

Consolidated Financial Statements
(For the Second Quarter of FY2015)

Consolidated Balance Sheets

(Millions of yen)

	FY2014	Current Second Quarter
	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets:		
Cash and deposits	19,292	33,065
Notes receivable, accounts receivable from completed construction contracts and other	97,253	69,992
Securities	7,000	5,000
Real estate for sale	1,034	686
Costs on uncompleted construction contracts	7,718	9,695
Costs on real estate business	2,340	2,628
Work in process	630	1,202
Raw materials and supplies	131	131
Other	8,723	12,721
Allowance for doubtful accounts	(4,261)	(1,158)
Total current assets	139,864	133,966
Non-current assets:		
Property, plant and equipment:		
Land	27,669	27,669
Other, net	9,804	10,119
Total property, plant and equipment	37,473	37,789
Intangible assets	237	283
Investments and other assets:		
Investment securities	60,972	63,977
Net defined benefit asset	435	—
Other	3,447	6,039
Allowance for doubtful accounts	(2,768)	(5,415)
Total investments and other assets	62,087	64,601
Total non-current assets	99,799	102,673
Total assets	239,663	236,640

(Millions of yen)

	FY2014	Current Second Quarter
	As of March 31, 2014	As of September 30, 2014
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	55,548	48,464
Short-term loans payable	7,524	8,878
Income taxes payable	291	242
Advances received on uncompleted construction contracts	10,610	10,569
Provision	2,927	1,839
Provision for loss on construction contracts	1,876	2,600
Asset retirement obligations	73	77
Other	14,393	14,974
Total current liabilities	93,244	87,648
Non-current liabilities:		
Long-term loans payable	5,208	5,188
Net defined benefit liability	—	302
Asset retirement obligations	51	74
Other	12,365	13,102
Total non-current liabilities	17,626	18,668
Total liabilities	110,871	106,317
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,326	25,326
Retained earnings	72,094	71,489
Treasury shares	(12,390)	(12,408)
Total shareholders' equity	104,869	104,246
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	22,753	24,847
Remeasurements of defined benefit plans	1,169	1,229
Total accumulated other comprehensive income	23,923	26,076
Total net assets	128,792	130,323
Total liabilities and net assets	239,663	236,640

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2014 April 1, 2013 through September 30, 2013	2Q / FY2015 April 1, 2014 through September 30, 2014
Net sales	79,055	91,272
Cost of sales	73,376	83,496
Gross profit	5,679	7,776
Selling, general and administrative expenses	6,590	6,439
Operating income (loss)	(911)	1,336
Non-operating income:		
Interest income	51	52
Dividend income	516	558
Reversal of allowance for doubtful accounts	344	456
Other	272	296
Total non-operating income	1,184	1,363
Non-operating expenses:		
Interest expenses	87	77
Other	6	31
Total non-operating expenses	94	109
Ordinary income	178	2,590
Extraordinary income:		
Gain on sales of non-current assets	0	0
Other	—	0
Total extraordinary income	0	0
Extraordinary losses:		
Loss on retirement of non-current assets	0	17
Loss on valuation of investment securities	—	22
Other	—	0
Total extraordinary losses	0	39
Income before income taxes and minority interests	177	2,551
Income taxes - current	68	155
Income taxes - deferred	(11)	(3)
Total income taxes	57	151
Income before minority interests	120	2,399
Net income	120	2,399

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2014 April 1, 2013 through September 30, 2013	2Q / FY2015 April 1, 2014 through September 30, 2014
Income before minority interests	120	2,399
Other comprehensive income:		
Valuation difference on available-for-sale securities	5,587	2,093
Remeasurements of defined benefit plans, net of tax	—	60
Total other comprehensive income	5,587	2,153
Comprehensive income	5,708	4,553
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,708	4,553
Comprehensive income attributable to minority interests	—	—

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

(Millions of yen)

	2Q / FY2014	2Q / FY2015
	April 1, 2013 through September 30, 2013	April 1, 2014 through September 30, 2014
Cash flows from operating activities:		
Income before income taxes and minority interests	177	2,551
Depreciation	390	412
Loss on retirement of non-current assets	0	17
Increase (decrease) in allowance for doubtful accounts	(344)	(456)
Increase (decrease) in provision for retirement benefits	(569)	—
Increase (decrease) in net defined benefit liability	—	(563)
Increase (decrease) in provision for loss on construction contracts	(381)	723
Interest and dividend income	(567)	(611)
Interest expenses	87	77
Loss (gain) on sales of non-current assets	(0)	(0)
Loss (gain) on valuation of short-term and long-term investment securities	—	22
Decrease (increase) in notes and accounts receivable - trade	29,477	24,613
Decrease (increase) in costs on uncompleted construction contracts	(1,575)	(1,977)
Decrease (increase) in other inventories	(596)	(511)
Increase (decrease) in notes and accounts payable - trade	(7,412)	(8,597)
Increase (decrease) in advances received on uncompleted construction contracts	7,330	(40)
Other, net	(2,197)	(2,979)
Subtotal	23,819	12,682
Interest and dividend income received	566	610
Interest expenses paid	(87)	(77)
Income taxes (paid) refund	(87)	(315)
Net cash provided by (used in) operating activities	24,210	12,899

(Millions of yen)

	2Q / FY2014	2Q / FY2015
	April 1, 2013 through September 30, 2013	April 1, 2014 through September 30, 2014
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(4,046)	(150)
Purchase of short-term and long-term investment securities	(4,017)	(1,022)
Proceeds from sales and redemption of short-term and long-term investment securities	3	1,422
Purchase of property, plant and equipment and intangible assets	(2,387)	(450)
Proceeds from sales of property, plant and equipment and intangible assets	0	0
Payments of loans receivable	(101)	(1,099)
Collection of loans receivable	50	423
Other, net	(3)	84
Net cash provided by (used in) investing activities	(10,500)	(790)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(8,430)	1,338
Proceeds from long-term loans payable	1,100	—
Repayments of long-term loans payable	(14)	(21)
Purchase of treasury shares	(12)	(18)
Proceeds from sales of treasury shares	0	0
Cash dividends paid	(1,787)	(1,778)
Other, net	(17)	(19)
Net cash provided by (used in) financing activities	(9,163)	(499)
Effect of exchange rate change on cash and cash equivalents	34	10
Net increase (decrease) in cash and cash equivalents	4,581	11,620
Cash and cash equivalents at beginning of period	28,343	26,245
Cash and cash equivalents at end of period	32,924	37,865

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2014 April 1, 2013 through September 30, 2013			2Q / FY2015 April 1, 2014 through September 30, 2014			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	32,272	88.7	32.2	17,113	64.4	40.1	(15,158)	(47.0)	
		Domestic private sector	4,031	11.1		9,192	34.6		5,161	128.0	
		Overseas	81	0.2		260	1.0		179	221.4	
		Subtotal	36,385	100		26,567	100		(9,817)	(27.0)	
	Architectural construction	Domestic public sector	23,874	31.1	67.8	8,268	20.8	59.9	(15,605)	(65.4)	
		Domestic private sector	52,775	68.9		31,479	79.2		(21,295)	(40.4)	
		Overseas	—	—		—	—		—	—	
		Subtotal	76,649	100		39,748	100		(36,901)	(48.1)	
	Total	Domestic public sector	56,146	49.7	100	25,382	38.3	100	(30,764)	(54.8)	
		Domestic private sector	56,806	50.2		40,672	61.3		(16,134)	(28.4)	
		Overseas	81	0.1		260	0.4		179	221.4	
		Total	113,034	100		66,315	100		(46,719)	(41.3)	
Net sales	Projects completed	Civil engineering	Domestic public sector	23,047	75.2	[40.3]	29,671	77.2	[44.0]	6,624	28.7
			Domestic private sector	6,661	21.8	39.1	7,202	18.8	42.8	540	8.1
			Overseas	915	3.0		1,540	4.0		624	68.2
			Subtotal	30,624	100		38,413	100		7,789	25.4
	Architectural construction	Domestic public sector	9,416	20.8	[59.7]		18,933	38.8		[56.0]	9,517
		Domestic private sector	35,762	78.9	57.9	29,624	60.6	54.4	(6,137)	(17.2)	
		Overseas	145	0.3		308	0.6		162	111.3	
		Subtotal	45,324	100		48,866	100		3,541	7.8	
	Subtotal	Domestic public sector	32,463	42.7		[100]	48,605		55.7	[100]	16,141
		Domestic private sector	42,423	55.9	97.0	36,826	42.2	97.2	(5,597)	(13.2)	
		Overseas	1,061	1.4		1,848	2.1		787	74.2	
		Subtotal	75,948	100		87,279	100		11,331	14.9	
	Real estate business and other			2,376		3.0			2,469	2.8	
	Total			78,325	100		89,749	100		11,424	14.6
	Period-end backlog	Civil engineering	Domestic public sector	65,991	83.4	35.5	77,097	83.7	45.9	11,106	16.8
Domestic private sector			10,652	13.4	14,513		15.8	3,860		36.2	
Overseas			2,511	3.2	481		0.5	(2,029)		(80.8)	
Subtotal			79,155	100	92,092		100	12,937		16.3	
Architectural construction		Domestic public sector	65,331	45.5	64.5	54,234	49.9	54.1	(11,097)	(17.0)	
		Domestic private sector	77,044	53.6		53,502	49.3		(23,542)	(30.6)	
		Overseas	1,255	0.9		837	0.8		(418)	(33.3)	
		Subtotal	143,632	100		108,573	100		(35,058)	(24.4)	
Total		Domestic public sector	131,323	58.9	100	131,331	65.4	100	8	0.0	
		Domestic private sector	87,697	39.4		68,015	33.9		(19,681)	(22.4)	
		Overseas	3,766	1.7		1,319	0.7		(2,447)	(65.0)	
		Total	222,787	100		200,666	100		(22,121)	(9.9)	