

Summary of Consolidated Financial Results of Fiscal Year Ended March 2012

May 14, 2012

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

Stock exchange: **Tokyo, Nagoya**

Representative
Title: **Chief Executive Officer** Name: **Yoshio Murahige**
Contact

Title: **General Manager, Account Department** Name: **Syunji Kitahashi** Tel: **03-3817-7619**

Schedule of ordinary general meeting of shareholders date: June 28, 2012

Schedule of payment of dividends date: June 29, 2012

Schedule of financial statement reporting date: June 28, 2012

1. Business results for the fiscal year ended March 2012 (April 1, 2011-March 31, 2012)

(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)	(%)
Mar.2012 term	328,004	8.5	8,982	(8.2)	7,448	0.2	1,622	(25.0)
Mar.2011 term	302,256	(6.9)	9,782	(9.4)	7,431	(3.9)	2,163	23.8

Note: Comprehensive income (millions of yen) Mar. 31 2012term: 2,497(41.6%) Mar. 31 2011term: 1,764(189.0 %)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/ total assets	Operating incom/ net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Mar.2012 term	5.67	-	2.6	2.5	2.7
Mar.2011 term	8.50	-	3.8	2.6	3.2

Reference: Equity in earning of affiliates(millions of yen) Mar. 31 2012term: 74 Mar. 31 2011term: 37

(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)
Mar. 31, 2012	311,917	62,385	20.0	218.19
Mar. 31, 2011	286,224	60,460	21.1	211.44

Reference: Shareholders' Equity (millions of yen) Mar. 31, 2012: 62,381 Mar. 31, 2011: 60,453

(3) Consolidated cash flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Cash and cash equivalents at term-end (millions of yen)
Mar.2012 term	26,739	(11,585)	1,738	62,712
Mar.2011 term	1,917	(9,143)	(3,242)	45,662

2. Dividends

	Dividends per share (Yen)					Total dividends (year) (millions of yen)	Payout ratio (Consolidated) (%)	Dividends/ Shareholders' equity (%)
	As of 1Q-end	As of 2Q-end	As of 3Q-end	As of Fiscal Year-end	Full year			
FY2010	-	-	-	2.00	2.00	571	23.5	0.9
FY2011	-	-	-	2.00	2.00	571	35.2	0.9
FY2012 (Forecast)	-	-	-	2.00	2.00		33.6	

3. Earnings forecasts for fiscal year ended March 2013 (April 1, 2012-March 31, 2013)

	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	164,000	12.9	1,400	(69.8)	600	(85.2)	(500)	-	(1.75)
Entire term	347,000	5.8	8,500	(5.4)	6,600	(11.4)	1,700	4.8	5.95

4. Others

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

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

- 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

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

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

Mar. 2012 term: 286,013,910

Mar. 2011 term: 286,013,910

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

Mar. 2012 term: 102,571

Mar. 2011 term: 100,824

3) Average number of shares outstanding during the period :

Mar. 2012 term: 285,912,490

Mar. 2011 term: 254,549,533

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

The 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:

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 factors 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	March 31,2012
Assets		
Current assets		
Cash and deposits	46,121	63,370
Notes receivable, accounts receivable from completed construction contracts and other	107,143	118,610
Short-term investment securities	1	—
Costs on uncompleted construction contracts and other	13,577	12,992
Real estate for sale and development projects in progress	13,707	11,041
Accounts receivable—other	13,444	10,607
Deferred tax assets	4,241	3,800
Other	2,953	2,330
Allowance for doubtful accounts	(1,345)	(1,227)
Total current assets	199,845	221,526
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	31,205	31,768
Machinery, vehicles, tools, furniture and fixtures	66,192	68,356
Land	41,761	43,612
Construction in progress	453	5,475
Other	127	150
Accumulated depreciation	(78,906)	(80,855)
Total property, plant and equipment	60,834	68,507
Intangible assets	622	636
Investments and other assets		
Investment securities	10,795	10,822
Deferred tax assets	9,480	6,807
Other	12,634	9,854
Allowance for doubtful accounts	(7,987)	(6,237)
Total investments and other assets	24,922	21,246
Total noncurrent assets	86,379	90,390
Total assets	286,224	311,917
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	87,419	112,842
Short-term loans payable	52,986	45,687
Income taxes payable	1,265	1,179
Advances received on uncompleted construction contracts and other	25,841	25,329
Provision for warranties for completed construction	719	642
Provision for bonuses	1,015	1,224
Provision for loss on construction contracts	2,233	2,939
Other	19,894	16,153
Total current liabilities	191,376	205,997
Noncurrent liabilities		
Bonds payable	—	10,000
Long-term loans payable	25,684	25,483
Deferred tax liabilities for land revaluation	7,156	6,251
Provision for retirement benefits	333	324
Provision for directors' retirement benefits	143	137
Provision for loss on litigation	—	350
Other	1,069	987
Total noncurrent liabilities	34,387	43,533
Total liabilities	225,764	249,531

Consolidated Balance Sheets

(Millions of JPY)

	March 31,2011	March 31,2012
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	6,384	7,453
Treasury stock	(22)	(23)
Total shareholders' equity	55,197	56,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(125)	(107)
Deferred gains or losses on hedges	(7)	(9)
Revaluation reserve for land	5,327	6,194
Foreign currency translation adjustment	61	36
Total accumulated other comprehensive income	5,255	6,115
Minority interests	6	3
Total net assets	60,460	62,385
Total liabilities and net assets	286,224	311,917

Consolidated Statements of Income

(Millions of JPY)

	Mar. 2011 term	Mar. 2012 term
Net sales		
Net sales of completed construction contracts	289,661	316,238
Net sales of development business and other	12,594	11,766
Total net sales	302,256	328,004
Cost of sales		
Cost of sales of completed construction contracts	264,554	292,108
Cost of sales on development business and other	12,400	11,712
Total cost of sales	276,954	303,820
Gross profit		
Gross profit on completed construction contracts	25,107	24,129
Gross profit on development business and other	193	54
Total gross profit	25,301	24,183
Selling, general and administrative expenses	15,519	15,201
Operating income	9,782	8,982
Non-operating income		
Interest income	92	54
Dividends income	101	223
Equity in earnings of affiliates	37	74
Real estate rent	66	70
Other	466	359
Total non-operating income	764	781
Non-operating expenses		
Interest expenses	2,204	1,812
Foreign exchange losses	230	182
Other	679	319
Total non-operating expenses	3,115	2,315
Ordinary income	7,431	7,448
Extraordinary income		
Gain on prior period adjustment	144	—
Gain on sales of noncurrent assets	463	88
Reversal of allowance for doubtful accounts	259	—
Reversal of provision for warranties for completed construction	201	—
Reversal of Loss on disaster	—	303
Other	127	45
Total extraordinary income	1,196	437
Extraordinary loss		
Loss on retirement of noncurrent assets	192	403
Loss on valuation of investment securities	18	357
Provision for loss on litigation	—	350
Amortization of prior service cost	—	290
Loss on disaster	1,019	—
Other	1,880	176
Total extraordinary losses	3,111	1,576
Income before income taxes and minority interests	5,516	6,308
Income taxes—current	1,670	1,593
Income taxes—deferred	1,668	3,095
Total income taxes	3,339	4,688
Income before minority interests	2,176	1,620
Minority interests in income (loss)	13	(2)
Net income	2,163	1,622

Statements of Consolidated Comprehensive Income

(Millions of JPY)

	Mar. 2011 term	Mar. 2012 term
Income before minority interests	2,176	1,620
Other comprehensive income		
Valuation difference on available-for-sale securities	(372)	18
Deferred gains or losses on hedges	(2)	(1)
Revaluation reserve for land	—	885
Foreign currency translation adjustment	(36)	(25)
Total other comprehensive income	(412)	877
Comprehensive income	1,764	2,497
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,750	2,500
Comprehensive income attributable to minority interests	13	(2)

Consolidated Statements of Cash Flows

(Millions of JPY)

	Mar. 2011 term	Mar. 2012 term
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,516	6,308
Depreciation and amortization	3,522	3,701
Impairment loss	1,158	68
Increase (decrease) in allowance for doubtful accounts	501	(1,868)
Increase (decrease) in provision for bonuses	(76)	209
Increase (decrease) in provision for retirement benefits	(16)	(9)
Increase (decrease) in provision for loss on development business	(8)	—
Increase (decrease) in provision for loss on litigation	—	350
Increase (decrease) in provision for loss on construction contracts	907	705
Increase (decrease) in provision for loss on voluntary retirement and other	(1,511)	—
Interest and dividends income	(194)	(277)
Interest expenses	2,204	1,813
Foreign exchange losses (gains)	(180)	(170)
Equity in (earnings) losses of affiliates	(37)	(74)
Loss (gain) on sales of property, plant and equipment	(454)	(72)
Loss (gain) on sales of short-term and long term investment securities	(22)	(0)
Loss (gain) on valuation of investment securities	18	357
Decrease (increase) in notes and accounts receivable-trade	(5,524)	(11,587)
Decrease (increase) in costs on uncompleted construction contracts	918	17
Decrease (increase) in inventories	1,597	2,921
Increase (decrease) in notes and accounts payable-trade	(5,210)	25,537
Increase (decrease) in advances received on uncompleted construction contracts	496	(511)
Decrease (increase) in accounts receivable-other	1,560	2,837
Other, net	(267)	(521)
Subtotal	4,897	29,735
Interest and dividends income received	204	412
Interest expenses paid	(2,227)	(1,688)
Income taxes paid	(957)	(1,719)
Net cash provided by (used in) operating activities	1,917	26,739
Net cash provided by (used in) investing activities		
Purchase of short-term and long term investment securities	(3,845)	(502)
Proceeds from sales of short-term and long term investment securities	155	30
Purchase of property, plant and equipment	(9,518)	(11,168)
Proceeds from sales of property, plant and equipment	3,981	220
Payments of loans receivable	(174)	(5)
Collection of loans receivable	194	114
Other, net	63	(273)
Net cash provided by (used in) investing activities	(9,143)	(11,585)

Consolidated Statements of Cash Flows

(Millions of JPY)

	Mar. 2011 term	Mar. 2012 term
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(601)	(2,489)
Proceeds from long-term loans payable	19,090	20,571
Repayment of long-term loans payable	(25,656)	(25,582)
Proceeds from issuance of bonds	—	10,000
Proceeds from issuance of common stock	4,759	—
Cash dividends paid	(482)	(564)
Other, net	(350)	(196)
Net cash provided by (used in) financing activities	(3,242)	1,738
Effect of exchange rate change on cash and cash equivalents	200	157
Net increase (decrease) in cash and cash equivalents	(10,268)	17,049
Cash and cash equivalents at beginning of period	55,931	45,662
Cash and cash equivalents at end of period	45,662	62,712

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

1. Orders Received

(Millions of yen)

	FY2010 (From April 1, 2010 to Mar 31, 2011)	FY2011 (From April 1, 2011 to Mar 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	63,560	68,117	4,557	7.2
Private works	31,611	40,359	8,747	27.7
Domestic civil engineering	95,172	108,477	13,304	14.0
Public works	27,109	16,943	(10,165)	(37.5)
Private works	63,065	84,617	21,552	34.2
Domestic architectural construction	90,174	101,561	11,387	12.6
Civil engineering	32,730	47,816	15,086	46.1
Architectural construction	57,304	38,657	(18,647)	(32.5)
Overseas	90,034	86,474	(3,560)	(4.0)
Construction Total	275,381	296,512	21,131	7.7
Real estate and Others	1,554	2,620	1,066	68.6
Total	276,936	299,133	22,197	8.0

2. Net Sales

(Millions of yen)

	FY2010 (From April 1, 2010 to Mar 31, 2011)	FY2011 (From April 1, 2011 to Mar 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	81,948	69,795	(12,153)	(14.8)
Private works	26,731	39,657	12,925	48.4
Domestic civil engineering	108,680	109,452	772	0.7
Public works	15,691	22,056	6,364	40.6
Private works	71,734	91,428	19,694	27.5
Domestic architectural construction	87,426	113,484	26,058	29.8
Civil engineering	56,025	49,050	(6,974)	(12.4)
Architectural construction	25,600	33,967	8,366	32.7
Overseas	81,625	83,017	1,391	1.7
Construction Total	277,732	305,955	28,222	10.2
Real estate and Others	1,641	2,621	979	59.7
Total	279,373	308,576	29,202	10.5

3. Backlog

(Millions of yen)

	FY2010 (From April 1, 2010 to Mar 31, 2011)	FY2011 (From April 1, 2011 to Mar 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	56,981	55,303	(1,677)	(2.9)
Private works	29,091	29,794	702	2.4
Domestic civil engineering	86,073	85,098	(975)	(1.1)
Public works	37,469	32,357	(5,112)	(13.6)
Private works	72,587	65,775	(6,811)	(9.4)
Domestic architectural construction	110,056	98,133	(11,923)	(10.8)
Civil engineering	118,396	116,491	(1,904)	(1.6)
Architectural construction	45,823	50,026	4,203	9.2
Overseas	164,220	166,518	2,298	1.4
Construction Total	360,350	349,749	(10,600)	(2.9)
Real estate and Others	207	205	(1)	(0.5)
Total	360,557	349,955	(10,601)	(2.9)