

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2013

February 12, 2013

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, Nagoya**

Code number: **1893**

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 13, 2013

1. Business results for the fiscal year ended March 2013 (April 1, 2012-December 31, 2012)

(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 FY2012	250,036	8.9	3,087	(52.6)	3,262	(42.4)	806	98.8
3Q FY2011	229,532	5.9	6,506	14.1	5,661	45.7	405	(74.6)

Note: Comprehensive income (millions of yen) Dec. 31 2012 term: 739(9.0%) Dec. 31 2011 term: 812(41.5%)

	Earnings per share (Yen)	Earnings per share (diluted) (Yen)
3Q FY2012	2.82	-
3Q FY2011	1.42	-

(2) Consolidated financial position

	Total assets (millions of yen)	Total net assets (millions of yen)	Total net assets/ total assets (%)
3Q FY2012	298,192	62,553	21.0
Mar. 31, 2012	311,917	62,385	20.0

Reference: Shareholders' Equity (millions of yen) Dec 31 2012: 62,540 Mar. 31, 2012: 62,381

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
FY2011	-	-	-	2.00	2.00
FY2012	-	-	-		
FY2012 (Forecast)				2.00	2.00

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

3. Earnings forecasts for fiscal year ended March 2013 (April 1, 2012-March 31, 2013)

	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	347,000	5.8	8,500	(5.4)	6,600	(11.4)	1,700	4.8	5.95

Note: Change made in figures of the forecasts as of the end of the current quarter from the previous announcement: None

4. Notes

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

(2) Adoption of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter: None

(3) Changes to accounting policies; changes to accounting estimates; restatements

1) Changes due to revised accounting Standard: Adopted

2) Changes other than the reason described above: None

3) Changes to accounting estimates: Adopted

4) Restatements: None

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

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

Dec. 2012 term: 286,013,910 Mar. 2012 term: 286,013,910

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

Dec. 2012 term: 103,684 Mar. 2012 term: 102,571

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

Dec. 2012 term: 285,910,741 Dec. 2011 term: 285,912,707

※This document is out of the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act.

The quarterly review procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this.

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, 2013 are also the same as ones provided in May 14, 2012.

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 Balance Sheets

(Millions of JPY)

	March 31, 2012	December 31, 2012
Assets		
Current assets		
Cash and deposits	63,370	54,313
Notes receivable, accounts receivable from completed construction contracts and other	118,610	110,050
Costs on uncompleted construction contracts and other	12,992	13,333
Real estate for sale and development projects in progress	11,041	9,359
Accounts receivable—other	10,607	9,138
Other	6,131	7,261
Allowance for doubtful accounts	(1,227)	(775)
Total current assets	221,526	202,680
Noncurrent assets		
Property, plant and equipment		
Land	43,612	43,461
Other, net	24,894	30,216
Total property, plant and equipment	68,507	73,677
Intangible assets	636	841
Investments and other assets		
Investment securities	10,822	11,275
Other	16,661	16,052
Allowance for doubtful accounts	(6,237)	(6,335)
Total investments and other assets	21,246	20,992
Total noncurrent assets	90,390	95,511
Total assets	311,917	298,192
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	112,842	105,607
Short-term loans payable	45,687	43,161
Income taxes payable	1,179	928
Advances received on uncompleted construction contracts and other	25,329	20,976
Provision	4,805	3,344
Other	16,153	17,148
Total current liabilities	205,997	191,168
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	25,483	26,101
Deferred tax liabilities for land revaluation	6,251	6,195
Provision	811	1,271
Other	987	903
Total noncurrent liabilities	43,533	44,471
Total liabilities	249,531	235,639

Consolidated Balance Sheets

(Millions of JPY)

	March 31, 2012	December 31, 2012
Net assets		
Shareholders' equity		
Capital stock	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	7,453	7,784
Treasury stock	(23)	(23)
Total shareholders' equity	56,266	56,597
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(155)
Deferred gains or losses on hedges	(9)	(0)
Revaluation reserve for land	6,194	6,098
Foreign currency translation adjustment	36	0
Total accumulated other comprehensive income	6,115	5,942
Minority interests	3	12
Total net assets	62,385	62,553
Total liabilities and net assets	311,917	298,192

Consolidated Statements of Income

(Millions of JPY)

	Dec. 2011 term	Dec. 2012 term
Net sales		
Net sales of completed construction contracts	220,899	243,548
Net sales of development business and other	8,632	6,488
Total net sales	229,532	250,036
Cost of sales		
Cost of sales of completed construction contracts	203,554	228,907
Cost of sales on development business and other	8,649	7,047
Total cost of sales	212,204	235,954
Gross profit		
Gross profit on completed construction contracts	17,344	14,641
Gross loss on development business and other	(16)	(559)
Total gross profit	17,327	14,081
Selling, general and administrative expenses	10,820	10,994
Operating income	6,506	3,087
Non-operating income		
Interest income	37	50
Dividends income	220	196
Reversal of allowance for doubtful accounts	140	585
Foreign exchange gains	—	508
Other	453	232
Total non-operating income	851	1,573
Non-operating expenses		
Interest expenses	1,367	1,144
Other	329	253
Total non-operating expenses	1,697	1,398
Ordinary income	5,661	3,262
Extraordinary income		
Gain on sales of noncurrent assets	59	31
Other	25	7
Total extraordinary income	84	38
Extraordinary loss		
Provision of allowance for doubtful accounts	8	275
Loss on valuation of investment securities	339	273
Provision for loss on litigation	350	470
Other	413	183
Total extraordinary losses	1,111	1,201
Income before income taxes and minority interests	4,633	2,099
Income taxes—current	1,455	395
Income taxes—deferred	2,774	888
Total income taxes	4,229	1,283
Income before minority interests	404	815
Minority interests in income (loss)	(0)	8
Net income	405	806

Statements of Consolidated Comprehensive Income

(Millions of JPY)

	Dec. 2011 term	Dec. 2012 term
Income before minority interests	404	815
Other comprehensive income		
Valuation difference on available-for-sale securities	(479)	(48)
Deferred gains or losses on hedges	7	9
Revaluation reserve for land	885	—
Foreign currency translation adjustment	(6)	(36)
Share of other comprehensive income of associates accounted for using equity method	—	(0)
Total other comprehensive income	407	(75)
Comprehensive income	812	739
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	814	730
Comprehensive income attributable to minority interests	(1)	8

(Reference)

Non-Consolidated Orders Received, Net Sales and Backlog

1. Orders Received

(Millions of yen)

	3Q FY2011 (From Apr. 1, 2011 to Dec. 31, 2011)	3Q FY2012 (From Apr. 1, 2012 to Dec. 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	37,344	64,304	26,959	72.2
Private works	36,408	25,798	(10,610)	(29.1)
Domestic civil engineering	73,753	90,102	16,349	22.2
Public works	10,492	11,889	1,396	13.3
Private works	72,072	64,011	(8,060)	(11.2)
Domestic architectural construction	82,565	75,901	(6,663)	(8.1)
Civil engineering	31,094	9,461	(21,633)	(69.6)
Architectural construction	23,424	24,341	917	3.9
Overseas	54,519	33,803	(20,716)	(38.0)
Construction Total	210,838	199,807	(11,030)	(5.2)
Real estate and Others	2,270	939	(1,331)	(58.6)
Total	213,109	200,747	(12,361)	(5.8)

2. Net Sales

(Millions of yen)

	3Q FY2011 (From Apr. 1, 2011 to Dec. 31, 2011)	3Q FY2012 (From Apr. 1, 2012 to Dec. 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	50,294	51,138	843	1.7
Private works	24,305	26,435	2,129	8.8
Domestic civil engineering	74,600	77,573	2,973	4.0
Public works	15,417	18,952	3,535	22.9
Private works	65,890	63,264	(2,626)	(4.0)
Domestic architectural construction	81,307	82,216	909	1.1
Civil engineering	36,020	46,967	10,947	30.4
Architectural construction	22,244	28,508	6,264	28.2
Overseas	58,264	75,476	17,211	29.5
Construction Total	214,173	235,267	21,094	9.8
Real estate and Others	2,266	1,065	(1,201)	(53.0)
Total	216,440	236,332	19,892	9.2

3. Backlog

(Millions of yen)

	3Q FY2011 (From Apr. 1, 2011 to Dec. 31, 2011)	3Q FY2012 (From Apr. 1, 2012 to Dec. 31, 2012)	Increase (Decrease)	Rate of change (%)
Public works	44,031	68,469	24,438	55.5
Private works	41,194	29,157	(12,037)	(29.2)
Domestic civil engineering	85,225	97,627	12,401	14.6
Public works	32,544	25,389	(7,154)	(22.0)
Private works	78,769	66,427	(12,341)	(15.7)
Domestic architectural construction	111,314	91,817	(19,496)	(17.5)
Civil engineering	109,098	80,132	(28,965)	(26.6)
Architectural construction	45,436	46,746	1,310	2.9
Overseas	154,535	126,879	(27,655)	(17.9)
Construction Total	351,075	316,324	(34,750)	(9.9)
Real estate and Others	211	80	(130)	(61.9)
Total	351,286	316,404	(34,881)	(9.9)