

Consolidated Financial Statements
(For the Second Quarter of FY2014)

Consolidated Balance Sheets

(Millions of yen)

	FY2013 As of March 31, 2013	Current Second Quarter As of September 30, 2013
Assets		
Current assets:		
Cash and deposits	13,448	32,576
Notes receivable, accounts receivable from completed construction contracts and other	98,240	68,762
Securities	15,000	8,499
Real estate for sale	678	983
Costs on uncompleted construction contracts	8,484	10,059
Costs on real estate business	2,785	2,607
Work in process	349	830
Raw materials and supplies	159	149
Other	6,942	9,554
Allowance for doubtful accounts	(4,393)	(4,187)
Total current assets	141,696	129,836
Noncurrent assets:		
Property, plant and equipment:		
Land	26,362	27,805
Other, net	9,477	10,019
Total property, plant and equipment	35,839	37,824
Intangible assets	284	255
Investments and other assets:		
Investment securities	55,591	63,933
Other	3,529	3,525
Allowance for doubtful accounts	(2,907)	(2,768)
Total investments and other assets	56,213	64,690
Total noncurrent assets	92,337	102,770
Total assets	234,033	232,606

(Millions of yen)

	FY2013	Current Second Quarter
	As of March 31, 2013	As of September 30, 2013
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	47,488	42,166
Short-term loans payable	16,416	7,982
Income taxes payable	226	138
Advances received on uncompleted construction contracts	9,145	16,476
Provision	2,395	1,488
Provision for loss on construction contracts	1,856	1,474
Asset retirement obligations	74	74
Other	17,819	17,068
Total current liabilities	95,423	86,869
Noncurrent liabilities:		
Long-term loans payable	4,128	5,216
Provision for retirement benefits	2,023	1,453
Asset retirement obligations	51	53
Other	10,483	13,191
Total noncurrent liabilities	16,686	19,915
Total liabilities	112,110	106,785
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	70,136	68,459
Treasury stock	(12,365)	(12,378)
Total shareholders' equity	102,936	101,246
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	18,987	24,574
Total accumulated other comprehensive income	18,987	24,574
Total net assets	121,923	125,821
Total liabilities and net assets	234,033	232,606

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2013 April 1, 2012 through September 30, 2012	2Q / FY2014 April 1, 2013 through September 30, 2013
Net sales	82,696	79,055
Cost of sales	77,531	73,376
Gross profit	5,164	5,679
Selling, general and administrative expenses	6,489	6,590
Operating income (loss)	(1,325)	(911)
Non-operating income:		
Interest income	78	51
Dividends income	635	516
Amortization of negative goodwill	141	—
Reversal of allowance for doubtful accounts	1,695	344
Other	108	272
Total non-operating income	2,660	1,184
Non-operating expenses:		
Interest expenses	86	87
Foreign exchange losses	213	—
Other	13	6
Total non-operating expenses	314	94
Ordinary income (loss)	1,020	178
Extraordinary income:		
Gain on sales of noncurrent assets	0	0
Total extraordinary income	0	0
Extraordinary loss:		
Loss on retirement of noncurrent assets	0	0
Loss on valuation of investment securities	485	—
Loss on valuation of stocks of subsidiaries and affiliates	103	—
Total extraordinary losses	590	0
Income (loss) before income taxes and minority interests	430	177
Income taxes-current	77	68
Income taxes-deferred	17	(11)
Total income taxes	94	57
Income (loss) before minority interests	336	120
Net income (loss)	336	120

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2013 April 1, 2012 through September 30, 2012	2Q / FY2014 April 1, 2013 through September 30, 2013
Income (loss) before minority interests	336	120
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,025)	5,587
Total other comprehensive income	(2,025)	5,587
Comprehensive income	(1,689)	5,708
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(1,689)	5,708
Comprehensive income attributable to minority interests	—	—

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

(Millions of yen)

	2Q / FY2013	2Q / FY2014
	April 1, 2012 through September 30, 2012	April 1, 2013 through September 30, 2013
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	430	177
Depreciation and amortization	382	390
Amortization of negative goodwill	(141)	—
Increase (decrease) in allowance for doubtful accounts	(1,695)	(344)
Increase (decrease) in provision for retirement benefits	(644)	(569)
Increase (decrease) in provision for loss on construction contracts	(660)	(381)
Interest and dividends income	(714)	(567)
Interest expenses	86	87
Loss (gain) on sales of noncurrent assets	(0)	(0)
Loss (gain) on valuation of short-term and long term investment securities	485	—
Loss on valuation of stocks of subsidiaries and affiliates	103	—
Decrease (increase) in notes and accounts receivable-trade	19,528	29,477
Decrease (increase) in costs on uncompleted construction contracts	(469)	(1,575)
Decrease (increase) in other inventories	1,353	(596)
Increase (decrease) in notes and accounts payable-trade	(5,403)	(7,412)
Increase (decrease) in advances received on uncompleted construction contracts	906	7,330
Increase (decrease) in accrued consumption taxes	(333)	(619)
Decrease (increase) in consumption taxes refund receivable	(595)	(436)
Other, net	1,434	(1,140)
Subtotal	14,055	23,819
Interest and dividends income received	713	566
Interest expenses paid	(86)	(87)
Income taxes (paid) refund	(195)	(87)
Net cash provided by (used in) operating activities	14,486	24,210

(Millions of yen)

	2Q / FY2013	2Q / FY2014
	April 1, 2012 through September 30, 2012	April 1, 2013 through September 30, 2013
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(3,000)	(4,046)
Purchase of short-term and long term investment securities	(9)	(4,017)
Proceeds from sales and redemption of short-term and long term investment securities	1,000	3
Purchase of property, plant and equipment and intangible assets	(4,444)	(2,387)
Proceeds from sales of property, plant and equipment and intangible assets	0	0
Payments of loans receivable	(30)	(101)
Collection of loans receivable	46	50
Other, net	28	(3)
Net cash provided by (used in) investing activities	(6,408)	(10,500)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	3,586	(8,430)
Proceeds from long-term loans payable	2,000	1,100
Repayment of long-term loans payable	(11)	(14)
Purchase of treasury stock	(4)	(12)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(1,789)	(1,787)
Other, net	(9)	(17)
Net cash provided by (used in) financing activities	3,772	(9,163)
Effect of exchange rate change on cash and cash equivalents	(12)	34
Net increase (decrease) in cash and cash equivalents	11,837	4,581
Cash and cash equivalents at beginning of period	24,520	28,343
Cash and cash equivalents at end of period	36,358	32,924

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2013 April 1, 2012 through September 30, 2012			2Q / FY2014 April 1, 2013 through September 30, 2013			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	23,685	82.4	34.9	32,272	88.7	32.2	8,587	36.3	
		Domestic private sector	4,844	16.8		4,031	11.1		(812)	(16.8)	
		Overseas	230	0.8		81	0.2		(149)	(64.9)	
		Subtotal	28,760	100		36,385	100		7,624	26.5	
	Architectural construction	Domestic public sector	23,533	43.8	65.1	23,874	31.1	67.8	341	1.4	
		Domestic private sector	28,684	53.4		52,775	68.9		24,090	84.0	
		Overseas	1,484	2.8		—	—		(1,484)	—	
		Subtotal	53,702	100		76,649	100		22,947	42.7	
	Total	Domestic public sector	47,218	57.3	100	56,146	49.7	100	8,928	18.9	
		Domestic private sector	33,528	40.6		56,806	50.2		23,277	69.4	
		Overseas	1,715	2.1		81	0.1		(1,634)	(95.3)	
		Total	82,462	100		113,034	100		30,572	37.1	
Net sales	Projects completed	Civil engineering	Domestic public sector	19,777	70.3	[36.6]	23,047	75.2	[40.3]	3,269	16.5
			Domestic private sector	7,522	26.7	34.7	6,661	21.8	39.1	(860)	(11.4)
			Overseas	856	3.0		915	3.0		59	6.9
			Subtotal	28,156	100		30,624	100		2,468	8.8
		Architectural construction	Domestic public sector	8,823	18.1		[63.4]	9,416		20.8	[59.7]
			Domestic private sector	39,987	81.9	60.1	35,762	78.9	57.9	(4,225)	(10.6)
			Overseas	—	—		145	0.3		145	—
			Subtotal	48,810	100		45,324	100		(3,486)	(7.1)
		Subtotal	Domestic public sector	28,601	37.2		[100]	32,463		42.7	[100]
			Domestic private sector	47,509	61.7	94.8	42,423	55.9	97.0	(5,085)	(10.7)
			Overseas	856	1.1		1,061	1.4		205	24.0
			Subtotal	76,966	100		75,948	100		(1,017)	(1.3)
	Real estate business and other		4,237	5.2	2,376		3.0	(1,861)		(43.9)	
	Total		81,204	100	78,325	100	(2,879)	(3.5)			
	Period-end backlog	Civil engineering	Domestic public sector	53,906	69.2	38.5	65,991	83.4	35.5	12,084	22.4
Domestic private sector			18,741	24.1	10,652		13.4	(8,088)		(43.2)	
Overseas			5,203	6.7	2,511		3.2	(2,692)		(51.7)	
Subtotal			77,851	100	79,155		100	1,303		1.7	
Architectural construction		Domestic public sector	44,915	36.1	61.5	65,331	45.5	64.5	20,416	45.5	
		Domestic private sector	77,883	62.7		77,044	53.6		(839)	(1.1)	
		Overseas	1,484	1.2		1,255	0.9		(228)	(15.4)	
		Subtotal	124,283	100		143,632	100		19,348	15.6	
Total		Domestic public sector	98,822	48.9	100	131,323	58.9	100	32,501	32.9	
		Domestic private sector	96,624	47.8		87,697	39.4		(8,927)	(9.2)	
		Overseas	6,687	3.3		3,766	1.7		(2,920)	(43.7)	
		Total	202,134	100		222,787	100		20,652	10.2	