

# Summary of 2nd Quarter (cumulative) Financial Results FY2008 ending March 2009 OBAYASHI CORPORATION

Disclaimer: This financial information, a digest of Obayashi Corporation's news release "Summary of 2nd Quarter Financial Results FY2008 ending March 2009" ("Kessan Tanshin") announced at the Tokyo Stock Exchange on November 12, 2008, was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this document, Japanese "Kessan Tanshin" will prevail. The numbers shown as "Forecast", "Plan" or any other words and phrases relating to any future events provided in this document are based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

(Rounded down to the nearest million yen)

## 1. Summary of the 2nd Quarter Results for FY2008 ending March 2009 (April 1, 2008 - September 30, 2008)

### (1) Consolidated Business Results (Cumulative)

(% shows the change from the result of the same quarter of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
2nd Quarter of FY2008	787,434	-	6,666	-	10,128	-	4,757	-
2nd Quarter of FY2007	646,711	0.3	7,234	-26.5	9,890	-22.1	4,985	-63.2

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
2nd Quarter of FY2008	6.61	-
2nd Quarter of FY2007	6.93	-

### (2) Changes in Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
2nd Quarter of FY2008	1,797,488	452,972	23.8	594.39
FY2007 ended Mar. 2008	1,854,071	477,504	24.3	625.06

## 2. Dividends

	Dividend per share (Unit: yen)				
(Record date)	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full-year
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2007 ended Mar. 2008	-	4.00	-	4.00	8.00
FY2008 ended Mar. 2009	-	4.00	-	-	-
FY2008 ended Mar. 2009 (Forecast)	-	-	-	4.00	8.00

\* The dividend payout forecast was not revised in the 2nd quarter.

\* The forecasts above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

## 3. Consolidated Forecast for FY2008 ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows the change from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Earnings per Share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,770,000	4.6	30,000	4.6	35,000	8.3	17,000	-8.6	23.62

\* The consolidated forecast was revised in the 2nd quarter.

\* The forecasts above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

## Reference: Summary of Non-consolidated Financial Results

Reference 1: Summary of Non-consolidated 2nd Quarter Results (April 1, 2008 - September 30, 2008)

(1) Non-consolidated Business Results (Cumulative) (% shows the change from the result of the same quarter of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
2nd Quarter of FY2008	608,045	-	1,053	-	4,814	-	2,914	-
2nd Quarter of FY2007	549,729	2.4	4,801	-33.9	7,490	-26.2	4,404	-58.0

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
2nd Quarter of FY2008	4.05	-
2nd Quarter of FY2007	6.12	-

(2) Changes in Non-consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
2nd Quarter of FY2008	1,438,245	396,299	27.6	550.70
FY2007 ended Mar. 2008	1,491,691	418,135	28.0	580.96

Reference 2: Non-consolidated Forecast for the Year Ending March 2009 (April 1, 2008 - March 31, 2009)

(% shows the change from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Earnings per Share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full-year	1,380,000	-0.6	17,000	-7.4	21,500	-0.7	12,000	-20.5	16.68

\* The non-consolidated forecast was revised in the 2nd quarter.

\* The forecast above was prepared on the basis of information available at the time of the release of this document.

Due to various factors, the actual result may vary from the forecast data.

Note: This quarterly non-consolidated summary was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

## Quick Review of Consolidated and Non-consolidated Results of 2Q (cumulative) of FY2008

(as against the result of 2Q of FY2007)

(Unit: 100 million yen)

	Consolidated					Non-consolidated (for reference)						
	2Q / FY 2008 April 1, 2008 - September 30, 2008		2Q / FY 2007 April 1, 2007 - September 30, 2007		Variance	Variance rate	2Q / FY 2008 April 1, 2008 - September 30, 2008		2Q / FY 2007 April 1, 2007 - September 30, 2007		Variance	Variance rate
Net sales of completed construction contracts	%	7,596	%	6,068	1,528	25.2	%	5,973	%	5,272	701	13.3
Civil Engineering		—		—	—	—		1,607		1,156	450	39.0
Building Construction		—		—	—	—		4,366		4,115	250	6.1
Gross profit on completed construction contracts	5.5	415	5.2	316	98	31.2	4.8	283	4.7	250	33	13.4
Civil Engineering		—		—	—	—	4.8	77	3.3	38	38	100.1
Building Construction		—		—	—	—	4.7	206	5.1	211	-5	-2.4
Net sales of real estate and other businesses		277		399	-121	-30.4		106		225	-118	-52.6
Gross profit on real estate business and other businesses	20.8	57	31.4	125	-67	-53.9	25.4	27	39.9	89	-62	-69.8
<b>Net sales</b>		<b>7,874</b>		<b>6,467</b>	<b>1,407</b>	<b>21.8</b>		<b>6,080</b>		<b>5,497</b>	<b>583</b>	<b>10.6</b>
Gross profit	6.0	473	6.8	441	31	7.1	5.1	310	6.2	340	-29	-8.6
Selling, general and administrative expenses	5.2	406	5.7	369	37	10.0	4.9	300	5.3	292	8	2.9
(Personnel expenses)		(229)		(214)	(15)	(7.4)		(168)		(167)	(0)	(0.5)
(Others)		(176)		(155)	(21)	(13.6)		(131)		(124)	(7)	(6.0)
<b>Operating Income</b>	<b>0.8</b>	<b>66</b>	<b>1.1</b>	<b>72</b>	<b>-5</b>	<b>-7.9</b>	<b>0.2</b>	<b>10</b>	<b>0.9</b>	<b>48</b>	<b>-37</b>	<b>-78.1</b>
Non-operating income		55		52	2	5.4		56		51	5	9.8
Non-operating expenses		21		26	-5	-19.7		19		24	-5	-22.6
(interests received/paid and dividend income - net)		(32)		(34)	(-2)	(-6.7)		(38)		(39)	(-0)	(-1.9)
<b>Ordinary income</b>	<b>1.3</b>	<b>101</b>	<b>1.5</b>	<b>98</b>	<b>2</b>	<b>2.4</b>	<b>0.8</b>	<b>48</b>	<b>1.4</b>	<b>74</b>	<b>-26</b>	<b>-35.7</b>
Extraordinary income		52		23	28	118.0		51		21	29	136.9
Extraordinary loss		56		22	33	148.1		53		12	41	335.9
Income before income taxes	1.2	96	1.5	99	-3	-3.4	0.8	45	1.5	84	-38	-45.8
Total income taxes		35		45	-10	-22.4		16		40	-23	-58.9
Minority interests in income (deduction)		13		4	9	193.3		—		—	—	—
<b>Net income</b>	<b>0.6</b>	<b>47</b>	<b>0.8</b>	<b>49</b>	<b>-2</b>	<b>-4.6</b>	<b>0.5</b>	<b>29</b>	<b>0.8</b>	<b>44</b>	<b>-14</b>	<b>-33.8</b>

## Orders Received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	2Q / FY 2008 April 1, 2008 - September 30, 2008		2Q / FY 2007 April 1, 2007 - September 30, 2007		Variance	Variance rate (%)	2Q / FY 2008 April 1, 2008 - September 30, 2008		2Q / FY 2007 April 1, 2007 - September 30, 2007		Variance	Variance rate (%)
Civil Engineering		1,835		1,122	713	63.6		1,517		775	742	95.7
(Domestic)		(1,237)		(853)	(384)	(45.0)		(919)		(506)	(413)	(81.6)
(Overseas)		(598)		(269)	(329)	(122.3)		(598)		(269)	(329)	(122.3)
Building Construction		6,346		4,824	1,521	31.5		5,313		4,143	1,170	28.2
(Domestic)		(5,642)		(4,045)	(1,597)	(39.5)		(5,322)		(3,976)	(1,345)	(33.8)
(Overseas)		(703)		(779)	(-75)	(-9.7)		(-8)		(166)	(-175)	(-)
Construction Total		8,182		5,947	2,234	37.6		6,831		4,918	1,912	38.9
(Domestic)		(6,879)		(4,898)	(1,981)	(40.5)		(6,241)		(4,482)	(1,759)	(39.2)
(Overseas)		(1,302)		(1,048)	(253)	(24.2)		(589)		(435)	(153)	(35.2)
Real Estate and others		193		300	-107	-35.7		114		196	-82	-41.9
Total orders received		8,375		6,248	2,127	34.1		6,945		5,114	1,830	35.8

## Interest-bearing loan balances

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	2Q / FY 2008 September 30, 2008		FY 2007 March 31, 2008		Variance	Variance rate (%)	2Q / FY 2008 September 30, 2008		FY 2007 March 31, 2008		Variance	Variance rate (%)
Interest-bearing loan (except PFI related)		2,526		2,424	101	4.2		1,929		1,788	140	7.9
PFI and other project finance loan		975		853	121	14.2		—		—	—	—
Interest-bearing loan total		3,501		3,278	223	6.8		1,929		1,788	140	7.9

Note: This review of results was prepared in accordance with the Japanese accounting standard for quarterly financial statements. The unit used is 100 million yen or Japanese "oku-en".

## Quick Overview of Consolidated and Non-consolidated Forecasts for FY2008

(as against the result of FY2007)

(Unit: 100 million yen)

	Consolidated					Non-consolidated (for reference)						
	FY 2008 April 1, 2008 - March 31, 2009		FY 2007 April 1, 2007 - March 31, 2008		Variance	Variance rate	FY 2008 April 1, 2008 - March 31, 2009		FY 2007 April 1, 2007 - March 31, 2008		Variance	Variance rate
Net sales of completed construction contracts	%	17,100	%	15,906	1,193	7.5	%	13,500	%	13,362	137	1.0
Civil Engineering		—		—	—	—		3,900		3,151	748	23.7
Building Construction		—		—	—	—		9,600		10,210	-610	-6.0
Gross profit on completed construction contracts	5.6	960	4.8	767	192	25.0	5.0	674	4.1	544	129	23.7
Civil Engineering		—		—	—	—	4.5	174	3.2	99	74	75.2
Building Construction		—		—	—	—	5.2	500	4.4	445	54	12.3
Net sales of real estate and other businesses		600		1,009	-409	-40.6		300		520	-220	-42.4
Gross profit on real estate business and other businesses	25.0	150	29.9	301	-151	-50.3	30.3	91	44.4	230	-139	-60.6
<b>Net sales</b>		<b>17,700</b>		<b>16,916</b>	<b>783</b>	<b>4.6</b>		<b>13,800</b>		<b>13,882</b>	<b>-82</b>	<b>-0.6</b>
Gross profit	6.3	1,110	6.3	1,069	40	3.8	5.5	765	5.6	775	-10	-1.4
Selling, general and administrative expenses	4.6	810	4.6	782	27	3.5	4.3	595	4.3	592	2	0.5
(Personnel expenses)		(460)		(449)	(10)	(2.4)		(330)		(332)	(-2)	(-0.7)
(Others)		(350)		(333)	(16)	(5.0)		(265)		(259)	(5)	(2.1)
<b>Operating Income</b>	<b>1.7</b>	<b>300</b>	<b>1.7</b>	<b>286</b>	<b>13</b>	<b>4.6</b>	<b>1.2</b>	<b>170</b>	<b>1.3</b>	<b>183</b>	<b>-13</b>	<b>-7.4</b>
Non-operating income		95		102	-7	-7.0		90		91	-1	-1.5
Non-operating expenses		45		65	-20	-31.5		45		58	-13	-22.9
(interests received/paid and dividend income - net)		(44)		(56)	(-12)	(-21.9)		(54)		(62)	(-8)	(-13.1)
<b>Ordinary income</b>	<b>2.0</b>	<b>350</b>	<b>1.9</b>	<b>323</b>	<b>26</b>	<b>8.3</b>	<b>1.6</b>	<b>215</b>	<b>1.6</b>	<b>216</b>	<b>-1</b>	<b>-0.7</b>
Extraordinary income		60		168	-108	-64.5		60		163	-103	-63.4
Extraordinary loss		70		98	-28	-29.3		60		82	-22	-27.4
Income before income taxes	1.9	340	2.3	392	-52	-13.5	1.6	215	2.2	297	-82	-27.8
Total income taxes		140		176	-36	-20.7		95		146	-51	-35.3
Minority interests in income (deduction)		30		30	-0	-1.2		—		—	—	—
<b>Net income</b>	<b>1.0</b>	<b>170</b>	<b>1.1</b>	<b>185</b>	<b>-15</b>	<b>-8.6</b>	<b>0.9</b>	<b>120</b>	<b>1.1</b>	<b>150</b>	<b>-30</b>	<b>-20.5</b>

## Orders Received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	FY 2008 April 1, 2008 - March 31, 2009		FY 2007 April 1, 2007 - March 31, 2008		Variance	Variance rate (%)	FY 2008 April 1, 2008 - March 31, 2009		FY 2007 April 1, 2007 - March 31, 2008		Variance	Variance rate (%)
Civil Engineering		3,850		2,668	1,181	44.3		3,100		1,849	1,250	67.6
(Domestic)		(2,750)		(2,043)	(706)	(34.6)		(2,000)		(1,224)	(775)	(63.3)
(Overseas)		(1,100)		(625)	(474)	(75.9)		(1,100)		(625)	(474)	(75.9)
Building Construction		12,100		11,643	456	3.9		10,000		9,562	437	4.6
(Domestic)		(10,600)		(9,481)	(1,118)	(11.8)		(9,900)		(9,125)	(774)	(8.5)
(Overseas)		(1,500)		(2,162)	(-662)	(-30.6)		(100)		(436)	(-336)	(-77.1)
Construction Total		15,950		14,312	1,637	11.4		13,100		11,411	1,688	14.8
(Domestic)		(13,350)		(11,524)	(1,825)	(15.8)		(11,900)		(10,349)	(1,550)	(15.0)
(Overseas)		(2,600)		(2,788)	(-188)	(-6.7)		(1,200)		(1,062)	(137)	(13.0)
Real Estate and others		400		821	-421	-51.3		200		573	-373	-65.1
Total orders received		16,350		15,133	1,216	8.0		13,300		11,985	1,314	11.0

## Interest-bearing loan balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	FY 2008 March 31, 2009	FY 2007 March 31, 2008	Variance	Variance rate (%)	FY 2008 March 31, 2009	FY 2007 March 31, 2008	Variance	Variance rate (%)
Interest-bearing loan (except PFI related)	2,940	2,424	515	21.3	2,400	1,788	611	34.2
PFI and other project finance loan	960	853	106	12.4	—	—	—	—
Interest-bearing loan total	3,900	3,278	621	19.0	2,400	1,788	611	34.2

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data. The data was prepared in accordance with the Japanese accounting standard for quarterly financial statements. The unit used is 100 million yen or Japanese "oku-en".

## Consolidated Quarterly Balance Sheet

(Unit : million yen)

	September 30, 2008	March 31, 2008	Variance *
<b>Assets</b>			
Current assets			
Cash and deposits	113,730	129,680	-15,949
Notes receivable, accounts receivable from completed construction contracts and other	425,802	434,411	-8,609
Short-term investment securities	2,009	1,835	174
Real estate for sale	50,499	41,850	8,649
Costs on uncompleted construction contracts	298,585	276,982	21,602
Inventories for PFI and other project	71,916	61,994	9,921
Other inventories	11,234	8,886	2,347
Deferred tax assets	38,205	40,341	-2,136
Accounts receivable-other	67,185	86,762	-19,577
Other	19,070	15,751	3,318
Allowance for doubtful accounts	-733	-775	42
Total current assets	1,097,505	1,097,722	-216
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	166,575	175,356	-8,780
Machinery, vehicles, tools, furniture and fixtures	72,724	73,094	-369
Land	242,453	249,756	-7,302
Lease assets	2,063	-	2,063
Construction in progress	351	1,112	-760
Accumulated depreciation	-155,886	-158,275	2,388
Total property, plant and equipment	328,282	341,044	-12,762
Intangible assets	7,360	8,183	-823
Investments and other assets			
Investment securities	332,509	374,454	-41,944
Long-term loans receivable	8,587	8,762	-175
Deferred tax assets	3,491	3,522	-31
Other	22,807	23,305	-498
Allowance for doubtful accounts	-3,160	-3,056	-103
Total investments and other assets	364,234	406,988	-42,753
Total noncurrent assets	699,877	756,216	-56,338
Deferred assets	104	132	-27
Total assets	1,797,488	1,854,071	-56,582

\* For reference purpose only

(Unit : million yen)

	September 30, 2008	March 31, 2008	Variance *
<b>Liabilities</b>			
Current liabilities			
Notes payable, accounts payable for construction contracts and other	487,004	524,008	-37,004
Short-term loans payable	78,880	81,515	-2,635
Current portion of PFI and other project finance loan	8,338	10,640	-2,302
Commercial papers	36,000	31,000	5,000
Current portion of bonds	10,000	10,000	-
Lease obligations	790	-	790
Income taxes payable	1,908	13,022	-11,114
Advances received on uncompleted construction contracts	232,075	209,117	22,958
Deposits received	60,885	71,145	-10,260
Provision for warranties for completed construction	1,582	1,590	-8
Provision for loss on construction contracts	13,744	14,573	-829
Other	57,742	63,538	-5,796
Total current liabilities	988,951	1,030,154	-41,202
Noncurrent liabilities			
Bonds payable	40,000	50,000	-10,000
Long-term loans payable	87,740	69,932	17,807
PFI and other project finance loan	89,165	74,732	14,432
Lease obligations	895	-	895
Deferred tax liabilities	12,370	27,869	-15,499
Deferred tax liabilities for land revaluation	28,468	28,469	-0
Provision for retirement benefits	70,068	68,255	1,813
Provision for environmental measures	535	535	-
Other	26,317	26,616	-299
Total noncurrent liabilities	355,563	346,412	9,151
Total liabilities	1,344,515	1,376,566	-32,050
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	-
Capital surplus	41,750	41,750	-
Retained earnings	200,385	198,507	1,878
Treasury stock	-966	-919	-47
Total shareholders' equity	298,922	297,091	1,831
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	103,647	125,499	-21,851
Deferred gains or losses on hedges	-50	-90	39
Revaluation reserve for land	25,946	25,946	-0
Foreign currency translation adjustment	-720	1,428	-2,149
Total valuation and translation adjustments	128,823	152,784	-23,961
Minority interests	25,226	27,628	-2,401
Total net assets	452,972	477,504	-24,532
Total liabilities and net assets	1,797,488	1,854,071	-56,582

\* For reference purpose only

## Consolidated Quarterly Statement of income

(Unit : million yen)

	2Q / FY 2008 From April 1, 2008 to September 30, 2008	2Q / FY 2007 * From April 1, 2007 to September 30, 2007	Variance *
<b>Net sales</b>			
Net sales of completed construction contracts	759,657	606,806	152,851
Net sales of real estate business and other businesses	27,776	39,905	-12,128
<b>Total net sales</b>	<b>787,434</b>	<b>646,711</b>	<b>140,722</b>
<b>Cost of sales</b>			
Cost of sales of completed construction contracts	718,119	575,145	142,973
Cost of sales on real estate business and other businesses	22,005	27,391	-5,385
<b>Total cost of sales</b>	<b>740,124</b>	<b>602,536</b>	<b>137,587</b>
<b>Gross profit</b>			
Gross profit on completed construction contracts	41,538	31,661	9,877
Gross profit on real estate business and other businesses	5,770	12,513	-6,742
<b>Total gross profit</b>	<b>47,309</b>	<b>44,174</b>	<b>3,134</b>
Selling, general and administrative expenses	40,642	36,939	3,702
<b>Operating Income</b>	<b>6,666</b>	<b>7,234</b>	<b>-567</b>
<b>Non-operating income</b>			
Interest income	1,024	1,050	-25
Dividends income	4,013	3,908	105
Other	543	335	207
<b>Total non-operating income</b>	<b>5,581</b>	<b>5,294</b>	<b>287</b>
<b>Non-operating expenses</b>			
Interest expenses	1,669	1,431	238
Foreign exchange losses	30	215	-184
Other	419	992	-572
<b>Total non-operating expenses</b>	<b>2,120</b>	<b>2,638</b>	<b>-518</b>
<b>Ordinary income</b>	<b>10,128</b>	<b>9,890</b>	<b>238</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	4,800	1,711	3,089
Other	407	676	-269
<b>Total extraordinary income</b>	<b>5,208</b>	<b>2,388</b>	<b>2,819</b>
<b>Extraordinary loss</b>			
Loss on valuation of real estate for sale	3,139	-	3,139
Loss on valuation of investment securities	1,810	-	1,810
Other	734	2,291	-1,556
<b>Total extraordinary losses</b>	<b>5,685</b>	<b>2,291</b>	<b>3,394</b>
<b>Income before income taxes and minority interests</b>	<b>9,651</b>	<b>9,987</b>	<b>-336</b>
Income taxes-current	1,948	6,360	-4,412
Income taxes-deferred	1,566	-1,829	3,395
<b>Total income taxes</b>	<b>3,515</b>	<b>4,531</b>	<b>-1,016</b>
Minority interests in income	1,378	470	908
<b>Net income</b>	<b>4,757</b>	<b>4,985</b>	<b>-228</b>

\* For reference purpose only

## Consolidated Quarterly Statement of Cash Flows

(Unit : million yen)

	2Q / FY 2008 From April 1, 2008 to September 30, 2008	2Q / FY 2007 * From April 1, 2007 to September 30, 2007	Variance *
Net cash provided by (used in) operating activities			
Income before income taxes and minority interests	9,651	9,987	-336
Depreciation and amortization	5,375	4,999	375
Increase (decrease) in allowance for doubtful accounts	68	-1,074	1,142
Increase (decrease) in provision for loss on construction contracts	-829	644	-1,473
Increase (decrease) in provision for retirement benefits	1,813	783	1,029
Loss (gain) on valuation of short-term and long term investment securities	1,810	35	1,774
Loss on valuation of real estate for sale	3,139	-	3,139
Interest and dividends income	-5,038	-4,958	-79
Interest expenses	1,669	1,431	238
Loss (gain) on sales of short-term and long term investment securities	-4,799	-1,682	-3,117
Decrease (increase) in notes and accounts receivable-trade	5,502	83,899	-78,397
Decrease (increase) in costs on uncompleted construction contracts	-21,839	-79,925	58,085
Decrease (increase) in inventories	-988	9,187	-10,175
Decrease(Increase) in inventories for PFI and other project	-9,921	-10,412	491
Decrease (increase) in other assets	16,505	-	16,505
Decrease (increase) in notes and accounts receivable-other	-	33,275	-33,275
Increase (decrease) in notes and accounts payable-trade	-33,859	-115,611	81,751
Increase (decrease) in advances received on uncompleted construction contracts	23,777	44,768	-20,991
Increase (decrease) in other liabilities	-15,562	-	-15,562
Increase (decrease) in notes and accounts payable-other	-	-12,275	12,275
Other, net	596	-9,753	10,349
Subtotal	<b>-22,930</b>	<b>-46,679</b>	<b>23,749</b>
Interest and dividends income received	5,026	4,976	50
Interest expenses paid	-1,672	-1,414	-257
Income taxes (paid) refund	-13,038	-7,189	-5,849
Net cash provided by (used in) operating activities	<b>-32,614</b>	<b>-50,307</b>	<b>17,692</b>
Net cash provided by (used in) investment activities			
Purchase of property, plant and equipment and intangible assets	-4,656	-34,581	29,925
Proceeds from sales of property, plant and equipment and intangible assets	53	400	-347
Purchase of short-term and long term investment securities	-511	-5,963	5,451
Proceeds from sales and redemption of short-term and long-term investment securities	7,989	5,916	2,073
Payments of loans receivable	-16	-4,087	4,071
Collection of loans receivable	136	177	-41
Proceeds from acquisition of newly consolidated subsidiaries	-	4,984	-4,984
Other, net	-1,245	-203	-1,041
Net cash provided by (used in) investment activities	<b>1,750</b>	<b>-33,356</b>	<b>35,106</b>

\* For reference purpose only



(Unit : million yen)

	<b>2Q / FY 2008</b> From April 1, 2008 to September 30, 2008	<b>2Q / FY 2007 *</b> From April 1, 2007 to September 30, 2007	<b>Variance *</b>
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	<b>-364</b>	11,902	-12,266
Increase (decrease) in commercial papers	<b>5,000</b>	27,000	-22,000
Repayments of lease obligations	<b>-459</b>	-	-459
Proceeds from long-term loans payable	<b>22,000</b>	26,930	-4,930
Repayment of long-term loans payable	<b>-6,104</b>	-10,679	4,575
Proceeds from PFI and other project finance loan payable	<b>26,186</b>	10,608	15,578
Payment of PFI and other project finance loan payable	<b>-14,056</b>	-4,178	-9,878
Redemption of bonds	<b>-10,000</b>	-10,000	-
Cash dividends paid	<b>-2,878</b>	-4,319	1,440
Cash dividends paid to minority shareholders	<b>-1,752</b>	-348	-1,403
Other, net	<b>-49</b>	-49	-0
Net cash provided by (used in) financing activities	<b>17,521</b>	46,866	-29,344
Effect of exchange rate change on cash and cash equivalents	<b>-3,696</b>	2,300	-5,997
Net increase (decrease) in cash and cash equivalents	<b>-17,040</b>	-34,496	17,455
Cash and cash equivalents at beginning of period	<b>128,537</b>	139,942	-11,405
Cash and cash equivalents at end of period	<b>111,497</b>	105,446	6,050

\* For reference purpose only

## Segment Information

(1) Segment information by type of business  
2nd Quarter Results (April 1, 2008 - September 30, 2008)

(Unit: million yen)

	Construction Business	Real Estate Business	Other Businesses	Total	Eliminations or Corporate	Consolidated
Sales						
(1) External sales	759,657	10,993	16,782	787,434	-	787,434
(2) Intersegment	13,821	542	4,118	18,482	(18,482)	-
Total	773,479	11,536	20,901	805,916	(18,482)	787,434
Operating Income	3,970	1,512	868	6,351	315	6,666

Note: Each segment includes the following businesses:

Construction Business: Civil Engineering, Building Construction, and all other construction related businesses  
Real Estate Business: Purchase and sale, rent, and brokerage of real estate  
Other Businesses: PFI (Private Finance Initiative), finance, operation of golf courses, and other businesses

(2) Segment information by regions  
2nd Quarter Results (April 1, 2008 - September 30, 2008)

(Unit: million yen)

	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Sales							
(1) External sales	670,427	92,701	24,288	16	787,434	-	787,434
(2) Intersegment	37	3	253	0	295	(295)	-
Total	670,465	92,705	24,541	17	787,729	(295)	787,434
Operating Income	3,706	1,789	1,162	7	6,665	1	6,666

Note: Regions shown above (except Japan) include, but are not limited to, the following countries and areas:

North America: United States of America  
Asia: Thailand, Indonesia, Vietnam  
Other Regions: The Netherlands

(3) Overseas sales  
2nd Quarter Results (April 1, 2008 - September 30, 2008)

(Unit: million yen)

	Asia	North America	Other Regions	Total
Overseas sales	111,892	107,180	1,217	220,290
Consolidated sales	_____	_____	_____	787,434
Overseas sales/Consolidated sales (%)	14.2	13.6	0.2	28.0

Note: Regions shown above include, but are not limited to, the following countries and areas:

Asia: United Arab Emirates, Thailand, Taiwan, Vietnam  
North America: United States of America  
Other Regions: United Kingdom

## Non-consolidated Quarterly Balance Sheet

(For reference purpose only)

(Unit: million yen)

	September 30, 2008	March 31, 2008	Variance
<b>Assets</b>			
Current assets			
Cash and deposits	58,444	73,294	-14,849
Notes receivable	6,414	19,087	-12,672
Accounts receivable from completed construction contracts	319,468	299,077	20,390
Accounts receivable from real estate business and other businesses	1,272	3,331	-2,059
Short-term investment securities	11	11	-0
Real estate for sale	48,204	38,522	9,681
Costs on uncompleted construction contracts	278,119	260,383	17,735
Costs paid on real estate business and other businesses	7,712	6,938	773
Raw materials and supplies	1,298	1,000	297
Deferred tax assets	33,182	34,908	-1,726
Accounts receivable-other	61,960	78,954	-16,994
Other	13,834	11,592	2,241
Allowance for doubtful accounts	-338	-577	239
Total current assets	<b>829,584</b>	<b>826,526</b>	<b>3,058</b>
Noncurrent assets			
Property, plant and equipment			
Land	154,635	161,833	-7,197
Other	47,944	54,918	-6,973
Total property, plant and equipment	<b>202,580</b>	<b>216,752</b>	<b>-14,171</b>
Intangible assets	3,979	4,443	-464
Investments and other assets			
Investment securities	328,572	370,091	-41,518
Other	76,021	76,373	-351
Allowance for doubtful accounts	-2,493	-2,495	2
Total investments and other assets	<b>402,100</b>	<b>443,969</b>	<b>-41,868</b>
Total noncurrent assets	<b>608,660</b>	<b>665,165</b>	<b>-56,504</b>
Total assets	<b>1,438,245</b>	<b>1,491,691</b>	<b>-53,446</b>

Note: This quarterly non-consolidated balance sheet was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

(Unit: million yen)

	September 30, 2008	March 31, 2008	Variance
<b>Liabilities</b>			
Current liabilities			
Notes payable	39,791	54,068	-14,277
Accounts payable for construction contracts	359,329	370,456	-11,126
Accounts payable for real estate business and other businesses	1,469	1,092	377
Short-term loans payable	45,784	46,921	-1,136
Commercial papers	36,000	31,000	5,000
Current portion of bonds	10,000	10,000	-
Income taxes payable	826	10,789	-9,962
Advances received on uncompleted construction contracts	211,735	193,975	17,759
Advances received on real estate and other businesses	3,369	2,880	488
Deposits received	57,579	68,301	-10,722
Provision for warranties for completed construction	1,494	1,505	-11
Provision for loss on construction contracts	13,388	14,044	-656
Other	44,538	48,405	-3,866
Total current liabilities	825,306	853,440	-28,134
Noncurrent liabilities			
Bonds payable	40,000	50,000	-10,000
Long-term loans payable	61,158	40,954	20,204
Deferred tax liabilities	8,654	24,168	-15,514
Deferred tax liabilities for land revaluation	21,348	21,348	-
Provision for retirement benefits	63,194	61,359	1,834
Provision for loss on real estate business and other businesses	12,046	12,004	41
Provision for environmental measures	418	418	-
Other	9,817	9,860	-43
Total noncurrent liabilities	216,638	220,115	-3,476
Total liabilities	1,041,945	1,073,555	-31,610
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	-
Capital surplus			
Legal capital surplus	41,694	41,694	-
Total capital surplus	41,694	41,694	-
Retained earnings			
Legal retained earnings	14,438	14,438	-
Other retained earnings	158,902	158,867	35
Reserve for advanced depreciation of non-current assets	1,336	1,358	-21
General reserve	100,000	100,000	-
Retained earnings brought forward	57,565	57,509	56
Total retained earnings	173,340	173,305	35
Treasury stock	-966	-919	-47
Total shareholders' equity	271,821	271,833	-11
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	103,562	125,397	-21,835
Deferred gains or losses on hedges	-3	-14	11
Revaluation reserve for land	20,918	20,918	-
Total valuation and translation adjustments	124,477	146,301	-21,823
Total net assets	396,299	418,135	-21,835
Total liabilities and net assets	1,438,245	1,491,691	-53,446

Note: This quarterly non-consolidated balance sheet was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

## Non-consolidated Statement of Income

(For reference purpose only)

(Unit: million yen)

	2Q / FY 2008 From April 1, 2008 to September 30, 2008	2Q / FY 2007 From April 1, 2007 to September 30, 2007	Variance
<b>Net sales</b>			
Net sales of completed construction contracts	597,370	527,208	70,162
Net sales of real estate business and other businesses	10,674	22,521	-11,846
Total net sales	<u>608,045</u>	<u>549,729</u>	<u>58,315</u>
<b>Cost of sales</b>			
Cost of sales of completed construction contracts	568,985	502,172	66,812
Cost of sales on real estate business and other businesses	7,962	13,545	-5,583
Total cost of sales	<u>576,947</u>	<u>515,718</u>	<u>61,229</u>
<b>Gross profit</b>			
Gross profit on completed construction contracts	28,385	25,035	3,349
Gross profit on real estate business and other businesses	2,712	8,975	-6,262
Total gross profit	<u>31,097</u>	<u>34,010</u>	<u>-2,913</u>
Selling, general and administrative expenses	<u>30,044</u>	<u>29,209</u>	<u>834</u>
Operating Income	<u>1,053</u>	<u>4,801</u>	<u>-3,748</u>
<b>Non-operating income</b>			
Interest income	699	688	10
Dividends income	4,538	4,368	169
Foreign exchange gains	180	-	180
Other	270	122	148
Total non-operating income	<u>5,689</u>	<u>5,179</u>	<u>509</u>
<b>Non-operating expenses</b>			
Interest expenses	1,202	1,020	181
Foreign exchange losses	-	226	-226
Other	725	1,243	-518
Total non-operating expenses	<u>1,927</u>	<u>2,490</u>	<u>-562</u>
Ordinary income	<u>4,814</u>	<u>7,490</u>	<u>-2,676</u>
<b>Extraordinary income</b>			
Gain on sales of investment securities	4,788	1,595	3,193
Other	335	567	-232
Total extraordinary income	<u>5,123</u>	<u>2,162</u>	<u>2,960</u>
<b>Extraordinary loss</b>			
Loss on valuation of real estate for sale	3,193	-	3,193
Loss on valuation of investment securities	1,805	-	1,805
Other	376	1,233	-856
Total extraordinary losses	<u>5,375</u>	<u>1,233</u>	<u>4,142</u>
Income before income taxes	<u>4,563</u>	<u>8,420</u>	<u>-3,857</u>
Income taxes-current	582	4,821	-4,239
Income taxes-deferred	1,066	-805	1,872
Total income taxes	<u>1,648</u>	<u>4,015</u>	<u>-2,366</u>
Net income	<u>2,914</u>	<u>4,404</u>	<u>-1,490</u>

Note: This quarterly non-consolidated statement of income was prepared in accordance with the Japanese accounting standard for quarterly financial statements, although it is not subject to the disclosure legally required by the related authorities.

## Non-Consolidated Orders Received, Net Sales, and Carried-forward

(For reference purpose only)

### 1. Breakdown of non-consolidated orders received

(Unit: million yen)

	2Q / FY2007 (From April 1, 2007 to September 30, 2007)		2Q / FY2008 (From April 1, 2008 to September 30, 2008)		Variance		Previous FY Results (From April 1, 2007 to March 31, 2008)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	8,079	1.6	53,405	7.7	45,326	561.0	37,262	3.1
Domestic Private	42,561	8.3	38,541	5.6	-4,020	-9.4	85,177	7.1
Domestic total	50,640	9.9	91,946	13.3	41,306	81.6	122,439	10.2
Overseas total	26,921	5.3	59,837	8.6	32,916	122.3	62,534	5.2
Subtotal	77,561	15.2	151,784	21.9	74,222	95.7	184,974	15.4
<b>Building Construction</b>								
Domestic Public	24,854	4.9	19,353	2.8	-5,501	-22.1	48,987	4.1
Domestic Private	372,794	72.9	512,893	73.8	140,099	37.6	863,565	72.1
Domestic total	397,649	77.8	532,247	76.6	134,598	33.8	912,552	76.2
Overseas total	16,664	3.2	-890	-0.1	-17,555	-	43,671	3.6
Subtotal	414,314	81.0	531,357	76.5	117,043	28.2	956,223	79.8
<b>Construction Total</b>								
Domestic Public	32,934	6.5	72,759	10.5	39,825	120.9	86,249	7.2
Domestic Private	415,355	81.2	551,434	79.4	136,079	32.8	948,742	79.2
Domestic total	448,289	87.7	624,194	89.9	175,904	39.2	1,034,991	86.4
Overseas total	43,585	8.5	58,946	8.5	15,361	35.2	106,205	8.8
Subtotal	491,875	96.2	683,141	98.4	191,265	38.9	1,141,197	95.2
Real Estate and Other Businesses	19,619	3.8	11,407	1.6	-8,212	-41.9	57,307	4.8
<b>Total</b>	<b>511,495</b>	<b>100.0</b>	<b>694,548</b>	<b>100.0</b>	<b>183,052</b>	<b>35.8</b>	<b>1,198,504</b>	<b>100.0</b>

### 2. Breakdown of non-consolidated net sales

(Unit: million yen)

	2Q / FY2007 (From April 1, 2007 to September 30, 2007)		2Q / FY2008 (From April 1, 2008 to September 30, 2008)		Variance		Previous FY Results (From April 1, 2007 to March 31, 2008)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	32,455	5.9	22,321	3.7	-10,133	-31.2	120,338	8.7
Domestic Private	28,539	5.2	43,062	7.1	14,523	50.9	86,198	6.2
Domestic total	60,994	11.1	65,383	10.8	4,389	7.2	206,536	14.9
Overseas total	54,658	9.9	95,356	15.6	40,697	74.5	108,647	7.8
Subtotal	115,652	21.0	160,739	26.4	45,087	39.0	315,183	22.7
<b>Building Construction</b>								
Domestic Public	20,589	3.7	31,168	5.1	10,579	51.4	80,501	5.8
Domestic Private	378,617	68.9	398,773	65.6	20,155	5.3	916,621	66.0
Domestic total	399,206	72.6	429,941	70.7	30,735	7.7	997,123	71.8
Overseas total	12,348	2.3	6,888	1.1	-5,659	-45.8	23,921	1.8
Subtotal	411,555	74.9	436,630	71.8	25,075	6.1	1,021,045	73.6
<b>Construction Total</b>								
Domestic Public	53,044	9.6	53,490	8.8	445	0.8	200,839	14.5
Domestic Private	407,156	74.1	441,835	72.7	34,678	8.5	1,002,820	72.2
Domestic total	460,201	83.7	495,325	81.5	35,124	7.6	1,203,659	86.7
Overseas total	67,006	12.2	102,044	16.7	35,037	52.3	132,568	9.6
Subtotal	527,208	95.9	597,370	98.2	70,162	13.3	1,336,228	96.3
Real Estate and Other Businesses	22,521	4.1	10,674	1.8	-11,846	-52.6	52,047	3.7
<b>Total</b>	<b>549,729</b>	<b>100.0</b>	<b>608,045</b>	<b>100.0</b>	<b>58,315</b>	<b>10.6</b>	<b>1,388,276</b>	<b>100.0</b>

### 3. Breakdown of non-consolidated amounts carried-forward

(Unit: million yen)

	2Q / FY2007 (September 30, 2007)		2Q / FY2008 (September 30, 2008)		Variance		Previous FY Results (March 31, 2008)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	221,560	13.6	193,944	12.4	-27,616	-12.5	162,860	11.0
Domestic Private	129,767	8.0	110,204	7.1	-19,563	-15.1	114,725	7.8
Domestic total	351,327	21.6	304,148	19.5	-47,179	-13.4	277,585	18.8
Overseas total	160,158	9.8	106,264	6.8	-53,894	-33.7	141,782	9.6
Subtotal	511,486	31.4	410,412	26.3	-101,073	-19.8	419,368	28.4
<b>Building Construction</b>								
Domestic Public	163,183	10.0	115,588	7.4	-47,594	-29.2	127,403	8.7
Domestic Private	912,335	56.1	979,222	62.7	66,886	7.3	865,102	58.6
Domestic total	1,075,519	66.1	1,094,811	70.1	19,292	1.8	992,505	67.3
Overseas total	38,546	2.4	46,400	3.0	7,853	20.4	53,979	3.7
Subtotal	1,114,066	68.5	1,141,212	73.1	27,145	2.4	1,046,485	71.0
<b>Construction Total</b>								
Domestic Public	384,743	23.6	309,533	19.8	-75,210	-19.5	290,263	19.7
Domestic Private	1,042,103	64.1	1,089,426	69.8	47,323	4.5	979,827	66.4
Domestic total	1,426,847	87.7	1,398,959	89.6	-27,887	-2.0	1,270,090	86.1
Overseas total	198,705	12.2	152,665	9.8	-46,040	-23.2	195,762	13.3
Subtotal	1,625,552	99.9	1,551,624	99.4	-73,927	-4.5	1,465,853	99.4
Real Estate and Other Businesses	1,024	0.1	9,918	0.6	8,893	867.7	9,185	0.6
<b>Total</b>	<b>1,626,577</b>	<b>100.0</b>	<b>1,561,543</b>	<b>100.0</b>	<b>-65,034</b>	<b>-4.0</b>	<b>1,475,039</b>	<b>100.0</b>

## 4. Forecasts for the full FY2008 ending March 2009

(Unit: million yen)

	Orders Received		Net Sales	
		% variance from previous FY		% variance from previous FY
<b>Civil Engineering</b>				
Domestic	200,000	63.3	190,000	-8.0
Overseas	110,000	75.9	200,000	84.1
Sub-total	310,000	67.6	390,000	23.7
<b>Building Construction</b>				
Domestic	990,000	8.5	940,000	-5.7
Overseas	10,000	-77.1	20,000	-16.4
Sub-total	1,000,000	4.6	960,000	-6.0
<b>Construction Total</b>				
Domestic	1,190,000	15.0	1,130,000	-6.1
Overseas	120,000	13.0	220,000	66.0
Sub-total	1,310,000	14.8	1,350,000	1.0
Real Estate and Other Businesses	20,000	-65.1	30,000	-42.4
<b>Total</b>	<b>1,330,000</b>	<b>11.0</b>	<b>1,380,000</b>	<b>-0.6</b>

\* The forecast above was prepared on the basis of information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.