

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2012

August 11, 2011

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, Nagoya**

Code number: **1893**

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 12, 2011

1. Business results for the fiscal year ended March 2012 (April 1, 2011-June 30, 2011)

(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)	(%)
1Q FY2011	61,731	(6.5)	1,427	11.1	1,471	436.9	588	666.7
1Q FY2010	66,023	(8.7)	1,285	-	274	-	76	-

Note: Comprehensive income (millions of yen) June. 30 2011term: 504(-%) June. 30 2010term: (162)(-%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2011	2.06	-
1Q FY2010	0.31	-

(2) Consolidated financial position

	Total assets (millions of yen)	Total net assets (millions of yen)	Total net assets/ total assets (%)
1Q FY2011	266,165	60,393	22.7
Mar. 31, 2011	286,224	60,460	21.1

Reference: Shareholders' Equity (millions of yen) June. 30, 2011: 60,384 Mar. 31, 2011: 60,453

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
FY2010	-	-	-	2.00	2.00
FY2011	-	-	-	-	-
FY2011 (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 2012 (April 1, 2011-March 31, 2012)

	Net Sales (Millions of Yen, %)		Operating income (Millions of Yen, %)		Ordinary income (Millions of Yen, %)		Net income (Millions of Yen, %)		Earnings per share (Yen)
2Q term	134,000	(6.3)	800	(72.0)	(700)	-	(600)	-	(2.10)
Entire term	327,000	8.2	9,500	(2.9)	7,400	(0.4)	2,100	(2.9)	7.34

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 period (changes in specific subsidiaries resulting in change the scope of consolidation): None

(2) Adoption of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter: None

(3) Changes to accounting policies; changes to accounting estimates; restatements

1) Changes due to revised accounting Standard: None

2) Changes other than the reason described above: None

3) Changes to accounting estimates: None

4) Restatements: None

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

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

Jun. 2011 term: 286,013,910 Mar. 2011 term: 286,013,910

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

Jun. 2011 term: 100,827 Mar. 2011 term: 100,824

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

Jun. 2011 term: 285,913,084 Jun. 2010 term: 245,666,197

※This document is out of the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act.

The quarterly review procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this.

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, 2012 are also the same as ones provided in May 13, 2011.

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 Balance Sheets

(Millions of JPY)

	March 31,2011	June 30,2011
Assets		
Current assets		
Cash and deposits	46,121	55,778
Notes receivable, accounts receivable from completed construction contracts and other	107,143	80,362
Short-term investment securities	1	1
Costs on uncompleted construction contracts and other	13,577	16,391
Real estate for sale and development projects in	13,707	13,431
Accounts receivable-other	13,444	8,172
Other	7,195	7,287
Allowance for doubtful accounts	(1,345)	(1,012)
Total current assets	199,845	180,413
Noncurrent assets		
Property, plant and equipment		
Land	41,761	41,779
Other, net	19,073	19,164
Total property, plant and equipment	60,834	60,943
Intangible assets	622	623
Investments and other assets		
Investment securities	10,795	10,527
Other	22,114	19,884
Allowance for doubtful accounts	(7,987)	(6,227)
Total investments and other assets	24,922	24,184
Total noncurrent assets	86,379	85,751
Total assets	286,224	266,165
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	87,419	76,449
Short-term loans payable	52,986	49,768
Income taxes payable	1,265	647
Advances received on uncompleted construction contracts and other	25,841	25,299
Provision	3,968	3,479
Other	19,894	18,444
Total current liabilities	191,376	174,088
Noncurrent liabilities		
Long-term loans payable	25,684	23,005
Deferred tax liabilities for land revaluation	7,156	7,156
Provision	477	455
Other	1,069	1,066
Total noncurrent liabilities	34,387	31,683
Total liabilities	225,764	205,771

Consolidated Balance Sheets

(Millions of JPY)

	March 31,2011	June 30,2011
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	6,384	6,400
Treasury stock	(22)	(22)
Total shareholders' equity	55,197	55,214
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(125)	(219)
Deferred gains or losses on hedges	(7)	(6)
Revaluation reserve for land	5,327	5,327
Foreign currency translation adjustment	61	68
Total accumulated other comprehensive income	5,255	5,170
Minority interests	6	8
Total net assets	60,460	60,393
Total liabilities and net assets	286,224	266,165

Consolidated Statements of Income

(Millions of JPY)

	June. 2010 term	June. 2011 term
Net sales		
Net sales of completed construction contracts	63,254	58,850
Net sales of development business and other	2,768	2,881
Total net sales	66,023	61,731
Cost of sales		
Cost of sales of completed construction contracts	58,213	54,192
Cost of sales on development business and other	2,485	2,317
Total cost of sales	60,698	56,509
Gross profit		
Gross profit on completed construction contracts	5,041	4,658
Gross profit on development business and other	283	564
Total gross profit	5,325	5,222
Selling, general and administrative expenses	4,039	3,794
Operating income	1,285	1,427
Non-operating income		
Interest income	14	7
Dividends income	57	139
Reversal of allowance for doubtful accounts	—	346
Other	98	115
Total non-operating income	170	609
Non-operating expenses		
Interest expenses	569	437
Other	611	127
Total non-operating expenses	1,181	565
Ordinary income	274	1,471
Extraordinary income		
Gain on sales of noncurrent assets	34	23
Gain on insurance adjustment	—	12
Other	38	6
Total extraordinary income	72	42
Extraordinary loss		
Loss on valuation of investment securities	7	151
Other	129	52
Total extraordinary losses	137	203
Income before income taxes and minority interests	209	1,310
Income taxes—current	145	285
Income taxes—deferred	(12)	434
Total income taxes	132	719
Income before minority interests	76	590
Minority interests in income	0	1
Net income	76	588

Statements of Consolidated Comprehensive Income

(Millions of JPY)

	June. 2010 term	June. 2011 term
Income before minority interests	76	590
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	(93)
Deferred gains or losses on hedges	75	1
Foreign currency translation adjustment	1	6
Total other comprehensive income	(239)	(85)
Comprehensive income	(162)	504
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parer	(161)	502
Comprehensive income attributable to minority interests	(0)	1

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

1. Orders Received

(Millions of yen)

	1Q FY2010 (From April 1, 2010 to June 30, 2010)	1Q FY2011 (From April 1, 2011 to June 30, 2011)	Increase (Decrease)	Rate of change (%)
Public works	12,993	9,679	(3,313)	(25.5)
Private works	12,606	15,891	3,284	26.1
Domestic civil engineering	25,600	25,571	(28)	(0.1)
Public works	8,979	1,113	(7,866)	(87.6)
Private works	6,079	26,119	20,040	329.6
Domestic architectural construction	15,059	27,232	12,173	80.8
Civil engineering	14,500	4,195	(10,305)	(71.1)
Architectural construction	32,074	17,010	(15,064)	(47.0)
Overseas	46,575	21,205	(25,369)	(54.5)
Construction Total	87,234	74,009	(13,225)	(15.2)
Real estate and Others	402	1,526	1,124	279.7
Total	87,636	75,536	(12,100)	(13.8)

2. Net Sales

(Millions of yen)

	1Q FY2010 (From April 1, 2010 to June 30, 2010)	1Q FY2011 (From April 1, 2011 to June 30, 2011)	Increase (Decrease)	Rate of change (%)
Public works	15,262	12,741	(2,521)	(16.5)
Private works	4,972	6,890	1,917	38.6
Domestic civil engineering	20,235	19,632	(603)	(3.0)
Public works	2,692	4,401	1,709	63.5
Private works	15,171	15,650	478	3.2
Domestic architectural construction	17,864	20,052	2,187	12.2
Civil engineering	16,982	12,992	(3,990)	(23.5)
Architectural construction	6,236	4,350	(1,886)	(30.2)
Overseas	23,219	17,342	(5,877)	(25.3)
Construction Total	61,319	57,027	(4,292)	(7.0)
Real estate and Others	200	379	179	89.5
Total	61,519	57,407	(4,112)	(6.7)

3. Backlog

(Millions of yen)

	1Q FY2010 (From April 1, 2010 to June 30, 2010)	1Q FY2011 (From April 1, 2011 to June 30, 2011)	Increase (Decrease)	Rate of change (%)
Public works	73,100	53,919	(19,181)	(26.2)
Private works	31,845	38,092	6,247	19.6
Domestic civil engineering	104,945	92,012	(12,933)	(12.3)
Public works	32,338	34,180	1,842	5.7
Private works	72,164	83,056	10,891	15.1
Domestic architectural construction	104,503	117,236	12,733	12.2
Civil engineering	144,762	111,034	(33,727)	(23.3)
Architectural construction	40,712	59,216	18,504	45.5
Overseas	185,474	170,250	(15,223)	(8.2)
Construction Total	394,923	379,499	(15,423)	(3.9)
Real estate and Others	496	1,353	857	172.9
Total	395,419	380,853	(14,565)	(3.7)