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

November 7, 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  
 Inquiries: Tsutomu Sasaki General Manager, Head of Accounting Division  
 Telephone: (03)3817-7619  
 Scheduled date to file semi-annual securities report: November 7, 2024  
 Scheduled date to commence dividend payments: December 9, 2024  
 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 Six Months Ended September 30, 2024 (April 1, 2024 to September 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 2Q	328,047	17.8	15,101	13.2	13,292	2.5	9,886	12.3
FY3/24 2Q	278,561	22.4	13,339	99.9	12,962	84.8	8,806	82.7

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 9,059 million [ (12.9)%]  
 Six months ended September 30, 2023: ¥ 10,397 million [ 69.3%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY3/25 2Q	34.94	-
FY3/24 2Q	30.89	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	614,392	173,278	28.2
March 31, 2024	566,028	173,064	30.6

(Reference) Equity: As of September 30, 2024: ¥ 173,060 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	-	12.00			
FY3/25 (Forecast)			-	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	70.82

(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 semi-annual 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):

September 30, 2024: 286,013,910 shares

March 31, 2024: 286,013,910 shares

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

September 30, 2024: 4,203,912 shares

March 31, 2024: 1,157,161 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 282,913,651 shares

Six months ended September 30, 2023: 285,099,433 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, 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.

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	60,148	54,157
Notes receivable, accounts receivable from completed construction contracts and other	300,417	360,255
Securities	41	37
Costs on construction contracts in progress	21,427	21,609
Real estate for sale and development projects in progress	1,192	1,201
Accounts receivable - other	34,868	35,503
Other	11,084	5,255
Allowance for doubtful accounts	(340)	(407)
Total current assets	428,840	477,612
Non-current assets		
Property, plant and equipment		
Land	33,425	33,450
Other, net	62,852	64,758
Total property, plant and equipment	96,278	98,209
Intangible assets	2,498	2,680
Investments and other assets		
Investment securities	24,852	22,292
Retirement benefit asset	6,955	7,171
Other	10,889	10,683
Allowance for doubtful accounts	(4,285)	(4,258)
Total investments and other assets	38,411	35,890
Total non-current assets	137,188	136,780
<b>Total assets</b>	<b>566,028</b>	<b>614,392</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	138,508	129,206
Short-term borrowings	43,705	58,856
Commercial papers	-	39,916
Income taxes payable	8,224	4,587
Advances received on construction contracts in progress	43,200	42,772
Deposits received	65,301	69,910
Provision for loss on construction contracts	8,699	6,566
Other provisions	4,538	4,619
Other	8,825	7,916
Total current liabilities	321,004	364,353
Non-current liabilities		
Bonds payable	41,000	41,000
Long-term borrowings	25,611	30,347
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	423	445
Retirement benefit liability	801	843
Other	444	445
Total non-current liabilities	71,959	76,761
<b>Total liabilities</b>	<b>392,964</b>	<b>441,114</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	108,948	111,974
Treasury shares	(773)	(2,759)
Total shareholders' equity	157,011	158,052
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,268	5,018
Deferred gains or losses on hedges	23	(9)
Revaluation reserve for land	3,977	3,977
Foreign currency translation adjustment	3,114	3,586
Remeasurements of defined benefit plans	2,613	2,435
Total accumulated other comprehensive income	15,996	15,008
Non-controlling interests	55	217
<b>Total net assets</b>	<b>173,064</b>	<b>173,278</b>
<b>Total liabilities and net assets</b>	<b>566,028</b>	<b>614,392</b>

## Semi-annual Consolidated Statements of Income and Comprehensive Income

	(Millions of yen)	
	FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)
<b>Net sales</b>		
Net sales of completed construction contracts	270,965	318,288
Other sales	7,596	9,759
Total net sales	278,561	328,047
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	246,973	292,356
Other cost of sales	6,437	7,787
Total cost of sales	253,411	300,144
<b>Gross profit</b>		
Gross profit on completed construction contracts	23,991	25,931
Gross profit - other	1,158	1,971
Total gross profit	25,150	27,903
Selling, general and administrative expenses	11,810	12,801
Operating profit	13,339	15,101
<b>Non-operating income</b>		
Interest income	278	222
Dividend income	187	179
Foreign exchange gains	552	-
Other	101	104
Total non-operating income	1,118	507
<b>Non-operating expenses</b>		
Interest expenses	753	1,063
Foreign exchange losses	-	831
Provision of allowance for doubtful accounts	387	-
Other	354	420
Total non-operating expenses	1,496	2,315
<b>Ordinary income</b>	12,962	13,292
<b>Extraordinary income</b>		
Gain on sale of investment securities	5	1,237
Other	41	40
Total extraordinary income	46	1,277
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	61	48
Other	0	0
Total extraordinary losses	61	49
Income before income taxes	12,947	14,521
Income taxes - current	3,974	3,725
Income taxes - deferred	276	748
Total income taxes	4,250	4,473
Net income	8,696	10,047
Net income(loss) attributable to non-controlling interests	(110)	161
Net income attributable to owners of parent	8,806	9,886

	(Millions of yen)	
	FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)
Net income	8,696	10,047
Other comprehensive income		
Valuation difference on available-for-sale securities	1,356	(1,249)
Deferred gains or losses on hedges	(692)	(33)
Foreign currency translation adjustment	832	96
Remeasurements of defined benefit plans, net of tax	(86)	(177)
Share of other comprehensive income of entities accounted for using equity method	291	375
Total other comprehensive income	1,701	(988)
Comprehensive income	10,397	9,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,507	8,897
Comprehensive income attributable to non-controlling interests	(110)	161

## Semi-annual Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)
<b>Cash flows from operating activities</b>		
Income before income taxes	12,947	14,521
Depreciation	3,428	4,089
Amortization of goodwill	161	106
Increase (decrease) in allowance for doubtful accounts	428	40
Increase (decrease) in provision for bonuses	370	442
Increase (decrease) in provision for loss on construction contracts	(1,996)	(2,212)
Increase (decrease) in retirement benefit liability	36	42
Decrease (increase) in retirement benefit asset	(128)	(216)
Interest and dividend income	(465)	(402)
Interest expenses	753	1,063
Foreign exchange losses (gains)	(1,184)	201
Loss (gain) on sale of property, plant and equipment	(40)	(37)
Loss (gain) on sale of short-term and long-term investment securities	(5)	(1,237)
Decrease (increase) in trade receivables	(31,982)	(59,243)
Decrease (increase) in costs on construction contracts in progress	(5,456)	(1,710)
Decrease (increase) in inventories	(270)	1,496
Decrease (increase) in accounts receivable - other	(15,532)	(620)
Increase (decrease) in trade payables	4,431	(9,825)
Increase (decrease) in advances received on construction contracts in progress	(16,098)	(497)
Increase (decrease) in deposits received	6,041	4,608
Other, net	1,024	4,664
Subtotal	(43,537)	(44,726)
Interest and dividends received	485	431
Interest paid	(753)	(1,114)
Income taxes paid	(929)	(7,216)
Net cash provided by (used in) operating activities	(44,734)	(52,626)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,544)	(377)
Proceeds from withdrawal of time deposits	2,958	433
Purchase of short-term and long-term investment securities	(16)	(11)
Proceeds from sale and redemption of short-term and long-term investment securities	17	2,121
Purchase of property, plant and equipment	(5,344)	(5,981)
Proceeds from sale of property, plant and equipment	45	41
Proceeds from collection of loans receivable	3	3
Other, net	(103)	(352)
Net cash provided by (used in) investing activities	(3,983)	(4,124)

	(Millions of yen)	
	FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	33,221	15,046
Net increase (decrease) in commercial papers	9,999	39,916
Proceeds from long-term borrowings	13,014	10,500
Repayments of long-term borrowings	(4,791)	(5,314)
Purchase of treasury shares	(303)	(2,002)
Dividends paid	(6,839)	(6,844)
Other, net	(6)	(46)
Net cash provided by (used in) financing activities	44,294	51,257
Effect of exchange rate change on cash and cash equivalents	2,479	(441)
Net increase (decrease) in cash and cash equivalents	(1,944)	(5,935)
Cash and cash equivalents at beginning of period	47,380	59,564
Cash and cash equivalents at end of period	45,435	53,628



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

## 1. Orders Received

(Millions of Yen)

		FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)	Increase (Decrease)	Rate of change (%)
	Public works	85,559	57,002	(28,556)	(33.4)
	Private works	41,607	15,950	(25,657)	(61.7)
	Domestic civil engineering	127,166	72,953	(54,213)	(42.6)
	Public works	63,679	3,548	(60,130)	(94.4)
	Private works	67,153	135,393	68,239	101.6
	Domestic building construction	130,832	138,941	8,108	6.2
	Civil engineering	6,570	15,012	8,442	128.5
	Building construction	11,620	1,701	(9,919)	(85.4)
	Overseas	18,190	16,713	(1,477)	(8.1)
	Construction Total	276,190	228,608	(47,582)	(17.2)
	Others	154	150	(3)	(2.5)
	Total	276,344	228,758	(47,586)	(17.2)

## 2. Net Sales

(Millions of Yen)

		FY3/24 2Q (From Apr. 1, 2023 to Sep. 30, 2023)	FY3/25 2Q (From Apr. 1, 2024 to Sep. 30, 2024)	Increase (Decrease)	Rate of change (%)
	Public works	87,503	90,311	2,808	3.2
	Private works	29,487	42,682	13,195	44.7
	Domestic civil engineering	116,991	132,994	16,003	13.7
	Public works	10,466	10,790	324	3.1
	Private works	70,731	90,833	20,101	28.4
	Domestic building construction	81,198	101,624	20,426	25.2
	Civil engineering	33,245	37,412	4,167	12.5
	Building construction	21,600	29,908	8,308	38.5
	Overseas	54,845	67,321	12,475	22.7
	Construction Total	253,035	301,940	48,905	19.3
	Others	154	150	(3)	(2.5)
	Total	253,189	302,091	48,901	19.3

## 3. Backlog

(Millions of Yen)

		FY3/24 2Q (Sep. 30, 2023)	FY3/25 2Q (Sep. 30, 2024)	Increase (Decrease)	Rate of change (%)
	Public works	197,220	181,360	(15,859)	(8.0)
	Private works	143,065	118,333	(24,732)	(17.3)
	Domestic civil engineering	340,286	299,694	(40,592)	(11.9)
	Public works	130,470	124,480	(5,989)	(4.6)
	Private works	237,238	295,415	58,176	24.5
	Domestic building construction	367,708	419,895	52,187	14.2
	Civil engineering	143,416	87,036	(56,379)	(39.3)
	Building construction	237,535	218,843	(18,692)	(7.9)
	Overseas	380,952	305,879	(75,072)	(19.7)
	Construction Total	1,088,947	1,025,469	(63,477)	(5.8)
	Others	—	—	—	—
	Total	1,088,947	1,025,469	(63,477)	(5.8)