

history

Moving Forward – 109 years in business Meeting the challenges of a new era through the evolution of business

The First Period: Founding and Development

1896 First founded as Mizuno Gumi in Kure City, Hiroshima Prefecture

Meiji Period Focused primarily on naval contracts and port civil engineering in various places

Taisho Period Expanded nationally, ventured into civil engineering and architectural projects

Pre-World War II Constructed dredgers to strengthen the company's position in the dredging and reclamation industry and launched the ship-building business

The Second Generation: Reconstruction and Expansion into Overseas Markets and Civil Engineering

Post-World War II Concentrated on port engineering while recovering from war damage

1954 Mizuno Gumi Co., Ltd. established

1961 Won the Suez Canal dredging contract in international bidding

1967 Company name changed to Penta-Ocean Construction Co., Ltd. Further development of the overseas business as a general contractor with expertise in marine engineering

The Third Generation: Architectural Prowess Paves Way to General Construction

1970's-1980's Using technological development as a base to strengthen our architectural division. Progression to a well-balanced general constructor.

1990's Beginning of the second century in business. The end of the bubble economy marks the start of a major restructuring of operations with the aim of regaining our financial health

The Fourth Generation: Corporate Returns and Beyond

2002 Management style that focused on income rather than scale through careful selection of projects

May 2005 Announcement of medium-term management program "Evolution 21". "Recovery" and "Advancement" strategies

Orders Received

	(Millions of Yen) (Fiscal years ended March 31)				
	2001	2002	2003	2004	2005
Construction	467,640	316,016	259,430	291,875	324,108
Domestic Civil Engineering	185,182	159,981	131,397	143,424	180,824
Domestic Architectural Engineering	136,514	112,004	110,323	115,949	125,234
Overseas	145,943	44,030	17,709	32,501	18,049
Development and Other	5,384	2,157	6,174	6,204	2,799
Total	473,024	318,174	265,604	298,079	326,908

Competitive Strength

Domestic

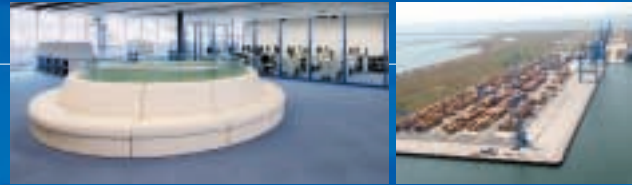
- Leading marine civil engineering industry. We have a long history in Japan and completed many projects throughout the world.
- Mid-ranked land civil engineering business
- A top-20 architectural engineering company

Overseas

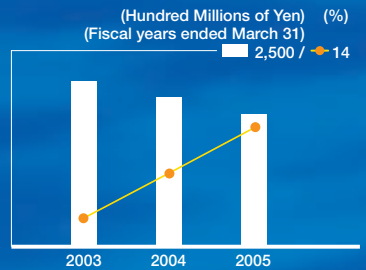
- Top-class marine contractor in the global market
- Excellent reputation earned from many successful projects completed in Southeast Asia

Major Orders and Completed Projects for 2005

Major Orders			Completed Major Projects		
Customer	Project Name	Location	Customer	Project Name	Location
Kanto Regional Development Bureau	Tokyo International Airport D Runway Construction Project	Tokyo	Japan Public Highway Corporation	Second Tomei Expressway First Shimizu Tunnel Project	Shizuoka
Japan Atomic Power Company	Tsuruga Power Station Units 3 and 4 Breakwater and Revetment Project	Fukui	Hiroshima Prefecture	Shikawa Dam Project	Hiroshima
Japan Public Highway Corporation	Nihonkai Tohoku Expressway Kobato Tunnel Project	Yamagata	Kansai International Airport Land Development Co., Ltd	Airport Island Construction Second Phase Project (3rd secondary banking)	Osaka
Gold Crest Co., Ltd	(Pending) Crest Form Tsurumi VI New Construction Project	Kanagawa	Itochu Property Development Ltd. and Other	Laguna Tower New Construction Project	Tokyo
Fukuyama Transporting Co., Ltd.	(Pending) Hiroshima Distribution Center New Construction Project	Hiroshima	Gold Crest Co., Ltd.	(Pending) Crest Form Musashi New Castle G New Construction Project	Tokyo
Sunlive	SunLive City Kokura New Construction Project	Fukuoka	Kamigumi	(Pending) Multi-Purpose Distribution Center and Tokyo Container Center Construction Project	Tokyo
British Petroleum Berau Ltd.	Tangguh LNG Pier Project	Indonesia	Romanian Government	Constanta South Port Upgrade Project	Romania
Taipei Container Port Company Ltd.	One of the Taipei Port Container Center Projects Dredging and Reclamation	Taiwan	Vocational Training Council	Tsing Yi Vocational Training Center Project	Hong Kong



Consolidated Interest-Bearing Debt Consolidated Equity Ratio



High Growth

Domestic Civil Engineering – Maintain our top rank in marine civil engineering and improve ranking in land civil engineering

- Capitalize on our marine/coastal engineering prowess with projects such as offshore airports, seaside roads, distribution centers
- Public works: Increase orders in environmental fields and disaster prevention and renovation

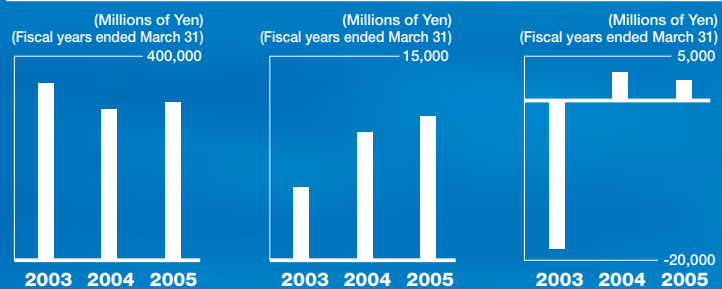
Domestic Architectural Division – Steady expansion while maintaining profit-oriented core strategies

- Domestic Architectural Engineering: Restore profitability through order selection. Successful completion of projects in fields such as distribution warehousing, healthcare, food/drugs.
- Residential: proposal-based marketing with real estate holdings or with business proposals
- Expanding market needs in consulting-oriented marketing of business proposals by bundling land pieces or by using financial schemes

Overseas Division – Focus on Fields of Expertise

- Marine Engineering Construction (Dredging/Reclamation): Aggressively expand from our home-turf of South East Asia into the East Asian and Middle Eastern markets.
- ODA Construction: Advancement into Africa and Oceania, markets expected to expand rapidly in the near future.
- Civil and Architectural Engineering: Project selection in prosperous regions such as Hong Kong and Singapore

Consolidated Net Sales Consolidated Operating Income Consolidated Net Income



The medium-term management program, "Challenge 21", is completed The new medium-term management program, "Evolution 21", begins

- Recovery of V-shaped earnings
- Financial improvement well above targets