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Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2025 [Japanese GAAP]

August 6, 2024

Company name: PENTA-OCEAN CONSTRUCTION CO.,LTD.
 Listing: Tokyo, Nagoya
 Securities code: 1893
 URL: <https://www.penta-ocean.co.jp>
 Representative: Takuzo Shimizu President, Chief Executive Officer and Representative Director
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	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	%
FY3/25 1Q	154,349	21.3	7,213	8.0	7,348	7.1	5,222	9.3
FY3/24 1Q	127,273	18.8	6,681	75.2	6,858	50.6	4,778	47.6

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 6,264 million [(4.4)%]
 Three months ended June 30, 2023: ¥ 6,554 million [103.2%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY3/25 1Q	18.40	-
FY3/24 1Q	16.76	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	561,572	170,527	30.4
March 31, 2024	566,028	173,064	30.6

(Reference) Equity: As of June 30, 2024: ¥ 170,502 million
 As of March 31, 2024: ¥ 173,008 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/24	-	-	-	24.00	24.00
FY3/25	-	-	-	-	-
FY3/25 (Forecast)	-	12.00	-	12.00	24.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	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	70.81

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 286,013,910 shares

March 31, 2024: 286,013,910 shares

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

June 30, 2024: 4,137,961 shares

March 31, 2024: 1,157,161 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 283,741,349 shares

Three months ended June 30, 2023: 285,189,982 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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

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, 2025 are the same as ones provided in May 10, 2024.

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

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	60,148	55,111
Notes receivable, accounts receivable from completed construction contracts and other	300,417	295,779
Securities	41	41
Costs on construction contracts in progress	21,427	19,996
Real estate for sale and development projects in progress	1,192	1,299
Accounts receivable - other	34,868	36,704
Other	11,084	14,162
Allowance for doubtful accounts	(340)	(339)
Total current assets	428,840	422,756
Non-current assets		
Property, plant and equipment		
Land	33,425	33,425
Other, net	62,852	65,474
Total property, plant and equipment	96,278	98,899
Intangible assets	2,498	2,628
Investments and other assets		
Investment securities	24,852	24,872
Retirement benefit asset	6,955	7,091
Other	10,889	9,849
Allowance for doubtful accounts	(4,285)	(4,525)
Total investments and other assets	38,411	37,287
Total non-current assets	137,188	138,816
Total assets	566,028	561,572

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	138,508	122,781
Short-term borrowings	43,705	53,637
Income taxes payable	8,224	1,527
Advances received on construction contracts in progress	43,200	46,506
Deposits received	65,301	63,445
Provision for loss on construction contracts	8,699	8,201
Other provisions	4,538	2,522
Other	8,825	13,191
Total current liabilities	321,004	311,814
Non-current liabilities		
Bonds payable	41,000	41,000
Long-term borrowings	25,611	32,853
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	423	421
Retirement benefit liability	801	834
Other	444	441
Total non-current liabilities	71,959	79,230
Total liabilities	392,964	391,044
Net assets		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	108,948	107,311
Treasury shares	(773)	(2,715)
Total shareholders' equity	157,011	153,432
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,268	6,279
Deferred gains or losses on hedges	23	17
Revaluation reserve for land	3,977	3,977
Foreign currency translation adjustment	3,114	4,271
Remeasurements of defined benefit plans	2,613	2,524
Total accumulated other comprehensive income	15,996	17,069
Non-controlling interests	55	25
Total net assets	173,064	170,527
Total liabilities and net assets	566,028	561,572

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

	(Millions of yen)	
	FY3/24 1Q (From Apr.1,2023 to Jun.30,2023)	FY3/25 1Q (From Apr.1,2024 to Jun.30,2024)
Net sales		
Net sales of completed construction contracts	123,802	148,907
Other sales	3,471	5,441
Total net sales	127,273	154,349
Cost of sales		
Cost of sales of completed construction contracts	111,807	136,269
Other cost of sales	2,966	4,657
Total cost of sales	114,774	140,926
Gross profit		
Gross profit on completed construction contracts	11,995	12,638
Gross profit - other	504	784
Total gross profit	12,499	13,422
Selling, general and administrative expenses	5,818	6,209
Operating profit	6,681	7,213
Non-operating income		
Interest income	152	93
Dividend income	143	135
Foreign exchange gains	324	650
Other	61	49
Total non-operating income	681	928
Non-operating expenses		
Interest expenses	251	529
Provision of allowance for doubtful accounts	235	241
Other	16	22
Total non-operating expenses	504	793
Ordinary income	6,858	7,348
Extraordinary income		
Gain on sale of non-current assets	10	3
Total extraordinary income	10	3
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	19	21
Total extraordinary losses	19	21
Income before income taxes	6,849	7,330
Income taxes - current	1,130	875
Income taxes - deferred	974	1,263
Total income taxes	2,105	2,138
Net income	4,744	5,191
Net income(loss) attributable to non-controlling interests	(34)	(30)
Net income attributable to owners of parent	4,778	5,222

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

	(Millions of yen)	
	FY3/24 1Q (From Apr.1,2023 to Jun.30,2023)	FY3/25 1Q (From Apr.1,2024 to Jun.30,2024)
Net income	4,744	5,191
Other comprehensive income		
Valuation difference on available-for-sale securities	1,306	11
Deferred gains or losses on hedges	281	(6)
Foreign currency translation adjustment	265	1,157
Remeasurements of defined benefit plans, net of tax	(43)	(88)
Share of other comprehensive income of entities accounted for using equity method	0	-
Total other comprehensive income	1,810	1,073
Comprehensive income	6,554	6,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,588	6,295
Comprehensive income attributable to non-controlling interests	(34)	(30)

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

1. Orders Received

(Millions of Yen)

	FY3/24 1Q (From Apr. 1, 2023 to Jun. 30, 2023)	FY3/25 1Q (From Apr. 1, 2024 to Jun. 30, 2024)	Increase (Decrease)	Rate of change (%)
Public works	24,949	20,016	(4,933)	(19.8)
Private works	22,849	8,235	(14,613)	(64.0)
Domestic civil engineering	47,799	28,251	(19,547)	(40.9)
Public works	15,675	846	(14,829)	(94.6)
Private works	23,042	72,207	49,165	213.4
Domestic building construction	38,717	73,054	34,336	88.7
Civil engineering	3,301	4,974	1,673	50.7
Building construction	1,569	1,632	62	4.0
Overseas	4,871	6,607	1,735	35.6
Construction Total	91,388	107,912	16,524	18.1
Others	77	76	(1)	(1.5)
Total	91,465	107,989	16,523	18.1

2. Net Sales

(Millions of Yen)

	FY3/24 1Q (From Apr. 1, 2023 to Jun. 30, 2023)	FY3/25 1Q (From Apr. 1, 2024 to Jun. 30, 2024)	Increase (Decrease)	Rate of change (%)
Public works	43,832	43,596	(235)	(0.5)
Private works	14,245	19,003	4,757	33.4
Domestic civil engineering	58,078	62,599	4,521	7.8
Public works	4,961	5,111	149	3.0
Private works	29,357	40,971	11,613	39.6
Domestic building construction	34,319	46,083	11,763	34.3
Civil engineering	14,994	17,413	2,418	16.1
Building construction	7,614	15,200	7,586	99.6
Overseas	22,608	32,613	10,004	44.3
Construction Total	115,006	141,296	26,289	22.9
Others	77	76	(1)	(1.5)
Total	115,083	141,372	26,288	22.8

3. Backlog

(Millions of Yen)

	FY3/24 1Q (Jun. 30, 2023)	FY3/25 1Q (Jun. 30, 2024)	Increase (Decrease)	Rate of change (%)
Public works	180,281	191,089	10,807	6.0
Private works	139,549	134,298	(5,251)	(3.8)
Domestic civil engineering	319,831	325,388	5,556	1.7
Public works	87,971	127,457	39,486	44.9
Private works	234,501	282,092	47,590	20.3
Domestic building construction	322,473	409,549	87,076	27.0
Civil engineering	152,428	101,050	(51,377)	(33.7)
Building construction	231,054	246,630	15,576	6.7
Overseas	383,482	347,681	(35,800)	(9.3)
Construction Total	1,025,787	1,082,619	56,832	5.5
Others	-	-	-	-
Total	1,025,787	1,082,619	56,832	5.5