

# Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 2009

February 10, 2009

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.**

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

Code number: **1893**

Head office: **Tokyo**

(URL: <http://www.penta-ocean.co.jp/>)

Representative

Title: **Chief Executive Officer**

Name: **Yoshio Murashige**

Contact

Title: **General Manager, Finance Department**

Name: **Hisayuki Kobayashi**

Tel: **03-3817-7618**

Schedule of financial statement reporting date: February 12, 2009

## 1. Business results for the fiscal year ended March 2009 (April 1, 2008-December 31, 2008)

(1) Consolidated business results Note: All amounts are rounded down to the nearest million yen. Percentage indicate changes form the previous term.

|           | Net sales         |     | Operating income  |     | Ordinary income   |     | Net income        |     |
|-----------|-------------------|-----|-------------------|-----|-------------------|-----|-------------------|-----|
|           | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) |
| 3Q FY2008 | 281,060           | -   | 3,137             | -   | (93)              | -   | (4,022)           | -   |
| 3Q FY2007 | 216,698           | 9.0 | 873               | -   | (1,053)           | -   | (1,750)           | -   |

|           | Earnings per share<br>(Yen) | Earnings per share (diluted)<br>(Yen) |
|-----------|-----------------------------|---------------------------------------|
| 3Q FY2008 | (16.37)                     | -                                     |
| 3Q FY2007 | (7.12)                      | -                                     |

(2) Consolidated financial position

|                     | Total assets<br>(millions of yen) | Total net assets<br>(millions of yen) | Total net assets/ total assets<br>(%) | Total net assets per share<br>(Yen) |
|---------------------|-----------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| As of Dec. 31, 2008 | 371,204                           | 53,738                                | 14.0                                  | 212.00                              |
| As of Mar. 31, 2008 | 340,233                           | 53,862                                | 15.8                                  | 219.19                              |

Reference: Shareholders' Equity (millions of yen) 3Q FY2008: 52,081 Mar. 2008 term: 53,851

## 2. Dividends

|                   | Dividends per share (Yen) |              |              |                       |           |
|-------------------|---------------------------|--------------|--------------|-----------------------|-----------|
|                   | As of 1Q-end              | As of 3Q-end | As of 3Q-end | As of Fiscal Year-end | Full year |
| FY2007            | -                         | -            | -            | 0.00                  | 0.00      |
| FY2008            | -                         | -            | -            | -                     | -         |
| FY2008 (Forecast) | -                         | -            | -            | 2.00                  | 2.00      |

Notes: Revision made in the forecast dividend as of the end of the current quarter: None

## 3. Consolidated earnings forecasts for fiscal year ended March 2009 (April 1, 2008-March 31, 2009)

|             | Net sales         |      | Operating income  |      | Ordinary income   |      | Net income        |      | Earnings per share |
|-------------|-------------------|------|-------------------|------|-------------------|------|-------------------|------|--------------------|
|             | (Millions of yen) | (%)  | (Millions of yen) | (%)  | (Millions of yen) | (%)  | (Millions of yen) | (%)  | (Yen)              |
| Entire term | 408,000           | 15.6 | 11,600            | 31.2 | 8,000             | 57.0 | 3,000             | 16.7 | 12.21              |

Notes: Change made in figures of the forecasts as of the end of the current quarter form the previous announcement: None

## 4. Others

(1) Changes in significant subsidiaries during the first quarter (changes in specific subsidiaries resulting in change the scope of consolidation): None

(2) Adoption of convenient method in accounting and of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter: Adopted

(3) Changed in account policies and processing and representation methods adopted to prepare the consolidated financial statements for the current quarter (significant changes in the basis of presenting the consolidated financial statements for the current quarter):

1) Changes due to revised accounting Standard: Yes

2) Changes other than the reason described above: Yes

(4) Total number of outstanding shares (common stock)

1) Number of outstanding shares as of end of period (including treasury stock) :

3Q FY2008: 245,763,910 FY2007: 245,763,910

2) Number of shares of treasury stock as of end of period :

3Q FY2008: 93,906 FY2007: 81,444

3) Average number of shares outstanding during the period (or the cumulative consolidated accounting period as the end of the current quarter) :

3Q FY2008: 245,677,788 3QFY2007: 245,693,801

Notes: Request for appropriate use of the business outlook and other special remarks:

1) 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.

2) The company has adopted the "Accounting Standard for Quarterly Financial Statements"(Corporate Accounting Standard No.12) and the "Implementation Guidance for the Accounting Standard for Quarterly Financial Statements"(Corporate Accounting Standard Implementation Guidance No.14), effective from the beginning of FY 2008. The company also develops consolidated financial statements for each quarter.

(5) Non-Consolidated earnings forecasts for fiscal year ended March 2009 (April 1, 2008-March 31, 2009)

|             | Net sales<br>(Millions of yen) |      | Operating income<br>(Millions of yen) |      | Ordinary income<br>(Millions of yen) |       | Net income<br>(Millions of yen) |      | Earnings per share<br>(Yen) |
|-------------|--------------------------------|------|---------------------------------------|------|--------------------------------------|-------|---------------------------------|------|-----------------------------|
|             |                                |      |                                       |      |                                      |       |                                 |      |                             |
| Entire term | 374,000                        | 17.7 | 10,600                                | 56.3 | 7,000                                | 127.2 | 2,500                           | 79.9 | 10.18                       |

Notes: Request for appropriate use of the business outlook and other special remarks:

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.

## 5. Consolidated Financial Statements

### 1) Consolidated quarterly balance sheets

|  | (Unit: millions of yen)   |                |
|--|---------------------------|----------------|
|  | 3Q FY2008                 | March 31,2008  |
|  | (As of December 31, 2008) |                |
| <b>Current assets</b>                            |                           |                |
| Cash and deposits                                | 45,473                    | 33,421         |
| Notes and accounts receivable                    | 144,144                   | 136,002        |
| Marketable securities                            | 201                       | 102            |
| Contract works in progress                       | 30,493                    | 33,514         |
| Real estate for sale and real estate in progress | 22,843                    | 12,740         |
| Other receivables                                | 21,225                    | 19,881         |
| Other current assets                             | 14,642                    | 10,885         |
| Allowance for doubtful accounts                  | (1,732)                   | (1,160)        |
| <b>Total current assets</b>                      | <b>277,292</b>            | <b>245,388</b> |
| <b>Fixed assets</b>                              |                           |                |
| Tangible fixed assets                            |                           |                |
| Land   | 35,991                    | 36,024         |
| Other tangible assets                            | 23,727                    | 25,247         |
| <b>Net tangible fixed assets</b>                 | <b>59,718</b>             | <b>61,271</b>  |
| Intangible fixed assets                          | 587                       | 568            |
| Investments and other assets                     |                           |                |
| Investment Securities                            | 12,037                    | 14,463         |
| Other investment and other assets                | 28,662                    | 25,142         |
| Allowance for doubtful accounts                  | (7,093)                   | (6,601)        |
| <b>Total investments and other assets</b>        | <b>33,606</b>             | <b>33,005</b>  |
| <b>Total fixed assets</b>                        | <b>93,912</b>             | <b>94,844</b>  |
| <b>Total assets</b>                              | <b>371,204</b>            | <b>340,233</b> |

|   | (Unit: millions of yen)   |                |
|---|---------------------------|----------------|
|   | 3Q FY2008                 | March 31,2008  |
|   | (As of December 31, 2008) |                |
| <b>Current liabilities</b>                                  |                           |                |
| Notes and account payable                                   | 128,722                   | 117,960        |
| Short-term loans  | 82,969                    | 63,188         |
| Income taxes payable  | 426                       | 743            |
| Advances received on uncompleted contracts                  | 29,947                    | 28,910         |
| Allowance   | 2,513                     | 2,966          |
| Other current liabilities                                   | 19,292                    | 17,047         |
| <b>Total current liabilities</b>                            | <b>263,870</b>            | <b>230,816</b> |
| <b>Long-term liabilities</b>                                |                           |                |
| Long-term loans   | 44,313                    | 45,909         |
| Deferred tax liabilities for land revaluation excess        | 7,212                     | 7,216          |
| Allowance   | 974                       | 1,322          |
| Other long-term liabilities                                 | 1,096                     | 1,105          |
| <b>Total long-term liabilities</b>                          | <b>53,595</b>             | <b>55,553</b>  |
| <b>Total liabilities</b>                                    | <b>317,466</b>            | <b>286,370</b> |
| <b>Shareholders' equity</b>                                 |                           |                |
| Common stock  | 28,070                    | 28,070         |
| Capital surplus   | 20,106                    | 20,106         |
| Retained earnings abstract                                  | (25)                      | 3,991          |
| Treasury stock  | (21)                      | (20)           |
| <b>Total shareholders' equity</b>                           | <b>48,129</b>             | <b>52,147</b>  |
| <b>Valuation and Translation adjustments</b>                |                           |                |
| Valuation difference on available for sale securities       | 311                       | (1,973)        |
| Gain (loss) on deferred hedge                               | (30)                      | (32)           |
| Revaluation reserve for land                                | 3,533                     | 3,539          |
| Foreign currency translation adjustments                    | 138                       | 170            |
| <b>Total valuation and translation adjustments abstract</b> | <b>3,952</b>              | <b>1,703</b>   |
| <b>Minority interests</b>                                   | <b>1,656</b>              | <b>11</b>      |
| <b>Total Net Assets</b>                                     | <b>53,738</b>             | <b>53,862</b>  |
| <b>Total liabilities and net assets</b>                     | <b>371,204</b>            | <b>340,233</b> |

**2) Consolidated quarterly statements of income**

|  | (Unit: millions of yen)                   |
|--|---|
|  | 3Q FY2008                                 |
|  | (From April 1, 2008 to December 31, 2008) |
| <b>Net sales</b>   |   |
| Construction business  | 270,694                                   |
| Real estate development and others                           | 10,365                                    |
| <b>Total net sales</b>                                       | <u>281,060</u>                            |
| <b>Cost of sales</b>   |   |
| Construction business  | 254,702                                   |
| Real estate development and others                           | 9,394                                     |
| <b>Total cost of sales</b>                                   | <u>264,096</u>                            |
| Gross profit   |   |
| Construction business  | 15,992                                    |
| Real estate development and others                           | 971                                       |
| <b>Total gross profit</b>                                    | <u>16,963</u>                             |
| <b>Selling, general and administrative expenses</b>          | <u>13,826</u>                             |
| Operating income   | 3,137                                     |
| <b>Non-operating income</b>                                  |   |
| Interest income  | 137                                       |
| Dividend income  | 281                                       |
| Other non-operating income                                   | 266                                       |
| <b>Total non-operating income</b>                            | <u>685</u>                                |
| <b>Non-operating expenses</b>                                |   |
| Interest expense   | 2,296                                     |
| Exchange loss, net   | 1,064                                     |
| Other non-operating expenses                                 | 555                                       |
| <b>Total non-operating expenses</b>                          | <u>3,915</u>                              |
| <b>Ordinary income (loss)</b>                                | <u>(93)</u>                               |
| <b>Extraordinary gain</b>                                    |   |
| Gain on sales and disposals of property, plant and equipment | 596                                       |
| Other extraordinary gains                                    | 115                                       |
| <b>Total extraordinary gain</b>                              | <u>711</u>                                |
| <b>Extraordinary loss</b>                                    |   |
| Loss on Devaluation of Investment Securities                 | 5,346                                     |
| Other extraordinary losses                                   | 589                                       |
| <b>Total extraordinary loss</b>                              | <u>5,935</u>                              |
| Income (loss) before income taxes                            | <u>(5,316)</u>                            |
| Corporation, inhabitant and enterprise taxes                 | 471                                       |
| Income taxes deferred  | (1,771)                                   |
| <b>Total income tax</b>                                      | <u>(1,299)</u>                            |
| Minority interests   | 5   |
| <b>Net income (loss)</b>                                     | <u>(4,022)</u>                            |

**3) Consolidated quarterly statements of cash flows**

|   | (Unit: millions of yen)                   |
|---|---|
|   | 3Q FY2008                                 |
|   | (From April 1, 2008 to December 31, 2008) |
| Cash flow from operating activities   |   |
| Income (losses) before taxes and minority interests   | (5,316)                                   |
| losses on impairment of fixed assets  | 3,459                                     |
| Increase (decrease) in allowance for doubtful accounts  | 1,063                                     |
| Increase (decrease) in reserve for bonus  | (1,014)                                   |
| Increase (decrease) in reserve for retirement benefits  | (297)                                     |
| Increase (decrease) in allowance for losses on construction works                                       | 621                                       |
| Interest and dividends receivable   | (418)                                     |
| Interest expenses   | 2,484                                     |
| Foreign exchange losses (gains)   | 464                                       |
| Equity losses (gains)   | (4)                                       |
| losses (gains) on sales and disposals of property, plant and equipment                                  | (592)                                     |
| losses (gains) on sales of investment in securities   | (0)                                       |
| Write-down of securities and investment in securities   | 5,346                                     |
| (Increase) decrease in trade receivables  | (11,571)                                  |
| (Increase) decrease in cost of uncompleted contracts  | 1,545                                     |
| (Increase) decrease in real estate for trade and real estate in progress and other                      | 1,727                                     |
| Increase (decrease) in trade payables   | 10,765                                    |
| Increase (decrease) in advance received on contracts in progress  | 1,044                                     |
| (Increase) decrease in other receivable   | (1,320)                                   |
| Other-net   | 319                                       |
| Sub-total   | 8,306                                     |
| Interest and dividends received   | 437                                       |
| Interest paid   | (2,144)                                   |
| Income taxes paid   | (787)                                     |
| Net cash provided by (used in) operating activities   | 5,811                                     |
| Cash flows from investing activities  |   |
| Purchases of securities and investment in securities  | (1,045)                                   |
| Proceeds from sales of securities and investment in securities  | 102                                       |
| Purchases of property, plant and equipment  | (2,130)                                   |
| Proceeds from sales of property, plant and equipment  | 877                                       |
| Loans made  | (985)                                     |
| Collection of loans receivable  | 96  |
| Investment on development projects  | (4,750)                                   |
| Purchase of other subsidiaries and affiliates' securities resulting in change in scope of consolidation | (257)                                     |
| Other-net   | (116)                                     |
| Net cash provided by (used in) investing activities   | (8,210)                                   |
| Cash flows financing activities   |   |
| Net increase (decrease) in short-term bank loans  | 9,151                                     |
| Long-term loans payable   | 25,600                                    |
| Repayment of long-term debt   | (19,467)                                  |
| Cash dividends paid   | (0)                                       |
| Other-net   | (374)                                     |
| Net cash provided by (used in) financing activities   | 14,909                                    |
| Difference resulting from conversion of foreign cash and cash equivalents to yen                        | (455)                                     |
| Net increase (decrease) in cash and cash equivalents  | 12,055                                    |
| Cash and cash equivalents at beginning of the period  | 33,394                                    |
| Cash and cash equivalents at end of the period  | 45,449                                    |

#### 4) Segment Information

##### a. Information by business segment

3Q FY 2008 (From April 1, 2008 to December 31, 2008)

(Unit: millions of yen)

|                          | Construction | Real estate development | Others | Total   | Eliminations and/or addition | Consolidated |
|--------------------------|--------------|-------------------------|--------|---------|------------------------------|--------------|
| Net sales                |              |                         |        |         |                              |              |
| (1) External customers   | 270,694      | 1,070                   | 9,295  | 281,060 | -                            | 281,060      |
| (2) Inter-segment        | 56           | 203                     | 5,651  | 5,910   | (5,910)                      | -            |
| Total                    | 270,750      | 1,274                   | 14,946 | 286,971 | (5,910)                      | 281,060      |
| Operating profit or loss | 2,700        | (259)                   | 692    | 3,133   | 3                            | 3,137        |

Notes:

Business segment is primarily composed of the followings:

|                          |  |
|--------------------------|--|
| Construction:            | Civil engineering, building construction, etc.     |
| Real estate development: | Sale or Rental of real estate                      |
| Other:                   | Sale of construction materials, shipbuilding, etc. |

##### b. Information by geographic segment

3Q FY 2008 (From April 1, 2008 to December 31, 2008)

(Unit: millions of yen)

|                        | Japan   | Southeast Asia | Other | Total   | Eliminations and/or addition | Consolidated |
|------------------------|---------|----------------|-------|---------|------------------------------|--------------|
| Net sales              |         |                |       |         |                              |              |
| (1) External customers | 222,407 | 52,189         | 6,463 | 281,060 | -                            | 281,060      |
| (2) Inter-segment      | -       | -              | -     | -       | -                            | -            |
| Total                  | 222,407 | 52,189         | 6,463 | 281,060 | -                            | 281,060      |
| Operating profit       | 2,412   | 943            | (226) | 3,129   | 7                            | 3,137        |

Notes:

Major countries and areas included in each geographic area are as follows:

|                 |                               |
|-----------------|-------------------------------|
| Southeast Asia: | Singapore, Hong Kong, Vietnam |
| Other:          | UAE, Sri Lanka                |

##### c. Overseas sales

3Q FY 2008 (From April 1, 2008 to December 31, 2008)

(Unit: millions of yen)

|  | Southeast Asia | Other | Total   |
|--|----------------|-------|---------|
| I Overseas sales                                   | 52,189         | 6,463 | 58,653  |
| II Consolidated sales                              | -              | -     | 281,060 |
| III Percentage of overseas sales over consolidated | 18.6           | 2.3   | 20.9    |

Notes:

Major countries and areas included in each geographic area are as follows:

|                 |                               |
|-----------------|-------------------------------|
| Southeast Asia: | Singapore, Hong Kong, Vietnam |
| Other:          | UAE, Sri Lanka                |

**(Reference)**  
**Consolidated quarterly statements of income**

(Millions of yen)

|   | 3Q FY2007                      |                | 3Q FY2008                      |                | Increase   |       |
|---|--------------------------------|----------------|--------------------------------|----------------|------------|-------|
|   | (Apr. 1, 2007 - Dec. 31, 2007) |                | (Apr. 1, 2008 - Dec. 31, 2008) |                | (Decrease) |       |
|   | Amount                         | % of net sales | Amount                         | % of net sales | Amount     | %     |
| I Net sales:                                      |                                |                |                                |                |            |       |
| Construction business                             | 205,279                        |                | 270,694                        |                | 65,415     |       |
| Real estate development and others                | 11,418                         |                | 10,365                         |                | (1,052)    |       |
| <b>Total net sales</b>                            | 216,698                        | 100.0          | 281,060                        | 100.0          | 64,362     | 29.7  |
| II Cost of sales:                                 |                                |                |                                |                |            |       |
| Construction business                             | 192,229                        |                | 254,702                        |                | 62,472     |       |
| Real estate development and others                | 10,226                         |                | 9,394                          |                | (831)      |       |
| <b>Total cost of sales</b>                        | 202,455                        | 93.4           | 264,096                        | 94.0           | 61,641     | 30.4  |
| Gross profit                                      |                                |                |                                |                |            |       |
| Construction business                             | 13,050                         |                | 15,992                         |                | 2,942      |       |
| Real estate development and others                | 1,192                          |                | 971                            |                | (221)      |       |
| <b>Total gross profit</b>                         | 14,242                         | 6.6            | 16,963                         | 6.0            | 2,721      | 19.1  |
| III Selling, general and administrative expenses: | 13,369                         | 6.2            | 13,826                         | 4.9            | 457        | 3.4   |
| <b>Operating income</b>                           | 873                            | 0.4            | 3,137                          | 1.1            | 2,264      | 259.2 |
| IV Non-operating income:                          | 760                            | 0.3            | 685                            | 0.3            | (75)       | (9.9) |
| V Non-operating expenses:                         | 2,687                          | 1.2            | 3,915                          | 1.4            | 1,228      | 45.7  |
| <b>Ordinary income (loss)</b>                     | (1,053)                        | (0.5)          | (93)                           | (0.0)          | 960        | -     |
| VI Extraordinary gain:                            | 405                            | 0.2            | 711                            | 0.2            | 306        | 75.6  |
| VII Extraordinary loss:                           | 968                            | 0.4            | 5,935                          | 2.1            | 4,967      | 512.9 |
| <b>Income (loss) before income taxes</b>          | (1,616)                        | (0.7)          | (5,316)                        | (1.9)          | (3,700)    | -     |
| Tax expenses                                      | 145                            | 0.1            | (1,299)                        | (0.5)          | (1,445)    | -     |
| Minority interests                                | 12                             | (0.0)          | 5                              | 0.0            | 18         | -     |
| <b>Net income (loss)</b>                          | (1,750)                        | (0.8)          | (4,022)                        | (1.4)          | (2,272)    | -     |



**(Reference)****Summary of Non-Consolidated Financial Statements for the Third Quarter  
of Fiscal Year Ending March 2009****1. Business results for the fiscal year ended March 2009 (April 1, 2008-December 31, 2008)**

(1) Non-consolidated financial results Note: All amounts are rounded down to the nearest million yen. Percentage indicate changes from the previous term.

|           | Net sales         |     | Operating income  |     | Ordinary income   |     | Net income        |     |
|-----------|-------------------|-----|-------------------|-----|-------------------|-----|-------------------|-----|
|           | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) |
| 3Q FY2008 | 258,395           | -   | 2,810             | -   | (402)             | -   | (4,295)           | -   |
| 3Q FY2007 | 196,863           | 9.8 | (259)             | -   | (2,170)           | -   | (2,294)           | -   |

|           | Earnings per share (Yen) | Earnings per share (diluted) (Yen) |
|-----------|--------------------------|------------------------------------|
| 3Q FY2008 | (17.49)                  | -                                  |
| 3Q FY2007 | (9.34)                   | -                                  |

## (2) Non-consolidated financial position

|                     | Total assets (millions of yen) | Total net assets (millions of yen) | Total net assets/ total assets (%) | Total net assets per share (Yen) |
|---------------------|--------------------------------|------------------------------------|------------------------------------|----------------------------------|
| As of Dec. 31, 2008 | 339,846                        | 46,699                             | 13.7                               | 190.09                           |
| As of Mar. 31, 2008 | 307,210                        | 48,710                             | 15.9                               | 198.26                           |

Reference:

Shareholders' Equity (millions of yen)

3Q FY2008: 46,699

Mar. 2008 term: 48,710

※The company has adopted the "Accounting Standard for Quarterly Financial Statements"(Corporate Accounting Standard No.12) and the "Implementation Guidance for the Accounting Standard for Quarterly Financial Statements"(Corporate Accounting Standard Implementation Guidance No.14), effective from the beginning or of FY 2008. The company also develops consolidated financial statements for each quarter.

**(Reference)****2. Non-consolidated quarterly balance sheets**

(Millions of yen)

|                                    | 3Q FY2008<br>(As of Dec. 31, 2008) |            | FY2007<br>(As of Mar. 31, 2008) |            | Increase<br>(Decrease) |      |
|------------------------------------|------------------------------------|------------|---------------------------------|------------|------------------------|------|
|                                    | Amount                             | % of total | Amount                          | % of total | Amount                 | %    |
| <b>ASSETS</b>                      |                                    |            |                                 |            |                        |      |
| <b>I Current assets</b>            |                                    |            |                                 |            |                        |      |
| Cash and deposits                  | 40,301                             |            | 24,960                          |            | 15,340                 |      |
| Notes receivable                   | 5,587                              |            | 8,404                           |            | (2,816)                |      |
| Accounts receivable                | 130,299                            |            | 119,461                         |            | 10,837                 |      |
| Securities                         | 1                                  |            | 102                             |            | (100)                  |      |
| Real estate for trade              | 11,665                             |            | 7,134                           |            | 4,530                  |      |
| Cost of uncompleted contracts      | 25,156                             |            | 26,668                          |            | (1,511)                |      |
| Real estate in progress            | 4,563                              |            | 4,706                           |            | (143)                  |      |
| Raw materials and supplies         | 1,018                              |            | 832                             |            | 185                    |      |
| Other receivables                  | 22,204                             |            | 20,666                          |            | 1,537                  |      |
| Other current assets               | 16,187                             |            | 12,315                          |            | 3,872                  |      |
| Allowance for doubtful accounts    | (1,540)                            |            | (981)                           |            | (559)                  |      |
| <b>Total current assets</b>        | 25,444                             | 75.2       | 224,272                         |            | 31,172                 | 13.9 |
| <b>II Fixed assets</b>             |                                    |            |                                 |            |                        |      |
| 1. Tangible fixed assets:          |                                    |            |                                 |            |                        |      |
| Land                               | 34,370                             |            | 34,266                          |            | 103                    |      |
| Other tangible assets              | 14,520                             |            | 14,805                          |            | (284)                  |      |
| Net tangible fixed assets          | 48,891                             |            | 49,072                          |            | (180)                  |      |
| 2. Intangible fixed assets         | 529                                |            | 505                             |            | 24                     |      |
| 3. Investments and other assets    |                                    |            |                                 |            |                        |      |
| Investment Securities              | 14,029                             |            | 15,492                          |            | (1,463)                |      |
| Others                             | 27,481                             |            | 24,207                          |            | 3,273                  |      |
| Allowance for doubtful accounts    | (6,530)                            |            | (6,340)                         |            | (190)                  |      |
| Total investments and other assets | 34,980                             |            | 33,360                          |            | 1,620                  |      |
| <b>Total fixed assets</b>          | 84,401                             | 24.8       | 82,938                          | 27.0       | 1,463                  | 1.8  |
| <b>Total assets</b>                | 339,846                            | 100.0      | 307,210                         | 100.0      | 32,636                 | 10.6 |

(Millions of yen)

|  | 3Q FY2008<br>(As of Dec. 31, 2008) |              | FY2007<br>(As of Mar. 31, 2008) |              | Increase<br>(Decrease) |              |
|--|------------------------------------|--------------|---------------------------------|--------------|------------------------|--------------|
|  | Amount                             | % of total   | Amount                          | % of total   | Amount                 | %            |
| <b>LIABILITIES</b>   |                                    |              |                                 |              |                        |              |
| <b>I Current liabilities</b>   |                                    |              |                                 |              |                        |              |
| Notes payable  | 24,787                             |              | 20,408                          |              | 4,379                  |              |
| Account payable for construction contracts                           | 95,801                             |              | 86,954                          |              | 8,846                  |              |
| Short-term loans   | 73,166                             |              | 59,950                          |              | 13,216                 |              |
| Advances received on uncompleted contracts                           | 25,949                             |              | 24,989                          |              | 960                    |              |
| Provision  | 2,247                              |              | 2,648                           |              | (401)                  |              |
| Other current liabilities  | 18,844                             |              | 15,441                          |              | 3,403                  |              |
| <b>Total current liabilities</b>                                     | <b>240,797</b>                     | <b>70.9</b>  | <b>210,391</b>                  | <b>68.4</b>  | <b>30,405</b>          | <b>14.5</b>  |
| <b>II Long-term liabilities</b>                                      |                                    |              |                                 |              |                        |              |
| Long-term loans  | 44,199                             |              | 39,697                          |              | 4,502                  |              |
| Deferred tax liabilities for land revaluation excess                 | 7,212                              |              | 7,216                           |              | (3)                    |              |
| Reserve for retirement benefits                                      | 420                                |              | 712                             |              | (292)                  |              |
| Provision for loss on real estate development business of affiliates | 83                                 |              | 90                              |              | (6)                    |              |
| Other long-term liabilities  | 433                                |              | 392                             |              | 40                     |              |
| <b>Total long-term liabilities</b>                                   | <b>52,349</b>                      | <b>15.4</b>  | <b>48,108</b>                   | <b>15.7</b>  | <b>4,240</b>           | <b>8.8</b>   |
| <b>Total liabilities</b>   | <b>293,146</b>                     | <b>86.3</b>  | <b>258,500</b>                  | <b>84.1</b>  | <b>34,646</b>          | <b>13.4</b>  |
| <b>NET ASSETS</b>  |                                    |              |                                 |              |                        |              |
| <b>I Shareholders' Equity</b>  |                                    |              |                                 |              |                        |              |
| Common stock   | 28,070                             |              | 28,070                          |              | -                      |              |
| Capital surplus  | 20,106                             |              | 20,106                          |              | -                      |              |
| Retained earnings abstract   | (5,296)                            |              | (1,005)                         |              | (4,290)                |              |
| Treasury stock   | (21)                               |              | (20)                            |              | (1)                    |              |
| <b>Total shareholders' equity</b>                                    | <b>42,858</b>                      | <b>12.6</b>  | <b>47,150</b>                   | <b>15.4</b>  | <b>(4,291)</b>         | <b>(9.1)</b> |
| <b>II Valuation and translation adjustments abstract</b>             |                                    |              |                                 |              |                        |              |
| Valuation difference on available for sale securities                | 312                                |              | (1,972)                         |              | 2,284                  |              |
| Gain (loss) on deferred hedge  | (4)                                |              | (7)                             |              | 2                      |              |
| Revaluation reserve for land   | 3,533                              |              | 3,539                           |              | (5)                    |              |
| <b>Total valuation and translation adjustments abstract</b>          | <b>3,841</b>                       | <b>1.1</b>   | <b>1,559</b>                    | <b>0.5</b>   | <b>2,281</b>           | <b>146.3</b> |
| <b>Total net assets</b>  | <b>46,699</b>                      | <b>13.7</b>  | <b>48,710</b>                   | <b>15.9</b>  | <b>(2,010)</b>         | <b>(4.1)</b> |
| <b>Total liabilities and net assets</b>                              | <b>339,846</b>                     | <b>100.0</b> | <b>307,210</b>                  | <b>100.0</b> | <b>32,636</b>          | <b>10.6</b>  |

**(Reference)****3. Non-considerated quarterly statements of income**

(Millions of yen)

|   | 3Q FY2008<br>(As of Dec. 31, 2008) |                | FY2007<br>(As of Mar. 31, 2008) |                | Increase<br>(Decrease) |         |
|---|------------------------------------|----------------|---------------------------------|----------------|------------------------|---------|
|   | Amount                             | % of net sales | Amount                          | % of net sales | Amount                 | %       |
| I Net sales:                                      |                                    |                |                                 |                |                        |         |
| Construction business                             | 191,811                            |                | 257,371                         |                | 65,559                 |         |
| Real estate development and others                | 5,051                              |                | 1,023                           |                | (4,027)                |         |
| <b>Total net sales</b>                            | 196,863                            | 100.0          | 258,395                         | 100.0          | 61,531                 | 31.3    |
| II Cost of sales                                  |                                    |                |                                 |                |                        |         |
| Construction business                             | 179,682                            |                | 241,908                         |                | 62,226                 |         |
| Real estate development and others                | 5,368                              |                | 1,250                           |                | (4,118)                |         |
| <b>Total cost of sales</b>                        | 185,050                            | 94.0           | 243,159                         | 94.1           | 58,108                 | 31.4    |
| Gross profit                                      |                                    |                |                                 |                |                        |         |
| Construction business                             | 12,129                             |                | 15,462                          |                | 3,333                  |         |
| Real estate development and others (loss)         | (316)                              |                | (226)                           |                | 90                     |         |
| <b>Total gross profit</b>                         | 11,812                             | 6.0            | 15,236                          | 5.9            | 3,423                  | 29.0    |
| III Selling, general and administrative expenses: | 12,072                             | 6.1            | 12,426                          | 4.8            | 353                    | 2.9     |
| <b>Operating income (loss)</b>                    | (259)                              | (0.1)          | 2,810                           | 1.1            | 3,069                  | -       |
| IV Non-operating income:                          | 725                                | 0.3            | 658                             | 0.2            | (66)                   | (9.1)   |
| V Non-operating expenses:                         | 2,636                              | 1.3            | 3,871                           | 1.5            | 1,234                  | 46.8    |
| <b>Ordinary income (loss)</b>                     | (2,170)                            | (1.1)          | (402)                           | (0.2)          | 1,768                  | -       |
| VI Extraordinary gain:                            | 299                                | 0.2            | 405                             | 0.2            | 105                    | 35.2    |
| VII Extraordinary loss:                           | 509                                | 0.3            | 5,715                           | 2.2            | 5,205                  | 1,020.7 |
| <b>Income (loss) before income taxes</b>          | (2,381)                            | (1.2)          | (5,712)                         | (2.2)          | (3,331)                | -       |
| Tax expenses                                      | (86)                               | (0.0)          | (1,416)                         | (0.5)          | (1,329)                | -       |
| <b>Net income (loss)</b>                          | (2,294)                            | (1.2)          | (4,295)                         | (1.7)          | (2,001)                | -       |

**(Reference)****Non-Consolidated Orders Received, Net Sales and Backlog****1. Orders Received**

(Unit: millions of yen)

|  |                                    | 3Q FY2007<br>(From April 1, 2007<br>to December 30, 2007) | 3Q FY2008<br>(From April 1, 2008<br>to December 30, 2008) | Increase<br>(Decrease) |
|--|------------------------------------|---|---|------------------------|
|  | Public works                       | 48,909  | 49,684  | 774                    |
|  | Private works                      | 27,236  | 32,652  | 5,416                  |
|  | Domestic civil engineering         | 76,145  | 82,336  | 6,190                  |
|  | Public works                       | 6,600   | 9,683   | 3,083                  |
|  | Private works                      | 90,537  | 57,686  | (32,851)               |
|  | Domestic building construction     | 97,137  | 67,369  | (29,767)               |
|  | Civil engineering                  | 90,930  | 72,521  | (18,409)               |
|  | Building construction              | 4,955   | 15,885  | 10,930                 |
|  | Overseas                           | 95,885  | 88,406  | (7,479)                |
|  | Construction Total                 | 269,169   | 238,112   | (31,056)               |
|  | Real estate development and others | 2,078   | 1,659   | (419)                  |
|  | Total                              | 271,248   | 239,771   | (31,476)               |

**2. Net Sales**

(Unit: millions of yen)

|  |                                    | 3Q FY2007<br>(From April 1, 2007<br>to December 30, 2007) | 3Q FY2008<br>(From April 1, 2008<br>to December 30, 2008) | Increase<br>(Decrease) |
|--|------------------------------------|---|---|------------------------|
|  | Public works                       | 50,439  | 61,208  | 10,769                 |
|  | Private works                      | 27,699  | 36,771  | 9,072                  |
|  | Domestic civil engineering         | 78,139  | 97,980  | 19,841                 |
|  | Public works                       | 2,019   | 4,348   | 2,328                  |
|  | Private works                      | 76,091  | 96,942  | 20,850                 |
|  | Domestic building construction     | 78,111  | 101,290   | 23,179                 |
|  | Civil engineering                  | 21,150  | 42,208  | 21,057                 |
|  | Building construction              | 14,409  | 15,891  | 1,481                  |
|  | Overseas                           | 35,560  | 58,099  | 22,539                 |
|  | Construction Total                 | 191,811   | 257,371   | 65,559                 |
|  | Real estate development and others | 5,051   | 1,023   | (4,027)                |
|  | Total                              | 196,863   | 258,395   | 61,531                 |

**3. Backlog**

(Unit: millions of yen)

|  |                                    | 3Q FY2007<br>(From April 1, 2007<br>to December 30, 2007) | 3Q FY2008<br>(From April 1, 2008<br>to December 30, 2008) | Increase<br>(Decrease) |
|--|------------------------------------|---|---|------------------------|
|  | Public works                       | 126,081   | 93,912  | (32,168)               |
|  | Private works                      | 43,568  | 46,318  | 2,749                  |
|  | Domestic civil engineering         | 169,650   | 140,230   | (29,419)               |
|  | Public works                       | 8,041   | 9,934   | 1,893                  |
|  | Private works                      | 138,049   | 103,255   | (34,794)               |
|  | Domestic building construction     | 146,090   | 113,190   | (32,900)               |
|  | Civil engineering                  | 145,355   | 143,420   | (1,935)                |
|  | Building construction              | 31,842  | 38,390  | 6,548                  |
|  | Overseas                           | 177,198   | 181,810   | 4,612                  |
|  | Construction Total                 | 492,939   | 435,232   | (57,707)               |
|  | Real estate development and others | 6   | 635   | 628                    |
|  | Total                              | 492,946   | 435,867   | (57,078)               |