

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2016

August 6, 2015

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: **President, Chief Executive Officer and Representative Director**

Name: **Takuzo Shimizu**

Contact

Title: **Executive General Manager, Head of Accounting Division and Deputy Head of Corporate Administration Divisions Group**

Name: **Syunji Kitahashi**

Tel: **03-3817-7619**

Schedule of financial statement reporting date: August 7, 2015

1. Business results for the fiscal year ending March 2016 (April 1, 2015- June 30, 2015)

(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 FY2015	107,822	34.8	4,119	-	3,965	-	2,534	-
1Q FY2014	79,974	(4.9)	(578)	-	(527)	-	(444)	-

Note: Comprehensive income (Millions of Yen) Jun. 30 2015 term: 2,650 (-%) Jun. 30 2014 term: (254) (-%)

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
1Q FY2015	8.86	-
1Q FY2014	(1.55)	-

(2) Consolidated financial position

	Total assets (Millions of Yen)	Total net assets (Millions of Yen)	Total net assets/ total assets (%)
Jun. 30, 2015	352,307	78,613	22.3
Mar. 31, 2015	366,169	77,068	21.0

Reference: Shareholders' Equity (Millions of Yen) Jun 30 2015: 78,540 Mar. 31, 2015: 77,033

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
FY2014	-	-	-	4.00	4.00
FY2015	-	-	-	-	-
FY2015 (Forecast)	-	-	-	5.00	5.00

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

3. Earnings forecasts for fiscal year ending March 2016 (April 1, 2015 - March 31, 2016)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share (Yen)
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	
2Q term	214,000	16.9	4,300	34.2	3,800	10.4	2,300	14.5	8.04
Entire term	467,000	9.6	14,500	17.9	13,500	18.5	6,500	5.1	22.73

Note: Change made in figures of the forecasts as of the end of the current quarter form the previous announcement: Non

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: Adopted

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) :

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

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

Jun. 2015 term:	286,013,910	Mar. 2015 term:	286,013,910
Jun. 2015 term:	109,395	Mar. 2015 term:	109,146
Jun. 2015 term:	285,904,654	Jun. 2014 term:	285,905,511

※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, 2016 are the same as ones provided in May 13, 2015.

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 factors including, but not limited to, changes in the economic or business environment an exchange rate fluctuations.

Consolidated Quarterly Balance Sheets

(Millions of Yen)

	March 31, 2015	June 30, 2015
Assets		
Current assets		
Cash and deposits	38,469	66,897
Notes receivable, accounts receivable from completed construction contracts and other	170,228	130,746
Securities	42	32
Costs on uncompleted construction contracts and other	12,468	13,415
Real estate for sale and development projects in progress	10,455	7,838
Accounts receivable - other	26,693	26,253
Other	9,179	7,302
Allowance for doubtful accounts	(1,019)	(899)
Total current assets	266,517	251,588
Non-current assets		
Property, plant and equipment		
Land	37,326	37,302
Other, net	39,338	39,921
Total property, plant and equipment	76,665	77,224
Intangible assets	1,142	1,179
Investments and other assets		
Investment securities	16,662	16,867
Net defined benefit asset	1,261	1,858
Other	5,075	4,678
Allowance for doubtful accounts	(1,231)	(1,161)
Total investments and other assets	21,767	22,243
Total non-current assets	99,575	100,647
Deferred assets	76	72
Total assets	366,169	352,307

(Millions of Yen)

	March 31, 2015	June 30, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	127,083	123,720
Electronically recorded obligations - operating	9,807	10,255
Short-term loans payable	38,286	43,387
Commercial papers	19,996	—
Income taxes payable	2,533	887
Advances received on uncompleted construction contracts	21,524	21,982
Provision	5,268	3,861
Other	21,154	28,172
Total current liabilities	245,653	232,267
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	16,614	14,664
Deferred tax liabilities for land revaluation	5,382	5,369
Provision	139	147
Net defined benefit liability	117	142
Other	1,193	1,102
Total non-current liabilities	43,447	41,426
Total liabilities	289,101	273,694
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	16,646	18,037
Treasury shares	(25)	(25)
Total shareholders' equity	65,457	66,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,607	3,752
Deferred gains or losses on hedges	(17)	(0)
Revaluation reserve for land	6,676	6,690
Foreign currency translation adjustment	18	(60)
Remeasurements of defined benefit plans	1,289	1,309
Total accumulated other comprehensive income	11,575	11,692
Non-controlling interests	35	72
Total net assets	77,068	78,613
Total liabilities and net assets	366,169	352,307

Consolidated Quarterly Statements of Income

(Millions of Yen)

	1Q FY2014 (From Apr. 1, 2014 to Jun. 30, 2014)	1Q FY2015 (From Apr. 1, 2015 to Jun. 30, 2015)
Net sales		
Net sales of completed construction contracts	77,286	101,811
Net sales of development business and other	2,687	6,010
Total net sales	79,974	107,822
Cost of sales		
Cost of sales of completed construction contracts	74,219	94,985
Cost of sales on development business and other	2,655	5,091
Total cost of sales	76,875	100,076
Gross profit		
Gross profit on completed construction contracts	3,066	6,825
Gross profit on development business and other	31	919
Total gross profit	3,098	7,745
Selling, general and administrative expenses	3,676	3,625
Operating income (loss)	(578)	4,119
Non-operating income		
Interest income	17	23
Dividend income	102	109
Reversal of allowance for doubtful accounts	202	196
Other	160	166
Total non-operating income	482	496
Non-operating expenses		
Interest expenses	226	228
Foreign exchange losses	167	392
Other	38	31
Total non-operating expenses	432	651
Ordinary income (loss)	(527)	3,965
Extraordinary income		
Gain on sales of non-current assets	5	4
Gain on sales of investment securities	51	—
Other	15	0
Total extraordinary income	72	4
Extraordinary losses		
Loss on sales of non-current assets	0	6
Loss on retirement of non-current assets	78	16
Impairment loss	48	—
Other	3	2
Total extraordinary losses	130	24
Income (loss) before income taxes and minority interests	(585)	3,944
Income taxes - current	18	442
Income taxes - deferred	(182)	968
Total income taxes	(164)	1,410
Profit (loss)	(421)	2,533
Profit (loss) attributable to non-controlling interests	23	(0)
Profit (loss) attributable to owners of parent	(444)	2,534

Consolidated Quarterly Statements of Comprehensive Income

(Millions of Yen)

	1Q FY2014 (From Apr. 1, 2014 to Jun. 30, 2014)	1Q FY2015 (From Apr. 1, 2015 to Jun. 30, 2015)
Profit (loss)	(421)	2,533
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	145
Deferred gains or losses on hedges	0	17
Revaluation reserve for land	—	13
Foreign currency translation adjustment	(5)	(79)
Remeasurements of defined benefit plans, net of tax	292	20
Share of other comprehensive income of entities accounted for using equity method	1	—
Total other comprehensive income	166	116
Comprehensive income	(254)	2,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(276)	2,651
Comprehensive income attributable to non-controlling interests	21	(0)

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

1. Orders Received

(Millions of Yen)

	1Q FY2014 (From Apr. 1, 2014 to Jun. 30, 2014)	1Q FY2015 (From Apr. 1, 2015 to Jun. 30, 2015)	Increase (Decrease)	Rate of change (%)
Public works	62,936	28,147	(34,789)	(55.3)
Private works	10,157	11,627	1,470	14.5
Domestic civil engineering	73,094	39,775	(33,319)	(45.6)
Public works	240	330	90	37.8
Private works	24,640	25,840	1,199	4.9
Domestic architectural construction	24,880	26,171	1,290	5.2
Civil engineering	3,381	1,550	(1,831)	(54.2)
Architectural construction	19,563	10,604	(8,958)	(45.8)
Overseas	22,945	12,154	(10,790)	(47.0)
Construction Total	120,920	78,101	(42,819)	(35.4)
Real estate and Others	716	191	(524)	(73.2)
Total	121,637	78,293	(43,343)	(35.6)

2. Net Sales

(Millions of Yen)

	1Q FY2014 (From Apr. 1, 2014 to Jun. 30, 2014)	1Q FY2015 (From Apr. 1, 2015 to Jun. 30, 2015)	Increase (Decrease)	Rate of change (%)
Public works	14,963	20,338	5,375	35.9
Private works	7,002	8,215	1,213	17.3
Domestic civil engineering	21,966	28,554	6,588	30.0
Public works	4,137	6,505	2,368	57.2
Private works	24,533	29,164	4,630	18.9
Domestic architectural construction	28,670	35,669	6,999	24.4
Civil engineering	15,165	17,912	2,746	18.1
Architectural construction	8,264	14,584	6,319	76.5
Overseas	23,430	32,497	9,066	38.7
Construction Total	74,067	96,720	22,653	30.6
Real estate and Others	758	3,977	3,219	424.4
Total	74,825	100,698	25,873	34.6

3. Backlog

(Millions of Yen)

	1Q FY2014 (From Apr. 1, 2014 to Jun. 30, 2014)	1Q FY2015 (From Apr. 1, 2015 to Jun. 30, 2015)	Increase (Decrease)	Rate of change (%)
Public works	135,009	142,651	7,641	5.7
Private works	19,015	24,825	5,810	30.6
Domestic civil engineering	154,024	167,476	13,452	8.7
Public works	22,060	47,913	25,853	117.2
Private works	92,746	106,299	13,553	14.6
Domestic architectural construction	114,806	154,213	39,406	34.3
Civil engineering	137,145	292,326	155,181	113.2
Architectural construction	58,627	144,258	85,630	146.1
Overseas	195,772	436,585	240,812	123.0
Construction Total	464,603	758,275	293,671	63.2
Real estate and Others	35	107	71	201.4
Total	464,639	758,383	293,743	63.2