

Consolidated Financial Statements — Summary

(For the fiscal year ended March 31, 2008)

May 16, 2008

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**

Name: **Yoshio Murashige**

Contact

Title: **General Manager, Finance Department**

Name: **Hisayuki Kobayashi**

Tel: **03-3817-7618**

Schedule of date of ordinary annual general meeting of shareholders: June 27, 2008

Schedule of financial statement reporting date: June 27, 2008

1. Business results for the fiscal year ended March 2008 (April 1, 2007–March 31, 2008)

(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)	(%)
Mar. 2008 term	352,808	9.1	8,840	90.4	5,096	145.3	2,570	-
Mar. 2007 term	323,264	(8.9)	4,644	(67.2)	2,078	(81.7)	(5,858)	-

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/ total assets	Operating income/ net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Mar. 2008 term	10.46	-	4.6	1.5	2.5
Mar. 2007 term	(11.92)	-	(9.4)	0.6	1.4

Reference: Equity in earning of affiliates (millions of yen) Mar. 2008 term: (6) Mar. 2007 term: 173

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

Assuming that the reverse stock split was conducted at the beginning of the prior period, the current period net income per share would be as follows: (yen) Mar. 2008 term: (23.84)

(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, 2008	340,233	53,862	15.8	219.19
Mar. 31, 2007	355,069	57,605	16.2	117.18

Reference: Shareholders' Equity (millions of yen) Mar. 2008 term: 53,851 Mar. 2007 term 57,581

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

Assuming that the reverse stock split was conducted at the beginning of the prior period, the current period total net assets per share would be as follows: (yen) Mar. 2008 term: 234.35

(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. 2008 term	(9,148)	(4,530)	(1,753)	33,394
Mar. 2007 term	4,721	5,558	(25,670)	49,124

2. Dividends

	Dividends per share (Yen)		Total dividends	Payout ratio (consolidated)	Dividends/ Shareholders' equity (Consolidated)
	Term end	Annual	(Term)		
Mar. 2007 term	-	0.00	-	-	-
Mar. 2008 term	-	0.00	-	-	-
Mar. 2009 term (Forecast)	2.00	2.00	-	16.4	-

3. Earnings forecasts for fiscal year ended March 2009 (April 1, 2008–March 31, 2009)

	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	163,000	17.6	0	-	(1,700)	-	(2,000)	-	(8.14)
Entire term	390,000	10.5	11,400	29.0	8,000	57.0	3,000	16.7	12.21

4. Others

(1) Outstanding changes in scope of consolidation and application of the equity method : 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. 2008 term: 245,763,910 Mar. 2007 term: 491,527,820

b) Number of treasury stock at terms end

Mar. 2007 term: 81,444 Mar. 2007 term: 122,075

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

(Reference)

Summary of Non-Consolidated Financial Statements

1. Business results for the fiscal year ended 2008 (April 1, 2007–March 31, 2008)

(1) Non-consolidated financial 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)	(%)
Mar. 2008 term	317,856	9.9	6,780	105.8	3,081	561.1	1,389	-
Mar. 2007 term	289,270	(9.3)	3,294	(73.9)	466	(95.1)	(6,744)	-

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
Mar. 2008 term	5.66	-
Mar. 2007 term	(13.72)	-

(2) Non-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, 2008	307,210	48,710	15.9	198.26
Mar. 31, 2007	321,606	53,574	16.7	109.02

Reference:

Shareholders' Equity (millions of yen)

Mar. 2008 term: 48,710

Mar. 2007 term: 53,574

2. Earnings forecasts for fiscal year ended March 2009 (April 1, 2008–March 31, 2009)

	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	150,000	18.7	0	-	(1,700)	-	(1,800)	-	(7.33)
Entire term	356,000	12.0	10,400	53.4	7,000	127.2	2,500	79.9	10.18

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, 2007 (Millions of yen)	March 31, 2008 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current assets			
Cash and deposits	49,247	33,421	(15,825)
Notes and accounts receivable	122,088	136,002	13,914
Marketable securities	102	102	(0)
Contract works in progress	32,028	33,514	1,485
Real estate for sale and real estate in progress	18,728	12,740	(5,987)
Other receivables	15,289	19,881	4,591
Deferred tax assets	9,593	8,018	(1,574)
Other current assets	3,795	2,867	(927)
Allowance for doubtful accounts	(1,089)	(1,160)	(71)
Total current assets	249,784	245,388	(4,396)
II Fixed assets			
1. Tangible fixed assets:			
Buildings and structures	12,152	11,198	(953)
Machinery, Vehicles, tools and equipment	16,570	13,908	(2,661)
Land	35,170	36,024	853
Construction in progress	37	124	86
Other tangible assets	19	15	(4)
Net tangible fixed assets	63,950	61,271	(2,679)
2. Intangible fixed assets	589	568	(21)
3. Investments and other assets			
Investment Securities	21,880	14,463	(7,416)
long-term loans receivable	3,870	3,988	118
Deferred tax assets	7,176	10,598	3,421
Other investment and other assets	13,476	10,555	(2,920)
Allowance for doubtful accounts	(5,659)	(6,601)	(941)
Total investments and other assets	40,744	33,005	(7,738)
Total fixed assets	105,284	94,844	(10,439)
Total assets	355,069	340,233	(14,836)

Liabilities and Shareholders' Equity

	March 31, 2007 (Millions of yen)	March 31, 2008 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current liabilities:			
Notes and account payable	113,136	117,960	4,823
Short-term loans	63,847	63,188	(658)
Income taxes payable	951	743	(208)
Advances received on uncompleted contracts	36,620	28,910	(7,709)
Reserve for job warranty costs	487	571	84
Reserve for bonuses	1,738	1,678	(59)
Reserve for losses on contracts	839	715	(124)
Reserve for losses on real estate development business	7	-	(7)
Other current liabilities	18,085	17,047	(1,037)
Total current liabilities	235,714	230,816	(4,897)
II Long-term liabilities			
Long-term loans	46,615	45,909	(705)
Deferred tax liabilities for land revaluation excess	7,259	7,216	(42)
Reserve for retirement benefits	6,577	1,109	(5,468)
Reserve for directors' retirement bonuses	438	213	(225)
Other long-term liability	859	1,105	246
Total long-term liabilities	61,749	55,553	(6,195)
Total liabilities	297,463	286,370	(11,093)
I Shareholders' equity			
Common stock	28,070	28,070	-
Additional paid-in capital	20,106	20,106	-
Retained earnings	4,102	3,991	(111)
Treasury stock, at cost	(15)	(20)	(5)
Total shareholders' equity	52,264	52,147	(116)
II Valuation and Translation adjustments			
Net unrealized holding loss on securities	4,276	(1,973)	(6,249)
Deferred hedge income	(5)	(32)	(27)
Land revaluation, net of differed tax assets	857	3,539	2,682
Foreign currency translation adjustments	188	170	(18)
Total valuation and translation adjustments	5,317	1,703	(3,613)
III Minority interests	24	11	(13)
Total Net Assets	57,605	53,862	(3,742)
Total liabilities and net assets	355,069	340,233	(14,836)

Consolidated Statements of Income

	Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)	Increase (Decrease) (Millions of yen)
I Net sales			
Construction business	311,388	337,475	26,086
Real estate and others	11,875	15,333	3,457
Total net sale	323,264	352,808	29,544
II Cost of sales			
Construction business	288,793	312,522	23,728
Real estate and others	10,704	13,758	3,054
Total cost of sales	299,498	326,280	26,782
Gross profit			
Construction business	22,595	24,953	2,358
Real estate and others	1,171	1,574	403
Total gross profit	23,766	26,527	2,761
III Selling, general and administrative expenses	19,122	17,687	(1,434)
Operating income	4,644	8,840	4,196
IV Non-operating income			
Interest income	223	265	42
Dividend income	346	333	(13)
Equity in earnings of affiliate	173	-	(173)
Equity gain	216	198	(18)
Other non-operating income	346	256	(90)
Total non-operating income	1,306	1,054	(252)
V Non-operating expenses			
Interest expense	2,840	2,993	153
Exchange loss, net	422	1,316	893
Equity in losses of affiliates	-	6	6
Other non-operating expenses	610	482	(128)
Total non-operating Ordinary income	3,872	4,798	925
VI Extraordinary gain	2,078	5,096	3,018
Prior period adjustment	211	195	(16)
Gain on sale of property and equipment	224	140	(84)
Gain on sale of investment securities	5,422	-	(5,422)
Gain on establishment of retirement benefit trust	-	3,068	3,068
Other extraordinary gain	28	72	43
Total extraordinary gain	5,886	3,476	(2,410)
VII Extraordinary loss			
Prior period adjustment	148	451	303
Loss on sale of property and equipment	31	-	(31)
Loss on real estate development business	8,678	-	(8,678)
Valuation losses on inventories	7,956	-	(7,956)
Loss on impairment of fixed assets	1,773	735	(1,037)
Provision for allowance for doubtful	-	2,633	2,633
Other extraordinary loss	1,266	424	(841)
Total extraordinary loss	19,854	4,244	(15,609)
Income before income taxes	(11,889)	4,328	16,217
Corporation, inhabitant and enterprise taxes	1,033	899	(134)
Income taxes deferred	(7,079)	873	7,953
Minority interests	14	(15)	(30)
Net income	(5,858)	2,570	8,429

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)
Land revaluation, net of deferred tax portion			21		21
Purchase of treasury stock				(1)	(1)
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)
Land revaluation, net of deferred tax portion							21
Purchase of treasury stock							(1)
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

(April 1, 2007–March 31, 2008)

(Millions of yen)

	Shareholder' equity				
	Common stock	Capital reserve	Retained earnings	Treasury stock, at cost	Total shareholder' equity
Balance at March 31, 2007	28,070	20,106	4,102	(15)	52,264
Changes in the term period					
Net income			2,570		2,570
Land revaluation, net of deferred tax portion			(2,682)		(2,682)
Purchase of treasury stock				(5)	(5)
Net changes in items other than those in shareholders' equity					
Total of changes in interim period	-	-	(111)	(5)	(116)
Balance at March 31, 2008	28,070	20,106	3,991	(20)	52,147

	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, 2007	4,276	(5)	857	188	5,317	24	57,605
Changes in the term period							
Net income							2,570
Land revaluation, net of deferred tax portion							(2,682)
Purchase of treasury stock							(5)
Net changes in items other than those in shareholders' equity	(6,249)	(27)	2,682	(18)	(3,613)	(13)	(3,626)
Total of changes in interim period	(6,249)	(27)	2,682	(18)	(3,613)	(13)	(3,742)
Balance at March 31, 2008	(1,973)	(32)	3,539	170	1,703	11	53,862

Consolidated Statement of Cash Flows

	Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)
I Cash flow from operating activities		
Income (loss) before taxes and minority interests	(11,889)	4,328
Depreciation and amortization	4,166	4,456
Loss on impairment of fixed assets	1,773	735
Increase (decrease) in allowance for doubtful accounts	21	1,013
Increase (decrease) in reserve for bonus	(21)	(59)
Increase (decrease) in reserve for retirement benefits	(174)	(372)
Increase (decrease) in provision for loss on liquidation of an affiliated company	(17)	(7)
Increase (decrease) in allowance for losses on construction works	412	(124)
Interest and dividends receivable	(569)	(599)
Interest expense	3,173	3,284
Foreign exchange loss (gain)	172	360
Equity loss (gain)	(173)	6
Loss (gain) on sales and disposals of property, plant and equipment	(192)	(100)
Loss (gain) on sales of investment in securities	(5,390)	(53)
Write-down of securities and investment in securities	26	27
Gain on establishment of retirement benefit trust	-	(3,068)
(Increase) decrease in trade receivables	(13,671)	(13,905)
(Increase) decrease in cost of uncompleted contracts	4,298	(600)
(Increase) decrease in real estate for trade and real estate in progress and other inventories	17,583	3,091
Increase (decrease) in trade payables	2,918	5,233
Increase (decrease) in advance on contracts in progress	4,436	(7,709)
(Increase) decrease in other receivable	6,848	(4,591)
Other net	(5,056)	3,199
Sub-total	8,673	(5,456)
Interest and dividends received	549	594
Interest paid	(3,184)	(3,174)
Income taxes paid	(1,317)	(1,112)
Net cash provided by (used in) operating activities	4,721	(9,148)
II Cash flows from investing activities		
Purchases of securities and investment in securities	(601)	(3,827)
Proceeds from securities and investment in securities	7,147	137
Purchases of property, plant and equipment	(2,540)	(2,003)
Proceeds from sales of property, plant and equipment	763	1,304
Loans made	(68)	(791)
Collection of loans receivable	936	666
Other net	(78)	(14)
Net cash provided by (used in) investing activities	5,558	(4,530)
III Cash flows financing activities		
Net increase (decrease) in short-term bank loans	(9,647)	22
Borrowings	23,253	30,246
Repayment of long-term debt	(38,854)	(31,632)
Cash dividends paid	(0)	(0)
Other net	(421)	(389)
Net cash provided by (used in) financing activities	(25,670)	(1,753)
IV Difference resulting from conversion of foreign cash and cash equivalents to yen	(161)	(298)
V Net increase (decrease) in cash and cash equivalents	(15,553)	(15,730)
VI Cash and cash equivalents at beginning of the period	64,677	49,124
VII Cash and cash equivalents at end of the period	49,124	33,394

Non-Consolidated Balance Sheets

Assets

	March 31, 2007 (Millions of yen)	March 31, 2008 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current assets			
Cash and deposits	41,156	24,960	(16,196)
Notes receivable	6,964	8,404	1,440
Accounts receivable on completed projects	107,131	118,249	11,118
Accounts receivable on development business	3	1,211	1,208
Marketable securities	102	102	(0)
Real estate for trade	10,824	7,134	(3,690)
Cost of uncompleted contracts	26,577	26,668	90
Real estate in progress	6,730	4,706	(2,024)
Raw materials and supplies	568	832	264
Short-term loans	3,059	2,195	(864)
Other receivables	15,556	20,666	5,110
Deferred tax assets	9,406	7,817	(1,588)
Other current assets	2,884	2,302	(581)
Allowance for doubtful accounts	(905)	(981)	(76)
Total current assets	230,062	224,272	(5,789)
II Fixed assets			
1. Tangible fixed assets:			
Buildings	10,318	9,689	(629)
Structures	664	611	(53)
Machinery	942	953	11
Dredgers	2,330	1,764	(565)
Ships	1,370	1,140	(229)
Vehicles	110	84	(25)
Tools and equipment	538	460	(77)
Land	33,241	34,266	1,024
Construction in progress	35	101	65
Net tangible fixed assets	49,551	49,072	(479)
2. Intangible fixed assets	505	505	(0)
3. Investments and other assets			
Investment Securities	21,638	14,287	(7,351)
Investment in affiliates	1,204	1,205	1
Long-term loans receivable	3,463	3,570	106
Long-term loans to employees	0	0	(0)
Long-term loans to affiliated companies	677	396	(281)
Impaired loan	5,626	5,947	321
Sundry investments	233	190	(42)
Deferred tax assets	6,915	10,166	3,250
Others	7,346	3,935	(3,411)
Allowance for doubtful accounts	(5,621)	(6,340)	(719)
Total investment and other assets	41,486	33,360	(8,125)
Total fixed assets	91,544	82,938	(8,605)
Total assets	321,606	307,210	(14,395)

Liabilities and Shareholders' Equity

	March 31, 2007 (Millions of yen)	March 31, 2008 (Millions of yen)	Increase (Decrease) (Millions of yen)
I Current liabilities			
Notes payable	27,043	20,408	(6,635)
Account payable on construction works	75,726	86,949	11,222
Account payable on development busine	32	5	(27)
Short-term loans	60,526	59,950	(576)
Account payable	2,707	1,596	(1,111)
Income tax payable	425	397	(28)
Advances received on construction works	32,550	24,982	(7,568)
Advances received on development business	162	7	(154)
Deposit received	9,203	10,045	842
Reserve for job warranty costs	462	545	82
Reserve for bonuses	1,474	1,431	(43)
Allowance for losses on construction works	836	671	(164)
Provision for loss on liquidation of a subsidiary	11	-	(11)
Other current liabilities	3,610	3,402	(208)
Total current liabilities	214,772	210,391	(4,380)
II Long-term liabilities			
Long-term loans	39,288	39,697	409
Deferred tax liabilities for land revaluation excess	7,259	7,216	(42)
Reserve for retirement benefits	6,304	712	(5,591)
Reserve for directors' retirement bonuse:	166	-	(166)
Provision for loss on real estate development business of affiliates	88	90	2
Other long-term liabilities	153	392	239
Total long-term liabilities	53,259	48,108	(5,151)
Total liabilities	268,032	258,500	(9,531)
I Shareholders' equity			
1 Common stock	28,070	28,070	-
2 Capital reserve			
Additional paid-in capital	10,000	10,000	-
Other capital reserve	10,106	10,106	-
Total capital reserve	20,106	20,106	-
3 Retained earnings			
Other retained earnings			
Special reserve	4,000	-	(4,000)
Earned reserve carried forward	(3,713)	(1,005)	2,707
Total retained earnings	286	(1,005)	(1,292)
4 Treasury stock, at cost	(15)	(20)	(5)
Total shareholders' equity	48,447	47,150	(1,297)
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	4,274	(1,972)	(6,247)
2 Loss on deferred hedge	(5)	(7)	(1)
3 Land revaluation, net of differed tax assets	857	3,539	2,682
Total valuation and translation adjustments	5,126	1,559	(3,566)
Total net assets	53,574	48,710	(4,864)
Total liabilities and net assets	321,606	307,210	(14,395)

Non-Consolidated Statements of Income

	Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)	Increase (Decrease) (Millions of yen)
I Net sales			
Construction business	287,572	312,526	24,953
Real estate and others	1,697	5,329	3,632
Total net sale	289,270	317,856	28,586
II Cost of sales			
Construction business	266,943	289,296	22,353
Real estate and others	1,711	5,865	4,153
Total cost of sales	268,654	295,161	26,506
Gross profit			
Construction business	20,629	23,230	2,600
Loss for real estate and others	(14)	(535)	(521)
Total gross profit	20,615	22,694	2,079
III Selling, general and administrative expenses	17,320	15,914	(1,406)
Operating income	3,294	6,780	3,485
IV Non-operating income			
Interest income	264	297	32
Interest income on securities	7	8	1
Dividend income	344	328	(15)
Rental charge	156	150	(5)
Other non-operating income	299	217	(82)
Total non-operating income	1,072	1,002	(69)
V Non-operating expenses			
Interest expense	2,831	2,996	165
Exchange loss, net	463	1,242	779
Other non-operating expenses	606	462	(144)
Total non-operating expenses	3,900	4,701	800
Ordinary income	466	3,081	2,615
VI Extraordinary gain			
Prior period adjustment	180	149	(30)
Gain on sale of property and equipment	130	47	(83)
Gain on sale of investment securities	5,422	-	(5,422)
Gain on securities to the employee pension trust	-	3,068	3,068
Other extraordinary gain	31	14	(17)
Total extraordinary gain	5,764	3,280	(2,484)
VII Extraordinary loss			
Prior period adjustment	148	450	301
Loss on sale of property and equipment	14	21	7
Loss on disposal of property and equipment	48	123	75
Valuation losses on inventories	7,905	-	(7,905)
Loss on real estate development business	8,678	-	(8,678)
Provision for allowance for doubtful accounts	-	2,402	2,402
Loss on impairment of fixed assets	1,773	437	(1,336)
Loss on devaluation of investment in affiliates	16	2	(14)
Other extraordinary loss	1,149	114	(1,034)
Total extraordinary loss	19,734	3,551	(16,182)
Income before income taxes	(13,503)	2,810	16,313
Corporation, inhabitant and enterprise taxes	490	364	(126)
Income taxes deferred	(7,249)	1,056	8,305
Net income	(6,744)	1,389	8,134

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

Non-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
		Additional paid-in capital	Other capital reserve	Total capital reserve	Other retained earnings		Total retained earnings		
					Special 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)	(6,744)		(6,744)
Land revaluation, net of deferred tax portion						21	21		21
Purchase of treasury stock								(1)	(1)
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)
Land revaluation, net of deferred tax portion					21
Purchase of treasury stock					(1)
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

(April 1, 2007-March 31, 2008)

(Millions of yen)

	Shareholder' equity								
	Common stock	Capital reserve			Retained earnings			Treasury stock, at cost	Total shareholder' equity
		Additional paid-in capital	Other capital reserve	Total capital reserve	Other retained earnings		Total retained earnings		
					Special reserve	Retained earnings carried forward			
Balance at March 31, 2007	28,070	10,000	10,106	20,106	4,000	(3,713)	286	(15)	48,447
Changes in the term period									
Net income					(4,000)	4,000	-		-
Provision for special reserve						1,389	1,389		1,389
Land revaluation, net of deferred tax portion						(2,682)	(2,682)		(2,682)
Purchase of treasury stock								(5)	(5)
Net changes in items other than those in shareholders' equity									
Total of changes in interim period	-	-	-	-	(4,000)	2,707	(1,292)	(5)	(1,297)
Balance at March 31, 2008	28,070	10,000	10,106	20,106	-	(1,005)	(1,005)	(20)	47,150

	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, 2007	4,274	(5)	857	5,126	53,574
Changes in the term period					
Provision for special reserve					-
Net income					1,389
Land revaluation, net of deferred tax portion					(2,682)
Purchase of treasury stock					(5)
Net changes in items other than those in shareholders' equity	(6,247)	(1)	2,682	(3,566)	(3,566)
Total of changes in interim period	(6,247)	(1)	2,682	(3,566)	(4,864)
Balance at March 31, 2008	(1,972)	(7)	3,539	1,559	48,710

Orders Received, Net Sales and Backlog

1. Orders Received

		Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)	Increase (Decrease) (Millions of yen)
	Public works	73,331	67,576	(5,775)
	Private works	53,861	48,867	(4,994)
Domestic civil engineering		127,193	116,443	(10,749)
	Public works	4,273	7,004	2,731
	Private works	146,437	13,899	(7,448)
Domestic building construction		150,711	145,993	(4,717)
	Civil engineering	22,400	89,394	66,993
	Building construction	42,704	21,762	(20,941)
Overseas		65,105	111,157	46,051
Construction Total		343,010	373,594	30,584
Real estate and Others		4,378	2,349	(2,028)
Total		347,388	375,944	28,555

2. Net Sales

		Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)	Increase (Decrease) (Millions of yen)
	Public works	69,930	90,604	20,674
	Private works	43,551	41,608	(1,943)
Domestic civil engineering		113,482	132,212	18,730
	Public works	8,746	5,865	(2,880)
	Private works	112,844	120,081	7,236
Domestic building construction		121,591	125,947	4,355
	Civil engineering	39,454	35,269	(4,185)
	Building construction	13,044	19,097	6,052
Overseas		52,499	54,366	1,867
Construction Total		287,572	312,526	24,953
Real estate and Others		1,697	5,329	3,632
Total		289,270	317,856	28,586

3. Backlog

		Mar. 2007 term (Millions of yen)	Mar. 2008 term (Millions of yen)	Increase (Decrease) (Millions of yen)
	Public works	128,465	105,437	(23,027)
	Private works	43,178	50,437	7,258
Domestic civil engineering		171,643	155,875	(15,768)
	Public works	3,460	4,600	1,139
	Private works	123,604	142,511	18,907
Domestic building construction		127,065	147,111	20,046
	Civil engineering	76,824	127,809	50,984
	Building construction	41,869	43,574	1,704
Overseas		118,693	171,383	52,689
Construction Total		417,403	474,370	56,967
Real estate and Others		2,979	-	(2,979)
Total		420,382	474,370	53,987