

Summary of Financial Results for the Second Quarter of Fiscal Year Ending March 2010

November 12, 2009

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**

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

Representative

Title: **Chief Executive Officer**

Name: **Yoshio Murashige**

Contact

Title: **General Manager, Account Department**

Name: **Syunji Kitahashi**

Tel: **03-3817-7619**

Schedule of financial statement reporting date: November 13, 2009

1. Business results for the fiscal year ended March 2010 (April 1, 2009-September 30, 2009)

(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)	(%)
2Q FY2009	157,015	(14.8)	1,525	(10.2)	(31)	-	(153)	-
2Q FY2008	184,191	-	1,699	-	(496)	-	(1,904)	-

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
2Q FY2009	(0.63)	-
2Q FY2008	(7.75)	-

(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)
2Q FY2009	315,028	53,780	17.0	218.12
Mar. 31, 2009	339,587	53,827	15.4	212.43

Reference: Shareholders' Equity (millions of yen) Sep. 30 2009: 53,583 Mar. 31 2009: 52,187

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
FY2008	-	-	-	0.00	0.00
FY2009	-	-	-	-	-
FY2009 (Forecast)	-	-	-	2.00	2.00

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

3. Earnings forecasts for fiscal year ended March 2010 (April 1, 2009-March 31, 2010)

	Net sales (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income (Millions of yen)		Earnings per share (Yen)
Entire term	349,000	(12.4)	10,500	(3.0)	7,500	6.0	2,800	-	11.40

Notes: Change made in figures of the forecasts as of the end of the current quarter from the previous announcement: Revised

4. Others

(1) Changes in significant subsidiaries during the first quarter (changes in specific subsidiaries resulting in change the scope of consolidation): None

(2) Adoption of convenient method in accounting and of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter: Adopted

(3) Changed in account policies and processing and representation methods adopted to prepare the consolidated financial statements for the current quarter (significant changes in the basis of presenting the consolidated financial statements for the current quarter):

1) Changes due to revised accounting Standard: None

2) Changes other than the reason described above: None

(4) Total number of outstanding shares (common stock)

1) Number of outstanding shares as of end of period (including treasury stock) :

Sep. 2009 term: 245,763,910 Mar. 2009 term: 245,763,910

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

Sep. 2009 term: 97,366 Mar. 2009 term: 95,597

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

Sep. 2009 term: 245,667,433 Sep. 2008 term: 245,680,158

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, 2010 are revised from ones provided in May 14, 2009.

2) 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 quarterly balance sheets

	2009-09-30	2009-03-31
Assets		
Current assets		
Cash and deposits(millionJPY)	42,105	38,363
Notes receivable, accounts receivable from completed construction contracts and other (millionJPY)	116,900	140,926
Short-term investment securities (millionJPY)	273	94
Costs on uncompleted construction contracts and other(millionJPY)	17,790	18,268
Real estate for sale and development projects in progress (millionJPY)	19,707	22,614
Accounts receivable-other (millionJPY)	19,717	17,598
Other(millionJPY)	12,450	10,349
Allowance for doubtful accounts (millionJPY)	(2,649)	(1,124)
Total current assets(millionJPY)	226,295	247,089
Noncurrent assets		
Property, plant and equipment		
Land(millionJPY)	35,205	35,933
Other, net(millionJPY)	22,686	22,809
Total property, plant and equipment(millionJPY)	57,891	58,742
Intangible assets(millionJPY)	540	555
Investments and other assets		
Investment securities(millionJPY)	11,119	13,013
Other(millionJPY)	22,790	24,606
Allowance for doubtful accounts (millionJPY)	(3,610)	(4,420)
Total investments and other assets(millionJPY)	30,300	33,199
Total noncurrent assets(millionJPY)	88,732	92,497
Total assets(millionJPY)	315,028	339,587
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other (millionJPY)	97,670	121,861
Short-term loans payable (millionJPY)	67,591	69,656
Income taxes payable(millionJPY)	493	784
Advances received on uncompleted construction contracts and other (millionJPY)	22,533	25,467
Provision(millionJPY)	2,843	2,845

Other(millionJPY)	18,605	19,536
Total current liabilities(millionJPY)	209,738	240,151
Noncurrent liabilities		
Long-term loans payable (millionJPY)	42,552	35,514
Deferred tax liabilities for land revaluation(millionJPY)	7,156	7,200
Provision(millionJPY)	726	1,783
Other(millionJPY)	1,073	1,110
Total noncurrent liabilities (millionJPY)	51,509	45,608
Total liabilities(millionJPY)	261,248	285,760
Net assets		
Shareholders' equity		
Capital stock(millionJPY)	28,070	28,070
Capital surplus(millionJPY)	16,007	20,106
Retained earnings(millionJPY)	4,374	677
Treasury stock(millionJPY)	(22)	(22)
Total shareholders' equity (millionJPY)	48,430	48,832
Valuation and translation adjustments		
Valuation difference on available- for-sale securities(millionJPY)	1,302	(225)
Deferred gains or losses on hedges (millionJPY)	(24)	(30)
Revaluation reserve for land (millionJPY)	3,764	3,516
Foreign currency translation adjustment(millionJPY)	112	94
Total valuation and translation adjustments(millionJPY)	5,153	3,355
Minority interests(millionJPY)	196	1,639
Total net assets(millionJPY)	53,780	53,827
Total liabilities and net assets (millionJPY)	315,028	339,587

Consolidated quarterly statements of income

	2008-04-01	2009-04-01
	-	-
	2008-09-30	2009-09-30
Net sales		
Net sales of completed construction contracts(millionJPY)	176,322	150,856
Net sales of development business and other(millionJPY)	7,869	6,159
Total net sales(millionJPY)	184,191	157,015
Cost of sales		
Cost of sales of completed	165,739	140,206

construction contracts(millionJPY)		
Cost of sales on development business and other(millionJPY)	7,345	6,150
Total cost of sales(millionJPY)	173,084	146,356
Gross profit		
Gross profit on completed construction contracts(millionJPY)	10,583	10,650
Gross profit on development business and other(millionJPY)	523	8
Total gross profit(millionJPY)	11,106	10,659
Selling, general and administrative expenses(millionJPY)	9,407	9,133
Operating income(millionJPY)	1,699	1,525
Non-operating income		
Interest income(millionJPY)	90	67
Dividends income(millionJPY)	173	136
Other(millionJPY)	180	225
Total non-operating income (millionJPY)	445	429
Non-operating expenses		
Interest expenses(millionJPY)	1,466	1,396
Foreign exchange losses(millionJPY)	752	259
Other(millionJPY)	423	329
Total non-operating expenses (millionJPY)	2,641	1,985
Ordinary loss(millionJPY)	(496)	(31)
Extraordinary income		
Gain on prior period adjustment (millionJPY)	–	383
Gain on sales of noncurrent assets (millionJPY)	292	30
Gain on sales of investment securities(millionJPY)	–	1,390
Settlement received(millionJPY)	88	–
Other(millionJPY)	32	7
Total extraordinary income (millionJPY)	413	1,812
Extraordinary loss		
Impairment loss(millionJPY)	–	547
Provision of allowance for doubtful accounts(millionJPY)	465	1,719
Loss on development business (millionJPY)	–	1,426
Loss on valuation of investment securities(millionJPY)	1,675	–
Other(millionJPY)	38	260
Total extraordinary losses(millionJPY)	2,179	3,953
Loss before income taxes and minority interests(millionJPY)	(2,263)	(2,172)
Income taxes-current(millionJPY)	328	154

Income taxes-deferred(millionJPY)	(690)	(730)
Total income taxes(millionJPY)	(361)	(575)
Minority interests in income (loss) (millionJPY)	3	(1,442)
Net loss(millionJPY)	(1,904)	(153)

Consolidated quarterly statements of cash flows

	2008-04-01	2009-04-01
	-	-
	2008-09-30	2009-09-30
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests(millionJPY)	(2,263)	(2,172)
Depreciation and amortization (millionJPY)	2,243	1,875
Impairment loss(millionJPY)	-	547
Increase (decrease) in allowance for doubtful accounts(millionJPY)	825	714
Increase (decrease) in provision for bonuses(millionJPY)	153	151
Increase (decrease) in provision for retirement benefits(millionJPY)	(275)	(53)
Increase (decrease) in provision for loss on development business (millionJPY)	-	(1,011)
Increase (decrease) in provision for loss on construction contracts (millionJPY)	467	(115)
Interest and dividends income (millionJPY)	(264)	(203)
Interest expenses(millionJPY)	1,595	1,430
Foreign exchange losses (gains) (millionJPY)	569	(453)
Equity in (earnings) losses of affiliates(millionJPY)	(3)	(4)
Loss (gain) on sales of property, plant and equipment(millionJPY)	(288)	(23)
Loss (gain) on sales of short-term and long term investment securities (millionJPY)	-0	(1,389)
Loss (gain) on valuation of investment securities(millionJPY)	1,675	235
Decrease (increase) in notes and accounts receivable-trade(millionJPY)	(6,754)	24,026
Decrease (increase) in costs on uncompleted construction contracts (millionJPY)	(539)	201
Decrease (increase) in inventories (millionJPY)	1,706	3,210
Increase (decrease) in notes and	4	(24,194)

accounts payable-trade(millionJPY)		
Increase (decrease) in advances received on uncompleted construction contracts(millionJPY)	(1,946)	(2,933)
Decrease (increase) in accounts receivable-other(millionJPY)	(2,973)	(2,118)
Other, net(millionJPY)	(1,355)	(1,481)
Subtotal(millionJPY)	(7,423)	(3,764)
Interest and dividends income received(millionJPY)	238	210
Interest expenses paid(millionJPY)	(1,601)	(1,428)
Income taxes paid(millionJPY)	(492)	(421)
Net cash provided by (used in) operating activities(millionJPY)	(9,278)	(5,404)
Net cash provided by (used in) investing activities		
Purchase of short-term and long term investment securities (millionJPY)	(840)	(367)
Proceeds from sales of short-term and long term investment securities (millionJPY)	2	4,913
Purchase of property, plant and equipment(millionJPY)	(1,789)	(1,085)
Proceeds from sales of property, plant and equipment(millionJPY)	406	220
Payments of loans receivable (millionJPY)	(33)	(1)
Collection of loans receivable (millionJPY)	63	154
Payments of investments in development project(millionJPY)	(4,750)	–
Other, net(millionJPY)	(81)	(68)
Net cash provided by (used in) investing activities(millionJPY)	(7,023)	3,764
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable(millionJPY)	13,530	6,230
Proceeds from long-term loans payable(millionJPY)	23,800	22,301
Repayment of long-term loans payable(millionJPY)	(15,638)	(23,558)
Cash dividends paid(millionJPY)	-0	-0
Other, net(millionJPY)	(310)	(86)
Net cash provided by (used in) financing activities(millionJPY)	21,381	4,885
Effect of exchange rate change on cash and cash equivalents(millionJPY)	(600)	488
Net increase (decrease) in cash and cash equivalents(millionJPY)	4,478	3,735
Cash and cash equivalents at	33,394	38,336

beginning of period(millionJPY)		
Cash and cash equivalents at end of period(millionJPY)	37,873	42,072

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

1. Orders Received

(Unit: millions of yen)

	2Q FY2008 (From April 1, 2008 to September 30, 2008)	2Q FY2009 (From April 1, 2009 to September 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	25,488	37,236	11,748	46.1
Private works	22,164	15,606	(6,557)	(29.6)
Domestic civil engineering	47,653	52,843	5,190	10.9
Public works	3,687	12,523	8,836	239.7
Private works	46,367	34,356	(12,010)	(25.9)
Domestic building construction	50,054	46,880	(3,173)	(6.3)
Civil engineering	28,207	26,673	(1,534)	(5.4)
Building construction	17,891	3,384	(14,507)	(81.1)
Overseas	46,099	30,057	(16,041)	(34.8)
Construction Total	143,806	129,780	(14,025)	(9.8)
Real estate and Others	1,502	346	(1,155)	(76.9)
Total	145,309	130,127	(15,181)	(10.4)

2. Net Sales

(Unit: millions of yen)

	2Q FY2008 (From April 1, 2008 to September 30, 2008)	2Q FY2009 (From April 1, 2009 to September 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	41,570	45,342	3,771	9.1
Private works	24,998	21,067	(3,931)	(15.7)
Domestic civil engineering	66,569	66,409	(159)	(0.2)
Public works	3,064	6,720	3,655	119.3
Private works	58,826	33,405	(25,420)	(43.2)
Domestic building construction	61,891	40,126	(21,764)	(35.2)
Civil engineering	29,126	24,094	(5,031)	(17.3)
Building construction	10,194	13,030	2,835	27.8
Overseas	39,321	37,124	(2,196)	(5.6)
Construction Total	167,781	143,660	(24,121)	(14.4)
Real estate and Others	610	770	160	26.3
Total	168,392	144,431	(23,960)	(14.2)

3. Backlog

(Unit: millions of yen)

	2Q FY2008 (From April 1, 2008 to September 30, 2008)	2Q FY2009 (From April 1, 2009 to September 30, 2009)	Increase (Decrease)	Rate of change (%)
Public works	89,355	88,775	(580)	(0.6)
Private works	47,602	28,535	(19,067)	(40.1)
Domestic civil engineering	136,958	117,311	(19,647)	(14.3)
Public works	5,222	21,550	16,327	312.6
Private works	130,052	99,166	(30,885)	(23.7)
Domestic building construction	135,275	120,717	(14,558)	(10.8)
Civil engineering	130,259	135,563	5,304	4.1
Building construction	52,493	19,306	(33,186)	(63.2)
Overseas	182,752	154,870	(27,881)	(15.3)
Construction Total	454,985	392,898	(62,087)	(13.6)
Real estate and Others	892	158	(733)	(82.2)
Total	455,878	393,057	(62,820)	(13.8)