

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
	2004	2005	2006	2007	2008	2008
Orders received	¥298,079	¥326,909	¥276,497	¥347,389	¥375,945	\$3,752,321
Civil engineering	151,789	197,567	135,405	149,595	205,839	2,054,486
Architectural engineering	140,086	126,542	139,057	193,416	167,756	1,674,380
Development business and other	6,204	2,800	2,035	4,378	2,350	23,455
Net sales	297,389	317,359	318,960	289,270	317,857	3,172,543
Civil engineering	168,438	158,300	171,437	152,937	167,482	1,671,644
Architectural engineering	123,124	156,360	142,864	134,636	145,045	1,447,699
Development business and other	5,827	2,699	4,659	1,697	5,330	53,200
Contract backlog	382,317	391,032	356,623	420,384	474,371	4,734,714
Civil engineering	237,238	275,937	246,554	248,469	283,685	2,831,470
Architectural engineering	142,257	112,172	109,771	168,935	190,686	1,903,244
Development business and other	2,822	2,923	298	2,980	0	0
Total assets	407,119	384,089	356,148	321,606	307,211	3,066,284
Net assets	38,533	45,574	63,772	53,574	48,710	486,176
Ordinary income	6,640	7,649	9,585	466	3,081	30,752
Income (loss) before income taxes	5,587	7,811	7,786	(13,503)	2,810	28,047
Net income (loss)	1,548	1,616	2,855	(6,744)	1,390	13,874
Cash dividends	—	—	—	—	—	—
Per share of common stock:	Yen					U.S. dollars
Net assets	¥106.64	¥115.33	¥129.77	¥109.02	¥198.26	\$1.98
Net income (loss)	4.28	4.28	6.31	(13.72)	5.66	0.06
Cash dividends	—	—	—	—	—	—
Number of employees	3,043	2,965	2,880	2,838	2,778	

Note:

1. Figures in U.S. dollars are converted for convenience only, at the rate of ¥100.19 per U.S.\$1, prevailing on March 31, 2008.

NON-CONSOLIDATED BALANCE SHEETS

Penta-Ocean Construction Co., Ltd.
March 31, 2007 and 20068

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Current assets:			
Cash and deposits	¥41,157	¥24,960	\$249,127
Short-term investment securities	102	102	1,018
Trade receivables:			
Notes	6,964	8,405	83,891
Accounts	121,193	137,554	1,372,931
Subsidiaries and affiliates	4,546	4,712	47,031
Inventories:			
Costs on uncompleted construction contracts	26,577	26,668	266,174
Real estate for sale and development projects in progress	17,556	11,842	118,195
Raw materials and supplies	569	833	8,314
Deferred tax assets	9,406	7,818	78,032
Other	2,897	2,360	23,555
Allowance for doubtful accounts	(905)	(981)	(9,791)
Total current assets	<u>230,062</u>	<u>224,273</u>	<u>2,238,477</u>
Investments and other assets:			
Stock of and long-term loans receivable from subsidiaries and affiliates	2,139	1,602	15,990
Investment securities	21,639	14,287	142,599
Long-term loans receivable	3,464	3,571	35,642
Deferred tax assets	6,916	10,167	101,477
Other	12,949	10,074	100,549
Allowance for doubtful accounts	(5,621)	(6,340)	(63,280)
Total investments and other assets	<u>41,486</u>	<u>33,361</u>	<u>332,977</u>
Property, plant and equipment:			
Land	33,242	34,267	342,020
Buildings and structures	30,034	29,249	291,936
Machinery, equipment and vehicles	13,335	13,117	130,921
Dredgers and vessels	26,004	25,198	251,502
Construction in progress	35	101	1,008
Total property, plant and equipment	<u>102,650</u>	<u>101,932</u>	<u>1,017,387</u>
Less accumulated depreciation	(53,098)	(52,860)	(527,598)
Property, plant and equipment — net	<u>49,552</u>	<u>49,072</u>	<u>489,789</u>
Other	506	505	5,041
Total assets	<u>¥321,606</u>	<u>¥307,211</u>	<u>\$3,066,284</u>

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Current liabilities:			
Short-term loans payable			
Bank	¥ 30,112	¥ 30,113	\$ 300,559
Current portion of long-term loans payable	30,414	29,837	297,804
Trade payable:			
Notes	26,921	20,192	201,537
Accounts	74,235	83,595	834,365
Subsidiaries and affiliates	5,664	6,388	63,759
Advance received on uncompleted construction contracts	32,710	24,986	249,386
Deposits received	9,203	10,046	100,270
Income taxes payable	426	397	3,962
Provision for loss on construction contracts	836	672	6,707
Other provision	1,948	1,977	19,733
Other	2,303	2,189	21,848
Total current liabilities	<u>214,772</u>	<u>210,392</u>	<u>2,099,930</u>
Noncurrent liabilities:			
Long-term loans payable	39,288	39,697	396,217
Provision for retirement benefits	6,305	713	7,117
Provision for directors' retirement benefits	167	—	—
Deferred tax liabilities for land revaluation	7,259	7,216	72,023
Other	241	483	4,821
Total noncurrent liabilities	<u>53,260</u>	<u>48,109</u>	<u>480,178</u>
Total liabilities	<u>268,032</u>	<u>258,501</u>	<u>2,580,108</u>
Net assets:			
Capital stock	28,070	28,070	280,168
Authorized — 599,135,000 shares			
Issued and outstanding shares			
March 31, 2008 245,763,910 shares			
March 31, 2007 491,527,820 shares			
Capital surplus			
Legal capital surplus	10,000	10,000	99,810
Other capital surplus	10,106	10,106	100,869
Total capital equity	<u>20,106</u>	<u>20,106</u>	<u>200,679</u>
Retained earnings			
General reserve	4,000	—	—
Retained Earnings brought forward	(3,714)	(1,006)	(10,041)
Total retained earnings	<u>286</u>	<u>(1,006)</u>	<u>(10,041)</u>
Less: Treasury stock	(15)	(20)	(200)
Valuation difference on available-for-sale securities	4,276	(1,972)	(19,683)
Deferred gains (losses) on hedges	(6)	(7)	(70)
Revaluation reserve for land	857	3,539	35,323
Total net assets	<u>53,574</u>	<u>48,710</u>	<u>486,176</u>
Total liabilities and net assets	<u>¥321,606</u>	<u>¥307,211</u>	<u>\$3,066,284</u>

NON-CONSOLIDATED STATEMENTS OF INCOME

Penta-Ocean Construction Co., Ltd.
For the two years ended March 31, 2008

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Construction contracts:			
Net sales.....	¥287,573	¥312,527	\$3,119,343
Cost of sales	266,943	289,297	2,887,484
Gross profit	20,630	23,230	231,859
Development business and other:			
Net sales.....	1,697	5,329	53,189
Cost of sales	1,712	5,864	58,528
Gross profit (loss)	(15)	(535)	(5,339)
Total net sales	289,270	317,856	3,172,532
Total cost of sales	268,655	295,161	2,946,012
Total gross profit.....	20,615	22,695	226,520
Selling, general and administrative expenses	17,321	15,915	158,849
Operating income	3,294	6,780	67,671
Non-operating income:			
Interest and dividends income	533	566	5,649
Interest and dividends income from subsidiaries and affiliates	83	69	689
Other	456	367	3,663
	1,072	1,002	10,001
Non-operating expenses:			
Interest expenses	2,831	2,996	29,903
Other	1,069	1,705	17,017
	3,900	4,701	46,920
Ordinary income.....	466	3,081	30,752
Extraordinary gain	5,765	3,280	32,738
Extraordinary loss	19,734	3,551	35,443
Income (loss) before income taxes	(13,503)	2,810	28,047
Income taxes:			
Current.....	490	364	3,633
Deferred	(7,249)	1,056	10,540
	(6,759)	1,420	14,173
Net income (loss)	¥ (6,744)	¥ 1,390	\$ 13,874
Net income (loss) per share of common stock			
	Yen		U.S. dollars
Primary	¥(13.72)	¥5.66	\$0.06
Assuming full dilution	—	—	—