# Consolidated and Non-Consolidated Financial Statements
(For the Period from 1 April 2008 to 30 September 2008)

## 1. Summary of Operating Results (consolidated)
### 1st Half / FY2008 (1 April - 30 September 2008)

### (1) Financial Results (consolidated)

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenues</th>
<th>Operating Income</th>
<th>Recurring Profit</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td>1st Half / FY’08</td>
<td>940,491</td>
<td>15.4</td>
<td>11,502</td>
<td>112.5</td>
</tr>
<tr>
<td>1st Half / FY’07</td>
<td>815,054</td>
<td>1.3</td>
<td>5,413</td>
<td>(66.5)</td>
</tr>
<tr>
<td>Full-Year / FY’07</td>
<td>1,894,044</td>
<td></td>
<td>18,096</td>
<td></td>
</tr>
</tbody>
</table>

%: Representing increase (decrease) from the same period of the previous year

### (2) Assets and Equity (consolidated)

<table>
<thead>
<tr>
<th>Period</th>
<th>Assets</th>
<th>Equity</th>
<th>Equity/Assets Ratio</th>
<th>Equity per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>%</td>
<td>¥</td>
</tr>
<tr>
<td>30 September ’08</td>
<td>1,942,088</td>
<td>296,832</td>
<td>14.9</td>
<td>284.79</td>
</tr>
<tr>
<td>30 September ’07</td>
<td>1,998,601</td>
<td>354,439</td>
<td>17.3</td>
<td>328.33</td>
</tr>
<tr>
<td>31 March ’08</td>
<td>1,918,395</td>
<td>305,449</td>
<td>15.5</td>
<td>292.63</td>
</tr>
</tbody>
</table>

### (3) Cash Flows (consolidated)

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Activities</th>
<th>Investing Activities</th>
<th>Financing Activities</th>
<th>Cash and Cash Equivalents at the end of the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
</tr>
<tr>
<td>1st Half / FY’08</td>
<td>33,798</td>
<td>(13,925)</td>
<td>10,679</td>
<td>127,575</td>
</tr>
<tr>
<td>1st Half / FY’07</td>
<td>(17,881)</td>
<td>(1,303)</td>
<td>5,311</td>
<td>145,112</td>
</tr>
<tr>
<td>Full-Year / FY’07</td>
<td>(52,541)</td>
<td>3,020</td>
<td>(7,678)</td>
<td>100,290</td>
</tr>
</tbody>
</table>
2. **Summary of Operating Results (non-consolidated)**
   1st Half / FY2008 (1 April - 30 September 2008)

(1) Financial Results (non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>Operating Income</th>
<th>Recurring Profit</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td>1st Half / FY'08</td>
<td>716,372</td>
<td>19.8</td>
<td>5,583</td>
<td>262.7</td>
</tr>
<tr>
<td>1st Half / FY'07</td>
<td>598,130</td>
<td>(2.6)</td>
<td>1,539</td>
<td>(91.1)</td>
</tr>
<tr>
<td>Full-Year / FY'07</td>
<td>1,423,143</td>
<td></td>
<td>4,642</td>
<td></td>
</tr>
</tbody>
</table>

*: Representing increase (decrease) from the same period of the previous year

<table>
<thead>
<tr>
<th></th>
<th>Basic Net Income per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Half / FY'08</td>
<td>3.69</td>
</tr>
<tr>
<td>1st Half / FY'07</td>
<td>1.94</td>
</tr>
<tr>
<td>Full-Year / FY'07</td>
<td>5.62</td>
</tr>
</tbody>
</table>

(2) Assets and Equity (non-consolidated)

<table>
<thead>
<tr>
<th>As at</th>
<th>Assets ¥ Mil</th>
<th>Equity ¥ Mil</th>
<th>Equity/Assets Ratio %</th>
<th>Equity per Share ¥</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 September '08</td>
<td>1,536,002</td>
<td>259,905</td>
<td>16.9</td>
<td>254.87</td>
</tr>
<tr>
<td>30 September '07</td>
<td>1,594,004</td>
<td>324,327</td>
<td>20.3</td>
<td>307.42</td>
</tr>
<tr>
<td>31 March '08</td>
<td>1,534,353</td>
<td>265,026</td>
<td>17.3</td>
<td>259.85</td>
</tr>
</tbody>
</table>

3. **Forecasts of Operating Results (consolidated / non-consolidated)**
   Full-year FY2008 (1 April 2008 – 31 March 2009)

<table>
<thead>
<tr>
<th></th>
<th>Revenues ¥ Mil</th>
<th>Operating Income ¥ Mil</th>
<th>Recurring Profit ¥ Mil</th>
<th>Net Income ¥ Mil</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>1,940,000</td>
<td>2.4</td>
<td>18,500</td>
<td>20,000</td>
</tr>
<tr>
<td>Non-consolidated</td>
<td>1,460,000</td>
<td>2.6</td>
<td>8,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

*: Representing increase (decrease) from the same period of FY2007

<table>
<thead>
<tr>
<th></th>
<th>Basic Net Income per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated</td>
<td>11.81</td>
</tr>
<tr>
<td>Non-consolidated</td>
<td>0.98</td>
</tr>
</tbody>
</table>

**Disclaimer**

Projections contained herein are based on information available as at the date of this announcement, and are subject to risks and uncertainties that may cause the actual results to vary.

**Revisions on Financial Statements**

Except for revenues on a consolidated basis, no revisions have been made to our forecasts of full-year operating results which we announced on 21 October 2008.
## Balance Sheets (Consolidated)

### as at 31 September 2008

<table>
<thead>
<tr>
<th>As at</th>
<th>30 September '08</th>
<th>31 March '08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>1,269,679</td>
<td>65.4%</td>
<td>1,220,169</td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>129,318</td>
<td>102,020</td>
<td>27,298</td>
</tr>
<tr>
<td>Notes Receivable, Accounts Receivable from Completed Construction Contracts and Other</td>
<td>537,360</td>
<td>586,069</td>
<td>(48,709)</td>
</tr>
<tr>
<td>Costs on Uncompleted Construction Contracts</td>
<td>158,145</td>
<td>111,578</td>
<td>46,566</td>
</tr>
<tr>
<td>Costs on Development Projects in Progress</td>
<td>118,268</td>
<td>120,253</td>
<td>(1,985)</td>
</tr>
<tr>
<td>Real Estate for Sale</td>
<td>89,714</td>
<td>100,612</td>
<td>(10,898)</td>
</tr>
<tr>
<td>Other Inventories</td>
<td>12,223</td>
<td>8,939</td>
<td>3,284</td>
</tr>
<tr>
<td>Other</td>
<td>229,086</td>
<td>195,702</td>
<td>33,384</td>
</tr>
<tr>
<td>Allowance for Doubtful Accounts</td>
<td>(4,439)</td>
<td>(5,009)</td>
<td>60</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td>672,409</td>
<td>34.6%</td>
<td>698,226</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>345,108</td>
<td>347,761</td>
<td>(2,652)</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>12,105</td>
<td>13,351</td>
<td>(1,246)</td>
</tr>
<tr>
<td>Investments and Other Assets</td>
<td>315,196</td>
<td>337,113</td>
<td>(21,917)</td>
</tr>
<tr>
<td>Investment Securities</td>
<td>243,543</td>
<td>269,264</td>
<td>(25,720)</td>
</tr>
<tr>
<td>Other</td>
<td>85,161</td>
<td>81,419</td>
<td>3,742</td>
</tr>
<tr>
<td>Allowance for Doubtful Accounts</td>
<td>(13,508)</td>
<td>(13,569)</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,942,088</td>
<td>100.0%</td>
<td>1,918,395</td>
</tr>
<tr>
<td></td>
<td>As at 30 September '08</td>
<td>31 March '08</td>
<td>Change</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
</tr>
<tr>
<td><strong>(LIABILITIES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable, Accounts Payable for Construction Contracts and Other</td>
<td>572,818</td>
<td>64.5%</td>
<td>562,720</td>
</tr>
<tr>
<td>Short-term Loans Payable</td>
<td>145,677</td>
<td></td>
<td>137,808</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>97,000</td>
<td></td>
<td>77,000</td>
</tr>
<tr>
<td>Current Portion of Bonds</td>
<td>13,037</td>
<td></td>
<td>24,711</td>
</tr>
<tr>
<td>Advances Received on Uncompleted Construction Contracts</td>
<td>201,490</td>
<td></td>
<td>170,936</td>
</tr>
<tr>
<td>Provision</td>
<td>20,538</td>
<td></td>
<td>22,429</td>
</tr>
<tr>
<td>Other</td>
<td>201,817</td>
<td></td>
<td>216,352</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td>392,875</td>
<td>20.2%</td>
<td>400,987</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>60,200</td>
<td></td>
<td>61,379</td>
</tr>
<tr>
<td>Long-term Loans Payable</td>
<td>168,512</td>
<td></td>
<td>172,900</td>
</tr>
<tr>
<td>Provision for Retirement Benefits</td>
<td>63,516</td>
<td></td>
<td>64,021</td>
</tr>
<tr>
<td>Allowance for Loss on Development Projects</td>
<td>5,904</td>
<td></td>
<td>5,904</td>
</tr>
<tr>
<td>Other</td>
<td>94,742</td>
<td></td>
<td>96,781</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,645,256</td>
<td>84.7%</td>
<td>1,612,946</td>
</tr>
<tr>
<td><strong>(NET ASSETS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders' Equity</strong></td>
<td>221,921</td>
<td>11.4%</td>
<td>222,721</td>
</tr>
<tr>
<td>Capital Stock</td>
<td>81,447</td>
<td></td>
<td>81,447</td>
</tr>
<tr>
<td>Capital Surplus</td>
<td>49,485</td>
<td></td>
<td>49,485</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>105,359</td>
<td></td>
<td>106,103</td>
</tr>
<tr>
<td>Treasury Stock</td>
<td>(14,369)</td>
<td></td>
<td>(14,314)</td>
</tr>
<tr>
<td><strong>Valuation and Translation Adjustments</strong></td>
<td>67,344</td>
<td>3.5%</td>
<td>74,558</td>
</tr>
<tr>
<td>Valuation Difference on Available-for-sale Securities</td>
<td>43,971</td>
<td></td>
<td>49,492</td>
</tr>
<tr>
<td>Deferred Gains or Losses on Hedges</td>
<td>(468)</td>
<td></td>
<td>(768)</td>
</tr>
<tr>
<td>Revaluation Reserve for Land</td>
<td>25,904</td>
<td></td>
<td>26,161</td>
</tr>
<tr>
<td>Foreign Currency Translation Adjustment</td>
<td>(2,063)</td>
<td></td>
<td>(326)</td>
</tr>
<tr>
<td><strong>Minority Interests</strong></td>
<td>7,566</td>
<td>0.4%</td>
<td>8,169</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>296,832</td>
<td>15.3%</td>
<td>305,449</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>1,942,088</td>
<td>100.0%</td>
<td>1,918,395</td>
</tr>
</tbody>
</table>
# Income Statements (Consolidated)

## 1st Half / FY2008 (1 April - 30 September 2008)

<table>
<thead>
<tr>
<th></th>
<th>1st Half / FY2007 (1 Apr - 30 Sep '07)</th>
<th>1st Half / FY2008 (1 Apr - 30 Sep '08)</th>
<th>Change</th>
<th>Full-Year / FY2007 (1 Apr '07 - 31 Mar '08)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>732,233</td>
<td>100.0%</td>
<td>812,971</td>
<td>100.0%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>82,821</td>
<td>100.0%</td>
<td>127,519</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Cost of Revenues</strong></td>
<td>762,050</td>
<td>93.5%</td>
<td>879,060</td>
<td>93.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>691,572</td>
<td>94.4%</td>
<td>774,457</td>
<td>95.3%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>70,478</td>
<td>85.1%</td>
<td>104,603</td>
<td>82.0%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>53,004</td>
<td>6.5%</td>
<td>61,430</td>
<td>6.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>40,660</td>
<td>5.6%</td>
<td>38,514</td>
<td>4.7%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>12,343</td>
<td>14.9%</td>
<td>22,915</td>
<td>18.0%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>53,004</td>
<td></td>
<td>61,430</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>40,660</td>
<td></td>
<td>38,514</td>
<td></td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>12,343</td>
<td></td>
<td>22,915</td>
<td></td>
</tr>
<tr>
<td>Selling, General and Administrative Expenses</td>
<td>47,590</td>
<td>5.8%</td>
<td>49,927</td>
<td>5.3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5,413</td>
<td>0.7%</td>
<td>11,502</td>
<td>1.2%</td>
</tr>
<tr>
<td>Non-Operating Income</td>
<td>16,544</td>
<td>2.0%</td>
<td>9,260</td>
<td>1.0%</td>
</tr>
<tr>
<td>Dividends Income</td>
<td>2,697</td>
<td></td>
<td>3,267</td>
<td></td>
</tr>
<tr>
<td><strong>Income before Income</strong></td>
<td>2,697</td>
<td></td>
<td>3,267</td>
<td></td>
</tr>
<tr>
<td>and Minority Interests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in Earnings of Unconsolidated Subsidiaries and Affiliates</td>
<td>7,738</td>
<td></td>
<td>2,233</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>6,108</td>
<td></td>
<td>3,759</td>
<td></td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>6,572</td>
<td>0.8%</td>
<td>8,963</td>
<td>0.9%</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>4,378</td>
<td></td>
<td>3,782</td>
<td></td>
</tr>
<tr>
<td>Foreign Exchange Losses</td>
<td></td>
<td></td>
<td>2,909</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2,194</td>
<td></td>
<td>2,270</td>
<td></td>
</tr>
<tr>
<td>Recurring Profit</td>
<td>15,386</td>
<td>1.9%</td>
<td>11,800</td>
<td>1.3%</td>
</tr>
<tr>
<td>Extraordinary Profit</td>
<td>19,375</td>
<td>2.4%</td>
<td>5,624</td>
<td>0.6%</td>
</tr>
<tr>
<td>Extraordinary Loss</td>
<td>5,555</td>
<td>0.7%</td>
<td>7,438</td>
<td>0.8%</td>
</tr>
<tr>
<td>Income before Income</td>
<td>29,206</td>
<td>3.6%</td>
<td>9,986</td>
<td>1.1%</td>
</tr>
<tr>
<td>and Minority Interests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Taxes</td>
<td>4,177</td>
<td>0.5%</td>
<td>4,493</td>
<td>0.5%</td>
</tr>
<tr>
<td>Minority Interests</td>
<td>393</td>
<td>0.1%</td>
<td>(1,177)</td>
<td>(0.1%)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>24,635</td>
<td>3.0%</td>
<td>6,670</td>
<td>0.7%</td>
</tr>
</tbody>
</table>
# Cash Flow Statements (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
</tr>
<tr>
<td>Income before Income Taxes and Minority Interests</td>
<td>29,206</td>
<td>9,986</td>
<td>49,394</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>8,189</td>
<td>9,006</td>
<td>17,178</td>
</tr>
<tr>
<td>Impairment Loss</td>
<td>633</td>
<td>-</td>
<td>2,969</td>
</tr>
<tr>
<td>Increase (Decrease) in Allowance for Doubtful Accounts</td>
<td>(3,892)</td>
<td>217</td>
<td>(3,695)</td>
</tr>
<tr>
<td>Increase (Decrease) in Provision</td>
<td>-</td>
<td>(1,916)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (Decrease) in Provision for Loss on Construction Contracts</td>
<td>6,341</td>
<td>-</td>
<td>12,171</td>
</tr>
<tr>
<td>Increase (Decrease) in Provision for Retirement Benefits</td>
<td>(837)</td>
<td>(592)</td>
<td>(1,327)</td>
</tr>
<tr>
<td>Interest and Dividends Income</td>
<td>(4,255)</td>
<td>(4,387)</td>
<td>(8,121)</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>4,378</td>
<td>3,782</td>
<td>8,479</td>
</tr>
<tr>
<td>Foreign Exchange Losses (Gains)</td>
<td>(667)</td>
<td>3,509</td>
<td>5,146</td>
</tr>
<tr>
<td>Equity in (Earnings) Losses of Unconsolidated Subsidiaries and Affiliates</td>
<td>(7,738)</td>
<td>(2,233)</td>
<td>(10,583)</td>
</tr>
<tr>
<td>Loss (Gain) on Sales and Retirement of Noncurrent Assets</td>
<td>(2,600)</td>
<td>1,454</td>
<td>3,635</td>
</tr>
<tr>
<td>Loss (Gain) on Sales of Investment Securities</td>
<td>(12,466)</td>
<td>(1,145)</td>
<td>(15,144)</td>
</tr>
<tr>
<td>Loss (Gain) on Valuation of Investment Securities</td>
<td>851</td>
<td>1,704</td>
<td>2,214</td>
</tr>
<tr>
<td>Gain on Sales of Investments in Capital</td>
<td>-</td>
<td>-</td>
<td>(15,703)</td>
</tr>
<tr>
<td>Decrease (Increase) in Notes and Accounts Receivable-trade</td>
<td>173,764</td>
<td>59,250</td>
<td>42,891</td>
</tr>
<tr>
<td>Decrease (Increase) in Costs on Uncompleted Construction Contracts</td>
<td>(35,161)</td>
<td>(45,394)</td>
<td>4,166</td>
</tr>
<tr>
<td>Decrease (Increase) in Costs on Development Projects</td>
<td>-</td>
<td>(195)</td>
<td>-</td>
</tr>
<tr>
<td>Decrease (Increase) in Real Estate for Sale</td>
<td>-</td>
<td>9,586</td>
<td>-</td>
</tr>
<tr>
<td>Decrease (Increase) in Other Inventories</td>
<td>(40,324)</td>
<td>(3,272)</td>
<td>(3,967)</td>
</tr>
<tr>
<td>Increase (Decrease) in Notes and Accounts Payable-trade</td>
<td>113,533</td>
<td>3,236</td>
<td>(68,098)</td>
</tr>
<tr>
<td>Increase (Decrease) in Advance Received</td>
<td>5,172</td>
<td>30,906</td>
<td>(3,635)</td>
</tr>
<tr>
<td>Increase (Decrease) in Deposits Received</td>
<td>10,061</td>
<td>-</td>
<td>(29,355)</td>
</tr>
<tr>
<td>Other, Net</td>
<td>(21,534)</td>
<td>(37,539)</td>
<td>(2,376)</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>(4,400)</td>
<td>35,062</td>
<td>(31,962)</td>
</tr>
<tr>
<td>Interest and Dividends Income Received</td>
<td>4,009</td>
<td>4,387</td>
<td>7,904</td>
</tr>
<tr>
<td>Interest Expenses Paid</td>
<td>(4,429)</td>
<td>(4,192)</td>
<td>(8,863)</td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>(13,061)</td>
<td>(1,390)</td>
<td>(19,619)</td>
</tr>
<tr>
<td><strong>Net Cash provided by (used in) Operating Activities</strong></td>
<td>(17,881)</td>
<td>33,798</td>
<td>(52,541)</td>
</tr>
</tbody>
</table>

| **INVESTING ACTIVITIES**  |                   |                   |                    |
| Purchase of Property, Plant and Equipment | (14,598) | (7,504) | (30,408) |
| Proceeds from Sales of Property, Plant and Equipment | 6,480 | 1,021 | 13,057 |
| Purchase of Intangible Assets | - | (598) | (2,323) |
| Purchase of Investment Securities | (16,240) | (1,900) | (18,078) |
| Proceeds from Sales and Others of Investment Securities | 23,144 | 2,751 | 27,884 |
| Purchase of Investments in Subsidiaries Resulting in Change in Scope of Consolidation | - | (252) | 3,737 |
| Payments of Loans Receivable | (4,728) | (4,297) | (5,164) |
| Collection of Loans Receivable | 6,325 | 191 | 4,396 |
| Collection of Investments in Capital | 0 | - | - |
| Proceeds from Sales of Investments in Capital | (1,667) | (3,346) | (6,518) |
| **Net Cash provided by (used in) Investing Activities** | (1,303) | (13,925) | 3,020 |

| **FINANCING ACTIVITIES**  |                   |                   |                    |
| Net Increase (Decrease) in Short-term Loans Payable | 34,816 | 10,826 | 7,010 |
| Increase (Decrease) in Commercial Papers | (5,000) | 20,000 | 27,000 |
| Proceeds from Long-term Loans Payable | 13,519 | 17,272 | 70,918 |
| Repayment of Long-term Loans Payable | (33,629) | (21,795) | (74,413) |
| Proceeds from Issuance of Bonds | - | - | (10,200) |
| Redemption of Bonds | - | (11,916) | (28,087) |
| Purchase of Treasury Stock | - | - | (12,321) |
| Cash Dividends Paid | (4,194) | (3,547) | (7,864) |
| Other, Net | (200) | (160) | (119) |
| **Net Cash provided by (used in) Financing Activities** | 5,311 | 10,679 | (7,678) |

| Effect of Exchange Rate Change on Cash and Cash Equivalents | 886 | (3,516) | (610) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (12,987) | 27,036 | (57,809) |
| Cash and Cash Equivalents at Beginning of Period | 158,100 | 100,290 | 158,100 |
| Increase (Decrease) in Cash and Cash Equivalents Resulting from Merger of Subsidiaries | - | 248 | - |
| **Cash and Cash Equivalents at End of Period** | 145,112 | 127,575 | 100,290 |
Business & Geographical Segment (Consolidated)

1. Performance by Business Segment
1st Half / FY2008 (1 April - 30 September 2008)

<table>
<thead>
<tr>
<th></th>
<th>Construction</th>
<th>Real Estate</th>
<th>Other</th>
<th>Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
</tr>
<tr>
<td>Revenues</td>
<td>812,971</td>
<td>81,396</td>
<td>46,123</td>
<td></td>
<td>940,491</td>
</tr>
<tr>
<td>Inter-company</td>
<td>2,972</td>
<td>993</td>
<td>8,020</td>
<td>(11,986)</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>815,943</td>
<td>82,389</td>
<td>54,144</td>
<td>(11,986)</td>
<td>940,491</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(2,094)</td>
<td>14,330</td>
<td>(547)</td>
<td>(185)</td>
<td>11,502</td>
</tr>
</tbody>
</table>

2. Performance by Geographical Segment
1st Half / FY2008 (1 April - 30 September 2008)

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
</tr>
<tr>
<td>Revenues</td>
<td>802,818</td>
<td>79,945</td>
<td>22,825</td>
<td>34,902</td>
<td></td>
<td>940,491</td>
</tr>
<tr>
<td>Inter-company</td>
<td>418</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>(419)</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>803,236</td>
<td>79,945</td>
<td>22,825</td>
<td>34,903</td>
<td>(419)</td>
<td>940,491</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>6,424</td>
<td>(336)</td>
<td>3,569</td>
<td>1,839</td>
<td>5</td>
<td>11,502</td>
</tr>
</tbody>
</table>

3. Overseas Revenues
1st Half / FY2008 (1 April - 30 September 2008)

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Other Regions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
</tr>
<tr>
<td>Revenues</td>
<td>79,783</td>
<td>23,616</td>
<td>44,454</td>
<td>76,041</td>
<td>223,894</td>
</tr>
<tr>
<td>Consolidated Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>940,491</td>
</tr>
</tbody>
</table>

Note: percentage of overseas revenues to the consolidated revenues
## Balance Sheets (Non-Consolidated)
### as at 30 September 2008

<table>
<thead>
<tr>
<th></th>
<th>As at 30 September '08</th>
<th>31 March '08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
</tr>
<tr>
<td><strong>(ASSETS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>79,014</td>
<td>66,326</td>
<td></td>
</tr>
<tr>
<td>Notes Receivable, Accounts Receivable from Completed Construction Contracts and Other</td>
<td>434,952</td>
<td>472,561</td>
<td>(37,609)</td>
</tr>
<tr>
<td>Operational Investment Securities</td>
<td>15,814</td>
<td>-</td>
<td>15,814</td>
</tr>
<tr>
<td>Real Estate for Sale</td>
<td>24,889</td>
<td>30,755</td>
<td></td>
</tr>
<tr>
<td>Costs on Uncompleted Construction Contracts</td>
<td>119,287</td>
<td>79,464</td>
<td>39,823</td>
</tr>
<tr>
<td>Costs on Development Projects in Progress and Other</td>
<td>62,999</td>
<td>64,407</td>
<td>(1,407)</td>
</tr>
<tr>
<td>Other</td>
<td>202,562</td>
<td>186,289</td>
<td></td>
</tr>
<tr>
<td>Allowance for Doubtful Accounts</td>
<td>(2,830)</td>
<td>(1,662)</td>
<td>(1,167)</td>
</tr>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>232,511</td>
<td>231,508</td>
<td>1,002</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>7,446</td>
<td>7,660</td>
<td></td>
</tr>
<tr>
<td>Investments and Other Assets</td>
<td>359,354</td>
<td>397,043</td>
<td>(37,688)</td>
</tr>
<tr>
<td>Investment Securities</td>
<td>282,498</td>
<td>299,112</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>88,032</td>
<td>108,505</td>
<td></td>
</tr>
<tr>
<td>Allowance for Doubtful Accounts</td>
<td>(11,176)</td>
<td>(10,574)</td>
<td>(602)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,536,002</td>
<td>1,534,353</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
- All amounts are in millions (¥).
<table>
<thead>
<tr>
<th></th>
<th>As at</th>
<th>30 September '08</th>
<th>31 March '08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td><strong>(LIABILITIES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable, Accounts Payable for Construction Contracts and Other</td>
<td>998,431</td>
<td>65.0%</td>
<td>970,362</td>
<td>63.2%</td>
</tr>
<tr>
<td>Short-term Loans Payable</td>
<td>76,394</td>
<td></td>
<td>79,068</td>
<td></td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>97,000</td>
<td></td>
<td>77,000</td>
<td></td>
</tr>
<tr>
<td>Current Portion of Bonds</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Advances Received on Uncompleted Construction Contracts</td>
<td>166,226</td>
<td></td>
<td>150,270</td>
<td></td>
</tr>
<tr>
<td>Allowance for Warranty on Completed Construction Contracts</td>
<td>2,473</td>
<td></td>
<td>1,140</td>
<td></td>
</tr>
<tr>
<td>Allowance for Foreseeable Losses on Uncompleted Construction Contracts</td>
<td>17,540</td>
<td></td>
<td>20,770</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>156,711</td>
<td></td>
<td>183,664</td>
<td></td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>60,000</td>
<td></td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>Long-term Loans Payable</td>
<td>83,714</td>
<td></td>
<td>88,148</td>
<td></td>
</tr>
<tr>
<td>Provision for Retirement Benefits</td>
<td>56,553</td>
<td></td>
<td>56,990</td>
<td></td>
</tr>
<tr>
<td>Allowance for Loss on Development Projects</td>
<td>5,904</td>
<td></td>
<td>5,904</td>
<td></td>
</tr>
<tr>
<td>Allowance for Loss on Investments in Subsidiaries and Affiliates</td>
<td>3,911</td>
<td></td>
<td>18,452</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>67,582</td>
<td></td>
<td>69,469</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,276,096</td>
<td>83.1%</td>
<td>1,269,327</td>
<td>82.7%</td>
</tr>
<tr>
<td><strong>(NET ASSETS)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>191,047</td>
<td>12.4%</td>
<td>190,667</td>
<td>12.4%</td>
</tr>
<tr>
<td>Capital Stock</td>
<td>81,447</td>
<td></td>
<td>81,447</td>
<td></td>
</tr>
<tr>
<td>Capital Surplus</td>
<td>49,485</td>
<td></td>
<td>49,485</td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>73,344</td>
<td></td>
<td>72,910</td>
<td></td>
</tr>
<tr>
<td>Treasury Stock</td>
<td>(13,229)</td>
<td></td>
<td>(13,174)</td>
<td></td>
</tr>
<tr>
<td>Valuation and Translation Adjustments</td>
<td>68,858</td>
<td>4.5%</td>
<td>74,358</td>
<td>4.9%</td>
</tr>
<tr>
<td>Valuation Difference on Available-for-sale Securities</td>
<td>43,888</td>
<td></td>
<td>49,406</td>
<td></td>
</tr>
<tr>
<td>Deferred Gains or Losses on Hedges</td>
<td>(470)</td>
<td></td>
<td>(729)</td>
<td></td>
</tr>
<tr>
<td>Revaluation Reserve for Land</td>
<td>25,441</td>
<td></td>
<td>25,881</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>259,905</td>
<td>16.9%</td>
<td>265,026</td>
<td>17.3%</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>1,536,002</td>
<td>100.0%</td>
<td>1,534,353</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
## Income Statements (Non-Consolidated)
### 1st Half / FY2008 (1 April - 30 September 2008)

<table>
<thead>
<tr>
<th></th>
<th>1st Half / FY2007 (1 Apr - 30 Sep '07)</th>
<th>1st Half / FY2008 (1 Apr - 30 Sep '08)</th>
<th>Change</th>
<th>Full-Year / FY2007 (1 Apr '07 - 31 Mar '08)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>598,130</td>
<td>100.0%</td>
<td>716,372</td>
<td>100.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>579,729</td>
<td>100.0%</td>
<td>673,303</td>
<td>100.0%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>18,400</td>
<td>100.0%</td>
<td>43,069</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Cost of Revenues</strong></td>
<td>563,248</td>
<td>94.2%</td>
<td>677,355</td>
<td>94.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>549,184</td>
<td>94.7%</td>
<td>645,244</td>
<td>95.8%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>14,063</td>
<td>76.4%</td>
<td>32,110</td>
<td>74.6%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>34,882</td>
<td>5.8%</td>
<td>39,017</td>
<td>5.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>30,544</td>
<td>5.3%</td>
<td>28,058</td>
<td>4.2%</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>4,337</td>
<td>23.6%</td>
<td>10,959</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>Selling, General and Administrative Expenses</strong></td>
<td>33,342</td>
<td>5.5%</td>
<td>33,434</td>
<td>4.6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,539</td>
<td>0.3%</td>
<td>5,583</td>
<td>0.8%</td>
</tr>
<tr>
<td>Non-Operating Income</td>
<td>9,385</td>
<td>1.5%</td>
<td>7,258</td>
<td>1.0%</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>4,154</td>
<td>0.7%</td>
<td>4,407</td>
<td>0.6%</td>
</tr>
<tr>
<td>Recurring Profit</td>
<td>6,770</td>
<td>1.1%</td>
<td>8,434</td>
<td>1.2%</td>
</tr>
<tr>
<td>Extraordinary Profit</td>
<td>5,380</td>
<td>0.9%</td>
<td>756</td>
<td>0.1%</td>
</tr>
<tr>
<td>Extraordinary Loss</td>
<td>4,958</td>
<td>0.8%</td>
<td>3,643</td>
<td>0.5%</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>7,192</td>
<td>1.2%</td>
<td>5,546</td>
<td>0.8%</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>5,144</td>
<td>0.9%</td>
<td>1,783</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>2,048</td>
<td>0.3%</td>
<td>3,763</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Supplementary Information: Non-Consolidated Contract Awards

(1) Contract Awards (non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td>FY2008</td>
<td>746,062</td>
<td>726,000</td>
<td>20,062</td>
<td>2.8</td>
</tr>
</tbody>
</table>

%: Representing increase (decrease) from the same period of the previous year

Breakdown of Non-Consolidated Contract Awards

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic - Public</td>
<td>12,433</td>
<td>92,802</td>
<td>80,368</td>
<td>646.4</td>
</tr>
<tr>
<td>Domestic - Private</td>
<td>66,068</td>
<td>57,469</td>
<td>(8,599)</td>
<td>(13.0)</td>
</tr>
<tr>
<td>Overseas</td>
<td>44,470</td>
<td>57,031</td>
<td>12,561</td>
<td>28.2</td>
</tr>
<tr>
<td>Sub-total</td>
<td>122,972</td>
<td>207,302</td>
<td>84,330</td>
<td>68.6</td>
</tr>
<tr>
<td>Building Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic - Public</td>
<td>3,898</td>
<td>11,204</td>
<td>7,306</td>
<td>187.4</td>
</tr>
<tr>
<td>Domestic - Private</td>
<td>568,081</td>
<td>470,644</td>
<td>(97,436)</td>
<td>(17.2)</td>
</tr>
<tr>
<td>Overseas</td>
<td>54</td>
<td>42</td>
<td>(11)</td>
<td>(22.1)</td>
</tr>
<tr>
<td>Sub-total</td>
<td>572,033</td>
<td>481,891</td>
<td>(90,142)</td>
<td>(15.8)</td>
</tr>
<tr>
<td>Construction Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic - Public</td>
<td>16,332</td>
<td>104,006</td>
<td>87,674</td>
<td>536.8</td>
</tr>
<tr>
<td>Domestic - Private</td>
<td>634,149</td>
<td>528,113</td>
<td>(106,035)</td>
<td>(16.7)</td>
</tr>
<tr>
<td>Overseas</td>
<td>44,524</td>
<td>57,073</td>
<td>12,549</td>
<td>28.2</td>
</tr>
<tr>
<td>Sub-total</td>
<td>695,006</td>
<td>689,193</td>
<td>(5,812)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Real Estate and Other</td>
<td>30,993</td>
<td>56,868</td>
<td>25,874</td>
<td>83.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>726,000</td>
<td>746,062</td>
<td>20,062</td>
<td>2.8</td>
</tr>
</tbody>
</table>

(2) Forecast of Contract Awards (non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th>Full-Year FY2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥ Mil</td>
<td>%</td>
</tr>
<tr>
<td>FY2008 (Forecast)</td>
<td>1,350,000</td>
<td>(7.8)</td>
</tr>
<tr>
<td>FY2007 (Actual)</td>
<td>1,463,688</td>
<td>5.5</td>
</tr>
</tbody>
</table>

%: Representing increase (decrease) from the previous year

- Revisions have been made to our forecasts of non-consolidated full-year contract awards which we announced on 15 May 2008.
Disclaimer

Projections contained herein are based on information available as at the date of this announcement, and are subject to risks and uncertainties that may cause the actual results to vary.

For enquiries, please contact
Investor Relations Group, Corporate Planning Department at ir@ml.kajima.com

While every attempt has been made to ensure the accuracy of information in this document, we cannot be held responsible for any errors contained.