

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

February 10, 2010

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: February 12, 2010

1. Business results for the fiscal year ended March 2010 (April 1, 2009-December 31, 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)	(%)
3Q FY2009	236,651	(15.8)	4,667	48.8	2,746	-	1,657	-
3Q FY2008	281,060	-	3,137	-	(93)	-	(4,022)	-

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
3Q FY2009	6.74	-
3Q FY2008	(16.37)	-

(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)
3Q FY2009	316,838	54,453	17.1	220.85
Mar. 31, 2009	339,587	53,827	15.4	212.43

Reference: Shareholders' Equity (millions of yen) Dec. 31 2009: 54,255 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	332,000	(16.7)	10,800	(0.2)	7,300	3.2	2,000	-	8.14

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 third 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) :

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

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

Dec. 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) :

Dec. 2009 term: 245,667,166 Dec. 2008 term: 245,677,788

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 Nov 12, 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

	2009-12-31	2009-03-31
Assets		
Current assets		
Cash and deposits(millionJPY)	62,146	38,363
Notes receivable, accounts receivable from completed construction contracts and other (millionJPY)	101,919	140,926
Short-term investment securities (millionJPY)	173	94
Costs on uncompleted construction contracts and other(millionJPY)	17,754	18,268
Real estate for sale and development projects in progress (millionJPY)	15,818	22,614
Accounts receivable-other (millionJPY)	23,040	17,598
Other(millionJPY)	11,348	10,349
Allowance for doubtful accounts (millionJPY)	(976)	(1,124)
Total current assets(millionJPY)	231,227	247,089
Noncurrent assets		
Property, plant and equipment		
Land(millionJPY)	35,176	35,933
Other, net(millionJPY)	22,415	22,809
Total property, plant and equipment(millionJPY)	57,592	58,742
Intangible assets(millionJPY)	516	555
Investments and other assets		
Investment securities(millionJPY)	7,296	13,013
Other(millionJPY)	26,538	24,606
Allowance for doubtful accounts (millionJPY)	(6,332)	(4,420)
Total investments and other assets (millionJPY)	27,502	33,199
Total noncurrent assets(millionJPY)	85,611	92,497
Total assets(millionJPY)	316,838	339,587
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other (millionJPY)	104,768	121,861
Short-term loans payable (millionJPY)	56,762	69,656
Income taxes payable(millionJPY)	341	784
Advances received on uncompleted construction contracts and other (millionJPY)	26,347	25,467
Provision(millionJPY)	2,360	2,845

Other(millionJPY)	23,253	19,536
Total current liabilities(millionJPY)	213,833	240,151
Noncurrent liabilities		
Long-term loans payable(millionJPY)	39,573	35,514
Deferred tax liabilities for land revaluation(millionJPY)	7,156	7,200
Provision(millionJPY)	732	1,783
Other(millionJPY)	1,088	1,110
Total noncurrent liabilities (millionJPY)	48,551	45,608
Total liabilities(millionJPY)	262,384	285,760
Net assets		
Shareholders' equity		
Capital stock(millionJPY)	28,070	28,070
Capital surplus(millionJPY)	16,007	20,106
Retained earnings(millionJPY)	6,185	677
Treasury stock(millionJPY)	(22)	(22)
Total shareholders' equity (millionJPY)	50,241	48,832
Valuation and translation adjustments		
Valuation difference on available-for-sale securities(millionJPY)	161	(225)
Deferred gains or losses on hedges (millionJPY)	(3)	(30)
Revaluation reserve for land (millionJPY)	3,764	3,516
Foreign currency translation adjustment(millionJPY)	92	94
Total valuation and translation adjustments(millionJPY)	4,014	3,355
Minority interests(millionJPY)	197	1,639
Total net assets(millionJPY)	54,453	53,827
Total liabilities and net assets (millionJPY)	316,838	339,587

Consolidated quarterly statements of income

	2008-04-01	2009-04-01
	-	-
	2008-12-31	2009-12-31
Net sales		
Net sales of completed construction contracts(millionJPY)	270,694	228,211
Net sales of development business and other(millionJPY)	10,365	8,440
Total net sales(millionJPY)	281,060	236,651
Cost of sales		
Cost of sales of completed construction contracts(millionJPY)	254,702	210,513
Cost of sales on development	9,394	8,100

business and other(millionJPY)		
Total cost of sales(millionJPY)	264,096	218,614
Gross profit		
Gross profit on completed construction contracts(millionJPY)	15,992	17,697
Gross profit on development business and other(millionJPY)	971	339
Total gross profit(millionJPY)	16,963	18,037
Selling, general and administrative expenses(millionJPY)	13,826	13,369
Operating income(millionJPY)	3,137	4,667
Non-operating income		
Interest income(millionJPY)	137	78
Dividends income(millionJPY)	281	208
Other(millionJPY)	266	341
Total non-operating income (millionJPY)	685	628
Non-operating expenses		
Interest expenses(millionJPY)	2,296	2,103
Foreign exchange losses(millionJPY)	1,064	13
Other(millionJPY)	555	431
Total non-operating expenses (millionJPY)	3,915	2,548
Ordinary income (loss)(millionJPY)	(93)	2,746
Extraordinary income		
Gain on sales of noncurrent assets (millionJPY)	596	60
Gain on sales of investment securities(millionJPY)	–	1,853
Other(millionJPY)	115	458
Total extraordinary income (millionJPY)	711	2,372
Extraordinary loss		
Impairment loss(millionJPY)	–	547
Provision of allowance for doubtful accounts(millionJPY)	–	3,034
Loss on development business (millionJPY)	–	1,387
Loss on valuation of investment securities(millionJPY)	5,346	–
Other(millionJPY)	589	343
Total extraordinary losses(millionJPY)	5,935	5,311
Loss before income taxes and minority interests(millionJPY)	(5,316)	(192)
Income taxes-current(millionJPY)	471	273
Income taxes-deferred(millionJPY)	(1,771)	(653)
Total income taxes(millionJPY)	(1,299)	(379)
Minority interests in income (loss) (millionJPY)	5	(1,469)
Net income (loss)(millionJPY)	(4,022)	1,657

Consolidated quarterly statements of cash flows

	2008-04-01 -	2009-04-01 -
	2008-12-31	2009-12-31
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests(millionJPY)	(5,316)	(192)
Depreciation and amortization (millionJPY)	3,459	2,859
Impairment loss(millionJPY)	-	547
Increase (decrease) in allowance for doubtful accounts(millionJPY)	1,063	1,704
Increase (decrease) in provision for bonuses(millionJPY)	(1,014)	(980)
Increase (decrease) in provision for retirement benefits(millionJPY)	(297)	(58)
Increase (decrease) in provision for loss on development business (millionJPY)	-	(1,011)
Increase (decrease) in provision for loss on construction contracts (millionJPY)	621	500
Interest and dividends income (millionJPY)	(418)	(286)
Interest expenses(millionJPY)	2,484	2,136
Foreign exchange losses (gains) (millionJPY)	464	(343)
Equity in (earnings) losses of affiliates(millionJPY)	(4)	(23)
Loss (gain) on sales of property, plant and equipment(millionJPY)	(592)	(46)
Loss (gain) on sales of short-term and long term investment securities (millionJPY)	-0	(1,851)
Loss (gain) on valuation of investment securities(millionJPY)	5,346	274
Decrease (increase) in notes and accounts receivable-trade(millionJPY)	(11,571)	39,085
Decrease (increase) in costs on uncompleted construction contracts (millionJPY)	1,545	814
Decrease (increase) in inventories (millionJPY)	1,727	6,540
Increase (decrease) in notes and accounts payable-trade(millionJPY)	10,765	(17,099)
Increase (decrease) in advances received on uncompleted construction contracts(millionJPY)	1,044	880
Decrease (increase) in accounts receivable-other(millionJPY)	(1,320)	(5,442)

Other, net(millionJPY)	319	(237)
Subtotal(millionJPY)	8,306	27,767
Interest and dividends income received(millionJPY)	437	269
Interest expenses paid(millionJPY)	(2,144)	(1,836)
Income taxes paid(millionJPY)	(787)	(676)
Net cash provided by (used in) operating activities(millionJPY)	5,811	25,523
Net cash provided by (used in) investing activities		
Purchase of short-term and long term investment securities (millionJPY)	(1,045)	(472)
Proceeds from sales of short-term and long term investment securities (millionJPY)	102	8,158
Purchase of property, plant and equipment(millionJPY)	(2,130)	(1,419)
Proceeds from sales of property, plant and equipment(millionJPY)	877	262
Payments of loans receivable (millionJPY)	(985)	(3)
Collection of loans receivable (millionJPY)	96	203
Payments of investments in development project(millionJPY)	(4,750)	–
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation (millionJPY)	–	63
Purchase of other subsidiaries and affiliate's securities resulting change in scope of consolidation(millionJPY)	(257)	–
Other, net(millionJPY)	(116)	77
Net cash provided by (used in) investing activities(millionJPY)	(8,210)	6,868
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable(millionJPY)	9,151	(3,079)
Proceeds from long-term loans payable(millionJPY)	25,600	22,301
Repayment of long-term loans payable(millionJPY)	(19,467)	(28,057)
Cash dividends paid(millionJPY)	-0	-0
Other, net(millionJPY)	(374)	(131)
Net cash provided by (used in) financing activities(millionJPY)	14,909	(8,967)
Effect of exchange rate change on cash and cash equivalents(millionJPY)	(455)	362
Net increase (decrease) in cash and cash equivalents(millionJPY)	12,055	23,787
Cash and cash equivalents at	33,394	38,336

beginning of period(millionJPY)		
Cash and cash equivalents at end of period(millionJPY)	45,449	62,124

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

1. Orders Received

(Unit: millions of yen)

	3Q FY2008 (From April 1, 2008 to December 31, 2008)	3Q FY2009 (From April 1, 2009 to December 31, 2009)	Increase (Decrease)	Rate of change (%)
Public works	49,684	51,712	2,027	4.1
Private works	32,652	21,097	(11,555)	(35.4)
Domestic civil engineering	82,336	72,809	(9,527)	(11.6)
Public works	9,683	15,261	5,577	57.6
Private works	57,686	47,744	(9,941)	(17.2)
Domestic building construction	67,369	63,005	(4,364)	(6.5)
Civil engineering	72,521	44,168	(28,352)	(39.1)
Building construction	15,885	10,754	(5,131)	(32.3)
Overseas	88,406	54,922	(33,483)	(37.9)
Construction Total	238,112	190,737	(47,374)	(19.9)
Real estate and Others	1,659	458	(1,200)	(72.3)
Total	239,771	191,196	(48,575)	(20.3)

2. Net Sales

(Unit: millions of yen)

	3Q FY2008 (From April 1, 2008 to December 31, 2008)	3Q FY2009 (From April 1, 2009 to December 31, 2009)	Increase (Decrease)	Rate of change (%)
Public works	61,208	68,204	6,995	11.4
Private works	36,771	28,746	(8,025)	(21.8)
Domestic civil engineering	97,980	96,950	(1,029)	(1.1)
Public works	4,348	10,465	6,116	140.7
Private works	96,942	51,063	(45,879)	(47.3)
Domestic building construction	101,290	61,528	(39,762)	(39.3)
Civil engineering	42,208	37,390	(4,817)	(11.4)
Building construction	15,891	21,029	5,138	32.3
Overseas	58,099	58,420	320	0.6
Construction Total	257,371	216,898	(40,472)	(15.7)
Real estate and Others	1,023	977	(46)	(4.5)
Total	258,395	217,876	(40,518)	(15.7)

3. Backlog

(Unit: millions of yen)

	3Q FY2008 (From April 1, 2008 to December 31, 2008)	3Q FY2009 (From April 1, 2009 to December 31, 2009)	Increase (Decrease)	Rate of change (%)
Public works	93,912	80,388	(13,524)	(14.4)
Private works	46,318	26,347	(19,970)	(43.1)
Domestic civil engineering	140,230	106,736	(33,494)	(23.9)
Public works	9,934	20,543	10,608	106.8
Private works	103,255	94,896	(8,358)	(8.1)
Domestic building construction	113,190	115,440	2,249	2.0
Civil engineering	143,420	137,090	(6,329)	(4.4)
Building construction	38,390	18,104	(20,285)	(52.8)
Overseas	181,810	155,195	(26,615)	(14.6)
Construction Total	435,232	377,371	(57,860)	(13.3)
Real estate and Others	635	63	(571)	(90.0)
Total	435,867	377,435	(58,432)	(13.4)