

# OBAYASHI CORPORATION

## Summary of the 3rd Quarter (cumulative) Financial Results for FY2009 ending March 2010

(For the first nine months starting from April 1, 2009 and ending December 31, 2009)

Disclaimer: This financial information, a digest of Obayashi Corporation's news release "Summary of the 3rd Quarter (cumulative) Financial Results for FY2009 ending March 2010" ("Kessan Tanshin") announced at the Tokyo Stock Exchange on February 10, 2010, 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 results may vary from the forecast data. Obayashi Corporation (non-consolidated) is called the "Company" hereinafter.

(Rounded down to the nearest million yen)

### 1. Summary of the 3rd Quarter (cumulative) Results for FY2009 ending March 2010 (April 1, 2009 - December 31, 2009)

#### (1) Consolidated Business Results (cumulative)

(% shows the increase (decrease) from the results of the same period of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
3rd Quarter of FY2009	1,008,983	(14.5)	13,525	(5.2)	15,944	(5.8)	4,282	(29.0)
3rd Quarter of FY2008	1,180,620	-	14,270	-	16,921	-	6,031	-

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
3rd Quarter of FY2009	5.96	—
3rd Quarter of FY2008	8.38	—

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At December 31, 2009	1,682,510	422,380	23.6	552.71
At March 31, 2009	1,725,645	395,809	21.5	516.06

(For reference) Shareholders' Equity: [At 12/2009] 397,394 million yen, [At 3/2009] 371,069 million yen

### 2. Dividends

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2008 ended Mar. 2009	—	4.00	—	4.00	8.00
FY2009 ending Mar. 2010	—	4.00	—	—	—
FY2009 ending Mar. 2010 (Forecast)	—	—	—	4.00	8.00

\*The dividend payout forecast was not revised in this 3rd quarter

\* The forecasts above were 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 Forecasts for FY2009 ending March 2010 (April 1, 2009 - March 31, 2010)

(% shows the increase (decrease) from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Earnings per Share
	(Unit: million yen)	%	(Unit: yen)						
Full Year	1,510,000	(10.3)	20,500	(25.1)	22,500	(29.3)	7,500	(31.6)	10.43

\*The consolidated forecast for the full year was not revised in this 3rd quarter

\* The forecasts above were 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) Non-consolidated Forecasts for FY2009 ending March 2010 (April 1, 2009 - March 31, 2010)

(% shows the increase (decrease) 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	1,220,000	(7.4)	14,000	8.8	17,500	(1.6)	10,500	35.3	14.60

\* The non-consolidated forecast for the full year was not revised in this 3rd quarter

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

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

## **Qualitative Information**

### **1. Consolidated performance**

Net sales of the Company and its subsidiaries for this 3rd quarter (cumulative, hereinafter referred to as the "period under review") were 1,008.9 billion yen, down 14.5% from the 3rd quarter (cumulative) of the previous fiscal year. Operating income decreased by 5.2% to 13.5 billion yen, ordinary income decreased by 5.8% to 15.9 billion yen and net income decreased by 29.0% to 4.2 billion yen compared to last year's same period.

### **2. Consolidated financial position**

During the period under review, net cash used in operating activities was 43.2 billion yen, as cash flows from construction business did not improved as much as they should. Net cash used in investing activities was 5.8 billion yen. Net cash provided by financing activities was 15.6 billion yen due to, among other factors, increase in the amount of loans. Accordingly, cash and cash equivalents at the end of the period under review was 110.5 billion yen, decreasing by 33.2 billion yen from the end of the previous fiscal year. Total interest-bearing loans payable at the end of the period under review increased by 23.3 billion yen to 422.1 billion yen compared to the end of the previous fiscal year, which is March 31, 2009.

### **3. Outlook for consolidated business performance**

#### **(1) Consolidated forecast**

In light of information and assumptions available to the Company at the time of writing this document, the Company concluded that it would make no change in the consolidated forecast announced on November 12, 2009.

#### **(2) Business risks**

An issue, which could make significant impact on investors' decision making, occurred during the period under review as described hereunder.

The Company, in a joint venture with other companies (hereinafter referred to as the "JV"), was awarded a contract from the Roads & Transport Authority of the Government of Dubai, UAE (hereinafter referred to as the "RTA"), to undertake the construction portion of an urban transportation system with the total length of approximately 70 kilometers and with the contract price of 228 billion Japanese Yen (hereinafter referred to as the "Project"). The Company has 50% share in the JV.

After the commencement of construction, the RTA instructed the JV to undertake the significant amount of design changes and additional works. Due to these design changes and additional works, the final cost of construction is expected to be approximately three times of what was estimated in the original contract, and the completion of the Project is expected to be some time during the fiscal 2010 ending March 2011.

The JV is currently under negotiation with the RTA in regard to the amount of design changes and additional works, and the progress of the negotiation could affect the Company's performance.

#### 4. Other information

(1) Significant increase or decrease in the number of subsidiaries: None

(2) Application of simplified accounting method and accounting method peculiar to consolidated quarterly financial statements

① Simplified accounting method

(a) Calculation of estimated doubtful amount of ordinary accounts receivable

The rate of default at the end of the period under review does not show significant changes compared to the one applied at the end of the previous fiscal year. Therefore, amount of doubtful accounts is computed using the same rate of default used in the previous fiscal year.

(b) Valuation of inventories

Inventories are written down to their fair value by directly reducing their book value only when their profitability is apparently weaker.

(c) Calculation of depreciation of fixed assets

Quarterly depreciation expenses of fixed assets that apply declining-balance method are computed first by obtaining the depreciation expense for the full year and then by multiplying the number by 9/12.

② Accounting method peculiar to consolidated quarterly financial statements: None

(3) Changes in Significant Accounting Policies

Change in the scope of construction contracts to apply the percentage-of-completion method

The Company and its domestic subsidiaries, except some, had adopted the percentage-of-completion method for contracts with construction period more than 1 year and the completed contract method for other contracts.\* Effective the 1st quarter of this fiscal year, the Company and its domestic subsidiaries adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, issued on December 27, 2007) and "Guidance for the Application of Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, issued on December 27, 2007). Accordingly, construction contracts by which construction started on or after April 1, 2009 and where the cost incurred by the end of this 3rd quarter can be reasonably and with certainty assessed adopted the percentage-of-completion method; the rest of the contracts by which construction started on or after April 1, 2009 adopted the completed contract method. As a result, net sales increased by JPY 22,212 million, and operating income, ordinary income and income before income taxes and minority interests each increased by JPY 1,833 million from what they had been if the former method was used.

The influence of the change to each business segment can be found in "Segment Information" section herein.

\* Most of the overseas subsidiaries adopt the percentage-of-completion method.

## Consolidated Quarterly Balance Sheets

(Unit : million yen)

	December 31, 2009	March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	110,580	144,640
Notes receivable, accounts receivable from completed construction contracts and other	477,529	496,934
Short-term investment securities	1,741	1,941
Real estate for sale	59,954	61,416
Costs on uncompleted construction contracts	170,051	207,617
Inventories for PFI and other projects	58,876	62,296
Other inventories	16,962	12,049
Deferred tax assets	36,054	38,509
Accounts receivable-other	90,367	66,583
Other	20,980	16,043
Allowance for doubtful accounts	(1,007)	(563)
Total current assets	<u>1,042,092</u>	<u>1,107,469</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	67,395	—
Buildings and structures	—	166,541
Machinery, vehicles, tools, furniture and fixtures, net	9,969	—
Machinery, vehicles, tools, furniture and fixtures	—	72,134
Land	245,446	245,182
Lease assets, net	1,292	—
Lease assets	—	2,250
Construction in progress	1,114	403
Accumulated depreciation	—	(157,097)
Total property, plant and equipment	<u>325,217</u>	<u>329,415</u>
Intangible assets	6,241	6,827
Investments and other assets		
Investment securities	283,543	238,245
Long-term loans receivable	1,435	1,478
Deferred tax assets	5,213	23,195
Other	21,721	22,024
Allowance for doubtful accounts	(3,006)	(3,066)
Total investments and other assets	<u>308,908</u>	<u>281,877</u>
Total noncurrent assets	<u>640,366</u>	<u>618,119</u>
Deferred assets	51	56
Total assets	<u>1,682,510</u>	<u>1,725,645</u>

(Unit : million yen)

	December 31, 2009	March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	457,443	493,760
Short-term loans payable	79,599	106,064
Current portion of PFI and other project finance loans	10,076	6,787
Commercial papers	96,000	66,000
Current portion of bonds	10,000	20,000
Lease obligations	657	755
Income taxes payable	798	2,810
Advances received on uncompleted construction contracts	129,669	162,872
Deposits received	66,431	70,214
Provision for warranties for completed construction	1,346	1,409
Provision for loss on construction contracts	9,414	18,614
Other	46,204	56,765
Total current liabilities	<u>907,643</u>	<u>1,006,055</u>
Noncurrent liabilities		
Bonds payable	20,000	30,000
Long-term loans payable	135,712	92,100
PFI and other project finance loans	70,786	77,861
Lease obligations	698	808
Deferred tax liabilities for land revaluation	29,084	29,095
Provision for retirement benefits	70,038	66,918
Provision for environmental measures	478	493
Other	25,687	26,502
Total noncurrent liabilities	<u>352,486</u>	<u>323,780</u>
Total liabilities	<u>1,260,130</u>	<u>1,329,836</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	57,752	57,752
Capital surplus	41,750	41,750
Retained earnings	197,229	202,941
Treasury stock	(1,265)	(1,246)
Total shareholders' equity	<u>295,467</u>	<u>301,198</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	74,703	46,901
Deferred gains or losses on hedges	(71)	(65)
Revaluation reserve for land	30,724	26,481
Foreign currency translation adjustment	(3,429)	(3,448)
Total valuation and translation adjustments	<u>101,927</u>	<u>69,870</u>
Minority interests	<u>24,986</u>	<u>24,739</u>
Total net assets	<u>422,380</u>	<u>395,809</u>
Total liabilities and net assets	<u>1,682,510</u>	<u>1,725,645</u>

## Consolidated Quarterly Statements of Income

(Unit : million yen)

	3Q / FY 2008 From April 1, 2008 to December 31, 2008	3Q / FY 2009 From April 1, 2009 to December 31, 2009
Net sales		
Net sales of completed construction contracts	1,138,822	973,216
Net sales of real estate business and other	41,798	35,766
Total net sales	<u>1,180,620</u>	<u>1,008,983</u>
Cost of sales		
Cost of sales of completed construction contracts	1,076,220	909,699
Cost of sales on real estate business and other	30,341	27,540
Total cost of sales	<u>1,106,562</u>	<u>937,240</u>
Gross profit		
Gross profit on completed construction contracts	62,601	63,516
Gross profit on real estate business and other	11,456	8,226
Total gross profit	<u>74,058</u>	<u>71,743</u>
Selling, general and administrative expenses	<u>59,787</u>	<u>58,217</u>
Operating income	<u>14,270</u>	<u>13,525</u>
Non-operating income		
Interest income	1,401	1,093
Dividends income	5,854	4,228
Other	844	1,291
Total non-operating income	<u>8,100</u>	<u>6,613</u>
Non-operating expenses		
Interest expenses	2,720	2,962
Foreign exchange losses	2,039	684
Other	689	547
Total non-operating expenses	<u>5,449</u>	<u>4,194</u>
Ordinary income	<u>16,921</u>	<u>15,944</u>
Extraordinary income		
Gain on sales of investment securities	4,804	1,530
Other	596	220
Total extraordinary income	<u>5,400</u>	<u>1,751</u>
Extraordinary loss		
Impairment loss	—	2,213
Loss on valuation of investment securities	3,659	2,105
Mediation settlement	—	1,759
Compensation for tenants' removal and relocation costs	1,214	1,551
Loss on valuation of real estate for sale	3,139	—
Other	902	1,308
Total extraordinary losses	<u>8,916</u>	<u>8,937</u>
Income before income taxes and minority interests	<u>13,405</u>	<u>8,758</u>
Income taxes-current	2,450	1,980
Income taxes-deferred	2,497	1,418
Total income taxes	<u>4,947</u>	<u>3,399</u>
Minority interests in income	<u>2,426</u>	<u>1,076</u>
Net income	<u>6,031</u>	<u>4,282</u>

## Consolidated Quarterly Statements of Cash Flows

(Unit : million yen)

	3Q / FY 2008 From April 1, 2008 to December 31, 2008	3Q / FY 2009 From April 1, 2009 to December 31, 2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	13,405	8,758
Depreciation and amortization	8,121	7,853
Impairment loss	—	2,213
Increase (decrease) in allowance for doubtful accounts	14	385
Increase (decrease) in provision for loss on construction contracts	(2,258)	(9,199)
Increase (decrease) in provision for retirement benefits	2,640	3,117
Loss (gain) on valuation of short-term and long term investment securities	3,659	2,105
Loss on valuation of real estate for sale	3,139	—
Interest and dividends income	(7,256)	(5,322)
Interest expenses	2,720	2,962
Loss (gain) on sales of short-term and long term investment securities	(4,783)	(1,312)
Decrease (increase) in notes and accounts receivable-trade	(30,626)	19,160
Decrease (increase) in costs on uncompleted construction contracts	(30,553)	37,565
Decrease (increase) in inventories	(12,338)	(4,024)
Decrease (increase) in inventories for PFI and other projects	(9,104)	3,420
Decrease (increase) in other assets	11,350	(28,541)
Increase (decrease) in notes and accounts payable-trade	(15,162)	(36,067)
Increase (decrease) in advances received on uncompleted construction contracts	5,496	(33,173)
Increase (decrease) in other liabilities	(19,677)	(13,105)
Other, net	1,652	1,338
Subtotal	<u>(79,560)</u>	<u>(41,865)</u>
Interest and dividends income received	7,296	5,460
Interest expenses paid	(2,548)	(2,807)
Income taxes (paid) refund	(14,176)	(3,994)
Net cash provided by (used in) operating activities	<u>(88,989)</u>	<u>(43,206)</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(6,402)	(7,837)
Proceeds from sales of property, plant and equipment and intangible assets	389	111
Purchase of short-term and long term investment securities	(1,461)	(1,534)
Proceeds from sales and redemption of short-term and long term investment securities	8,057	2,437
Payments of loans receivable	(20)	(10)
Collection of loans receivable	237	174
Other, net	(2,707)	787
Net cash provided by (used in) investing activities	<u>(1,906)</u>	<u>(5,871)</u>

(Unit : million yen)

	3Q / FY 2008 From April 1, 2008 to December 31, 2008	3Q / FY 2009 From April 1, 2009 to December 31, 2009
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	62,570	(26,157)
Net increase (decrease) in commercial papers	(13,000)	30,000
Repayments of lease obligations	(691)	(631)
Proceeds from long-term loans payable	37,450	50,800
Repayment of long-term loans payable	(8,528)	(7,625)
Proceeds from PFI and other project finance loans payable	37,866	2,284
Payment of PFI and other project finance loans payable	(26,532)	(6,071)
Redemption of bonds	(10,000)	(20,000)
Cash dividends paid	(5,757)	(5,752)
Cash dividends paid to minority shareholders	(2,497)	(1,158)
Other, net	(312)	(21)
Net cash provided by (used in) financing activities	70,567	15,666
Effect of exchange rate change on cash and cash equivalents	(5,857)	114
Net increase (decrease) in cash and cash equivalents	(26,185)	(33,296)
Cash and cash equivalents at beginning of period	128,537	143,821
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(13)	—
Cash and cash equivalents at end of period	102,338	110,525

## Segment Information

(1) Segment information by type of business

3rd Quarter (cumulative) of the previous FY (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	Construction Business	Real Estate Business	Other Businesses	Total	Eliminations or Corporate	Consolidated
Sales						
(1) External sales	1,138,822	19,557	22,240	1,180,620	-	1,180,620
(2) Intersegment	14,988	807	6,059	21,855	(21,855)	-
Total	1,153,811	20,365	28,299	1,202,476	(21,855)	1,180,620
Operating Income	7,602	5,307	1,082	13,992	278	14,270

3rd Quarter (cumulative) of this FY (April 1, 2009 - December 31, 2009)

(Unit: million yen)

	Construction Business	Real Estate Business	Other Businesses	Total	Eliminations or Corporate	Consolidated
Sales						
(1) External sales	973,216	17,052	18,714	1,008,983	-	1,008,983
(2) Intersegment	4,564	771	5,988	11,325	(11,325)	-
Total	977,781	17,823	24,703	1,020,309	(11,325)	1,008,983
Operating Income	10,154	2,868	375	13,398	127	13,525

Note 1: Classification was made based on the similarity of each business the company and its subsidiaries deal with.

Note 2: 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

Note 3: Change in the scope of construction contracts to apply the percentage-of-completion method

As mentioned on page 3 hereof, "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year. As a result, sales and operating income from "Construction Business" for this 3rd quarter (cumulative) increased by JPY 22,212 million and JPY 1,833 million respectively from what they had been if the former method was used.

(2) Segment information by regions

3rd Quarter (cumulative) of the previous FY (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Sales							
(1) External sales	1,002,920	140,601	37,076	22	1,180,620	-	1,180,620
(2) Intersegment	63	5	342	0	412	(412)	-
Total	1,002,984	140,607	37,418	22	1,181,033	(412)	1,180,620
Operating Income	9,169	2,621	2,467	10	14,268	1	14,270

3rd Quarter (cumulative) of this FY (April 1, 2009 - December 31, 2009)

(Unit: million yen)

	Japan	North America	Asia	Other Regions	Total	Eliminations or Corporate	Consolidated
Sales							
(1) External sales	904,376	86,622	17,981	3	1,008,983	-	1,008,983
(2) Intersegment	61	4	178	0	245	(245)	-
Total	904,437	86,627	18,160	4	1,009,229	(245)	1,008,983
Operating Income (loss)	12,675	(509)	1,353	(17)	13,501	23	13,525

Note 1: Classification was made based on the geographical closeness of each of the business that the company and its subsidiaries deal with.

Note 2: Regions shown above (except Japan) include, but are not limited to, the following countries and areas:

North America: United States of America

Asia: Thailand, Vietnam, Indonesia

Other Regions: The Netherlands

Note 3: Change in the scope of construction contracts to apply the percentage-of-completion method

As mentioned on page 3 hereof, "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year. As a result, sales and operating income from "Japan" for this 3rd quarter (cumulative) increased by JPY 22,212 million and JPY 1,833 million respectively from what they had been if the former method was used.

(3) Overseas sales

3rd Quarter (cumulative) of the previous FY (April 1, 2008 - December 31, 2008)

(Unit: million yen)

	Asia	North America	Other Regions	Total
Overseas sales	151,122	159,447	1,766	312,336
Consolidated sales	—————	—————	—————	1,180,620
Overseas sales/ Consolidated sales (%)	12.8	13.5	0.2	26.5

3rd Quarter (cumulative) of this FY (April 1, 2009 - December 31, 2009)

(Unit: million yen)

	Asia	North America	Other Regions	Total
Overseas sales	102,731	95,771	1,299	199,802
Consolidated sales	—————	—————	—————	1,008,983
Overseas sales/ Consolidated sales (%)	10.2	9.5	0.1	19.8

Note 1: Classification was made based on the geographical closeness of each of the business that the company and its subsidiaries deal with.

Note 2: Regions shown above include, but are not limited to, the following countries and areas:

Asia: United Arab Emirates, Thailand, Vietnam, Singapore, Taiwan

North America: United States of America

Other Regions: United Kingdom

Note 3: "Overseas sales" above represent net sales of the company and its subsidiaries earned in countries or regions outside Japan.

Note 4: Change in the scope of construction contracts to apply the percentage-of-completion method

As mentioned on page 3 hereof, "Accounting Standard for Construction Contracts" was adopted effective the 1st quarter of this fiscal year. The change had no impact on the overseas sales of the company and its subsidiaries.

## Non-consolidated Quarterly Balance Sheets

(Unit : million yen)

	December 31, 2009	March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	62,368	88,529
Notes receivable-trade	11,228	8,089
Accounts receivable from completed construction contracts	390,326	386,801
Accounts receivable-real estate business and other	1,174	2,805
Short-term investment securities	6	30
Real estate for sale	56,955	58,720
Costs on uncompleted construction contracts	146,743	196,139
Costs on real estate business and other	11,803	8,619
Raw materials and supplies	3,135	1,006
Deferred tax assets	32,907	34,259
Accounts receivable-other	88,480	64,285
Other	16,272	12,512
Allowance for doubtful accounts	(884)	(416)
Total current assets	820,518	861,383
Noncurrent assets		
Property, plant and equipment		
Land	153,579	153,341
Other	44,735	46,892
Total property, plant and equipment	198,315	200,234
Intangible assets		
	3,779	3,832
Investments and other assets		
Investment securities	272,876	227,672
Deferred tax assets	4,433	23,065
Other	78,026	75,036
Allowance for doubtful accounts	(2,464)	(2,488)
Total investments and other assets	352,871	323,285
Total noncurrent assets	554,966	527,352
Total assets	1,375,485	1,388,736

Note: The above non-consolidated quarterly balance sheets were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although the balance sheets are not subject to the disclosure legally required by the related authorities.

(Unit : million yen)

	December 31, 2009	March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes payable-trade	38,875	38,649
Accounts payable for construction contracts	352,870	368,051
Accounts payable-real estate and other	558	811
Short-term loans payable	55,780	74,892
Commercial papers	96,000	66,000
Current portion of bonds	10,000	20,000
Income taxes payable	335	367
Advances received on uncompleted construction contracts	109,196	149,705
Deposit received-real estate and other	2,750	2,600
Deposits received	61,199	63,944
Provision for warranties for completed construction	1,280	1,331
Provision for loss on construction contracts	8,667	17,665
Other	38,433	43,642
Total current liabilities	775,948	847,662
Noncurrent liabilities		
Bonds payable	20,000	30,000
Long-term loans payable	106,050	65,871
Deferred tax liabilities for land revaluation	22,061	22,062
Provision for retirement benefits	63,171	60,006
Provision for loss on real estate business and other	12,463	12,085
Provision for environmental measures	376	391
Other	7,129	9,570
Total noncurrent liabilities	231,253	199,988
Total liabilities	1,007,202	1,047,650
<b>Net assets</b>		
Shareholders' equity		
Capital stock	57,752	57,752
Capital surplus		
Legal capital surplus	41,694	41,694
Total capital surpluses	41,694	41,694
Retained earnings		
Legal retained earnings	14,438	14,438
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	1,287	1,315
General reserve	100,000	100,000
Retained earnings brought forward	53,824	58,675
Total retained earnings	169,549	174,429
Treasury stock	(1,265)	(1,246)
Total shareholders' equity	267,731	272,630
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	74,694	46,886
Deferred gains or losses on hedges	(7)	1
Revaluation reserve for land	25,864	21,567
Total valuation and translation adjustments	100,551	68,455
Total net assets	368,283	341,085
Total liabilities and net assets	1,375,485	1,388,736
(For reference) Net assets per share (yen)	512.22	474.36

Note: The above non-consolidated quarterly balance sheets were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although the balance sheets are not subject to the disclosure legally required by the related authorities.

## Non-consolidated Quarterly Statements of Income

(Unit : million yen)

	3Q / FY 2008 From April 1, 2008 to December 31, 2008	3Q / FY 2009 From April 1, 2009 to December 31, 2009
<b>Net sales</b>		
Net sales of completed construction contracts	888,416	<b>797,531</b>
Net sales of real estate business and other	19,241	<b>14,088</b>
<b>Total net sales</b>	<b>907,658</b>	<b>811,619</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	845,760	<b>749,083</b>
Cost of sales on real estate business and other	12,059	<b>10,148</b>
<b>Total cost of sales</b>	<b>857,820</b>	<b>759,231</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	42,656	<b>48,448</b>
Gross profit on real estate business and other	7,182	<b>3,940</b>
<b>Total gross profit</b>	<b>49,838</b>	<b>52,388</b>
Selling, general and administrative expenses	44,235	<b>44,065</b>
<b>Operating income</b>	<b>5,603</b>	<b>8,322</b>
<b>Non-operating income</b>		
Interest income	932	<b>954</b>
Dividends income	6,388	<b>4,658</b>
Other	443	<b>1,026</b>
<b>Total non-operating income</b>	<b>7,764</b>	<b>6,639</b>
<b>Non-operating expenses</b>		
Interest expenses	2,005	<b>2,353</b>
Foreign exchange losses	1,789	<b>698</b>
Other	1,111	<b>1,352</b>
<b>Total non-operating expenses</b>	<b>4,905</b>	<b>4,405</b>
<b>Ordinary income</b>	<b>8,462</b>	<b>10,557</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	4,788	<b>1,528</b>
Other	455	<b>106</b>
<b>Total extraordinary income</b>	<b>5,243</b>	<b>1,634</b>
<b>Extraordinary loss</b>		
Loss on valuation of investment securities	3,655	<b>2,102</b>
Mediation settlement	—	<b>1,759</b>
Loss on valuation of real estate for sale	3,193	—
Other	523	<b>1,654</b>
<b>Total extraordinary losses</b>	<b>7,371</b>	<b>5,516</b>
<b>Income before income taxes</b>	<b>6,334</b>	<b>6,675</b>
Income taxes-current	240	<b>225</b>
Income taxes-deferred	2,213	<b>1,061</b>
<b>Total income taxes</b>	<b>2,453</b>	<b>1,286</b>
<b>Net income</b>	<b>3,880</b>	<b>5,388</b>
(For reference) Net income per share (yen)	5.39	<b>7.49</b>

Note: The above non-consolidated quarterly statements of income were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although the statements are not subject to the disclosure legally required by the related authorities.

# Quick Review of Consolidated and Non-consolidated Results for 3Q (cumulative) of FY2009

(as against 3Q results of FY2008)

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	Result-3Q/FY 2008 April 1, 2008 - December 31, 2008	Result-3Q/FY 2009 April 1, 2009 - December 31, 2009	Variance	Variance rate (%)	Result-3Q/FY 2008 April 1, 2008 - December 31, 2008	Result-3Q/FY 2009 April 1, 2009 - December 31, 2009	Variance	Variance rate (%)
Net sales of completed construction contracts	% 11,388	% 9,732	-1,656	-14.5	% 8,884	% 7,975	-908	-10.2
Civil Engineering	—	—	—	—	2,215	2,193	-21	-1.0
Building Construction	—	—	—	—	6,668	5,781	-887	-13.3
Gross profit on completed construction contracts	5.5 626	6.5 635	9	1.5	4.8 426	6.1 484	57	13.6
Civil Engineering	—	—	—	—	3.2 71	4.4 97	25	35.3
Building Construction	—	—	—	—	5.3 354	6.7 387	32	9.2
Net sales of real estate business and other	417	357	-60	-14.4	192	140	-51	-26.8
Gross profit on real estate business and other	27.4 114	23.0 82	-32	-28.2	37.3 71	28.0 39	-32	-45.1
<b>Net sales</b>	<b>11,806</b>	<b>10,089</b>	<b>-1,716</b>	<b>-14.5</b>	<b>9,076</b>	<b>8,116</b>	<b>-960</b>	<b>-10.6</b>
Gross profit	6.3 740	7.1 717	-23	-3.1	5.5 498	6.5 523	25	5.1
Selling, general and administrative expenses	5.1 597	5.8 582	-15	-2.6	4.9 442	5.5 440	-1	-0.4
(Personnel expenses)	( 341 )	( 338 )	(-2)		( 249 )	( 255 )	(6)	
(Others)	( 256 )	( 243 )	(-13)		( 192 )	( 184 )	(-8)	
<b>Operating Income</b>	<b>1.2 142</b>	<b>1.3 135</b>	<b>-7</b>	<b>-5.2</b>	<b>0.6 56</b>	<b>1.0 83</b>	<b>27</b>	<b>48.5</b>
Non-operating income	81	66	-14	-18.4	77	66	-11	-14.5
Non-operating expenses	54	41	-12	-23.0	49	44	-5	-10.2
(interests received/paid and dividend income - net)	( 42 )	( 22 )	(-20)		( 50 )	( 31 )	(-19)	
<b>Ordinary income</b>	<b>1.4 169</b>	<b>1.6 159</b>	<b>-9</b>	<b>-5.8</b>	<b>0.9 84</b>	<b>1.3 105</b>	<b>20</b>	<b>24.8</b>
Extraordinary income	54	17	-36	-67.6	52	16	-36	-68.8
Extraordinary loss	89	89	0	0.2	73	55	-18	-25.2
Income before income taxes and minority interests	1.1 134	0.9 87	-46	-34.7	0.7 63	0.8 66	3	5.4
Total income taxes	49	33	-15	-31.3	24	12	-11	-47.6
Minority interests in income (deduction)	24	10	-13	-55.7	—	—	—	—
<b>Net income</b>	<b>0.5 60</b>	<b>0.4 42</b>	<b>-17</b>	<b>-29.0</b>	<b>0.4 38</b>	<b>0.7 53</b>	<b>15</b>	<b>38.9</b>

## Orders Received

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	Result-3Q/FY 2008 April 1, 2008 - December 31, 2008	Result-3Q/FY 2009 April 1, 2009 - December 31, 2009	Variance	Variance rate (%)	Result-3Q/FY 2008 April 1, 2008 - December 31, 2008	Result-3Q/FY 2009 April 1, 2009 - December 31, 2009	Variance	Variance rate (%)
Civil Engineering	3,053	1,716	-1,337	-43.8	2,553	1,198	-1,355	-53.1
(Domestic)	( 1,901 )	( 1,498 )	(-403)	(-21.2)	( 1,401 )	( 980 )	(-421)	(-30.1)
(Overseas)	( 1,152 )	( 217 )	(-934)	(-81.1)	( 1,152 )	( 217 )	(-934)	(-81.1)
Building Construction	8,049	5,835	-2,213	-27.5	6,582	4,505	-2,077	-31.6
(Domestic)	( 7,056 )	( 4,317 )	(-2,739)	(-38.8)	( 6,603 )	( 4,077 )	(-2,525)	(-38.2)
(Overseas)	( 992 )	( 1,517 )	(525)	(53.0)	( -20 )	( 427 )	(448)	( - )
Construction Total	11,102	7,552	-3,550	-32.0	9,136	5,703	-3,432	-37.6
(Domestic)	( 8,958 )	( 5,816 )	(-3,142)	(-35.1)	( 8,005 )	( 5,058 )	(-2,946)	(-36.8)
(Overseas)	( 2,144 )	( 1,735 )	(-408)	(-19.0)	( 1,131 )	( 645 )	(-486)	(-43.0)
Real Estate and others	237	300	62	26.5	108	141	32	29.9
Total orders received	11,340	7,852	-3,487	-30.8	9,245	5,845	-3,400	-36.8

## Interest-bearing loan balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	March 31, 2009	December 31, 2009	Variance	Variance rate (%)	March 31, 2009	December 31, 2009	Variance	Variance rate (%)
Interest-bearing loan (except PFI related)	3,141	3,413	271	8.6	2,567	2,878	310	12.1
PFI and other project finance loans	846	808	-37	-4.5	—	—	—	—
Interest-bearing loan total	3,988	4,221	233	5.9	2,567	2,878	310	12.1

Note: This "Quick Review of Consolidated and Non-consolidated Results" 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. The unit used is 100 million yen or Japanese "oku-en" unless otherwise specified.

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

(For reference purpose only)

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

(Unit: million yen)

	3Q / FY2008 (From April 1, 2008 to December 31, 2008)		3Q / FY2009 (From April 1, 2009 to December 31, 2009)		Variance		Previous FY Results (From April 1, 2008 to March 31, 2009)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	84,866	9.2	50,177	8.6	(34,688)	(40.9)	114,441	9.7
Domestic Private	55,312	6.0	47,866	8.2	(7,446)	(13.5)	92,625	7.9
Domestic total	140,178	15.2	98,043	16.8	(42,135)	(30.1)	207,066	17.6
Overseas total	115,212	12.4	21,793	3.7	(93,418)	(81.1)	115,877	9.9
Subtotal	255,391	27.6	119,837	20.5	(135,553)	(53.1)	322,943	27.5
<b>Building Construction</b>								
Domestic Public	32,695	3.5	29,998	5.1	(2,697)	(8.3)	57,697	4.9
Domestic Private	627,629	67.9	377,799	64.7	(249,829)	(39.8)	774,697	66.0
Domestic total	660,324	71.4	407,797	69.8	(252,527)	(38.2)	832,394	70.9
Overseas total	(2,076)	(0.2)	42,726	7.3	44,802	-	(1,298)	(0.1)
Subtotal	658,248	71.2	450,523	77.1	(207,724)	(31.6)	831,096	70.8
<b>Construction Total</b>								
Domestic Public	117,561	12.7	80,175	13.7	(37,386)	(31.8)	172,138	14.6
Domestic Private	682,941	73.9	425,666	72.9	(257,275)	(37.7)	867,322	73.9
Domestic total	800,503	86.6	505,841	86.6	(294,662)	(36.8)	1,039,461	88.5
Overseas total	113,135	12.2	64,519	11.0	(48,615)	(43.0)	114,578	9.8
Subtotal	913,639	98.8	570,361	97.6	(343,277)	(37.6)	1,154,039	98.3
Real Estate Business and Other	10,892	1.2	14,149	2.4	3,256	29.9	20,213	1.7
<b>Total</b>	<b>924,531</b>	<b>100</b>	<b>584,510</b>	<b>100</b>	<b>(340,020)</b>	<b>(36.8)</b>	<b>1,174,253</b>	<b>100</b>

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

(Unit: million yen)

	3Q / FY2008 (From April 1, 2008 to December 31, 2008)		3Q / FY2009 (From April 1, 2009 to December 31, 2009)		Variance		Previous FY Results (From April 1, 2008 to March 31, 2009)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	33,570	3.7	77,183	9.5	43,613	129.9	83,756	6.3
Domestic Private	63,320	7.0	59,606	7.3	(3,713)	(5.9)	97,161	7.4
Domestic total	96,891	10.7	136,790	16.8	39,899	41.2	180,918	13.7
Overseas total	124,645	13.7	82,578	10.2	(42,067)	(33.7)	172,207	13.1
Subtotal	221,536	24.4	219,368	27.0	(2,167)	(1.0)	353,125	26.8
<b>Building Construction</b>								
Domestic Public	45,468	5.0	60,713	7.5	15,245	33.5	71,080	5.4
Domestic Private	613,215	67.6	506,112	62.4	(107,103)	(17.5)	848,217	64.4
Domestic total	658,684	72.6	566,826	69.9	(91,858)	(13.9)	919,297	69.8
Overseas total	8,196	0.9	11,336	1.4	3,140	38.3	16,346	1.2
Subtotal	666,880	73.5	578,163	71.3	(88,717)	(13.3)	935,643	71.0
<b>Construction Total</b>								
Domestic Public	79,039	8.7	137,897	17.0	58,858	74.5	154,836	11.7
Domestic Private	676,536	74.6	565,719	69.7	(110,817)	(16.4)	945,379	71.8
Domestic total	755,575	83.3	703,616	86.7	(51,958)	(6.9)	1,100,215	83.5
Overseas total	132,841	14.6	93,914	11.6	(38,926)	(29.3)	188,553	14.3
Subtotal	888,416	97.9	797,531	98.3	(90,885)	(10.2)	1,288,769	97.8
Real Estate Business and Other	19,241	2.1	14,088	1.7	(5,153)	(26.8)	28,583	2.2
<b>Total</b>	<b>907,658</b>	<b>100</b>	<b>811,619</b>	<b>100</b>	<b>(96,038)</b>	<b>(10.6)</b>	<b>1,317,352</b>	<b>100</b>

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

(Unit: million yen)

	At the end of 3Q / FY2008 (December 31, 2008)		At the end of 3Q / FY2009 (December 31, 2009)		Variance		At the end of Previous FY (March 31, 2009)	
		%		%		% variance		%
<b>Civil Engineering</b>								
Domestic Public	214,155	14.3	166,538	15.1	(47,617)	(22.2)	193,545	14.5
Domestic Private	106,717	7.2	98,448	8.9	(8,268)	(7.7)	110,188	8.3
Domestic total	320,872	21.5	264,986	24.0	(55,886)	(17.4)	303,733	22.8
Overseas total	132,349	8.9	24,668	2.2	(107,681)	(81.4)	85,452	6.4
Subtotal	453,222	30.4	289,655	26.2	(163,567)	(36.1)	389,186	29.2
<b>Building Construction</b>								
Domestic Public	114,630	7.7	83,304	7.5	(31,325)	(27.3)	114,020	8.6
Domestic Private	879,515	58.9	663,269	60.0	(216,245)	(24.6)	791,582	59.4
Domestic total	994,146	66.6	746,574	67.5	(247,571)	(24.9)	905,603	68.0
Overseas total	43,706	2.9	67,224	6.2	24,017	55.0	36,334	2.7
Subtotal	1,037,853	69.5	814,298	73.7	(223,554)	(21.5)	941,938	70.7
<b>Construction Total</b>								
Domestic Public	328,786	22.0	249,843	22.6	(78,942)	(24.0)	307,565	23.1
Domestic Private	986,233	66.1	761,718	68.9	(224,514)	(22.8)	901,771	67.7
Domestic total	1,315,019	88.1	1,011,561	91.5	(303,457)	(23.1)	1,209,336	90.8
Overseas total	176,056	11.8	92,392	8.4	(83,664)	(47.5)	121,787	9.1
Subtotal	1,491,076	99.9	1,103,954	99.9	(387,121)	(26.0)	1,331,124	99.9
Real Estate Business and Other	836	0.1	877	0.1	40	4.9	816	0.1
<b>Total</b>	<b>1,491,912</b>	<b>100</b>	<b>1,104,831</b>	<b>100</b>	<b>(387,080)</b>	<b>(25.9)</b>	<b>1,331,940</b>	<b>100</b>

## 4. Forecasts orders received for FY2009 ending March 2010

(Unit: million yen)

	Non-consolidated				Consolidated			
	Full year forecast (From Apr. 1, 2009 to Mar. 31, 2010) (A)		(For reference) Full year forecast announced on Nov.12, 2009 (B)		Full year forecast (From Apr. 1, 2009 to Mar. 31, 2010) (C)		(For reference) Full year forecast announced on Nov.12, 2009 (D)	
		% changed from prev. FY		(A) - (B)		% changed from prev. FY		(C) - (D)
<b>Civil Engineering</b>								
Domestic	210,000	1.4	210,000	-	290,000	3.1	290,000	-
Overseas	60,000	(48.2)	80,000	(20,000)	60,000	(48.2)	80,000	(20,000)
Sub-total	270,000	(16.4)	290,000	(20,000)	350,000	(11.9)	370,000	(20,000)
<b>Building Construction</b>								
Domestic	790,000	(5.1)	820,000	(30,000)	830,000	(5.9)	860,000	(30,000)
Overseas	45,000	-	45,000	-	165,000	3.9	165,000	-
Sub-total	835,000	0.5	865,000	(30,000)	995,000	(4.4)	1,025,000	(30,000)
<b>Construction Total</b>								
Domestic	1,000,000	(3.8)	1,030,000	(30,000)	1,120,000	(3.8)	1,150,000	(30,000)
Overseas	105,000	(8.4)	125,000	(20,000)	225,000	(18.1)	245,000	(20,000)
Sub-total	1,105,000	(4.2)	1,155,000	(50,000)	1,345,000	(6.5)	1,395,000	(50,000)
Real Estate Business and Other	20,000	(1.1)	20,000	-	40,000	(28.8)	40,000	-
<b>Total</b>	<b>1,125,000</b>	<b>(4.2)</b>	<b>1,175,000</b>	<b>(50,000)</b>	<b>1,385,000</b>	<b>(7.3)</b>	<b>1,435,000</b>	<b>(50,000)</b>

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

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

\* % in table 4 above shows the changes from the previous FY results.