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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: PENTA-OCEAN CONSTRUCTION CO.,LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 1893

URL: <https://www.penta-ocean.co.jp>

Representative: Takuzo Shimizu

President, Chief Executive Officer and Representative Director

Contact: Tsutomu Sasaki

General Manager, Head of Accounting Division

Phone: (03)3817-7619

Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of commencing dividend payments: June 26, 2024

Scheduled date of filing annual securities report: June 25, 2024

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY3/24	617,708	23.0	29,152	607.7	27,221	-	17,875	-
FY3/23	502,206	9.6	4,119	(74.2)	1,415	(91.0)	684	(93.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 23,232 million [ 513.5%]  
Fiscal year ended March 31, 2023: ¥ 3,787 million [ (59.0)%]

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY3/24	62.73	-	10.8	5.1	4.7
FY3/23	2.40	-	0.4	0.3	0.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ (549) million  
Fiscal year ended March 31, 2023: ¥ 47 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	566,028	173,064	30.6	607.35
March 31, 2023	508,179	156,953	30.9	550.03

(Reference) Equity: As of March 31, 2024: ¥ 173,008 million  
As of March 31, 2023: ¥ 156,845 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY3/24	9,139	(6,406)	6,710	59,564
FY3/23	19,689	(11,701)	(6,960)	47,380

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY3/23	-	-	-	24.00	24.00	6,859	1,002.0	4.3
FY3/24	-	-	-	24.00	24.00	6,859	38.4	4.1
FY3/25 (Forecast)	-	12.00	-	12.00	24.00		34.3	

(Note) Total dividends contain the dividends for the trust banks of the Board Benefit Trust (BBT), JPY15 million in FY3/23, and JPY22 million in FY3/24. The payout ratio is calculated, by dividing the Total dividends by the net income attributable to owners of parent.

At the 74th Ordinary General Meeting of Shareholders scheduled for June 25, 2024, the Company plans to submit a proposal to amend the Articles of Incorporation to allow the Company to pay interim dividends by resolution of the Board of Directors in order to enhance the opportunity for profit distribution to shareholders.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	655,000	6.0	32,500	11.5	30,000	10.2	20,000	11.9	70.21

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 286,013,910 shares

March 31, 2023: 286,013,910 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 1,157,161 shares

March 31, 2023: 856,034 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 284,987,493 shares

Fiscal Year ended March 31, 2023: 285,145,410 shares

Note: Both the number of shares of treasury stock as of the end of FY3/24, and the average number of shares outstanding during the period that is calculated by subtracting the number of shares of treasury stock from the number of outstanding shares, contain the company's shares of the BBT.

\* This document is out of the scope of the review procedures.

Notes: Request for appropriate use of the business outlook and other special remarks:

The forecasts given above are based on information currently available and certain premises regarded as reasonable, and do not include any intent that the company will guarantee its achievement. The actual business result is inherently subject to a variety of risks and uncertainties, and may vary significantly from forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

## Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	50,489	60,148
Notes receivable, accounts receivable from completed construction contracts and other	269,912	300,417
Securities	11	41
Costs on construction contracts in progress	15,396	21,427
Real estate for sale and development projects in progress	1,191	1,192
Accounts receivable - other	22,114	34,868
Other	18,566	11,084
Allowance for doubtful accounts	(307)	(340)
<b>Total current assets</b>	<b>377,377</b>	<b>428,840</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,956	41,363
Machinery, vehicles, tools, furniture and fixtures	113,764	136,362
Land	33,392	33,425
Construction in progress	17,566	4,028
Other	233	269
Accumulated depreciation	(114,149)	(119,171)
<b>Total property, plant and equipment</b>	<b>91,763</b>	<b>96,278</b>
<b>Intangible assets</b>	<b>3,660</b>	<b>2,498</b>
Investments and other assets		
Investment securities	22,459	24,852
Deferred tax assets	5,796	3,571
Retirement benefit asset	4,155	6,955
Other	6,828	7,317
Allowance for doubtful accounts	(3,862)	(4,285)
<b>Total investments and other assets</b>	<b>35,378</b>	<b>38,411</b>
<b>Total non-current assets</b>	<b>130,802</b>	<b>137,188</b>
<b>Total assets</b>	<b>508,179</b>	<b>566,028</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	124,327	138,508
Short-term borrowings	32,429	43,705
Commercial papers	9,999	-
Current portion of bonds payable	10,000	-
Income taxes payable	1,551	8,224
Advances received on construction contracts in progress	50,747	43,200
Deposits received	51,201	65,301
Provision for warranties for completed construction	909	1,279
Provision for bonuses	3,073	3,258
Provision for loss on construction contracts	11,103	8,699
Other	8,599	8,825
Total current liabilities	303,943	321,004
Non-current liabilities		
Bonds payable	20,000	41,000
Long-term borrowings	21,265	25,611
Deferred tax liabilities for land revaluation	3,679	3,679
Provision for share awards for directors (and other officers)	345	423
Retirement benefit liability	1,511	801
Other	480	444
Total non-current liabilities	47,282	71,959
Total liabilities	351,226	392,964
<b>Net assets</b>		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	97,931	108,948
Treasury shares	(511)	(773)
Total shareholders' equity	146,257	157,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,816	6,268
Deferred gains or losses on hedges	842	23
Revaluation reserve for land	3,977	3,977
Foreign currency translation adjustment	1,700	3,114
Remeasurements of defined benefit plans	251	2,613
Total accumulated other comprehensive income	10,588	15,996
Non-controlling interests	107	55
Total net assets	156,953	173,064
Total liabilities and net assets	508,179	566,028

## Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)
<b>Net sales</b>		
Net sales of completed construction contracts	492,118	600,833
Other sales	10,087	16,874
Total net sales	502,206	617,708
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	467,969	550,892
Other cost of sales	7,812	13,488
Total cost of sales	475,782	564,380
<b>Gross profit</b>		
Gross profit on completed construction contracts	24,149	49,941
Gross profit - other	2,274	3,386
Total gross profit	26,423	53,327
Selling, general and administrative expenses	22,304	24,175
Operating profit	4,119	29,152
<b>Non-operating income</b>		
Interest income	383	524
Dividend income	409	367
Foreign exchange gains	-	235
Other	331	202
Total non-operating income	1,124	1,329
<b>Non-operating expenses</b>		
Interest expenses	953	1,989
Share of loss of entities accounted for using equity method	-	549
Provision of allowance for doubtful accounts	376	427
Foreign exchange losses	2,239	-
Other	259	293
Total non-operating expenses	3,827	3,260
Ordinary income	1,415	27,221
<b>Extraordinary income</b>		
Gain on sale of non-current assets	242	203
Gain on sale of investment securities	131	1,061
Total extraordinary income	373	1,265
<b>Extraordinary losses</b>		
Impairment losses	-	892
Loss on retirement of non-current assets	113	138
Other	4	48
Total extraordinary losses	118	1,079
Income before income taxes	1,671	27,406
Income taxes - current	3,477	9,071
Income taxes - deferred	(2,411)	512
Total income taxes	1,065	9,583
Net income	605	17,823
Net loss attributable to non-controlling interests	(79)	(52)
Net income attributable to owners of parent	684	17,875

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)
Net income	605	17,823
Other comprehensive income		
Valuation difference on available-for-sale securities	591	2,451
Deferred gains or losses on hedges	1,004	(818)
Foreign currency translation adjustment	656	1,104
Remeasurements of defined benefit plans, net of tax	400	2,361
Share of other comprehensive income of entities accounted for using equity method	527	310
Total other comprehensive income	3,181	5,408
Comprehensive income	3,787	23,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,865	23,284
Comprehensive income attributable to non-controlling interests	(78)	(52)

## Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,671	27,406
Depreciation	7,235	7,565
Impairment losses	-	892
Amortization of goodwill	302	334
Increase (decrease) in allowance for doubtful accounts	325	455
Increase (decrease) in provision for bonuses	(49)	184
Increase (decrease) in provision for loss on construction contracts	7,196	(2,426)
Increase (decrease) in retirement benefit liability	115	337
Decrease (increase) in retirement benefit asset	(253)	(442)
Interest and dividend income	(792)	(891)
Interest expenses	953	1,989
Foreign exchange losses (gains)	(2,564)	(1,072)
Share of loss (profit) of entities accounted for using equity method	(47)	549
Loss (gain) on sale of property, plant and equipment	(240)	(202)
Loss (gain) on sale of short-term and long-term investment securities	(131)	(1,061)
Decrease (increase) in trade receivables	(5,680)	(30,190)
Decrease (increase) in costs on construction contracts in progress	414	(4,219)
Decrease (increase) in inventories	(609)	(1,424)
Increase (decrease) in trade payables	6,105	13,860
Increase (decrease) in advances received on construction contracts in progress	19,734	(7,615)
Decrease (increase) in accounts receivable - other	(10,501)	(12,692)
Increase (decrease) in deposits received	12,466	14,099
Other, net	(10,947)	7,288
Subtotal	24,703	12,724
Interest and dividends received	759	905
Interest paid	(938)	(1,899)
Income taxes paid	(4,834)	(2,589)
Net cash provided by (used in) operating activities	19,689	9,139
<b>Cash flows from investing activities</b>		
Payments into time deposits	(5,333)	(3,320)
Proceeds from withdrawal of time deposits	3,494	5,977
Purchase of short-term and long-term investment securities	(207)	(27)
Proceeds from sale and redemption of short-term and long-term investment securities	244	1,896
Purchase of property, plant and equipment	(10,114)	(10,887)
Proceeds from sale of property, plant and equipment	487	230
Proceeds from collection of loans receivable	6	6
Other, net	(278)	(282)
Net cash provided by (used in) investing activities	(11,701)	(6,406)

	(Millions of yen)	
	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,309	7,320
Net increase (decrease) in commercial papers	(0)	(9,999)
Proceeds from long-term borrowings	7,175	14,790
Repayments of long-term borrowings	(9,632)	(9,074)
Proceeds from issuance of bonds	-	20,885
Redemption of bonds	-	(10,000)
Dividends paid	(6,562)	(6,847)
Other, net	(251)	(364)
Net cash provided by (used in) financing activities	(6,960)	6,710
Effect of exchange rate change on cash and cash equivalents	2,784	2,739
Net increase (decrease) in cash and cash equivalents	3,812	12,183
Cash and cash equivalents at beginning of period	43,567	47,380
Cash and cash equivalents at end of period	47,380	59,564



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

## 1. Orders Received

(Millions of Yen)

	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	219,804	193,446	(26,358)	(12.0)
Private works	90,758	80,186	(10,572)	(11.6)
Domestic civil engineering	310,563	273,632	(36,930)	(11.9)
Public works	55,881	80,049	24,167	43.2
Private works	165,818	170,511	4,693	2.8
Domestic building construction	221,699	250,560	28,861	13.0
Civil engineering	30,596	14,410	(16,186)	(52.9)
Building construction	105,818	53,592	(52,226)	(49.4)
Overseas	136,415	68,002	(68,412)	(50.2)
Construction Total	668,677	592,196	(76,481)	(11.4)
Others	426	478	51	12.1
Total	669,104	592,674	(76,429)	(11.4)

## 2. Net Sales

(Millions of Yen)

	FY3/23 (From Apr. 1, 2022 to Mar. 31, 2023)	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	131,026	177,941	46,914	35.8
Private works	54,005	66,066	12,060	22.3
Domestic civil engineering	185,032	244,007	58,974	31.9
Public works	20,245	25,583	5,338	26.4
Private works	139,868	160,472	20,604	14.7
Domestic building construction	160,113	186,056	25,942	16.2
Civil engineering	74,622	78,012	3,389	4.5
Building construction	48,869	57,315	8,445	17.3
Overseas	123,491	135,327	11,835	9.6
Construction Total	468,638	565,391	96,753	20.6
Others	426	478	51	12.1
Total	469,065	565,870	96,805	20.6

## 3. Backlog

(Millions of Yen)

	FY3/23 (Mar. 31, 2023)	FY3/24 (Mar. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	199,164	214,669	15,505	7.8
Private works	130,945	145,065	14,119	10.8
Domestic civil engineering	330,110	359,735	29,625	9.0
Public works	77,257	131,722	54,465	70.5
Private works	240,817	250,856	10,038	4.2
Domestic building construction	318,074	382,579	64,504	20.3
Civil engineering	160,940	110,344	(50,596)	(31.4)
Building construction	231,300	250,933	19,632	8.5
Overseas	392,241	361,277	(30,963)	(7.9)
Construction Total	1,040,426	1,103,592	63,166	6.1
Others	-	-	-	-
Total	1,040,426	1,103,592	63,166	6.1