

Non-Consolidated Financial Statements

Non-Consolidated Five-year Summary

Penta-Ocean Construction Co., Ltd.
Years ended March 31

| | Millions of yen | | | | | Thousands of U.S. dollars |
|---|-----------------|----------|----------|----------|-----------------|------------------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 |
| Orders received | ¥404,259 | ¥473,024 | ¥318,174 | ¥265,605 | ¥298,079 | \$2,820,314 |
| Civil engineering | 249,349 | 316,349 | 191,157 | 140,578 | 151,789 | 1,436,172 |
| Architectural engineering | 144,055 | 151,291 | 124,860 | 118,852 | 140,086 | 1,325,442 |
| Real estate and other | 10,855 | 5,384 | 2,157 | 6,175 | 6,204 | 58,700 |
| Net sales | 434,812 | 419,382 | 396,743 | 347,176 | 297,389 | 2,813,786 |
| Civil engineering | 270,443 | 250,937 | 238,582 | 206,779 | 168,438 | 1,593,699 |
| Architectural engineering | 153,288 | 163,308 | 155,649 | 136,512 | 123,124 | 1,164,954 |
| Real estate and other | 11,080 | 5,137 | 2,512 | 3,884 | 5,827 | 55,133 |
| Contract backlog | 487,252 | 543,262 | 481,621 | 388,128 | 382,317 | 3,617,343 |
| Civil engineering | 302,537 | 369,569 | 336,254 | 259,832 | 237,238 | 2,244,659 |
| Architectural engineering | 184,453 | 173,184 | 145,212 | 125,851 | 142,257 | 1,345,984 |
| Real estate and other | 262 | 509 | 154 | 2,445 | 2,822 | 26,700 |
| Total assets | 474,959 | 465,121 | 458,078 | 430,632 | 407,119 | 3,852,010 |
| Shareholders' equity | 51,634 | 55,167 | 54,013 | 33,918 | 38,533 | 364,585 |
| Ordinary income | 11,305 | 10,917 | 7,250 | 1,478 | 6,640 | 62,826 |
| Income (loss) before income taxes | (23,321) | 7,481 | 5,571 | (24,117) | 5,587 | 52,863 |
| Net income (loss) | (15,024) | 2,674 | 1,557 | (18,388) | 1,548 | 14,647 |
| Cash dividends | 904 | 1,807 | 904 | — | — | — |
| Per share of common stock: | | | Yen | | | U.S. dollars |
| Shareholders' equity | ¥142.87 | ¥152.64 | ¥149.46 | ¥93.86 | ¥106.64 | \$1.01 |
| Net income(loss) | (41.57) | 7.40 | 4.31 | (50.88) | 4.28 | 0.04 |
| Cash dividends | 2.50 | 5.00 | 2.50 | — | — | — |
| Number of employees | 3,774 | 3,710 | 3,655 | 3,121 | 3,043 | |

U.S.\$1=¥105.69 as at march 31, 2004

NON-Consolidated Balance Sheets

Penta-Ocean Construction Co., Ltd.
March 31, 2003 and 2004

| ASSETS | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------------------------|------------------------------|
| | 2003 | 2004 | 2004 |
| Current assets: | | | |
| Cash and deposits | ¥43,681 | ¥50,294 | \$475,863 |
| Securities | 728 | 201 | 1,902 |
| Trade receivables: | | | |
| Notes | 10,198 | 14,756 | 139,616 |
| Accounts | 127,949 | 104,788 | 991,466 |
| Subsidiaries and affiliates | 22,437 | 4,945 | 46,788 |
| Inventories: | | | |
| Cost of uncompleted contracts | 43,176 | 47,093 | 445,577 |
| Real estate for trade and real estate in progress | 36,002 | 38,067 | 360,176 |
| Raw materials and supplies | 762 | 600 | 5,677 |
| Deferred tax assets | 10,794 | 10,605 | 100,341 |
| Other current assets | 3,017 | 4,448 | 42,084 |
| Allowance for doubtful accounts | (753) | (940) | (8,894) |
| Total current assets | <u>297,991</u> | <u>274,857</u> | <u>2,600,596</u> |
| Investments and non-current assets: | | | |
| Investments in and loans to subsidiaries and affiliates | 10,463 | 14,225 | 134,592 |
| Investment in securities | 18,365 | 21,859 | 206,822 |
| Long-term accounts receivable | 2,854 | 4,262 | 40,325 |
| Sundry investments | 20,250 | 14,819 | 140,212 |
| Deferred tax assets | 14,681 | 10,488 | 99,234 |
| Allowance for doubtful accounts | (11,537) | (6,561) | (62,078) |
| Total investments and non-current assets | <u>55,076</u> | <u>59,092</u> | <u>559,107</u> |
| Property, plant and equipment: | | | |
| Land | 47,497 | 46,080 | 435,992 |
| Buildings and structures | 36,687 | 36,564 | 345,955 |
| Machinery, equipment and vehicles | 14,959 | 14,722 | 139,294 |
| Dredgers and vessels | 26,018 | 24,911 | 235,699 |
| Construction in progress | 1,845 | 83 | 785 |
| Other property, plant and equipment | 3,642 | 3,639 | 34,431 |
| Total property and equipment | <u>130,648</u> | <u>125,999</u> | <u>1,192,156</u> |
| Less accumulated depreciation | (53,628) | (53,326) | (504,551) |
| Property and equipment — net | <u>77,020</u> | <u>72,673</u> | <u>687,605</u> |
| Other assets | <u>545</u> | <u>498</u> | <u>4,712</u> |
| Total assets | <u>¥430,632</u> | <u>¥407,120</u> | <u>\$3,852,020</u> |

| LIABILITIES AND SHAREHOLDERS' EQUITY | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|-----------------|------------------------------|
| | 2003 | 2004 | 2004 |
| Current liabilities: | | | |
| Short-term debt | | | |
| Bank | ¥ 82,375 | ¥ 69,326 | \$ 655,937 |
| Current portion of long-term debt | 21,283 | 32,669 | 309,102 |
| Trade payable: | | | |
| Notes | 24,906 | 24,075 | 227,789 |
| Accounts | 78,430 | 74,593 | 705,772 |
| Subsidiaries and affiliates | 6,623 | 6,381 | 60,375 |
| Advance on contracts in progress | 42,282 | 48,537 | 459,239 |
| Deposits received | 15,644 | 15,236 | 144,157 |
| Accrued income taxes | 271 | 361 | 3,416 |
| Provision for loss on liquidation of a subsidiary | 11,737 | 617 | 5,838 |
| Accrued expenses | 2,047 | 1,667 | 15,773 |
| Other current liabilities | 2,432 | 2,264 | 21,420 |
| Total current liabilities | <u>288,030</u> | <u>275,726</u> | <u>2,608,818</u> |
| Long-term liabilities: | | | |
| Long-term debt | 85,278 | 68,289 | 646,125 |
| Reserve for retirement benefits | 6,521 | 7,022 | 66,440 |
| Reserve for directors' and statutory auditors' retirement pay | 518 | 270 | 2,555 |
| Deferred tax liabilities for land revaluation excess | 4,012 | 5,248 | 49,655 |
| Other long-term liabilities | 12,355 | 12,031 | 113,832 |
| Total long-term liabilities | <u>108,684</u> | <u>92,860</u> | <u>878,607</u> |
| Shareholders' equity: | | | |
| Common stock | | | |
| Authorized — 599,135,000 shares | | | |
| Issued — 361,407,443 shares at March 31, 2003 and 2004 | 33,971 | 18,070 | 170,972 |
| Capital surplus | | | |
| Capital surplus reserve | 10,635 | — | — |
| Other capital surplus | — | 10,106 | 95,619 |
| Total capital surplus | <u>10,635</u> | <u>10,106</u> | <u>95,619</u> |
| Earned surplus | | | |
| Earned surplus reserve | 290 | — | — |
| Unappropriated deficit | (16,719) | (276) | (2,611) |
| Total earned surplus | <u>(16,429)</u> | <u>(276)</u> | <u>(2,611)</u> |
| Land revaluation excess — net | 5,800 | 7,650 | 72,381 |
| Unrealized valuation gain or (loss) on other securities — net | (55) | 2,989 | 28,281 |
| Less: Treasury stock | (4) | (5) | (47) |
| Total shareholders' equity | <u>33,918</u> | <u>38,534</u> | <u>364,595</u> |
| Total liabilities and shareholders' equity | <u>¥430,632</u> | <u>¥407,120</u> | <u>\$3,852,020</u> |