

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2014

August 8, 2013

The following statements are an English-language translation of the original Japanese-language documents.
(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 and
Deputy Chief of General Administration Divisions Group**

Name: **Syunji Kitahashi**

Tel: **03-3817-7619**

Schedule of financial statement reporting date: August 9, 2013

1. Business results for the fiscal year ending March 2014 (April 1, 2013-June 30, 2013)

(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 FY2013	84,075	10.9	1,097	609.6	915	117.8	451	550.6
1Q FY2012	75,798	22.8	154	(89.2)	420	(71.4)	69	(88.2)

Note: Comprehensive income (millions of yen) Jun. 30 2013 term: 988 (- %) Jun. 30 2012 term: (673) (- %)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2013	1.58	-
1Q FY2012	0.24	-

(2) Consolidated financial position

	Total assets (millions of yen)	Total net assets (millions of yen)	Total net assets/ total assets (%)
1Q FY2013	287,147	65,527	22.8
Mar. 31, 2013	296,726	65,110	21.9

Reference: Shareholders' Equity (millions of yen) Jun 30 2013: 65,471 Mar. 31, 2013: 65,080

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
FY2012	-	-	-	2.00	2.00
FY2013	-	-	-	-	-
FY2013 (Forecast)	-	-	-	2.00	2.00

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

3. Earnings forecasts for fiscal year ending March 2014 (April 1, 2013 - March 31, 2014)

	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	168,000	1.1	1,700	(30.4)	1,100	(45.8)	0	(100.0)	0.00
Entire term	357,000	2.0	9,000	39.2	7,500	14.3	2,600	28.1	9.09

Note: Change made in figures of the forecasts as of the end of the current quarter from the previous announcement: None

4. Notes

(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. 2013 term: 286,013,910 Mar. 2013 term: 286,013,910

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

Jun. 2013 term: 104,739 Mar. 2013 term: 104,543

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

Jun. 2013 term: 285,909,269 Jun. 2012 term: 285,911,204

※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, 2014 are also the same as ones provided in May 13, 2013.

2) The forecasts given above are based on information currently available and certain premises regarded as reasonable, and do not include any intent that the company will guarantee its achievement. The actual business result is inherently subject to a variety of risks and uncertainties, and 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

(Millions of JPY)

	March 31, 2013	June 30, 2013
Assets		
Current assets		
Cash and deposits	50,595	56,416
Notes receivable, accounts receivable from completed construction contracts and other	113,699	98,419
Costs on uncompleted construction contracts and other	9,858	11,834
Real estate for sale and development projects in progress	9,727	9,659
Accounts receivable-other	12,019	10,537
Other	5,595	7,644
Allowance for doubtful accounts	(854)	(728)
Total current assets	200,642	193,783
Noncurrent assets		
Property, plant and equipment		
Land	42,539	42,121
Other, net	30,065	29,589
Total property, plant and equipment	72,604	71,711
Intangible assets	1,127	1,095
Investments and other assets		
Investment securities	13,204	13,822
Other	15,507	11,141
Allowance for doubtful accounts	(6,360)	(4,425)
Total investments and other assets	22,351	20,538
Total noncurrent assets	96,083	93,345
Deferred assets	—	18
Total assets	296,726	287,147

Consolidated Quarterly Balance Sheets

(Millions of JPY)

	March 31, 2013	June 30, 2013
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	111,574	105,778
Short-term loans payable	39,955	40,873
Income taxes payable	1,131	470
Advances received on uncompleted construction contracts and other	17,283	16,186
Provision	4,726	3,588
Other	18,084	18,115
Total current liabilities	192,755	185,012
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	20,984	18,787
Deferred tax liabilities for land revaluation	6,195	6,194
Provision	870	852
Other	809	772
Total noncurrent liabilities	38,859	36,606
Total liabilities	231,615	221,619
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	8,635	8,509
Treasury stock	(23)	(23)
Total shareholders' equity	57,448	57,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,181	1,686
Deferred gains or losses on hedges	(2)	(9)
Revaluation reserve for land	6,470	6,475
Foreign currency translation adjustment	(18)	(4)
Total accumulated other comprehensive income	7,632	8,148
Minority interests	30	56
Total net assets	65,110	65,527
Total liabilities and net assets	296,726	287,147

Consolidated Quarterly Statements of Income

(Millions of JPY)

	Jun. 2012 term	Jun. 2013 term
Net sales		
Net sales of completed construction contracts	73,703	82,782
Net sales of development business and other	2,095	1,292
Total net sales	75,798	84,075
Cost of sales		
Cost of sales of completed construction contracts	69,955	78,543
Cost of sales on development business and other	1,872	830
Total cost of sales	71,827	79,374
Gross profit		
Gross profit on completed construction contracts	3,748	4,239
Gross profit on development business and other	223	461
Total gross profit	3,971	4,700
Selling, general and administrative expenses	3,816	3,603
Operating income	154	1,097
Non-operating income		
Interest income	14	23
Dividends income	106	104
Reversal of allowance for doubtful accounts	642	167
Other	60	70
Total non-operating income	824	365
Non-operating expenses		
Interest expenses	384	300
Foreign exchange losses	115	182
Other	58	64
Total non-operating expenses	558	547
Ordinary income	420	915
Extraordinary income		
Gain on sales of noncurrent assets	17	26
Other	3	2
Total extraordinary income	20	28
Extraordinary loss		
Loss on sales of noncurrent assets	—	18
Loss on retirement of noncurrent assets	49	23
Loss on valuation of investment securities	206	—
Other	29	—
Total extraordinary losses	284	42
Income before income taxes and minority interests	156	902
Income taxes-current	129	186
Income taxes-deferred	(43)	242
Total income taxes	85	429
Income before minority interests	70	472
Minority interests in income	1	21
Net income	69	451

Consolidated Quarterly Statements of Comprehensive Income

(Millions of JPY)

	Jun. 2012 term	Jun. 2013 term
Income before minority interests	70	472
Other comprehensive income		
Valuation difference on available-for-sale securities	(783)	504
Deferred gains or losses on hedges	1	(7)
Foreign currency translation adjustment	37	17
Total other comprehensive income	(744)	515
Comprehensive income	(673)	988
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(675)	962
Comprehensive income attributable to minority interests	1	25

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

1. Orders Received

(Millions of yen)

	1Q FY2012 (From Apr. 1, 2012 to Jun. 30, 2012)	1Q FY2013 (From Apr. 1, 2013 to Jun. 30, 2013)	Increase (Decrease)	Rate of change (%)
Public works	20,005	30,015	10,009	50.0
Private works	5,766	8,849	3,082	53.5
Domestic civil engineering	25,772	38,864	13,092	50.8
Public works	7,406	977	(6,428)	(86.8)
Private works	14,450	34,974	20,523	142.0
Domestic architectural construction	21,856	35,951	14,094	64.5
Civil engineering	3,244	1,054	(2,190)	(67.5)
Architectural construction	6,427	6,602	174	2.7
Overseas	9,671	7,656	(2,015)	(20.8)
Construction Total	57,300	82,472	25,171	43.9
Real estate and Others	505	207	(297)	(58.9)
Total	57,806	82,680	24,874	43.0

2. Net Sales

(Millions of yen)

	1Q FY2012 (From Apr. 1, 2012 to Jun. 30, 2012)	1Q FY2013 (From Apr. 1, 2013 to Jun. 30, 2013)	Increase (Decrease)	Rate of change (%)
Public works	12,755	18,125	5,370	42.1
Private works	9,102	6,660	(2,441)	(26.8)
Domestic civil engineering	21,858	24,786	2,928	13.4
Public works	5,676	6,170	494	8.7
Private works	18,771	20,749	1,978	10.5
Domestic architectural construction	24,447	26,920	2,473	10.1
Civil engineering	14,144	17,089	2,944	20.8
Architectural construction	10,675	10,207	(468)	(4.4)
Overseas	24,820	27,297	2,476	10.0
Construction Total	71,126	79,004	7,878	11.1
Real estate and Others	428	166	(262)	(61.2)
Total	71,554	79,171	7,616	10.6

3. Backlog

(Millions of yen)

	1Q FY2012 (From Apr. 1, 2012 to Jun. 30, 2012)	1Q FY2013 (From Apr. 1, 2013 to Jun. 30, 2013)	Increase (Decrease)	Rate of change (%)
Public works	62,554	80,040	17,485	28.0
Private works	26,457	19,197	(7,260)	(27.4)
Domestic civil engineering	89,011	99,237	10,225	11.5
Public works	34,086	21,287	(12,799)	(37.5)
Private works	61,455	85,536	24,081	39.2
Domestic architectural construction	95,542	106,824	11,282	11.8
Civil engineering	100,585	67,979	(32,606)	(32.4)
Architectural construction	43,793	54,305	10,512	24.0
Overseas	144,379	122,284	(22,094)	(15.3)
Construction Total	328,933	328,346	(586)	(0.2)
Real estate and Others	283	80	(202)	(71.5)
Total	329,217	328,427	(789)	(0.2)