

# Non-Consolidated Financial Statements

## Non-Consolidated Five-year Summary

Penta-Ocean Construction Co., Ltd.  
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2003	2004	2005	2006	2007	2007
Orders received .....	¥265,605	¥298,079	¥326,909	¥276,497	<b>¥347,389</b>	<b>\$2,942,728</b>
Civil engineering.....	140,578	151,789	197,567	135,405	<b>149,595</b>	<b>1,267,217</b>
Architectural engineering.....	118,852	140,086	126,542	139,057	<b>193,416</b>	<b>1,638,425</b>
Real estate and other.....	6,175	6,204	2,800	2,035	<b>4,378</b>	<b>37,086</b>
Net sales .....	347,176	297,389	317,359	318,960	<b>289,270</b>	<b>2,450,402</b>
Civil engineering.....	206,779	168,438	158,300	171,437	<b>152,937</b>	<b>1,295,527</b>
Architectural engineering.....	136,512	123,124	156,360	142,864	<b>134,636</b>	<b>1,140,500</b>
Real estate and other.....	3,884	5,827	2,699	4,659	<b>1,697</b>	<b>14,375</b>
Contract backlog .....	388,128	382,317	391,032	356,623	<b>420,384</b>	<b>3,561,067</b>
Civil engineering.....	259,832	237,238	275,937	246,554	<b>248,469</b>	<b>2,104,778</b>
Architectural engineering.....	125,851	142,257	112,172	109,771	<b>168,935</b>	<b>1,431,046</b>
Real estate and other.....	2,445	2,822	2,923	298	<b>2,980</b>	<b>25,243</b>
Total assets .....	430,632	407,119	384,089	356,148	<b>321,606</b>	<b>2,724,320</b>
Net assets .....	33,918	38,533	45,574	63,772	<b>53,574</b>	<b>453,824</b>
Ordinary income.....	1,478	6,640	7,649	9,585	<b>466</b>	<b>3,947</b>
Income (loss) before income taxes .....	(24,117)	5,587	7,811	7,786	<b>(13,503)</b>	<b>(114,384)</b>
Net income (loss).....	(18,388)	1,548	1,616	2,855	<b>(6,744)</b>	<b>(57,128)</b>
Cash dividends .....	—	—	—	—	—	—
Per share of common stock:			Yen			U.S. Dollars
Net assets .....	¥93.86	¥106.64	¥115.33	¥129.77	<b>¥109.02</b>	<b>\$0.92</b>
Net income (loss).....	(50.88)	4.28	4.28	6.31	<b>(13.72)</b>	<b>(0.12)</b>
Cash dividends .....	—	—	—	—	—	—
Number of employees .....	3,121	3,043	2,965	2,880	<b>2,838</b>	

### Notes:

- Figures in U.S. dollars are converted for convenience only, at the rate of ¥118.05 per U.S. \$1, prevailing on March 31, 2007.
- The Company adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan Statement No.5 issued by the Accounting Standards Board of Japan on December 9, 2005) and the Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan Guidance No.8 issued by the Accounting Standards Board of Japan on December 9, 2005) from the fiscal year ended March 31, 2007. The amount corresponding to sum of the section on equity at March 31, 2007 under previous standards is ¥53,580 million.
- The Company adopted the Accounting Standard for Earnings Per Share (Accounting Standards Board of Japan Statement No.2 issued by the Accounting Standards Board of Japan on January 31, 2006) and the Guidance on the Accounting Standard for Earnings Per Share (Accounting Standards Board of Japan Guidance No.4 issued by the Accounting Standards Board of Japan on January 31, 2006) from the fiscal year ended March 31, 2007.

## Non-Consolidated Balance Sheets

Penta-Ocean Construction Co., Ltd.  
As of March 31, 2006 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2006	2007	2007
<b>Current assets:</b>			
Cash and deposits.....	¥ 58,064	¥ 41,157	\$ 348,640
Securities .....	91	102	864
Trade receivables:			
Notes.....	6,207	6,964	58,992
Accounts .....	116,784	121,193	1,026,624
Subsidiaries and affiliates .....	4,308	4,546	38,509
Inventories: .....			
Cost of uncompleted contracts .....	29,436	26,577	225,133
Real estate for trade and real estate in progress .....	35,183	17,556	148,717
Raw materials and supplies .....	537	569	4,820
Deferred tax assets .....	5,518	9,406	79,678
Other current assets .....	4,303	2,897	24,541
Allowance for doubtful accounts .....	(838)	(905)	(7,666)
Total current assets .....	259,593	230,062	1,948,852
<b>Investments and non-current assets:</b>			
Investments in and loans to subsidiaries and affiliates .....	2,808	2,139	18,119
Investment in securities.....	28,784	21,639	183,304
Long-term accounts receivable .....	4,290	3,464	29,343
Sundry investments .....	13,072	12,949	109,691
Deferred tax assets .....	1,029	6,916	58,585
Allowance for doubtful accounts .....	(5,637)	(5,621)	(47,615)
Total investments and non-current assets.....	44,346	41,486	351,427
<b>Property, plant and equipment:</b>			
Land.....	34,065	33,242	281,593
Buildings and structures .....	31,507	30,034	254,418
Machinery, equipment and vehicles .....	13,631	13,335	112,961
Dredgers and vessels .....	24,679	26,004	220,279
Construction in progress .....	84	35	296
Other property, plant and equipment .....	788	—	—
Total property, plant and equipment .....	104,754	102,650	869,547
Less accumulated depreciation.....	(53,018)	(53,098)	(449,793)
Property, plant and equipment — net.....	51,736	49,552	419,754
<b>Other assets</b> .....	473	506	4,287
<b>Total assets</b> .....	¥356,148	¥321,606	\$2,724,320

	Millions of Yen		Thousands of U.S. Dollars
	2006	2007	2007
<b>Current liabilities:</b>			
Short-term debt			
Bank .....	¥ 39,782	¥ 30,112	\$ 255,078
Current portion of long-term debt .....	37,614	30,414	257,637
Trade payable:			
Notes.....	25,159	26,921	228,047
Accounts .....	73,360	74,235	628,844
Subsidiaries and affiliates .....	8,397	5,664	47,980
Advance on contracts in progress .....	27,645	32,710	277,086
Deposits received .....	10,897	9,203	77,958
Accrued income taxes.....	616	426	3,609
Accrued expenses .....	2,019	1,948	16,501
Allowance for losses on construction works .....	383	836	7,082
Other current liabilities .....	2,239	2,303	19,509
Total current liabilities .....	<u>228,111</u>	<u>214,772</u>	<u>1,819,331</u>
<b>Long-term liabilities:</b>			
Long-term debt .....	46,449	39,288	332,808
Reserve for retirement benefits .....	6,516	6,305	53,409
Reserve for directors' and statutory auditors' retirement pay.....	207	167	1,415
Deferred tax liabilities for land revaluation excess .....	7,274	7,259	61,491
Other long-term liabilities .....	3,819	241	2,042
Total long-term liabilities.....	<u>64,265</u>	<u>53,260</u>	<u>451,165</u>
Total liabilities .....	<u>292,376</u>	<u>268,032</u>	<u>2,270,496</u>
<b>Net assets:</b>			
Common stock .....	28,070	28,070	237,781
Authorized — 599,135,000 shares			
Issued shares			
March 31, 2007   491,527,820 shares			
March 31, 2006   491,527,820 shares			
Capital surplus			
Capital surplus reserve .....	10,000	10,000	84,710
Other capital surplus.....	10,106	10,106	85,608
Total capital surplus .....	<u>20,106</u>	<u>20,106</u>	<u>170,318</u>
Earned surplus			
General reserve.....	4,000	4,000	33,884
Earned surplus brought forward.....	3,009	(3,714)	(31,461)
Total earned surplus.....	<u>7,009</u>	<u>286</u>	<u>2,423</u>
Land revaluation excess — net .....	879	857	7,259
Unrealized valuation gain on other securities — net.....	7,721	4,276	36,221
Deferred gain (loss) on hedges .....	—	(6)	(51)
Less: Treasury stock .....	(13)	(15)	(127)
Total net assets .....	<u>63,772</u>	<u>53,574</u>	<u>453,824</u>
Total liabilities and net assets .....	<u>¥356,148</u>	<u>¥321,606</u>	<u>\$2,724,320</u>

# Non-Consolidated Statements of Operations

Penta-Ocean Construction Co., Ltd.  
For the two years ended March 31, 2007

	Millions of Yen		Thousands of U.S. Dollars
	2006	2007	2007
<b>Construction business:</b>			
Net sales.....	¥314,301	¥287,573	\$2,436,027
Cost of sales.....	283,403	266,943	2,261,271
Gross profit.....	30,898	20,630	174,756
<b>Real estate development and other:</b>			
Net sales.....	4,659	1,697	14,375
Cost of sales.....	4,804	1,712	14,502
Gross profit (loss).....	(145)	(15)	(127)
Total net sales.....	318,960	289,270	2,450,402
Total cost of sales.....	288,207	268,655	2,275,773
Total gross profit.....	30,753	20,615	174,629
<b>Selling, general and administrative expenses</b> .....	18,155	17,321	146,726
Operating income.....	12,598	3,294	27,903
<b>Other income:</b>			
Interest and dividends.....	742	533	4,515
Interest and dividends from subsidiaries and affiliates.....	89	83	703
Other.....	413	456	3,863
	1,244	1,072	9,081
<b>Other expenses:</b>			
Interest.....	3,380	2,831	23,982
Other.....	877	1,069	9,055
	4,257	3,900	33,037
Ordinary income.....	9,585	466	3,947
<b>Extraordinary gain</b> .....	349	5,765	48,835
<b>Extraordinary loss</b> .....	2,148	19,734	167,166
Income (loss) before income taxes.....	7,786	(13,503)	(114,384)
<b>Income taxes</b>			
Current.....	589	490	4,150
Income taxes deferred.....	4,342	(7,249)	(61,406)
	4,931	(6,759)	(57,256)
Net income (loss).....	¥ 2,855	¥ (6,744)	\$ (57,128)
<b>Net income (loss) per share of common stock</b>			
	Yen		U.S. Dollars
Primary.....	¥6.31	¥(13.72)	\$(0.12)
Assuming full dilution.....	—	—	—