

The following is an English translation of the original Japanese documents.

September 8, 2020

Listed company:	Penta Ocean Construction Co.,Ltd.
Code number:	1893
Stock Exchange:	Tokyo Stock Exchange (TSE) Nagoya Stock Exchange (NSE)

Notice Regarding Issuance of Green Bonds (5th Unsecured Corporate Bonds)

Penta-Ocean Construction Co., Ltd. (the Company) plans to issue green bonds (Penta-Ocean Construction Green Bonds) in October this year (hereinafter, the Issuance), which will be used for the payment of construction of the multipurpose self-elevating platform (hereinafter, the SEP vessel), that is currently under construction. The Company hereby announces that it has submitted an Amended Shelf Registration Statement for the Issuance to the Director of the Kanto Finance Bureau on September 8.

1. Purpose and background of the Issuance

The Company's group management philosophies are "Affiliating with society", "Creating a nature-rich environment", and "Cherishing a pioneering spirit". In order to realize a sustainable society, we strive to sincerely address issues faced by our customers and society at all times and continue to create environmental value through our business activities. In our new medium-term management plan announced in May 2020, we have set one of our main strategies to practicing ESG-oriented CSR management to become a "genuine global general contractor" with distinctive strengths in port, coastal and waterfront areas and overseas, and are promoting initiatives in each of the above Environment (E), Society (S) and Governance (G) areas. In particular, as an environmental initiative, we launched the Offshore Wind Farm Business Divisions Group in April to leverage our strengths in marine civil engineering and contribute to promote wider-spread use of offshore wind power generation across Japan as a top-runner in the offshore wind farm construction field. In December 2018, we constructed "CP-8001", Japan's first multipurpose self-elevating platform with an 800t lifting crane for offshore wind turbine installation.

The funds raised through the Issuance will be used for the payment of construction of the second SEP vessel equipped with a 1,600t lifting crane, which will be constructed by the Company in collaboration with Kajima Corporation and Yorigami Construction. Through the Issuance, we would like to make an active contribution to promoting wider-spread use of offshore wind power generation in Japan.

Under our corporate mission that the greatest contribution to society is the construction of superior quality social infrastructures, we will continue to implement CSR-based management, and endeavor to further enhance our corporate value.

2. Outline of the Issuance

Name	Penta-Ocean Construction Co., Ltd. 5 th Unsecured Corporate Bonds (Green Bonds)
Total Amount	JPY 10 billion (Schedule)
Terms of issue	5 years (Schedule)
Issuance date	October 2020 (Schedule)
Usage of fund	JPY 10 billion for the payment of construction of the SEP vessel (Schedule)
Underwriters	Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc.
Green Bond Structuring Agent	Mizuho Securities, Co., Ltd.

3. Eligibility as green bonds

The Company has established a Green Bond Framework for the Issuance in accordance with "CBI Climate Bonds Standard v3.0, Marine Renewable Energy Sector Criteria" ¹⁾, "Green Bond Principles 2018 edition" ²⁾, and "The Green Bond Guidelines 2020 edition" ³⁾.

As the third-party evaluation of Green Bonds, we have received a second-party opinion from the Japan Credit Rating Agency Co., Ltd. (JCR) under their "JCR Green Bond Ratings"⁴⁾ that the above framework complies with the "Green Bond Principles 2018 edition" ²⁾ and the "Green Bond Guidelines 2020 edition" ³⁾, and has also received a preliminary assessment of the highest evaluation, "Green 1". Further, Penta-Ocean Construction Green Bonds were verified through JCR, the accredited verification body of CBI, for its conformity to "CBI Climate Bonds Standard v3.0, Marine Renewable Energy Sector Criteria", and has been certified by CBI. This is the world's first CBI certification for funding a SEP vessel construction.

Additionally, the acquisition of a third-party evaluation of these bonds is eligible for the Ministry of the Environment's subsidy for reduction measures of CO2 emissions in Reiwa 2.

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- 1) "CBI Climate Bonds Standard v3.0, Marine Renewable Energy Sector Criteria" are criteria for issuing climate bonds, which were established by Climate Bonds Initiative (CBI), an international NGO that promotes large-scale investment for a low-carbon economy.
 - 2) "Green Bond Principles" are guidelines for the issuance of green bonds, which were formulated by Advisory Council of Green Bonds Principles, a private organization whose secretariat is managed by International Capital Markets Association (ICMA).
 - 3) "Green Bond Guidelines 2020 edition" are the guidelines revised and published by the Ministry of the Environment in March 2020, which provide consideration to consistency and general interpretation in accordance with local Japanese standards to be used as a reference when market practitioners consider specific actions regarding green bonds issuance while considering the compliance with the Green Bond Principles, in an attempt to further promote the wider domestic use of green bonds.
 - 4) "JCR Green Bond Evaluation" is an evaluation of the extent to which the funds procured by the issuance of green bonds are allocated to the JCR-defined green projects, and the extent to which management, operation and transparency of the use of the funds procured from the issuance of the green bonds are ensured. The evaluation ranking is in 5 levels, in order from the top, using the rating symbols of Green 1, Green 2, Green 3, Green 4, and Green 5.

4. Outline of the Green Project

Name	A multipurpose Self-Elevating Platform with a large crane
Investment amount	JPY 18.5 billion (Penta-Ocean Construction portion: Approx. JPY 12 billion)
Time of completion	September 2022 (Operation start: March 2023) (Schedule)
Design and construction	Basic design: GustoMSC B.V. (The Netherlands) Construction: PaxOcean Engineering Pte. Ltd. (Singapore) Main crane: Huisman Equipment BV (The Netherlands)
Operation period	112 years
Operation sites	Japan
Features	<ul style="list-style-type: none"> • By jacking the hull, the vessel ensures safe, efficient and highly precise crane operation even in the sea areas with severe metocean conditions, especially in deep waters (up to 50m). The fully revolving crane with a 1,600t lifting capacity enables installation of 10-12 MW wind turbines and various foundations including monopiles and jackets, etc. • Equipped with the large deck space and sufficient jack-up capacity, the SEP vessel can carry multiple 10-12 MW class wind turbines for efficient installation works. • The equipped Dynamic Positioning System (DPS) keeps the hull position with high precision, and reduces the positioning time required during jacking up of the SEP vessel.



Rendering of the Multipurpose Self-Elevating Platform with a large crane

This release is current as of the announcement date and subject to change.