

# Summary of Financial Results for the First Quarter of Fiscal Year Ending March 2010

August 6, 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, Account Department**

Name: **Syunji Kitahashi**

Tel: **03-3817-7619**

Schedule of financial statement reporting date: August 7, 2009

## 1. Business results for the fiscal year ended March 2010 (April 1, 2009-June 30, 2009)

(1) Consolidated business 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)	(%)
1Q FY2009	72,346	8.1	(807)	-	(1,431)	-	(1,845)	-
1Q FY2008	66,949	-	(3,672)	-	(4,177)	-	(2,311)	-

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
1Q FY2009	(7.51)	-
1Q FY2008	(9.41)	-

(2) 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)
1Q FY2009	314,940	55,278	17.0	218.37
Mar. 31, 2009	339,587	53,827	15.4	212.43

Reference: Shareholders' Equity (millions of yen) Jun. 30 2009: 53,647 Mar. 31 2009: 52,187

## 2. Dividends

	Dividends per share (Yen)				
	As of 1Q-end	As of 2Q-end	As of 3Q-end	As of Fiscal Year-end	Full year
FY2008	-	-	-	0.00	0.00
FY2009	-	-	-	-	-
FY2009 (Forecast)	-	-	-	2.00	2.00

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

## 3. Earnings forecasts for fiscal year ended March 2010 (April 1, 2009-March 31, 2010)

	Net sales (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income (Millions of yen)		Earnings per share (Yen)
Interim term	158,000	(14.2)	1,300	(23.5)	(400)	-	(500)	-	(2.04)
Entire term	355,500	(10.8)	11,000	1.6	8,000	13.1	2,800	-	11.40

Notes: Change made in figures of the forecasts as of the end of the current quarter from 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: None

2) Changes other than the reason described above: None

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

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

Jun. 2009 term: 245,763,910 Mar. 2009 term: 245,763,910

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

Jun. 2009 term: 96,476 Mar. 2009 term: 95,597

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

Jun. 2009 term: 245,667,993 Jun. 2008 term: 245,681,872

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

1) The financial forecasts for the entire term for fiscal year ending March 31, 2010 are also the same as ones provided in May 14, 2009.

2) 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.

## Consolidated quarterly balance sheets

	2009-06-30	2009-03-31
<b>Assets</b>		
Current assets		
Cash and deposits(millionJPY)	39,703	38,363
Notes receivable, accounts receivable from completed construction contracts and other (millionJPY)	110,189	140,926
Short-term investment securities (millionJPY)	176	94
Costs on uncompleted construction contracts and other(millionJPY)	19,468	18,268
Real estate for sale and development projects in progress (millionJPY)	22,480	22,614
Accounts receivable-other (millionJPY)	17,595	17,598
Other(millionJPY)	13,374	10,349
Allowance for doubtful accounts (millionJPY)	(2,589)	(1,124)
Total current assets(millionJPY)	220,399	247,089
Noncurrent assets		
Property, plant and equipment		
Land(millionJPY)	35,933	35,933
Other, net(millionJPY)	22,406	22,809
Total property, plant and equipment(millionJPY)	58,340	58,742
Intangible assets(millionJPY)	572	555
Investments and other assets		
Investment securities(millionJPY)	16,396	13,013
Other(millionJPY)	23,161	24,606
Allowance for doubtful accounts (millionJPY)	(3,929)	(4,420)
Total investments and other assets(millionJPY)	35,628	33,199
Total noncurrent assets(millionJPY)	94,541	92,497
Total assets(millionJPY)	314,940	339,587
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other (millionJPY)	101,015	121,861
Short-term loans payable (millionJPY)	74,587	69,656
Income taxes payable(millionJPY)	386	784
Advances received on uncompleted construction contracts and other (millionJPY)	19,655	25,467
Provision(millionJPY)	1,750	2,845

Other(millionJPY)	20,937	19,536
Total current liabilities(millionJPY)	218,332	240,151
Noncurrent liabilities		
Long-term loans payable (millionJPY)	31,213	35,514
Deferred tax liabilities for land revaluation(millionJPY)	7,200	7,200
Provision(millionJPY)	1,833	1,783
Other(millionJPY)	1,082	1,110
Total noncurrent liabilities (millionJPY)	41,329	45,608
Total liabilities(millionJPY)	259,661	285,760
Net assets		
Shareholders' equity		
Capital stock(millionJPY)	28,070	28,070
Capital surplus(millionJPY)	16,007	20,106
Retained earnings(millionJPY)	2,931	677
Treasury stock(millionJPY)	(22)	(22)
Total shareholders' equity (millionJPY)	46,986	48,832
Valuation and translation adjustments		
Valuation difference on available- for-sale securities(millionJPY)	3,050	(225)
Deferred gains or losses on hedges (millionJPY)	(25)	(30)
Revaluation reserve for land (millionJPY)	3,516	3,516
Foreign currency translation adjustment(millionJPY)	119	94
Total valuation and translation adjustments(millionJPY)	6,660	3,355
Minority interests(millionJPY)	1,631	1,639
Total net assets(millionJPY)	55,278	53,827
Total liabilities and net assets (millionJPY)	314,940	339,587

## Consolidated quarterly statements of income

	2008-04-01	2009-04-01
	-	-
	2008-06-30	2009-06-30
Net sales		
Net sales of completed construction contracts(millionJPY)	63,746	69,457
Net sales of development business and other(millionJPY)	3,203	2,889
Total net sales(millionJPY)	66,949	72,346
Cost of sales		
Cost of sales of completed	62,964	65,796

construction contracts(millionJPY)		
Cost of sales on development business and other(millionJPY)	3,046	2,685
Total cost of sales(millionJPY)	66,010	68,482
Gross profit		
Gross profit on completed construction contracts(millionJPY)	781	3,661
Gross profit on development business and other(millionJPY)	157	203
Total gross profit(millionJPY)	938	3,864
Selling, general and administrative expenses(millionJPY)	4,611	4,672
Operating loss(millionJPY)	(3,672)	(807)
Non-operating income		
Interest income(millionJPY)	38	14
Dividends income(millionJPY)	164	127
Other(millionJPY)	99	122
Total non-operating income (millionJPY)	301	264
Non-operating expenses		
Interest expenses(millionJPY)	712	674
Other(millionJPY)	95	213
Total non-operating expenses (millionJPY)	807	888
Ordinary loss(millionJPY)	(4,177)	(1,431)
Extraordinary income		
Gain on prior period adjustment (millionJPY)	–	66
Gain on sales of noncurrent assets (millionJPY)	252	18
Reversal of allowance for doubtful accounts(millionJPY)	142	58
Other(millionJPY)	89	2
Total extraordinary income (millionJPY)	484	145
Extraordinary loss		
Loss on retirement of noncurrent assets(millionJPY)	7	3
Provision of allowance for doubtful accounts(millionJPY)	–	1,499
Loss on litigation(millionJPY)	12	–
Other(millionJPY)	5	17
Total extraordinary losses(millionJPY)	24	1,520
Loss before income taxes and minority interests(millionJPY)	(3,717)	(2,806)
Income taxes-current(millionJPY)	85	173
Income taxes-deferred(millionJPY)	(1,491)	(1,127)
Total income taxes(millionJPY)	(1,405)	(954)
Minority interests in loss(millionJPY)	-0	(7)
Net loss(millionJPY)	(2,311)	(1,845)

## Consolidated quarterly statements of cash flows

	2008-04-01	2009-04-01
	-	-
	2008-06-30	2009-06-30
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests(millionJPY)	(3,717)	(2,806)
Depreciation and amortization (millionJPY)	1,064	921
Increase (decrease) in allowance for doubtful accounts(millionJPY)	(84)	974
Increase (decrease) in provision for bonuses(millionJPY)	(1,012)	(987)
Increase (decrease) in provision for retirement benefits(millionJPY)	(35)	52
Increase (decrease) in provision for loss on construction contracts (millionJPY)	513	(74)
Interest and dividends income (millionJPY)	(202)	(142)
Interest expenses(millionJPY)	776	707
Foreign exchange losses (gains) (millionJPY)	522	(184)
Equity in (earnings) losses of affiliates(millionJPY)	0	(3)
Loss (gain) on sales of property, plant and equipment(millionJPY)	(249)	(16)
Loss (gain) on sales of short-term and long term investment securities (millionJPY)	0	1
Loss (gain) on valuation of investment securities(millionJPY)	-	12
Decrease (increase) in notes and accounts receivable-trade(millionJPY)	26,647	30,736
Decrease (increase) in costs on uncompleted construction contracts (millionJPY)	(5,142)	(1,140)
Decrease (increase) in inventories (millionJPY)	144	112
Increase (decrease) in notes and accounts payable-trade(millionJPY)	(8,185)	(20,848)
Increase (decrease) in advances received on uncompleted construction contracts(millionJPY)	1,023	(5,812)
Decrease (increase) in accounts receivable-other(millionJPY)	(1,251)	3
Other, net(millionJPY)	1,095	387
Subtotal(millionJPY)	11,906	1,892
Interest and dividends income received(millionJPY)	219	135

Interest expenses paid(millionJPY)	(491)	(484)
Income taxes paid(millionJPY)	(494)	(490)
Net cash provided by (used in) operating activities(millionJPY)	11,139	1,053
Net cash provided by (used in) investing activities		
Purchase of short-term and long term investment securities (millionJPY)	(9)	(113)
Proceeds from sales of short-term and long term investment securities (millionJPY)	1	18
Purchase of property, plant and equipment(millionJPY)	(1,112)	(430)
Proceeds from sales of property, plant and equipment(millionJPY)	292	22
Payments of loans receivable (millionJPY)	(3)	(1)
Collection of loans receivable (millionJPY)	43	50
Payments of investments in development project(millionJPY)	(4,750)	–
Other, net(millionJPY)	(45)	(54)
Net cash provided by (used in) investing activities(millionJPY)	(5,584)	(508)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable(millionJPY)	–	11,980
Repayment of long-term loans payable(millionJPY)	(3,842)	(11,350)
Other, net(millionJPY)	(68)	(37)
Net cash provided by (used in) financing activities(millionJPY)	(3,910)	591
Effect of exchange rate change on cash and cash equivalents(millionJPY)	(570)	200
Net increase (decrease) in cash and cash equivalents(millionJPY)	1,074	1,337
Cash and cash equivalents at beginning of period(millionJPY)	33,394	38,336
Cash and cash equivalents at end of period(millionJPY)	34,468	39,673

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

## 1. Orders Received

(Unit: millions of yen)

	1Q FY2008 (From April 1, 2008 to June 30, 2008)	1Q FY2009 (From April 1, 2009 to June 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	11,627	17,225	5,598	48.1
Private works	14,964	9,315	(5,649)	(37.8)
Domestic civil engineering	26,591	26,540	(51)	(0.2)
Public works	3,337	9,097	5,760	172.6
Private works	31,747	14,864	(16,882)	(53.2)
Domestic building construction	35,084	23,962	(11,122)	(31.7)
Civil engineering	20,403	7,248	(13,155)	(64.5)
Building construction	13,519	137	(13,382)	(99.0)
Overseas	33,923	7,386	(26,537)	(78.2)
Construction Total	95,599	57,888	(37,711)	(39.4)
Real estate and Others	165	83	(81)	(49.5)
Total	95,764	57,971	(37,792)	(39.5)

## 2. Net Sales

(Unit: millions of yen)

	1Q FY2008 (From April 1, 2008 to June 30, 2008)	1Q FY2009 (From April 1, 2009 to June 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	15,941	21,635	5,694	35.7
Private works	9,650	9,953	302	3.1
Domestic civil engineering	25,592	31,588	5,996	23.4
Public works	1,206	2,127	920	76.3
Private works	21,164	14,985	(6,178)	(29.2)
Domestic building construction	22,371	17,113	(5,258)	(23.5)
Civil engineering	9,301	11,548	2,247	24.2
Building construction	3,863	5,999	2,136	55.3
Overseas	13,164	17,548	4,384	33.3
Construction Total	61,128	66,250	5,122	8.4
Real estate and Others	144	188	43	30.4
Total	61,272	66,439	5,166	8.4

## 3. Backlog

(Unit: millions of yen)

	1Q FY2008 (From April 1, 2008 to June 30, 2008)	1Q FY2009 (From April 1, 2009 to June 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	101,123	92,470	(8,652)	(8.6)
Private works	55,751	33,358	(22,393)	(40.2)
Domestic civil engineering	156,874	125,829	(31,045)	(19.8)
Public works	6,730	22,717	15,987	237.5
Private works	153,094	98,094	(55,000)	(35.9)
Domestic building construction	159,824	120,811	(39,012)	(24.4)
Civil engineering	141,962	132,072	(9,890)	(7.0)
Building construction	54,323	23,849	(30,474)	(56.1)
Overseas	196,285	155,921	(40,364)	(20.6)
Construction Total	512,985	402,561	(110,423)	(21.5)
Real estate and Others	20	477	457	2,250.6
Total	513,005	403,039	(109,966)	(21.4)