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## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2023 [Japanese GAAP]

August 04, 2022

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

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Scheduled date of filing quarterly securities report: August 04, 2022

Scheduled date of commencing dividend payments: -

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, 2022 (April 01, 2022 to June 30, 2022)

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

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/23 1Q	107,175	8.3	3,812	(32.0)	4,553	(20.7)	3,237	(28.8)
FY3/22 1Q	98,962	(13.8)	5,606	(31.5)	5,745	(32.4)	4,550	(23.6)

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 3,225 million [ (14.0) %]  
Three months ended June 30, 2021: ¥ 3,751 million [ (40.1) %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY3/23 1Q	11.36	-
FY3/22 1Q	15.96	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2022	447,027	156,392	34.9
March 31, 2022	467,364	159,786	34.1

(Reference) Equity: As of June 30, 2022: ¥ 156,223 million  
As of March 31, 2022: ¥ 159,599 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/22	-	-	-	23.00	23.00
FY3/23	-	-	-	-	-
FY3/23 (Forecast)	-	-	-	24.00	24.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	515,000	12.4	31,500	97.6	31,000	98.0	21,000	95.3	73.65

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

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(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, 2022: 286,013,910 shares

March 31, 2022: 286,013,910 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 855,817 shares

March 31, 2022: 937,517 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 285,117,243 shares

Three months ended June 30, 2021: 285,048,650 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, 2023 are the same as ones provided in May 13, 2022.

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 31,2022	As of June 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	44,838	47,267
Notes receivable, accounts receivable from completed construction contracts and other	263,965	228,629
Securities	18	18
Costs on construction contracts in progress	14,896	17,340
Real estate for sale and development projects in progress	1,227	1,301
Accounts receivable - other	11,575	17,979
Other	8,201	10,074
Allowance for doubtful accounts	(345)	(307)
Total current assets	344,377	322,305
Non-current assets		
Property, plant and equipment		
Land	33,501	33,501
Other, net	54,006	56,817
Total property, plant and equipment	87,507	90,318
Intangible assets	3,761	3,758
Investments and other assets		
Investment securities	21,056	20,647
Retirement benefit asset	3,476	3,541
Other	10,682	10,234
Allowance for doubtful accounts	(3,498)	(3,777)
Total investments and other assets	31,717	30,645
Total non-current assets	122,986	124,722
<b>Total assets</b>	<b>467,364</b>	<b>447,027</b>

(Million yen)

	As of March 31,2022	As of June 30,2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	117,852	105,960
Short-term borrowings	29,109	35,887
Commercial papers	10,000	-
Income taxes payable	2,838	923
Advances received on construction contracts in progress	30,900	30,780
Provisions	7,782	5,951
Other	49,281	53,455
Total current liabilities	247,764	232,959
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	23,447	21,348
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	348	292
Retirement benefit liability	1,847	1,849
Other	490	505
Total non-current liabilities	59,813	57,674
Total liabilities	307,577	290,634
Net assets		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	103,984	100,549
Treasury shares	(564)	(511)
Total shareholders' equity	152,257	148,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,227	3,030
Deferred gains or losses on hedges	(162)	(312)
Revaluation reserve for land	3,912	3,912
Foreign currency translation adjustment	513	919
Remeasurements of defined benefit plans	(148)	(200)
Total accumulated other comprehensive income	7,342	7,348
Non-controlling interests	186	168
Total net assets	159,786	156,392
Total liabilities and net assets	467,364	447,027

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

	(Million yen)	
	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	FY3/23 1Q (From Apr. 1, 2022 to Jun. 30, 2022)
<b>Net sales</b>		
Net sales of completed construction contracts	96,817	105,061
Other sales	2,144	2,113
Total net sales	98,962	107,175
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	86,627	96,280
Other cost of sales	1,418	1,679
Total cost of sales	88,045	97,959
<b>Gross profit</b>		
Gross profit on completed construction contracts	10,190	8,780
Gross profit - other	726	434
Total gross profit	10,916	9,215
Selling, general and administrative expenses	5,310	5,402
Operating profit	5,606	3,812
<b>Non-operating income</b>		
Interest income	9	9
Dividend income	156	201
Foreign exchange gains	-	862
Other	165	96
Total non-operating income	330	1,169
<b>Non-operating expenses</b>		
Interest expenses	135	129
Foreign exchange losses	51	-
Provision of allowance for doubtful accounts	-	282
Other	4	16
Total non-operating expenses	192	429
Ordinary income	5,745	4,553
<b>Extraordinary income</b>		
Gain on sale of non-current assets	13	8
Gain on sale of investment securities	482	-
Total extraordinary income	496	8
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	53	17
Other	15	0
Total extraordinary losses	68	18
Income before income taxes	6,172	4,543
Income taxes - current	400	445
Income taxes - deferred	1,214	878
Total income taxes	1,615	1,323
Net income	4,557	3,219
Net income (loss) attributable to non-controlling interests	6	(18)
Net income attributable to owners of parent	4,550	3,237

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

	(Million yen)	
	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	FY3/23 1Q (From Apr. 1, 2022 to Jun. 30, 2022)
Net income	4,557	3,219
Other comprehensive income		
Valuation difference on available-for-sale securities	(743)	(197)
Deferred gains or losses on hedges	39	(150)
Foreign currency translation adjustment	140	408
Remeasurements of defined benefit plans, net of tax	(44)	(52)
Share of other comprehensive income of entities accounted for using equity method	(196)	(1)
Total other comprehensive income	(805)	6
Comprehensive income	3,751	3,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,745	3,243
Comprehensive income attributable to non-controlling interests	6	(17)

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

## 1. Orders Received

(Millions of Yen)

	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	FY3/23 1Q (From Apr. 1, 2022 to Jun. 30, 2022)	Increase (Decrease)	Rate of change (%)
Public works	21,097	28,555	7,457	35.3
Private works	6,553	5,590	(963)	(14.7)
Domestic civil engineering	27,651	34,146	6,494	23.5
Public works	5,073	15,633	10,560	208.2
Private works	30,997	17,767	(13,230)	(42.7)
Domestic building construction	36,070	33,400	(2,670)	(7.4)
Civil engineering	3,749	107	(3,642)	(97.1)
Building construction	4,495	80,320	75,825	1686.7
Overseas	8,245	80,427	72,182	875.4
Construction Total	71,967	147,974	76,006	105.6
Others	550	76	(473)	(86.1)
Total	72,518	148,051	75,533	104.2

## 2. Net Sales

(Millions of Yen)

	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	FY3/23 1Q (From Apr. 1, 2022 to Jun. 30, 2022)	Increase (Decrease)	Rate of change (%)
Public works	26,625	25,188	(1,437)	(5.4)
Private works	8,795	10,521	1,725	19.6
Domestic civil engineering	35,421	35,709	288	0.8
Public works	3,855	5,256	1,400	36.3
Private works	25,975	30,295	4,319	16.6
Domestic building construction	29,831	35,551	5,720	19.2
Civil engineering	18,998	19,558	559	2.9
Building construction	7,589	8,273	683	9.0
Overseas	26,588	27,831	1,243	4.7
Construction Total	91,841	99,093	7,251	7.9
Others	550	76	(473)	(86.1)
Total	92,391	99,170	6,778	7.3

## 3. Backlog

(Millions of Yen)

	FY3/22 1Q (Jun. 30, 2021)	FY3/23 1Q (Jun. 30, 2022)	Increase (Decrease)	Rate of change (%)
Public works	120,937	113,754	(7,183)	(5.9)
Private works	70,941	89,262	18,320	25.8
Domestic civil engineering	191,879	203,016	11,136	5.8
Public works	51,596	51,998	401	0.8
Private works	202,769	202,339	(430)	(0.2)
Domestic building construction	254,365	254,337	(28)	(0.0)
Civil engineering	179,451	173,248	(6,202)	(3.5)
Building construction	182,961	234,660	51,698	28.3
Overseas	362,413	407,909	45,496	12.6
Construction Total	808,658	865,263	56,604	7.0
Others	—	—	—	—
Total	808,658	865,263	56,604	7.0