,050
Other	4,263	3,842
Allowance for doubtful accounts	(4,250)	(4,093)
Total investments and other assets	38,801	43,156
Total noncurrent assets	65,019	71,677
Total assets	229,771	216,856

(Millions of yen)

	FY2011	FY2012
	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	46,803	46,397
Short-term loans payable	11,290	11,160
Lease obligations	8	15
Income taxes payable	205	184
Advances received on uncompleted construction contracts	25,928	17,830
Provision for warranties for completed construction	347	445
Provision for bonuses	1,829	731
Provision for loss on construction contracts	4,271	4,360
Asset retirement obligations	71	74
Other	12,783	13,884
Total current liabilities	103,541	95,085
Noncurrent liabilities:		
Long-term loans payable	181	154
Lease obligations	21	40
Deferred tax liabilities	6,242	6,150
Provision for retirement benefits	4,683	3,288
Asset retirement obligations	52	50
Negative goodwill	567	283
Other	94	89
Total noncurrent liabilities	11,843	10,056
Total liabilities	115,384	105,141
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	74,006	69,250
Treasury stock	(12,348)	(12,357)
Total shareholders' equity	106,823	102,058
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	7,563	9,655
Total accumulated other comprehensive income	7,563	9,655
Total net assets	114,387	111,714
Total liabilities and net assets	229,771	216,856

Consolidated Statements of Income

(Millions of yen)

	FY2011 April 1, 2010 through March 31, 2011	FY2012 April 1, 2011 through March 31, 2012
Net sales:		
Net sales of completed construction contracts	182,640	163,865
Net sales of real estate business and other	9,976	15,419
Total net sales	<u>192,617</u>	<u>179,284</u>
Cost of sales:		
Cost of sales of completed construction contracts	166,077	154,543
Cost of sales on real estate business and other	7,262	12,509
Total cost of sales	<u>173,340</u>	<u>167,053</u>
Gross profit:		
Gross profit on completed construction contracts	16,562	9,322
Gross profit on real estate business and other	2,713	2,909
Total gross profit	<u>19,276</u>	<u>12,231</u>
Selling, general and administrative expenses	<u>15,896</u>	<u>16,171</u>
Operating income (loss)	<u>3,380</u>	<u>(3,939)</u>
Non-operating income:		
Interest income	214	184
Dividends income	736	767
Amortization of negative goodwill	283	283
Other	202	214
Total non-operating income	<u>1,437</u>	<u>1,450</u>
Non-operating expenses:		
Interest expenses	192	176
Foreign exchange losses	65	121
Other	59	40
Total non-operating expenses	<u>317</u>	<u>339</u>
Ordinary income (loss)	<u>4,500</u>	<u>(2,828)</u>
Extraordinary income:		
Gain on prior period adjustment	179	—
Gain on sales of noncurrent assets	0	7
Gain on sales of investment securities	43	0
Total extraordinary income	<u>223</u>	<u>7</u>
Extraordinary loss:		
Loss on prior period adjustment	180	—
Loss on sales of noncurrent assets	0	—
Impairment loss	—	180
Loss on valuation of investment securities	701	112
Loss on retirement of noncurrent assets	7	60
Loss on reduction of noncurrent assets	2	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	111	—
Total extraordinary losses	<u>1,003</u>	<u>354</u>
Income (loss) before income taxes and minority interests	<u>3,719</u>	<u>(3,175)</u>
Income taxes-current	138	138
Income taxes-deferred	(23)	(355)
Total income taxes	<u>114</u>	<u>(217)</u>
Income (loss) before minority interests	<u>3,604</u>	<u>(2,958)</u>
Net income (loss)	<u>3,604</u>	<u>(2,958)</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2011 April 1, 2010 through March 31, 2011	FY2012 April 1, 2011 through March 31, 2012
Income (loss) before minority interests	3,604	(2,958)
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,871)	2,092
Total other comprehensive income	(2,871)	2,092
Comprehensive income	733	(865)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	733	(865)
Comprehensive income attributable to minority interests	—	—

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2011 April 1, 2010 through March 31, 2011	FY2012 April 1, 2011 through March 31, 2012
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	3,719	(3,175)
Depreciation and amortization	975	777
Impairment loss	—	180
Amortization of negative goodwill	(283)	(283)
Increase (decrease) in allowance for doubtful accounts	1,467	2,909
Increase (decrease) in provision for retirement benefits	(1,101)	(1,394)
Increase (decrease) in provision for bonuses	1,056	(1,097)
Increase (decrease) in provision for loss on construction contracts	(1,480)	88
Interest and dividends income	(951)	(952)
Interest expenses	192	176
Loss (gain) on sales of noncurrent assets	(0)	(7)
Loss (gain) on sales of short-term and long term investment securities	(43)	(0)
Loss (gain) on valuation of short-term and long term investment securities	701	112
Loss on adjustment for changes of accounting standard for asset retirement obligations	111	—
Decrease (increase) in notes and accounts receivable-trade	(23,642)	(5,860)
Decrease (increase) in costs on uncompleted construction contracts	30,504	6,052
Decrease (increase) in other inventories	3,050	6,464
Increase (decrease) in notes and accounts payable-trade	7,364	1,540
Increase (decrease) in advances received on uncompleted construction contracts	(14,867)	(8,098)
Increase (decrease) in accrued consumption taxes	(1,408)	188
Other, net	2,482	1,029
Subtotal	7,847	(1,347)
Interest and dividends income received	951	942
Interest expenses paid	(192)	(176)
Income taxes (paid) refund	(110)	(132)
Net cash provided by (used in) operating activities	8,495	(714)

(Millions of yen)

	FY2011 April 1, 2010 through March 31, 2011	FY2012 April 1, 2011 through March 31, 2012
Cash flows from investing activities:		
Net decrease (increase) in time deposits	235	(871)
Purchase of short-term and long term investment securities	(112)	(11,662)
Proceeds from sales and redemption of short-term and long term investment securities	151	8,205
Purchase of property, plant and equipment and intangible assets	(2,397)	(3,199)
Proceeds from sales of property, plant and equipment and intangible assets	1	8
Payments of loans receivable	(203)	(311)
Collection of loans receivable	1,562	374
Other, net	29	(36)
Net cash provided by (used in) investing activities	<u>(733)</u>	<u>(7,494)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	1,063	(127)
Repayment of long-term loans payable	(50)	(30)
Purchase of treasury stock	(17)	(9)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,798)	(1,798)
Other, net	(7)	(12)
Net cash provided by (used in) financing activities	<u>(809)</u>	<u>(1,976)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(63)</u>	<u>(15)</u>
Net increase (decrease) in cash and cash equivalents	<u>6,889</u>	<u>(10,200)</u>
Cash and cash equivalents at beginning of period	<u>27,831</u>	<u>34,720</u>
Cash and cash equivalents at end of period	<u>34,720</u>	<u>24,520</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY 2011 April 1, 2010 through March 31, 2011			FY 2012 April 1, 2011 through March 31, 2012			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	25,500	61.5	31.2	29,943	61.5	34.7	4,442	17.4	
		Domestic private sector	15,784	38.0		14,969	30.8		(814)	(5.2)	
		Overseas	220	0.5		3,748	7.7		3,527	—	
		Subtotal	41,505	100		48,661	100		7,155	17.2	
	Architectural construction	Domestic public sector	11,814	12.9	68.8	18,564	20.3	65.3	6,749	57.1	
		Domestic private sector	79,519	87.1		72,813	79.7		(6,705)	(8.4)	
		Overseas	2	0.0		—	—		(2)	—	
		Subtotal	91,336	100		91,378	100		41	0.0	
	Total	Domestic public sector	37,315	28.1	100	48,507	34.6	100	11,192	30.0	
		Domestic private sector	95,304	71.7		87,783	62.7		(7,520)	(7.9)	
		Overseas	222	0.2		3,748	2.7		3,525	—	
		Total	132,842	100		140,039	100		7,197	5.4	
Net sales	Projects completed	Civil engineering	Domestic public sector	49,211	60.5	[44.5]	39,817	67.7	[35.9]	(9,393)	(19.1)
			Domestic private sector	25,191	31.0	43.3	16,484	28.0	34.6	(8,706)	(34.6)
			Overseas	6,956	8.5		2,512	4.3		(4,444)	(63.9)
			Subtotal	81,359	100		58,814	100		(22,544)	(27.7)
	Architectural construction	Domestic public sector	23,364	23.1	[55.5]		15,567	14.8		[64.1]	(7,796)
		Domestic private sector	77,914	76.9	53.9	89,483	85.2	61.8	11,568	14.8	
		Overseas	2	0.0		—	—		(2)	—	
		Subtotal	101,281	100		105,051	100		3,769	3.7	
	Subtotal	Domestic public sector	72,575	39.7		[100]	55,385		33.8	[100]	(17,190)
		Domestic private sector	103,105	56.5	97.2	105,967	64.7	96.4	2,862	2.8	
		Overseas	6,959	3.8		2,512	1.5		(4,446)	(63.9)	
		Subtotal	182,640	100		163,865	100		(18,774)	(10.3)	
	Real estate business and other	5,328	2.8	6,168		3.6	839		15.8		
	Total			187,969	100		170,034	100		(17,935)	(9.5)
Period-end backlog	Civil engineering	Domestic public sector	59,874	68.5	39.6	49,999	64.7	39.3	(9,874)	(16.5)	
		Domestic private sector	22,933	26.2		21,419	27.7		(1,514)	(6.6)	
		Overseas	4,592	5.3		5,828	7.6		1,235	26.9	
		Subtotal	87,400	100		77,247	100		(10,153)	(11.6)	
	Architectural construction	Domestic public sector	27,208	20.4	60.4	30,205	25.3	60.7	2,996	11.0	
		Domestic private sector	105,856	79.6		89,186	74.7		(16,669)	(15.7)	
		Overseas	—	—		—	—		—	—	
		Subtotal	133,064	100		119,391	100		(13,673)	(10.3)	
	Total	Domestic public sector	87,082	39.5	100	80,204	40.8	100	(6,877)	(7.9)	
		Domestic private sector	128,789	58.4		110,605	56.2		(18,184)	(14.1)	
		Overseas	4,592	2.1		5,828	3.0		1,235	26.9	
		Total	220,465	100		196,638	100		(23,826)	(10.8)	