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## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2021 [Japanese GAAP]

August 04, 2020

Company name: PENTA-OCEAN CONSTRUCTION CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 1893  
 URL: <http://www.penta-ocean.co.jp/>  
 Representative: Takuzo Shimizu President, Chief Executive Officer and Representative Director  
 Contact: Syunji Kitahashi Managing Executive Officer, General Manager, Head of Accounting Division  
 Phone: (03)3817-7619  
 Scheduled date of filing quarterly securities report: August 04, 2020  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2020 (April 01, 2020 to June 30, 2020)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/21 1Q	114,802	(20.7)	8,180	(0.6)	8,504	4.5	5,953	0.6
FY3/20 1Q	144,756	24.4	8,228	24.5	8,134	20.4	5,918	15.6

(Note) Comprehensive income: Three months ended June 30, 2020: ¥ 6,263 million [ 39.8%]  
 Three months ended June 30, 2019: ¥ 4,480 million [ (26.5)%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY3/21 1Q	20.86		-	
FY3/20 1Q	20.74		-	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2020	403,868	140,704	34.8
March 31, 2020	428,875	141,299	32.9

(Reference) Equity: As of June 30, 2020: ¥ 140,576 million  
 As of March 31, 2020: ¥ 141,174 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/20	-	-	-	24.00	24.00
FY3/21	-	-	-	-	-
FY3/21 (Forecast)	-	-	-	20.00	20.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) For FY 3/21, JPY 5 commemorative dividends for the company's 125th anniversary of the founding will be added to regular dividends.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2020	223,200	(24.4)	12,500	(27.2)	12,300	(29.1)	8,600	(28.8)	30.14
Full year	493,000	(14.1)	27,500	(17.1)	27,000	(17.0)	18,500	(20.8)	64.83

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) 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
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
 

June 30, 2020:	286,013,910 shares
March 31, 2020:	286,013,910 shares
  - 2) Total number of treasury shares at the end of the period:
 

June 30, 2020:	640,687 shares
March 31, 2020:	640,654 shares
  - 3) Average number of shares during the period:
 

Three months ended June 30, 2020:	285,373,231 shares
Three months ended June 30, 2019:	285,358,761 shares

Note: Both the number of shares of treasury stock as of end of period, 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 quarterly review procedures.

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

- 1) The financial forecasts for the entire term for fiscal year ending March 31, 2021 are the same as ones provided in May 11, 2020.
- 2) 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.

## Quarterly Consolidated Financial Statements

## Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	43,621	59,546
Notes receivable, accounts receivable from completed construction contracts and other	239,344	200,876
Securities	74	74
Costs on construction contracts in progress	12,941	14,476
Real estate for sale and development projects in progress	1,902	1,890
Accounts receivable - other	20,265	15,793
Other	2,815	4,119
Allowance for doubtful accounts	(702)	(581)
Total current assets	320,264	296,195
Non-current assets		
Property, plant and equipment		
Land	33,580	33,580
Other, net	46,347	45,146
Total property, plant and equipment	79,928	78,727
Intangible assets	1,454	3,890
Investments and other assets		
Investment securities	17,152	17,637
Retirement benefit asset	1,259	1,329
Other	11,876	9,180
Allowance for doubtful accounts	(3,060)	(3,091)
Total investments and other assets	27,228	25,055
Total non-current assets	108,611	107,673
<b>Total assets</b>	<b>428,875</b>	<b>403,868</b>

(Million yen)

	As of March 31,2020	As of June 30,2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	118,816	104,787
Short-term borrowings	24,673	29,039
Commercial papers	17,999	-
Current portion of bonds payable	10,000	10,000
Income taxes payable	7,357	563
Advances received on construction contracts in progress	20,932	24,643
Provisions	6,887	4,701
Other	50,337	46,905
Total current liabilities	257,003	220,641
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	14,858	26,773
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	214	231
Retirement benefit liability	1,252	1,265
Other	566	573
Total non-current liabilities	30,572	42,523
Total liabilities	287,575	263,164
<b>Net assets</b>		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	87,066	86,160
Treasury shares	(373)	(373)
Total shareholders' equity	135,529	134,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,673	3,003
Deferred gains or losses on hedges	43	(60)
Revaluation reserve for land	3,910	3,910
Foreign currency translation adjustment	(166)	(105)
Remeasurements of defined benefit plans	(815)	(794)
Total accumulated other comprehensive income	5,645	5,953
Non-controlling interests	125	127
Total net assets	141,299	140,704
Total liabilities and net assets	428,875	403,868

## Quarterly Consolidated Statements of Income (For the three months)

	(Million yen)	
	FY3/20 1Q (From Apr. 1, 2019 to Jun. 30, 2019)	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)
<b>Net sales</b>		
Net sales of completed construction contracts	142,826	112,484
Other sales	1,930	2,317
Total net sales	144,756	114,802
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	130,775	100,410
Other cost of sales	1,297	1,576
Total cost of sales	132,073	101,986
<b>Gross profit</b>		
Gross profit on completed construction contracts	12,051	12,074
Gross profit - other	632	741
Total gross profit	12,683	12,815
Selling, general and administrative expenses	4,454	4,635
Operating income	8,228	8,180
<b>Non-operating income</b>		
Interest income	14	21
Dividend income	207	205
Reversal of allowance for doubtful accounts	97	126
Other	86	172
Total non-operating income	405	526
<b>Non-operating expenses</b>		
Interest expenses	163	151
Foreign exchange losses	306	-
Other	29	50
Total non-operating expenses	499	202
Ordinary income	8,134	8,504
<b>Extraordinary income</b>		
Gain on sales of non-current assets	118	3
Gain on sales of investment securities	-	13
Other	0	-
Total extraordinary income	118	17
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	0	18
Other	10	4
Total extraordinary losses	10	22
Income before income taxes	8,241	8,499
Income taxes - current	1,456	15
Income taxes - deferred	864	2,531
Total income taxes	2,320	2,546
Net income	5,921	5,952
Net income attributable to non-controlling interests	2	(0)
Net income attributable to owners of parent	5,918	5,953

## Quarterly Consolidated Statements of Comprehensive Income (For the three months)

	(Million yen)	
	FY3/20 1Q (From Apr. 1, 2019 to Jun. 30, 2019)	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)
Net income	5,921	5,952
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,390)	330
Deferred gains or losses on hedges	(6)	(103)
Foreign currency translation adjustment	(20)	64
Remeasurements of defined benefit plans, net of tax	(22)	20
Total other comprehensive income	(1,440)	311
Comprehensive income	4,480	6,263
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,478	6,261
Comprehensive income attributable to non-controlling interests	2	2

(Reference)

## Non-Consolidated Orders Received, Net Sales and Backlog

## 1. Orders Received

(Millions of Yen)

	FY3/20 1Q (From Apr. 1, 2019 to Jun. 30, 2019)	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	Increase (Decrease)	Rate of change (%)
Public works	23,837	32,278	8,440	35.4
Private works	8,803	8,212	(590)	(6.7)
Domestic civil engineering	32,640	40,490	7,850	24.1
Public works	2,986	7,695	4,708	157.6
Private works	17,510	27,745	10,234	58.4
Domestic building construction	20,497	35,441	14,943	72.9
Civil engineering	15,280	434	(14,846)	(97.2)
Building construction	2,361	21,185	18,824	797.1
Overseas	17,642	21,620	3,977	22.5
Construction Total	70,780	97,552	26,771	37.8
Others	72	80	8	11.3
Total	70,853	97,632	26,779	37.8

## 2. Net Sales

(Millions of Yen)

	FY3/20 1Q (From Apr. 1, 2019 to Jun. 30, 2019)	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	Increase (Decrease)	Rate of change (%)
Public works	34,677	31,915	(2,762)	(8.0)
Private works	10,926	9,805	(1,121)	(10.3)
Domestic civil engineering	45,604	41,721	(3,883)	(8.5)
Public works	8,874	4,195	(4,678)	(52.7)
Private works	36,477	27,467	(9,009)	(24.7)
Domestic building construction	45,351	31,663	(13,688)	(30.2)
Civil engineering	36,423	30,411	(6,011)	(16.5)
Building construction	6,840	4,095	(2,744)	(40.1)
Overseas	43,263	34,507	(8,756)	(20.2)
Construction Total	134,220	107,892	(26,328)	(19.6)
Others	72	80	8	11.3
Total	134,293	107,973	(26,320)	(19.6)

## 3. Backlog

(Millions of Yen)

	FY3/20 1Q (Jun. 30, 2019)	FY3/21 1Q (Jun. 30, 2020)	Increase (Decrease)	Rate of change (%)
Public works	148,684	138,660	(10,023)	(6.7)
Private works	39,400	59,591	20,191	51.2
Domestic civil engineering	188,084	198,251	10,167	5.4
Public works	41,905	35,661	(6,244)	(14.9)
Private works	172,742	180,128	7,385	4.3
Domestic building construction	214,648	215,789	1,141	0.5
Civil engineering	310,468	234,707	(75,761)	(24.4)
Building construction	86,549	92,452	5,902	6.8
Overseas	397,018	327,160	(69,858)	(17.6)
Construction Total	799,751	741,202	(58,549)	(7.3)
Others	—	—	—	—
Total	799,751	741,202	(58,549)	(7.3)