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

February 7, 2025

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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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 3Q	516,015	18.4	14,767	(28.7)	14,214	(23.8)	9,141	(29.2)
FY3/24 3Q	435,780	25.5	20,723	-	18,648	-	12,907	-

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 8,629 million [(42.2)%]
 Nine months ended December 31, 2023: ¥ 14,925 million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY3/25 3Q	32.35	-
FY3/24 3Q	45.29	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	701,871	169,455	24.1
March 31, 2024	566,028	173,064	30.6

(Reference) Equity: As of December 31, 2024: ¥ 169,260 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	694,000	12.4	21,000	(28.0)	18,000	(33.9)	12,000	(32.9)	42.49

(Note) Revision to the financial results forecast announced most recently: Yes

* 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):

December 31, 2024: 286,013,910 shares

March 31, 2024: 286,013,910 shares

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

December 31, 2024: 4,203,982 shares

March 31, 2024: 1,157,161 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 282,582,534 shares

Nine months ended December 31, 2023: 285,026,686 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 revised from ones provided on 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	60,148	51,400
Notes receivable, accounts receivable from completed construction contracts and other	300,417	428,240
Securities	41	37
Costs on construction contracts in progress	21,427	23,305
Real estate for sale and development projects in progress	1,192	704
Accounts receivable - other	34,868	47,380
Other	11,084	5,773
Allowance for doubtful accounts	(340)	(488)
Total current assets	428,840	556,355
Non-current assets		
Property, plant and equipment		
Land	33,425	33,447
Other, net	62,852	74,565
Total property, plant and equipment	96,278	108,013
Intangible assets	2,498	1,995
Investments and other assets		
Investment securities	24,852	22,310
Retirement benefit asset	6,955	7,307
Other	10,889	10,319
Allowance for doubtful accounts	(4,285)	(4,429)
Total investments and other assets	38,411	35,508
Total non-current assets	137,188	145,516
Total assets	566,028	701,871

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	138,508	139,105
Short-term borrowings	43,705	98,982
Commercial papers	-	59,935
Current portion of bonds payable	-	10,000
Income taxes payable	8,224	1,382
Advances received on construction contracts in progress	43,200	43,553
Deposits received	65,301	91,802
Provision for loss on construction contracts	8,699	8,121
Other provisions	4,538	2,145
Other	8,825	8,821
Total current liabilities	321,004	463,850
Non-current liabilities		
Bonds payable	41,000	31,000
Long-term borrowings	25,611	32,127
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	423	468
Retirement benefit liability	801	840
Other	444	450
Total non-current liabilities	71,959	68,565
Total liabilities	392,964	532,415
Net assets		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	108,948	107,837
Treasury shares	(773)	(2,759)
Total shareholders' equity	157,011	153,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,268	4,745
Deferred gains or losses on hedges	23	(33)
Revaluation reserve for land	3,977	3,977
Foreign currency translation adjustment	3,114	4,307
Remeasurements of defined benefit plans	2,613	2,347
Total accumulated other comprehensive income	15,996	15,345
Non-controlling interests	55	195
Total net assets	173,064	169,455
Total liabilities and net assets	566,028	701,871

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

	(Millions of yen)	
	FY3/24 3Q (From Apr. 1, 2023 to Dec. 31,2023)	FY3/25 3Q (From Apr. 1, 2024 to Dec. 31,2024)
Net sales		
Net sales of completed construction contracts	423,882	499,467
Other sales	11,897	16,547
Total net sales	435,780	516,015
Cost of sales		
Cost of sales of completed construction contracts	387,375	468,717
Other cost of sales	9,844	13,161
Total cost of sales	397,220	481,879
Gross profit		
Gross profit on completed construction contracts	36,507	30,749
Gross profit - other	2,052	3,385
Total gross profit	38,560	34,135
Selling, general and administrative expenses	17,837	19,368
Operating profit	20,723	14,767
Non-operating income		
Interest income	362	329
Dividend income	318	297
Foreign exchange gains	-	961
Other	155	158
Total non-operating income	836	1,746
Non-operating expenses		
Interest expenses	1,309	1,601
Foreign exchange losses	771	-
Other	830	698
Total non-operating expenses	2,911	2,300
Ordinary income	18,648	14,214
Extraordinary income		
Gain on sale of investment securities	5	1,254
Other	60	43
Total extraordinary income	66	1,297
Extraordinary losses		
Impairment losses	-	606
Other	134	68
Total extraordinary losses	134	674
Income before income taxes	18,580	14,837
Income taxes - current	4,419	4,116
Income taxes - deferred	1,295	1,439
Total income taxes	5,715	5,556
Net income	12,865	9,280
Net income(loss) attributable to non-controlling interests	(42)	139
Net income attributable to owners of parent	12,907	9,141

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

	(Millions of yen)	
	FY3/24 3Q (From Apr. 1, 2023 to Dec. 31,2023)	FY3/25 3Q (From Apr. 1, 2024 to Dec. 31,2024)
Net income	12,865	9,280
Other comprehensive income		
Valuation difference on available-for-sale securities	2,122	(1,522)
Deferred gains or losses on hedges	(776)	(56)
Foreign currency translation adjustment	552	818
Remeasurements of defined benefit plans, net of tax	(129)	(266)
Share of other comprehensive income of entities accounted for using equity method	291	375
Total other comprehensive income	2,059	(651)
Comprehensive income	14,925	8,629
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,967	8,489
Comprehensive income attributable to non-controlling interests	(42)	139

(Reference)

Non-Consolidated Orders Received, Net Sales and Backlog

1. Orders Received

(Millions of Yen)

	FY3/24 3Q (From Apr. 1, 2023 to Dec. 31, 2023)	FY3/25 3Q (From Apr. 1, 2024 to Dec. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	131,053	78,733	(52,320)	(39.9)
Private works	50,219	28,396	(21,822)	(43.5)
Domestic civil engineering	181,272	107,129	(74,143)	(40.9)
Public works	74,765	4,293	(70,472)	(94.3)
Private works	97,602	166,721	69,119	70.8
Domestic building construction	172,367	171,015	(1,352)	(0.8)
Civil engineering	9,107	17,155	8,047	88.4
Building construction	24,856	41,659	16,803	67.6
Overseas	33,963	58,814	24,850	73.2
Construction Total	387,604	336,959	(50,645)	(13.1)
Others	229	224	(5)	(2.3)
Total	387,834	337,183	(50,650)	(13.1)

2. Net Sales

(Millions of Yen)

	FY3/24 3Q (From Apr. 1, 2023 to Dec. 31, 2023)	FY3/25 3Q (From Apr. 1, 2024 to Dec. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	129,000	141,963	12,962	10.0
Private works	45,493	64,444	18,951	41.7
Domestic civil engineering	174,494	206,408	31,913	18.3
Public works	17,248	20,667	3,418	19.8
Private works	113,439	151,616	38,176	33.7
Domestic building construction	130,687	172,283	41,595	31.8
Civil engineering	55,695	45,537	(10,158)	(18.2)
Building construction	36,076	50,991	14,914	41.3
Overseas	91,772	96,528	4,756	5.2
Construction Total	396,954	475,220	78,265	19.7
Others	229	224	(5)	(2.3)
Total	397,184	475,445	78,260	19.7

3. Backlog

(Millions of Yen)

	FY3/24 3Q (Dec. 31, 2023)	FY3/25 3Q (Dec. 31, 2024)	Increase (Decrease)	Rate of change (%)
Public works	201,217	151,439	(49,778)	(24.7)
Private works	135,671	109,017	(26,653)	(19.6)
Domestic civil engineering	336,888	260,457	(76,431)	(22.7)
Public works	134,774	115,349	(19,425)	(14.4)
Private works	224,979	265,961	40,981	18.2
Domestic building construction	359,754	381,311	21,556	6.0
Civil engineering	125,495	82,065	(43,429)	(34.6)
Building construction	240,224	242,349	2,125	0.9
Overseas	365,719	324,415	(41,304)	(11.3)
Construction Total	1,062,362	966,183	(96,179)	(9.1)
Others	—	—	—	—
Total	1,062,362	966,183	(96,179)	(9.1)