

# Non-Consolidated Interim Financial Statements — Summary

(For the fiscal year ending March 31, 2006)

November 17, 2005

The following statements are an English-language translation of the original Japanese-language document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of listed company: **Penta-Ocean Construction Co., Ltd**  
 Code number: **1893**  
 Representative  
 Title: **Chief Executive Officer**  
 Name: **Kazujiro Tetsumura**  
 Contact  
 Title: **General Manager, Finance Department**  
 Name: **Hisayuki Kobayashi**  
 Board of Directors meeting: **November 17, 2005**

Stock exchange: **Tokyo, Osaka, Nagoya**  
 Head office: **Tokyo**

Tel: **03-3817-7618**  
 URL: **http://www.penta-ocean.co.jp/**

Interim divided system: **No**  
 Investment unit system: **Yes**  
 One investment unit=1,000 shares

## 1. Business results for the interim term (April 1, 2005-September 30, 2005)

(1) Non-Consolidated financial results Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Sep. 2005 interim term	116,623	4.7	112	-	(1,569)	-
Sep. 2004 interim term	111,360	(1.1)	(583)	-	(2,220)	-
Mar. 2005 term	317,359		11,251		7,649	

	Net income		Earnings per share
	(Millions of yen)	(%)	(Yen)
Sep. 2005 interim term	(2,183)	-	(5.21)
Sep. 2004 interim term	(2,610)	-	(7.15)
Mar. 2005 term	1,615		4.28

Notes:

① Average number of shares outstanding

Sep. 2005 interim term: 418,736,094 Sep. 2004 interim term: 364,946,537 Mar. 2005 term: 377,768,881

② Changes in accounting methods: **Changed**

③ Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous corresponding term.

	Annual dividends per share (Yen)	
	Interim	Term-end
Sep. 2005 interim term	-	-
Sep. 2004 interim term	-	-
Mar. 2005 term	-	0.00

(3) Non-Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity / total assets (%)	Shareholders' equity per share (Yen)
	(millions of yen)	(millions of yen)		
Sep. 2005 interim term	386,559	54,972	14.2	118.62
Sep. 2004 interim term	406,172	39,037	9.6	100.98
Mar. 2005 term	384,088	45,573	11.9	115.33

Notes:

① Number of shares outstanding at term-end (Non-consolidated):

Sep. 2005 interim term: 463,447,722 Sep. 2004 interim term: 386,597,405 Mar. 2005 term: 395,175,333

② Number of treasury stock at term-end:

Sep. 2005 interim term: 99,563 Sep. 2004 interim term: 75,994 Mar. 2005 term: 89,519

## 2. Forecast for fiscal 2005 (April 1, 2005-March 31, 2006)

	Net sales	Operating income	Ordinary income	Annual dividends per share	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Year-end)	(Yen)
Entire term	330,000	10,000	3,000	0.00	0.00

Reference: Estimated earnings per share (yen, fiscal 2005): 6.4

Note:

The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecast due to factor including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

## Non-Consolidated Balance Sheets

## ASSETS

	September 30, 2005 (Millions of yen)	September 30, 2004 (Millions of yen)	March 31, 2005 (Millions of yen)
<b>I Current assets</b>			
Cash and deposits	76,289	52,037	64,065
Notes receivable	5,262	6,132	7,501
Accounts receivable	60,078	68,200	86,063
Real estate for trade	13,780	12,994	12,308
Cost of uncompleted contracts	63,296	77,262	44,627
Real estate in progress	24,353	23,549	23,687
Raw materials and supplies	593	642	633
Other receivables	21,719	27,756	21,983
Other current assets	26,329	20,688	26,904
Allowance for doubtful accounts	(630)	(627)	(910)
<b>Total current assets</b>	291,074	288,636	286,863
<b>II Fixed assets</b>			
1. Tangible fixed assets:			
Land	34,082	42,229	34,468
Other tangible assets	18,150	21,142	18,961
<b>Net tangible fixed assets</b>	52,232	63,372	53,430
2. Intangible fixed assets	481	493	492
3. Investments and other assets			
Investment Securities	25,921	21,515	23,860
Long-term loans receivable	5,802	17,199	6,203
Impaired loan	6,021	6,683	6,883
Other	10,806	14,895	12,877
Allowance for doubtful accounts	(5,781)	(6,624)	(6,523)
<b>Total investment and other assets</b>	42,771	53,669	43,302
<b>Total fixed assets</b>	95,484	117,535	97,225
<b>Total assets</b>	386,559	406,172	384,088

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	September 30, 2005 (Millions of yen)	September 30, 2004 (Millions of yen)	March 31, 2005 (Millions of yen)
<b>I Current liabilities:</b>			
Notes payable	20,665	22,057	26,348
Account payable	67,454	74,293	77,905
Short-term loans	86,462	103,446	109,453
Advances received on uncompleted contracts	49,478	62,527	37,021
Provision for loss on liquidation of a subsidiary	8,726	-	-
Provision for loss on real estate development business of affiliates	-	-	8,704
Reserves	2,693	2,315	2,475
Other current liabilities	15,997	20,080	20,883
<b>Total current liabilities</b>	<b>251,477</b>	<b>284,720</b>	<b>282,790</b>
<b>II Long-term liabilities</b>			
Convertible bonds	4,600	1,200	-
Long-term loans	60,965	57,079	40,954
Deferred tax liabilities for land revaluation excess	3,317	5,774	3,270
Reserve for retirement benefits	6,417	6,206	6,301
Reserve for directors' retirement bonuses	177	206	229
Provision for loss on real estate development business of affiliates	71	6,475	70
Other long-term liabilities	4,560	5,473	4,899
<b>Total long-term liabilities</b>	<b>80,109</b>	<b>82,414</b>	<b>55,724</b>
<b>Total liabilities</b>	<b>331,587</b>	<b>367,134</b>	<b>338,514</b>
<b>I Common stock</b>	<b>25,770</b>	<b>19,970</b>	<b>20,570</b>
<b>II Capital surplus</b>			
Capital surplus	7,700	1,900	2,500
Other capital surplus	10,106	10,106	10,106
Total capital surplus	17,806	12,006	12,606
<b>III Retained earnings</b>			
Other reserve	4,000	-	-
Retained loss for interim term	2,029	3,652	-
Retained earnings for entire term	-	-	4,222
Total retained earnings	1,970	(3,652)	4,222
<b>IV Land revaluation excess</b>	<b>4,835</b>	<b>8,416</b>	<b>4,766</b>
<b>V Net unrealized holding gains (loss) on securities</b>	<b>4,600</b>	<b>2,304</b>	<b>3,417</b>
<b>VI Treasury stock, at cost</b>	<b>(10)</b>	<b>(6)</b>	<b>(9)</b>
<b>Total shareholders' equity</b>	<b>54,972</b>	<b>39,037</b>	<b>45,573</b>
<b>Total liabilities and shareholders' equity</b>	<b>386,559</b>	<b>406,172</b>	<b>384,088</b>

## Non-Consolidated Statements of Income

	Sep. 2005 interim term (Millions of yen)	Sep. 2004 interim term (Millions of yen)	Mar. 2005 term (Millions of yen)
<b>I Net sales:</b>			
Construction business	115,707	109,836	314,660
Real estate and other	915	1,523	2,699
<b>Total net sale</b>	116,623	111,360	317,359
<b>II Cost of sales:</b>			
Construction business	106,158	100,593	284,400
Real estate and other	1,191	2,106	3,584
<b>Total cost of sales</b>	107,350	102,699	287,985
Gross profit			
Construction business	9,549	9,243	30,259
Real estate and other	(275)	(582)	(885)
<b>Total gross profit</b>	9,273	8,660	29,374
<b>III Selling, general and administrative expenses:</b>	9,160	9,244	18,122
Operating income	112	(583)	11,251
<b>IV Non-operating income:</b>			
Interest income	140	139	267
Other non-operating income	486	322	637
<b>Total non-operating income</b>	626	461	904
<b>V Non-operating expenses:</b>			
Interest expense	1,731	1,763	3,653
Other non-operating expenses	577	334	852
<b>Total non-operating expenses</b>	2,309	2,098	4,506
<b>Ordinary income</b>	(1,569)	(2,220)	7,649
<b>VI Extraordinary gain:</b>	386	12,395	12,871
<b>VII Extraordinary loss:</b>	1,233	8,677	12,710
Income before income taxes	(2,416)	1,497	7,811
Corporation, inhabitant and enterprise	226	260	1,170
Income taxes deferred	(459)	3,847	5,025
Net income	(2,183)	(2,610)	1,615
Retained earnings (deficit) brought	222	(276)	(276)
Reversal of land revaluation excess	(69)	(766)	2,883
Retained loss for interim term	2,029	3,652	-
Retained earnings for entire term	-	-	4,222

## Orders Received, Net Sales and Backlog

### 1. Orders Received

		Sep. 2005 interim term (Millions of yen)	Sep. 2004 interim term (Millions of yen)	Mar. 2005 term (Millions of yen)
	Public works	48,380	42,266	156,541
	Private works	14,069	13,425	24,282
Domestic civil engineering		62,450	55,691	180,824
	Public works	7,461	6,826	11,998
	Private works	62,616	56,829	113,235
Domestic building construction		70,077	63,655	125,234
	Civil engineering	8,483	9,889	16,742
	Building construction	35	1,004	1,306
Overseas		8,519	10,893	18,049
Construction Total		141,047	130,241	324,108
Real estate and Others		1,297	1,423	2,799
Total		142,344	131,664	326,908

### 2. Net Sales

		Sep. 2005 interim term (Millions of yen)	Sep. 2004 interim term (Millions of yen)	Mar. 2005 term (Millions of yen)
	Public works	33,277	34,051	105,410
	Private works	12,764	10,236	28,064
Domestic civil engineering		46,041	44,287	133,475
	Public works	3,541	6,406	29,700
	Private works	47,475	42,046	113,792
Domestic building construction		51,016	48,452	143,493
	Civil engineering	13,299	8,841	24,825
	Building construction	5,349	8,254	12,866
Overseas		18,649	17,096	37,692
Construction Total		115,707	109,836	314,660
Real estate and Others		915	1,523	2,699
Total		116,623	111,360	317,359

### 3. Backlog

		Sep. 2005 interim term (Millions of yen)	Sep. 2004 interim term (Millions of yen)	Mar. 2005 term (Millions of yen)
	Public works	168,196	110,177	153,093
	Private works	37,040	42,706	35,735
Domestic civil engineering		205,236	152,883	188,828
	Public works	17,095	31,297	13,175
	Private works	99,119	99,318	83,978
Domestic building construction		116,215	130,615	97,153
	Civil engineering	84,499	96,591	87,108
	Building construction	10,157	19,523	15,018
Overseas		94,657	116,114	102,126
Construction Total		416,109	399,613	388,109
Real estate and Others		3,304	2,721	2,922
Total		419,413	402,334	391,031