

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2013

August 8, 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.**

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 9, 2012

1. Business results for the fiscal year ended March 2012 (April 1, 2012-June 30, 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)	(%)
1Q FY2012	75,798	22.8	154	(89.2)	420	(71.4)	69	(88.2)
1Q FY2011	61,731	(6.5)	1,427	11.1	1,471	436.9	588	666.7

Note: Comprehensive income (millions of yen) June. 30 2012term: (673)(- %) June. 30 2011term: 504(- %)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2012	0.24	-
1Q FY2011	2.06	-

(2) Consolidated financial position

	Total assets (millions of yen)	Total net assets (millions of yen)	Total net assets/ total assets (%)
1Q FY2012	290,462	61,139	21.0
Mar. 31, 2012	311,917	62,385	20.0

Reference: Shareholders' Equity (millions of yen) June. 30, 2012: 61,134 Mar. 31, 2012: 62,381

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
FY2011	-	-	-	2.00	2.00
FY2012	-	-	-	-	-
FY2012 (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 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

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: Adopted

2) Changes other than the reason described above: None

3) Changes to accounting estimates: Adopted

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. 2012 term: 286,013,910 Mar. 2012 term: 286,013,910

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

Jun. 2012 term: 102,989 Mar. 2012 term: 102,571

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

Jun. 2012 term: 285,911,204 Jun. 2011 term: 285,913,084

※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, 2013 are also the same as ones provided in May 14, 2012.

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 31,2012	June 30,2012
Assets		
Current assets		
Cash and deposits	63,370	61,583
Notes receivable, accounts receivable from completed construction contracts and other	118,610	98,241
Costs on uncompleted construction contracts and other	12,992	13,256
Real estate for sale and development projects in progress	11,041	10,709
Accounts receivable—other	10,607	8,711
Other	6,131	8,403
Allowance for doubtful accounts	(1,227)	(678)
Total current assets	221,526	200,228
Noncurrent assets		
Property, plant and equipment		
Land	43,612	43,543
Other, net	24,894	25,838
Total property, plant and equipment	68,507	69,381
Intangible assets	636	708
Investments and other assets		
Investment securities	10,822	10,486
Other	16,661	15,786
Allowance for doubtful accounts	(6,237)	(6,129)
Total investments and other assets	21,246	20,144
Total noncurrent assets	90,390	90,234
Total assets	311,917	290,462
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	112,842	100,344
Short-term loans payable	45,687	44,506
Income taxes payable	1,179	876
Advances received on uncompleted construction contracts and other	25,329	22,899
Provision	4,805	3,273
Other	16,153	16,630
Total current liabilities	205,997	188,531
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	25,483	22,845
Deferred tax liabilities for land revaluation	6,251	6,220
Provision	811	773
Other	987	951
Total noncurrent liabilities	43,533	40,791
Total liabilities	249,531	229,322

Consolidated Balance Sheets

(Millions of JPY)

	March 31,2012	June 30,2012
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	7,453	7,005
Treasury stock	(23)	(23)
Total shareholders' equity	56,266	55,819
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(890)
Deferred gains or losses on hedges	(9)	(7)
Revaluation reserve for land	6,194	6,139
Foreign currency translation adjustment	36	73
Total accumulated other comprehensive income	6,115	5,315
Minority interests	3	5
Total net assets	62,385	61,139
Total liabilities and net assets	311,917	290,462

Consolidated Statements of Income

(Millions of JPY)

	June 2011 term	June 2012 term
Net sales		
Net sales of completed construction contracts	58,850	73,703
Net sales of development business and other	2,881	2,095
Total net sales	61,731	75,798
Cost of sales		
Cost of sales of completed construction contracts	54,192	69,955
Cost of sales on development business and other	2,317	1,872
Total cost of sales	56,509	71,827
Gross profit		
Gross profit on completed construction contracts	4,658	3,748
Gross profit on development business and other	564	223
Total gross profit	5,222	3,971
Selling, general and administrative expenses	3,794	3,816
Operating income	1,427	154
Non-operating income		
Interest income	7	14
Dividends income	139	106
Reversal of allowance for doubtful accounts	346	642
Other	115	60
Total non-operating income	609	824
Non-operating expenses		
Interest expenses	437	384
Foreign exchange losses	69	115
Other	58	58
Total non-operating expenses	565	558
Ordinary income	1,471	420
Extraordinary income		
Gain on sales of noncurrent assets	23	17
Gain on insurance adjustment	12	3
Other	6	—
Total extraordinary income	42	20
Extraordinary loss		
Loss on valuation of investment securities	151	206
Other	52	78
Total extraordinary losses	203	284
Income before income taxes and minority interests	1,310	156
Income taxes—current	285	129
Income taxes—deferred	434	(43)
Total income taxes	719	85
Income before minority interests	590	70
Minority interests in income	1	1
Net income	588	69

Statements of Consolidated Comprehensive Income

(Millions of JPY)

	June 2011 term	June 2012 term
Income before minority interests	590	70
Other comprehensive income		
Valuation difference on available-for-sale securities	(93)	(783)
Deferred gains or losses on hedges	1	1
Foreign currency translation adjustment	6	37
Total other comprehensive income	(85)	(744)
Comprehensive income	504	(673)
Comprehensive income attributable to		
Comprehensive income attributable to owners	502	(675)
of the parent		
Comprehensive income attributable to minority interests	1	1

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

1. Orders Received

(Millions of yen)

	1Q FY2011 (From April 1, 2011 to June 30, 2011)	1Q FY2012 (From April 1, 2012 to June 30, 2012)	Increase (Decrease)	Rate of change (%)
Public works	9,679	20,005	10,326	106.7
Private works	15,891	5,766	(10,125)	(63.7)
Domestic civil engineering	25,571	25,772	201	0.8
Public works	1,113	7,406	6,292	565.2
Private works	26,119	14,450	(11,668)	(44.7)
Domestic architectural construction	27,232	21,856	(5,375)	(19.7)
Civil engineering	4,195	3,244	(950)	(22.7)
Architectural construction	17,010	6,427	(10,583)	(62.2)
Overseas	21,205	9,671	(11,534)	(54.4)
Construction Total	74,009	57,300	(16,709)	(22.6)
Real estate and Others	1,526	505	(1,020)	(66.9)
Total	75,536	57,806	(17,729)	(23.5)

2. Net Sales

(Millions of yen)

	1Q FY2011 (From April 1, 2011 to June 30, 2011)	1Q FY2012 (From April 1, 2012 to June 30, 2012)	Increase (Decrease)	Rate of change (%)
Public works	12,741	12,755	13	0.1
Private works	6,890	9,102	2,212	32.1
Domestic civil engineering	19,632	21,858	2,226	11.3
Public works	4,401	5,676	1,274	29.0
Private works	15,650	18,771	3,120	19.9
Domestic architectural construction	20,052	24,447	4,395	21.9
Civil engineering	12,992	14,144	1,152	8.9
Architectural construction	4,350	10,675	6,325	145.4
Overseas	17,342	24,820	7,477	43.1
Construction Total	57,027	71,126	14,099	24.7
Real estate and Others	379	428	48	12.8
Total	57,407	71,554	14,147	24.6

3. Backlog

(Millions of yen)

	1Q FY2011 (From April 1, 2011 to June 30, 2011)	1Q FY2012 (From April 1, 2012 to June 30, 2012)	Increase (Decrease)	Rate of change (%)
Public works	53,919	62,554	8,634	16.0
Private works	38,092	26,457	(11,635)	(30.5)
Domestic civil engineering	92,012	89,011	(3,000)	(3.3)
Public works	34,180	34,086	(93)	(0.3)
Private works	83,056	61,455	(21,600)	(26.0)
Domestic architectural construction	117,236	95,542	(21,694)	(18.5)
Civil engineering	111,034	100,585	(10,448)	(9.4)
Architectural construction	59,216	43,793	(15,422)	(26.0)
Overseas	170,250	144,379	(25,871)	(15.2)
Construction Total	379,499	328,933	(50,566)	(13.3)
Real estate and Others	1,353	283	(1,070)	(79.1)
Total	380,853	329,217	(51,636)	(13.6)