

Consolidated Financial Statements — Summary

(For the fiscal year ended March 31, 2007)

May 18, 2007

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, Osaka, Nagoya**

Code number: **1893**

Head office: **Tokyo**

Representative

Title: **Chief Executive Officer**

Tel: **03-3817-7618**

Name: **Yoshio Murashige**

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

Contact

Title: **General Manager, Finance Department**

Name: **Hisayuki Kobayashi**

Schedule of date of ordinary annual general meeting of shareholders: June 28, 2007

Schedule of financial statement reporting date: June 28, 2007

1. Business results for the fiscal 2006 (April 1, 2006–March 31, 2007)

(1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2007 term	323,264	(8.9)	4,644	(67.2)	2,078	(81.7)	(5,858)	-
Mar. 2006 term	354,657	2.7	14,176	18.1	11,341	27.9	3,875	64.2

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/ total assets	Operating income/ net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Mar. 2007 term	(11.92)	-	(9.4)	0.6	1.4
Mar. 2006 term	8.57	-	6.8	2.8	4.0

Reference:

Equity in earning of affiliates (millions of yen) Mar. 2007 term: 173

Mar. 2006 term: (219)

(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, 2007	355,069	57,605	16.2	117.18
Mar. 31, 2006	389,366	66,891	17.2	136.12

Reference:

Shareholders' Equity (millions of yen)

Mar. 2007 term: 57,581

Mar. 2006 term: -

(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. 2007 term	4,721	5,558	(25,670)	49,124
Mar. 2006 term	9,771	2,319	(14,965)	64,677

2. Dividends

	Dividends per share (Yen)		Total dividends (Term)	Payout ratio (consolidated)	Dividends/ Shareholders' equity (Consolidated)
	Term end	Annual			
Mar. 2007 term	-	0.00	-	-	-
Mar. 2006 term	-	0.00	-	-	-
Mar. 2008 term (Forecast)	-	0.00	-	-	-

3. Forecast for fiscal 2007 (April 1, 2007–March 31, 2008)

	Net sales (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income (Millions of yen)		Earnings per share (Yen)
Interim term	151,000	9.2	0	-	(1,400)	-	(2,000)	-	(4.07)
Entire term	370,000	14.5	9,500	104.6	6,500	212.8	2,000	-	4.07

4. Others

- (1) Changes in scope of consolidation and application of the equity method
 Consolidated subsidiaries: (increase) None (decrease) None
 Equity-method companies: (increase) None (decrease) None
- (2) Changes in accounting methods: Changed
- (3) Number of shares outstanding at terms end (including treasury stock):
 a) Number of shares outstanding at terms end (including treasury stock):
 Mar. 2007 term: 491,527,820 Mar. 2006 term: 491,527,820
 b) Number of treasury stock at terms end
 Mar. 2007 term: 122,075 Mar. 2006 term: 109,574

(Reference)

Summary of Non-Consolidated Financial Statements**1. Business results for the fiscal 2006 (April 1, 2006–March 31, 2007)**(1) Non-consolidated financial results Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2007 term	289,270	(9.3)	3,294	(73.9)	466	(95.1)	(6,744)	-
Mar. 2006 term	318,959	0.5	12,598	12.0	9,584	25.3	2,855	76.7

	Earnings per share	Earnings per share
	(Yen)	(diluted) (Yen)
Mar. 2007 term	(13.72)	-
Mar. 2006 term	6.31	-

(2) Non-consolidated financial position

	Total assets	Total net assets	Total net assets/ total assets	Total net assets per share
	(millions of yen)	(millions of yen)	(%)	(Yen)
Mar. 31, 2007	321,606	53,574	16.7	109.02
Mar. 31, 2006	356,147	63,771	17.9	129.77

Reference:

Shareholders' Equity (millions of yen) Mar. 2007 term: 53,574 Mar. 2006 term: -

3. Forecast for fiscal 2007 (April 1, 2007–March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(Yen)	
Interim term	138,000	9.7	0	-	(1,400)	-	(2,000)	(4.07)	
Entire term	335,000	15.8	8,500	158.0	5,500	-	1,500	3.05	

Note:

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

Assets

	March 31, 2006 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current assets			
Cash and deposits	64,873	49,247	(15,625)
Notes and accounts receivable	108,409	122,088	13,678
Marketable securities	91	102	11
Contract works in progress	36,173	32,028	(4,144)
Real estate for sale and real estate in progress	36,458	18,728	(17,730)
Other receivables	22,138	15,289	(6,848)
Deferred tax assets	5,778	9,593	3,814
Other current assets	4,813	3,795	(1,017)
Allowance for doubtful accounts	(1,038)	(1,089)	(50)
Total current assets	277,698	249,784	(27,913)
II Fixed assets			
1. Tangible fixed assets:			
Buildings and structures	13,438	12,152	(1,285)
Machinery, Vehicles, tools and equipment	17,633	16,570	(1,063)
Land	36,017	35,170	(846)
Construction in progress	93	37	(56)
Other tangible assets	789	19	(769)
Net tangible fixed assets	67,971	63,950	(4,020)
2. Intangible fixed assets	532	589	56
3. Investments and other assets			
Investment Securities	29,102	21,880	(7,222)
long-term loans receivable	4,686	3,870	(816)
Deferred tax assets	1,384	7,176	5,792
Other investment and other assets	13,680	13,476	(203)
Allowance for doubtful accounts	(5,689)	(5,659)	29
Total investments and other assets	43,164	40,744	(2,420)
Total fixed assets	111,668	105,284	(6,384)
Total assets	389,366	355,069	(34,297)

Liabilities and Shareholders' Equity

	March 31, 2006 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current liabilities:			
Notes and account payable	110,201	113,136	2,935
Short-term loans	80,704	63,847	(16,856)
Income taxes payable	1,275	951	(323)
Advances received on uncompleted contracts	32,184	36,620	4,436
Reserve for job warranty costs	500	487	(13)
Reserve for bonuses	1,759	1,738	(21)
Reserve for losses on contracts	427	839	412
Reserve for losses on real estate development business	25	7	(17)
Other current liabilities	21,516	18,085	(3,431)
Total current liabilities	248,594	235,714	(12,880)
II Long-term liabilities			
Long-term loans	54,995	46,615	(8,379)
Deferred tax liabilities for land revaluation excess	7,274	7,259	(15)
Reserve for retirement benefits	6,751	6,577	(174)
Reserve for directors' retirement bonuses	451	438	(12)
Other long-term liability	4,400	859	(3,540)
Total long-term liabilities	73,872	61,749	(12,122)
Total liabilities	322,466	297,463	(25,002)
Minority interests	8	-	-
I Common stock	28,070	-	-
II Additional paid-in capital	20,106	-	-
III Retained earnings	9,939	-	-
IV Land revaluation, net of differed tax assets	879	-	-
V Net unrealized holding gains on securities	7,724	-	-
VI Foreign currency translation adjustments	185	-	-
VII Treasury	(13)	-	-
Total shareholders' equity	66,891	-	-
Total liabilities and shareholders' equity	389,366	-	-
I Shareholders' equity			
Common stock	-	28,070	-
Additional paid-in capital	-	20,106	-
Retained earnings	-	4,102	-
Treasury stock, at cost	-	(15)	-
Total shareholders' equity	-	52,264	-
II Valuation and Translation adjustments			
Net unrealized holding loss on securities	-	4,276	-
Deferred hedge income	-	(5)	-
Land revaluation, net of differed tax assets	-	857	-
Foreign currency translation adjustments	-	188	-
Total valuation and translation adjustments	-	5,317	-
III Minority interests	-	24	-
Total Net Assets	-	57,605	-
Total liabilities and net assets	-	355,069	-

Consolidated Statements of Income

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (Decrease) (Millions of yen)
I Net sales:			
Construction business	338,842	311,388	(27,453)
Real estate and others	15,814	11,875	(3,938)
Total net sale	354,657	323,264	(31,392)
II Cost of sales:			
Construction business	305,346	288,793	(16,552)
Real estate and others	15,051	10,704	(4,347)
Total cost of sales	320,398	299,498	(20,900)
Gross profit			
Construction business	33,495	22,595	(10,900)
Real estate and others	762	1,171	408
Total gross profit	34,258	23,766	(10,491)
III Selling, general and administrative expenses:	20,081	19,122	(959)
Operating income	14,176	4,644	(9,532)
IV Non-operating income:			
Interest income	440	223	(216)
Dividend income	336	346	9
Equity in earnings of affiliate	-	173	173
Amortization of consolidation	479	-	(479)
Equity gain	255	216	(38)
Other non-operating income	278	346	68
Total non-operating income	1,790	1,306	(483)
V Non-operating expenses:			
Interest expense	3,412	2,840	(572)
Exchange loss, net	256	422	165
Equity in losses of affiliates	219	-	(219)
Other non-operating expenses	737	610	(126)
Total non-operating	4,626	3,872	(753)
Ordinary income	11,341	2,078	(9,263)
VI Extraordinary gain:			
Prior period adjustment	45	211	165
Gain on sale of property and equipment	145	224	79
Gain on sale of investment securities	-	5,422	5,422
Reversal of allowance for doubtful accounts	141	-	(141)
Other extraordinary gain	56	28	(27)
Total extraordinary gain	388	5,886	5,498
VII Extraordinary loss:			
Prior period adjustment	118	257	139
Loss on sale of property and equipment	109	31	(78)
Loss on real estate development business	-	8,678	8,678
Valuation losses on inventories	559	7,956	7,396
Loss on impairment of fixed assets	286	1,773	1,487
Other extraordinary loss	636	1,157	520
Total extraordinary loss	1,710	19,854	18,143
Income before income taxes	10,019	(11,889)	(21,908)
Corporation, inhabitant and enterprise taxes	1,366	1,033	(332)
Income taxes deferred	4,775	(7,079)	(11,855)
Minority interests	(1)	(14)	(13)
Net income	3,875	(5,858)	(9,734)

Consolidated reserve statement

(April 1, 2006–March 31, 2007)

(Millions of yen)

(Capital reserve)		
I	Balance at the beginning of the period	12,606
II	Increase in capital reserve	7,500
	Exercise of subscription right	7,500
III	Balance at the end of the period	20,106
(Earned reserve)		
I	Balance at the beginning of the period	6,132
II	Increase in Earned reserve	3,875
	Net income	3,875
III	Transferred from land revaluation excess-net	69
	Transferred from land revaluation excess-net	69
IV	Balance at the end of the period	9,939

Consolidated Statements of Changes in Net Assets

(April 1, 2006–March 31, 2007)

(Millions of yen)

	Shareholder' equity				
	Common stock	Capital reserve	Retained earnings	Treasury stock, at cost	Total shareholder' equity
Balance at March 31, 2006	28,070	20,106	9,939	(13)	58,102
Changes in the term period					
Net income			(5,858)		(5,858)
Purchase of treasury stock				(1)	(1)
Land revaluation, net of deferred tax portion			21		21
Net changes in items other than those in shareholders' equity					
Total of changes in interim period			(5,836)	(1)	(5,838)
Balance at March 31, 2007	28,070	20,106	4,102	(15)	52,264

	Valuation and translation adjustments					Minority interests	Total net assets
	Net unrealized holding gains on securities	Deferred hedge income (loss)	Land revaluation, net of deferred tax assets	Foreign currency translation adjustment	Total valuation and translation adjustment		
Balance at March 31, 2006	7,724	—	879	185	8,789	8	66,900
Changes in the term period							
Net income							(5,858)
Purchase of treasury stock							(1)
Land revaluation, net of deferred tax portion							21
Net changes in items other than those in shareholders' equity	(3,447)	(5)	(21)	3	(3,472)	15	(3,456)
Total of changes in interim period	(3,447)	(5)	(21)	3	(3,472)	15	(9,294)
Balance at March 31, 2007	4,276	(5)	857	188	5,317	24	57,605

Consolidated Statement of Cash Flows

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)
I Cash flow from operating activities:		
Income before taxes and minority interests	10,019	(11,889)
Depreciation and amortization	4,160	4,166
Loss on impairment of fixed assets	286	1,773
Amortization of consolidation adjustments	(479)	-
Increase (decrease) in allowance for doubtful accounts	(971)	21
Increase (decrease) in reserve for bonus	142	(21)
Increase (decrease) in reserve for retirement benefits	237	(174)
Increase (decrease) in provision for loss on liquidation of an affiliated company	25	(17)
Increase (decrease) in loss on real estate development business	(147)	-
Increase (decrease) in allowance for losses on construction works	(259)	412
Interest and dividends receivable	(776)	(569)
Interest expense	3,744	3,173
Foreign exchange loss (gain)	666	172
Equity loss (gain)	219	(173)
Loss (gain) on sales and disposals of property, plant and equipment	(35)	(192)
Loss (gain) on sales of investment in securities	0	(5,390)
Write-down of securities and investment in securities	83	26
(Increase) decrease in trade receivables	(7,290)	(13,671)
(Increase) decrease in cost of uncompleted contracts	14,265	4,298
(Increase) decrease in real estate for trade and real estate in progress and other inventories	3,877	17,583
Increase (decrease) in trade payables	(5,177)	2,918
Increase (decrease) in advance on contracts in progress	(8,354)	4,436
(Increase) decrease in other receivable	(63)	6,848
Other net	(138)	(5,056)
Sub-total	14,033	8,673
Interest and dividends received	791	549
Interest paid	(3,630)	(3,184)
Income taxes paid	(1,422)	(1,317)
Net cash provided by (used in) operating activities	9,771	4,721
II Cash flows from investing activities:		
Purchases of securities and investment in securities	(383)	(601)
Proceeds from securities and investment in securities	1,172	7,147
Purchases of property, plant and equipment	(1,691)	(2,540)
Proceeds from sales of property, plant and equipment	380	763
Loans made	(92)	(68)
Collection of loans receivable	1,133	936
Other net	1,802	(78)
Net cash provided by (used in) investing activities	2,319	5,558
III Cash flows financing activities:		
Net increase (decrease) in short-term bank loans	(21,542)	(9,647)
Borrowings	43,823	23,253
Repayment of long-term debt	(51,605)	(38,854)
Proceeds from issue bond with subscription right	15,000	-
Cash dividends paid	(0)	(0)
Other net	(639)	(421)
Net cash provided by (used in) financing activities:	(14,965)	(25,670)
IV Difference resulting from conversion of foreign cash and cash equivalents to yen	(723)	(161)
V Net increase (decrease) in cash and cash equivalents	(3,597)	(15,553)
VI Cash and cash equivalents at beginning of the period	68,274	64,677
VII Cash and cash equivalents at end of the period	64,677	49,124

Non-Consolidated Balance Sheets

Assets

	March 31, 2006 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current assets			
Cash and deposits	58,063	41,156	(16,906)
Notes receivable	6,206	6,964	757
Accounts receivable	95,791	107,135	11,343
Marketable securities	91	102	11
Real estate for trade	13,634	10,824	(2,809)
Cost of uncompleted contracts	29,436	26,577	(2,858)
Real estate in progress	21,548	6,730	(14,817)
Raw materials and supplies	536	568	32
Other receivables	22,606	15,556	(7,049)
Deferred tax assets	5,518	9,406	3,888
Other current assets	6,997	5,944	(1,052)
Allowance for doubtful accounts	(838)	(905)	(67)
Total current assets	259,592	230,062	(29,530)
II Fixed assets			
1. Tangible fixed assets:			
Land	34,065	33,241	(823)
Other tangible assets	17,670	16,310	(1,360)
Net tangible fixed assets	51,735	49,551	(2,184)
2. Intangible fixed assets	473	505	32
3. Investments and other assets			
Investment Securities	28,783	21,638	(7,144)
Investment in affiliates	1,236	1,204	(32)
Long-term loans receivable	5,604	4,142	(1,462)
Impaired loan	5,837	5,626	(211)
Deferred tax assets	1,029	6,915	5,886
Others	7,492	7,580	87
Allowance for doubtful accounts	(5,637)	(5,621)	16
Total investment and other assets	44,345	41,486	(2,859)
Total fixed assets	96,554	91,544	(5,010)
Total assets	356,147	321,606	(34,541)

Liabilities and Shareholders' Equity

	March 31, 2006 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current liabilities:			
Notes payable	25,327	27,043	1,716
Account payable on construction works	77,146	75,758	(1,387)
Short-term loans	77,396	60,526	(16,870)
Account payable	3,145	2,707	(438)
Income tax payable	615	425	(190)
Advances received on uncompleted contracts	27,648	32,712	5,064
Deposit received	10,896	9,203	(1,693)
Reserve for job warranty costs	476	462	(13)
Reserve for bonuses	1,482	1,474	(8)
Allowance for losses on construction works	383	836	453
Provision for loss on liquidation of a subsidiary	61	11	(50)
Other current liabilities	3,532	3,610	78
Total current liabilities	228,110	214,772	(13,338)
II Long-term liabilities			
Long-term loans	46,449	39,288	(7,161)
Long-term deposits	3,552	-	(3,552)
Deferred tax liabilities for land revaluation excess	7,274	7,259	(15)
Reserve for retirement benefits	6,515	6,304	(210)
Reserve for directors' retirement bonuses	207	166	(40)
Provision for loss on real estate development business of affiliates	72	88	16
Other long-term liabilities	194	153	(40)
Total long-term liabilities	64,264	53,259	(11,004)
Total liabilities	292,375	268,032	(24,343)
I Common stock	28,070	-	-
II Capital reserve			
Capital reserve	10,000	-	-
Other capital reserve	10,106	-	-
Total capital reserve	20,106	-	-
III Retained earnings			
Voluntary reserve	4,000	-	-
General reserve	4,000	-	-
Retained earnings for entire term	3,008	-	-
Total retained earnings	7,008	-	-
IV Land revaluation excess	879	-	-
V Net unrealized holding gains (loss) on securities	7,720	-	-
VI Treasury stock, at cost	(13)	-	-
Total shareholders' equity	63,771	-	-
Total liabilities and shareholders' equity	356,147	-	-
I Shareholders' equity			
1 Common stock	-	28,070	-
2 Capital reserve			
Additional paid-in capital	-	10,000	-
Other capital reserve	-	10,106	-
Total capital reserve	-	20,106	-
3 Retained earnings			
Other retained earnings	-	-	-
Voluntary reserve	-	4,000	-
Earned reserve carried forward	-	(3,713)	-
Total retained earnings	-	286	-
4 Treasury stock, at cost	-	(15)	-
Total shareholders' equity	-	48,447	-
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	-	4,274	-
2 Loss on deferred hedge	-	(5)	-
3 Land revaluation, net of deferred tax assets	-	857	-
Total valuation and translation adjustments	-	5,126	-
Total net assets	-	53,574	-
Total liabilities and net assets	-	321,606	-

Non-Consolidated Statements of Income

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (Decrease) (Millions of yen)
I Net sales:			
Construction business	314,300	287,572	(26,727)
Real estate and others	4,659	1,697	(2,961)
Total net sale	318,959	289,270	(29,689)
II Cost of sales:			
Construction business	283,402	266,943	(16,459)
Real estate and others	4,804	1,711	(3,093)
Total cost of sales	288,207	268,654	(19,552)
Gross profit			
Construction business	30,897	20,629	(10,268)
Loss for real estate and others	145	14	(131)
Total gross profit	30,752	20,615	(10,137)
III Selling, general and administrative expenses:	18,154	17,320	(833)
Operating income	12,598	3,294	(9,303)
IV Non-operating income:			
Interest income	504	271	(233)
Other non-operating income	740	801	62
Total non-operating income	1,244	1,072	(171)
V Non-operating expenses:			
Interest expense	3,380	2,831	(549)
Exchange loss, net	289	463	173
Other non-operating expenses	587	606	19
Total non-operating expenses	4,257	3,900	(356)
Ordinary income	9,584	466	(9,118)
VI Extraordinary gain:			
Prior period adjustment	45	180	134
Gain on sale of property and equipment	129	130	1
Gain on sale of investment securities	-	5,422	5,422
Reversal of allowance for doubtful accounts	117	-	(117)
Other extraordinary gain	56	31	(25)
Total extraordinary gain	348	5,764	5,416
VII Extraordinary loss:			
Prior period adjustment	122	148	25
Loss on sale of property and equipment	92	14	(78)
Loss on disposal of property and equipment	53	48	(5)
Valuation losses on inventories	559	7,905	7,346
Loss on real estate development business	-	8,678	8,678
Loss on devaluation of investment in affiliates	435	19	(415)
Loss on impairment of fixed assets	286	1,773	1,487
Other extraordinary loss	598	1,145	547
Total extraordinary loss	2,147	19,734	17,586
Income before income taxes	7,785	(13,503)	(21,289)
Corporation, inhabitant and enterprise taxes	588	490	(98)
Income taxes deferred	4,342	(7,249)	(11,591)
Net income	2,855	(6,477)	(9,599)
Retained earnings (deficit) brought forward	222	-	-
Reversal of land revaluation excess	(69)	-	-
Retained earnings for entire term	3,008	-	-

Non-Consolidated Appropriation Statements and Statements of Changes in Net assets

Non-Consolidated Appropriation Statements

		(Millions of yen)
		Fiscal year 2006 28-Jun-06
I	Retained earnings for entire term	3,008
II	Retained earnings carried forward	3,008

Non-Consolidated Statements of Changes in Net Assets

(April 1, 2006-March 31, 2007)

(Millions of yen)

	Shareholder' equity								Treasury stock, at cost	Total shareholder' equity
	Common stock	Capital reserve			Retained earnings			Total retained earnings		
		Additional paid-in capital	Other capital reserve	Total capital reserve	Other retained earnings					
					Voluntary reserve	Retained earnings carried forward				
Balance at March 31, 2006	28,070	10,000	10,106	20,106	4,000	3,008	7,008	(13)	55,172	
Changes in the term period										
Net income						(6,744)	(6,743)		(6,744)	
Purchase of treasury stock								(1)	(1)	
Land revaluation, net of deferred tax portion						21	21		21	
Net changes in items other than those in shareholders' equity										
Total of changes in interim period	-	-	-	-	-	(6,722)	(6,722)	(1)	(6,724)	
Balance at March 31, 2007	28,070	10,000	10,106	20,106	4,000	(3,713)	286	(15)	48,447	

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred hedge income (loss)	Land revaluation, net of deferred tax assets	Total valuation and translation adjustment	
Balance at March 31, 2006	7,720	—	879	8,599	63,771
Changes in the term period					
Net income					(6,744)
Purchase of treasury stock					(1)
Land revaluation, net of deferred tax portion					21
Net changes in items other than those in shareholders' equity	(3,445)	(5)	(21)	(3,473)	(3,473)
Total of changes in interim period	(3,445)	(5)	(21)	(3,473)	(10,197)
Balance at March 31, 2007	4,274	(5)	857	5,126	53,574

Orders Received, Net Sales and Backlog

1. Orders Received

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (Decrease) (Millions of yen)
Public works	82,198	73,331	(8,866)
Private works	29,278	53,861	24,583
Domestic civil engineering	111,477	127,194	15,717
Public works	10,739	4,273	(6,465)
Private works	121,971	146,437	24,465
Domestic building construction	132,711	150,711	18,000
Civil engineering	23,927	22,400	(1,526)
Building construction	6,346	42,704	36,358
Overseas	30,273	65,105	34,831
Construction Total	274,461	343,010	68,548
Real estate and Others	2,034	4,378	2,343
Total	276,496	347,388	70,892

2. Net Sales

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (Decrease) (Millions of yen)
Public works	109,133	69,930	(39,203)
Private works	33,239	43,551	10,312
Domestic civil engineering	142,373	113,482	(28,892)
Public works	15,974	8,746	(7,227)
Private works	115,945	112,844	(3,100)
Domestic building construction	131,919	121,591	(10,328)
Civil engineering	29,063	39,454	10,391
Building construction	10,943	13,044	2,101
Overseas	40,006	52,499	12,492
Construction Total	314,300	287,572	(26,727)
Real estate and Others	4,659	1,697	(2,961)
Total	318,959	289,270	(29,689)

3. Backlog

	Mar. 2006 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (Decrease) (Millions of yen)
Public works	125,079	128,465	3,385
Private works	32,852	43,178	10,326
Domestic civil engineering	157,932	171,644	13,712
Public works	7,940	3,460	(4,479)
Private works	90,004	123,604	33,599
Domestic building construction	97,945	127,065	29,120
Civil engineering	88,621	76,824	(11,796)
Building construction	11,825	41,869	30,043
Overseas	100,446	118,693	18,247
Construction Total	356,324	417,403	61,078
Real estate and Others	298	2,979	2,681
Total	356,622	420,382	63,759