

Summary of Consolidated Financial Results in the Third Quarter of the Fiscal Year Ending March 2008

February 12, 2008

The following statements are an English-language translation of the summary of 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**

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

Representative

Title: **Chief Executive Officer**

Name: **Yoshio Murashige**

Contact

Title: **General Manager, Finance Division**

Name: **Hisayuki Kobayashi**

Tel: **03-3817-7618**

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

1. Business Results of Third Quarter for the Year Ending March 2008 (April 1, 2007 - December 31, 2007)

(1) Progress in Consolidated Operating Results

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
3Q FY2007	216,698	9.0	873	-	(1,053)	-	(1,750)	-
3Q FY2006	198,793	2.7	(1,530)	-	(3,005)	-	(9,220)	-
Mar. 2007 term	323,264		4,644		2,078		(5,858)	

	Net income (loss) per share	Net income per share (after full dilution)
	(Yen)	(Yen)
3Q FY2007	(7.12)	-
3Q FY2006	(18.76)	-
Mar. 2007 term	(11.92)	-

Notes: The number of shares per unit was changed at the time the reverse stock split came into effect at August 7, 2007.

Assuming that the reverse stock split was conducted at the beginning of the prior period, the interim (current period) net income per share would be as follows: (yen)

3Q FY2006: (37.53) Mar. 2007 term: (23.84)

(2) Changes in Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
3Q FY2007	369,075	53,459	14.5	217.54
3Q FY2006	363,265	56,615	15.6	115.11
Mar. 2007 term	355,069	57,605	16.2	117.18

Notes: The number of shares per unit was changed at the time the reverse stock split came into effect at August 7, 2007.

Assuming that the reverse stock split was conducted at the beginning of the prior period, the interim (current period) net income per share would be as follows: (yen)

3Q FY2006: 230.22 Mar. 2007 term: 234.35

2. Consolidated Financial Forecast for Fiscal Year Ending March 31, 2008 (April 1, 2007-March 31, 2008)

The financial forecasts for the entire term for fiscal year ending March 31, 2008 are also the same as ones provided on May 18th, 2007.

(Reference Data)

Summary of Non-Consolidated Financial Results in the Third Quarter of the Fiscal Year Ending March 2008

1. Business Results of Third Quarter for the Year Ending March 2008

(April 1, 2007 - December 31, 2007)

(1) Progress in Non-Consolidated Operating Results

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
3Q FY2007	196,863	9.8	(259)	-	(2,170)	-	(2,294)	-
3Q FY2006	179,351	3.6	(1,861)	-	(3,580)	-	(9,572)	-
Mar. 2007 term	289,270		3,294		466		(6,744)	

	Net income (loss) per share	Net income per share (after full dilution)
	(Yen)	(Yen)
3Q FY2007	(9.34)	-
3Q FY2006	(19.48)	-
Mar. 2007 term	(13.72)	-

Notes: The number of shares per unit was changed at the time the reverse stock split came into effect at August 7, 2007.

Assuming that the reverse stock split was conducted at the beginning of the prior period, the interim (current period) net income per share would be as follows: (yen)

3Q FY2006: (38.96) Mar. 2007 term: (27.45)

(2) Changes in Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
3Q FY2007	334,474	48,912	14.6	199.09
3Q FY2006	331,310	53,106	16.0	108.07
Mar. 2007 term	321,606	53,574	16.7	109.02

Notes: The number of shares per unit was changed at the time the reverse stock split came into effect at August 7, 2007.

Assuming that the reverse stock split was conducted at the beginning of the prior period, the interim (current period) net income per share would be as follows: (yen)

3Q FY2006: 216.14 Mar. 2007 term: 218.04

2. Non-Consolidated Financial Forecast for Fiscal Year Ending March 31, 2008

(April 1, 2007-March 31, 2008)

The financial forecasts for the entire term for fiscal year ending March 31, 2008 are also the same as ones provided on May 18th, 2007.

Notes : 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.

3. Summary of Consolidated Balance Sheets

(Millions of yen)

	3Q FY2006		3Q FY2007		Increase		(Ref.) FY2006	
	(As of Dec. 31, 2006)		(As of Dec. 31, 2007)		(Decrease)		(As of Mar. 31, 2007)	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total
ASSETS								
I Current assets								
Cash and deposits	40,530		36,430		(4,100)		49,247	
Notes and accounts receivable	95,494		111,458		15,963		122,088	
Contract works in progress	60,847		64,732		3,884		32,028	
Real estate for sale and real estate in progress	22,491		15,308		(7,183)		18,728	
Other receivables	17,201		18,860		1,658		15,289	
Other current assets	17,314		19,123		1,808		13,491	
Allowance for doubtful accounts	(676)		(812)		(136)		(1,089)	
Total current assets	253,204	69.7	265,101	71.8	11,896	4.7	249,784	70.3
II Fixed assets								
1. Tangible fixed assets:								
Land	35,326		34,894		(432)		35,170	
Other tangible assets	29,975		26,413		(3,561)		28,779	
Net tangible fixed assets	65,302		61,308		(3,993)	(6.1)	63,950	
2. Intangible fixed assets	578		590		12	2.2	589	
3. Investments and other assets								
Investment Securities	27,637		21,273		(6,364)		21,880	
Other investment and other assets	22,092		26,502		4,409		24,523	
Allowance for doubtful accounts	(5,550)		(5,699)		(149)		(5,659)	
Total investments and other assets	44,180		42,075		(2,104)	(4.8)	40,744	
Total fixed assets	110,060	30.3	103,974	28.2	(6,086)	(5.5)	105,284	29.7
Total assets	363,265	100.0	369,075	100.0	5,810	1.6	355,069	100.0

(Millions of yen)

	3Q FY2006		3Q FY2007		Increase		(Ref.) FY2006	
	(As of Dec. 31, 2006)		(As of Dec. 31, 2007)		(Decrease)		(As of Mar. 31, 2007)	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
LIABILITIES								
I Current liabilities								
Notes and account payable	100,386		115,453		15,067		113,136	
Short-term loans	65,999		60,784		(5,215)		63,847	
Advances received on uncompleted contracts	47,843		46,204		(1,638)		36,620	
Reserve for job warranty costs	1,501		1,655		153		3,072	
Other current liabilities	19,625		19,255		(369)		19,037	
Total current liabilities	235,356	64.8	243,353	65.9	7,997	3.4	235,714	66.4
II Long-term liabilities								
Long-term loans	53,173		57,394		4,220		46,615	
Deferred tax liabilities for land revaluation excess	7,259		7,225		(33)		7,259	
Reserve for retirement benefits	6,631		6,317		(314)		6,577	
Reserve for directors' retirement bonuses	415		202		(212)		438	
Other long-term liability	3,813		1,122		(2,690)		859	
Total long-term liabilities	71,293	19.6	72,262	19.6	969	1.4	61,749	17.4
Total liabilities	306,649	84.4	315,616	85.5	8,967	2.9	297,463	83.8
NET ASSETS								
I Shareholders' Equity								
1 Common stock	28,070	7.7	28,070	7.6	-	-	28,070	7.9
2 Capital surplus	20,106	5.6	20,106	5.4	-	-	20,106	5.7
3 Retained earnings	740	0.2	2,401	0.7	1,660	224.4	4,102	1.1
4 Treasury stock, at cost	(14)	(0.0)	(20)	(0.0)	(5)	-	(15)	(0.0)
Total shareholders' equity	48,902	13.5	50,557	13.7	1,655	3.4	52,246	14.7
II Valuation and translation adjustments								
1 Unrealized gain on securities	6,664	1.8	1,911	0.5	(4,572)		4,276	1.2
2 Gain (loss) on deferred hedge	(44)	(0.0)	(20)	(0.0)	23		(5)	(0.0)
3 Land revaluation excess	857	0.2	808	0.2	(48)		857	0.2
4 Foreign currency translation adjustments	186	0.1	188	0.1	2		188	0.1
Total valuation and translation adjustments	7,664	2.1	2,888	0.8	(4,775)	(62.3)	5,317	1.5
III Minority interests	49	0.0	13	0.0	(35)	(72.4)	24	0.0
Total net assets	56,615	15.6	53,459	14.5	(3,156)	(5.6)	57,605	16.2
Total liabilities and net assets	363,265	100.0	369,075	100.0	5,810	1.6	355,069	100.0

4. Summary of Consolidated Statements of Income

(Millions of yen)

	3Q FY2006		3Q FY2007		Increase		(Ref.) FY2006	
	(Apr. 1, 2006 - Dec. 31, 2006)		(Apr. 1, 2007 - Dec. 31, 2007)		(Decrease)		(Apr. 1, 2006 - Mar. 31, 2007)	
	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	% of net sales
I Net sales:								
Construction business	190,711		205,279		14,567		311,388	
Real estate and others	8,081		11,418		3,336		11,875	
Total net sales	198,793	100.0	216,698	100.0	17,904	9.0	323,264	100.0
II Cost of sales:								
Construction business	178,476		192,229		13,752		288,793	
Real estate and others	7,333		10,226		2,892		10,704	
Total cost of sales	185,809	93.5	202,455	93.4	16,645	9.0	299,498	92.6
Gross profit								
Construction business	12,235		13,050		814		22,595	
Real estate and others	748		1,192		444		1,171	
Total gross profit	12,983	6.5	14,242	6.6	1,258	9.7	23,766	7.4
III Selling, general and administrative expenses:	14,514	7.3	13,369	6.2	(1,145)	(7.9)	19,122	6.0
Operating income (loss)	(1,530)	(0.8)	873	0.4	2,404	-	4,644	1.4
IV Non-operating income:	1,094	0.6	760	0.3	(334)	(30.6)	1,306	0.4
V Non-operating expenses:	2,569	1.3	2,687	1.2	118	4.6	3,872	1.2
Ordinary income (loss)	(3,005)	(1.5)	(1,053)	(0.5)	1,951	-	2,078	0.6
VI Extraordinary gain:	642	0.3	405	0.2	(237)	(36.9)	5,866	1.8
VII Extraordinary loss:	14,932	7.5	968	0.4	(13,963)	(93.5)	19,854	6.1
Income (loss) before income taxes	(17,294)	(8.7)	(1,616)	(0.7)	15,678	-	(11,889)	(3.7)
Tax expenses	(8,113)	(4.1)	145	0.1	8,259	-	(6,046)	(1.9)
Minority interests	(39)	(0.0)	12	0.0	52	-	(14)	(0.0)
Net income (loss)	(9,220)	(4.6)	(1,750)	(0.8)	7,470	-	(5,858)	(1.8)

(Reference) Non-Consolidated Financial Statement**1. Summary of Balance Sheets**

(Millions of yen)

	3Q FY2006 (As of Dec. 31, 2006)		3QFY2007 (As of Dec. 31, 2007)		Increase (Decrease)		(Ref.) FY2006 (As of Mar. 31, 2007)	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total
ASSETS								
I Current assets								
Cash and deposits	34,952		30,107		(4,844)		41,156	
Notes receivable	10,602		6,647		(3,954)		6,964	
Accounts receivable	80,434		100,022		19,588		107,135	
Real estate for trade	10,847		7,421		(3,425)		10,824	
Cost of uncompleted contracts	51,451		52,511		1,059		26,577	
Real estate in progress	10,473		6,460		(4,012)		6,730	
Raw materials and supplies	616		739		122		568	
Other receivables	17,565		18,179		614		15,556	
Other current assets	18,955		21,115		2,159		15,453	
Allowance for doubtful accounts	(505)		(657)		(152)		(905)	
Total current assets	235,394	71.0	242,549	72.5	7,154	3.0	230,062	71.5
II Fixed assets								
1. Tangible fixed assets:								
Land	33,375		33,137		(238)		33,241	
Other tangible assets	17,001		15,597		(1,404)		16,310	
Net tangible fixed assets	50,377		48,734		(1,642)	(3.3)	49,551	
2. Intangible fixed assets	511		515		3	0.8	505	
3. Investments and other assets								
Investment Securities	28,573		22,275		(6,297)		22,843	
Long-term loans receivable	4,378		4,237		(141)		4,142	
Impaired loan	5,680		5,243		(437)		5,626	
Other	11,921		16,556		4,634		14,495	
Allowance for doubtful accounts	(5,528)		(5,637)		(108)		(5,621)	
Total investments and other assets	45,027		42,675		(2,351)	(5.2)	41,486	
Total fixed assets	95,915	29.0	91,925	27.5	(3,989)	(4.2)	91,544	28.5
Total assets	331,310	100.0	334,474	100.0	3,164	1.0	321,606	100.0

(Millions of yen)

	3Q FY2006 (As of Dec. 31, 2006)		3QFY2007 (As of Dec. 31, 2007)		Increase (Decrease)		(Ref.) FY2006 (As of Mar. 31, 2007)	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total
LIABILITIES								
I Current liabilities								
Notes payable	24,969		27,038		2,068		27,043	
Account payable	65,454		75,092		9,638		75,758	
Short-term loans	64,735		60,475		(4,260)		60,526	
Advances received on uncompleted contracts	41,429		40,734		(695)		32,712	
Reserve for job warranty costs	1,333		1,363		29		2,784	
Other current liabilities	17,802		16,547		(1,254)		15,946	
Total current liabilities	215,725	65.1	221,251	66.2	5,526	2.6	214,772	66.8
II Long-term liabilities								
Long-term loans	45,303		50,619		5,316		39,288	
Deferred tax liabilities for land revaluation excess	7,259		7,225		(33)		7,259	
Reserve for retirement benefits	6,368		5,946		(421)		6,304	
Reserve for directors' retirement bonuses	153		-		(153)		166	
Provision for loss on real estate development business of affiliates	72		89		17		88	
Other long-term liabilities	3,322		429		(2,893)		153	
Total long-term liabilities	62,478	18.9	64,310	19.2	1,832	2.9	53,259	16.5
Total liabilities	278,203	84.0	285,562	85.4	7,358	2.6	268,032	83.3
NET ASSETS								
I Shareholders' Equity								
1 Common stock	28,070	8.5	28,070	8.4	-	-	28,070	8.7
2 Capital surplus								
Capital surplus	10,000		10,000		-		10,000	
Other capital surplus	10,106		10,106		-		10,106	
Total capital surplus	20,106	6.1	20,106	6.0	-	-	20,106	6.3
3 Retained earnings								
Voluntary reserve	4,000		-		(4,000)		4,000	
Retained earnings for entire term	(6,541)		(1,960)		4,581		(3,713)	
Total retained earnings	(2,541)	(0.8)	(1,960)	(0.6)	581	-	286	0.1
4 Treasury stock, at cost	(14)	(0.0)	(20)	(0.0)	(5)	-	(15)	(0.0)
Total shareholders' equity	45,620	13.8	46,196	13.8	575	1.3	48,447	15.1
II Valuation and translation adjustments								
1 Unrealized gain on securities	6,672	2.0	1,911	0.6	(4,760)	(71.4)	4,274	1.3
2 Gain (loss) on deferred hedge	(44)	(0.0)	(4)	(0.0)	39	-	(5)	(0.0)
3 Land revaluation excess	857	0.2	808	0.2	(48)	(5.6)	857	0.3
Total valuation and translation adjustments	7,485	2.2	2,716	0.8	(4,769)	(63.7)	5,126	1.6
Total net assets	53,106	16.0	48,912	14.6	(4,193)	(7.9)	53,574	16.7
Total liabilities and net assets	331,310	100.0	334,474	100.0	3,164	1.0	321,606	100.0

2. Summary of Non-Consolidated Statements of Income

(Millions of yen)

	3Q FY2006 (Apr. 1, 2006 - Dec. 31, 2006)		3Q FY2007 (Apr. 1, 2007 - Dec. 31, 2007)		Increase (Decrease)		(Ref.) FY2006 (Apr. 1, 2006 - Mar. 31, 2007)	
	Amount	% of net sales	Amount	% of net sales	Amount	%	Amount	% of net sales
I Net sales:								
Construction business	177,991		191,811		13,820		287,572	
Real estate and others	1,359		5,051		3,691		1,697	
Total net sales	179,351	100.0	196,863	100.0	17,512	9.8	289,270	100.0
II Cost of sales								
Construction business	166,698		179,682		12,983		266,943	
Real estate and others	1,342		5,368		4,025		1,711	
Total cost of sales	168,041	93.7	185,050	94.0	17,009	10.1	268,654	92.9
Gross profit								
Construction business	11,292		12,129		837		20,629	
Real estate and others (loss)	17		(316)		(333)		(14)	
Total gross profit	11,309	6.3	11,812	6.0	503	4.5	20,615	7.1
III Selling, general and administrative expenses:	13,171	7.3	12,072	6.1	(1,098)	(8.3)	17,320	6.0
Operating income (loss)	(1,861)	(1.0)	(259)	(0.1)	1,602	-	3,294	1.1
IV Non-operating income:	874	0.5	725	0.3	(149)	(17.1)	1,072	0.4
V Non-operating expenses:	2,593	1.5	2,636	1.3	42	1.6	3,900	1.3
Ordinary income (loss)	(3,580)	(2.0)	(2,170)	(1.1)	1,409	-	466	0.2
VI Extraordinary gain:	542	0.3	299	0.2	(242)	(44.7)	5,764	2.0
VII Extraordinary loss:	14,833	8.3	509	0.3	(14,323)	(96.6)	19,734	6.8
Income (loss) before income taxes	(17,871)	(10.0)	(2,381)	(1.2)	15,490	-	(13,503)	(4.6)
Tax expenses	(8,299)	(4.7)	(86)	0.0	8,213	-	(6,759)	(2.3)
Net income (loss)	(9,572)	(5.3)	(2,294)	(1.2)	7,277	-	(6,744)	(2.3)

3. Non-Consolidated Orders Received

(1) Orders Received for the Third Quarter Ended December 31, 2007 (April 1, 2007 - December 31, 2007)

	Orders Received	
	(Millions of yen)	(%)
3Q FY2007	271,248	13.6
3Q FY2006	238,824	8.6

Notes: The amount is the total until the quarter concerned.

Percentage indication shows the ratio increase and decrease rate for the same quarter of the previous fiscal year.

(Reference) Details of Orders Received

(Millions of yen)

	3Q FY2006 (Apr. 1, 2006 - Dec. 31, 2006)		3Q FY2007 (Apr. 1, 2007 - Dec. 31, 2007)		Increase (Decrease)	
	Amount	Constitution ratio for the total	Amount	Constitution ratio for the total	Amount	Rate
Public works	42,848	17.9 %	48,909	18.0 %	6,061	14.1 %
Private works	30,949	13.0 %	27,236	10.0 %	(3,713)	(12.0) %
Domestic civil engineering	73,798	30.9 %	76,145	28.1 %	2,347	3.2 %
Public works	2,090	0.9 %	6,600	2.4 %	4,509	215.7 %
Private works	100,759	42.2 %	90,537	33.4 %	(10,221)	(10.1) %
Domestic building construction	102,849	43.1 %	97,137	35.8 %	(5,712)	(5.6) %
Civil engineering	21,473	9.0 %	90,930	33.5 %	69,457	323.5 %
Building construction	39,273	16.4 %	4,955	1.8 %	(34,318)	(87.4) %
Overseas	60,747	25.4 %	95,885	35.3 %	35,138	57.8 %
Construction Total	237,395	99.4 %	269,169	99.2 %	31,773	13.4 %
Real estate and Others	1,428	0.6 %	2,087	0.8 %	650	45.5 %
Total	238,824	100.0 %	271,248	100.0 %	32,423	13.6 %

(2) Forecast of Non-Consolidated Orders Received for the Fiscal Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

	Entire term	
	(Millions of yen)	(%)
FY2007 (forecast)	370,000	7.9
FY2006	343,010	25.0

Notes : % is the ratio for the result of the previous fiscal year.

Real estate and Others is not included in the amount.