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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

Company name: PENTA-OCEAN CONSTRUCTION CO.,LTD.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

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 of annual general meeting of shareholders: June 24, 2025

Scheduled date to commence dividend payments: June 25, 2025

Scheduled date to file annual securities report: June 20, 2025

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 Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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	727,491	17.8	21,697	(25.6)	18,839	(30.8)	12,460	(30.3)
FY3/24	617,708	23.0	29,152	607.7	27,221	-	17,875	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 11,295 million [(51.4) %]
Fiscal year ended March 31, 2024: ¥ 23,232 million [513.5 %]

	Earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY3/25	44.12	-	7.2	3.1	3.0
FY3/24	62.73	-	10.8	5.1	4.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (554) million
Fiscal year ended March 31, 2024: ¥ (549) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	660,127	172,121	26.1	610.56
March 31, 2024	566,028	173,064	30.6	607.35

(Reference) Equity: As of March 31, 2025: ¥ 172,061 million
As of March 31, 2024: ¥ 173,008 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY3/25	(23,331)	(23,216)	43,883	56,786
FY3/24	9,139	(6,406)	6,710	59,564

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY3/24	-	-	-	24.00	24.00	6,859	38.4	4.1
FY3/25	-	12.00	-	12.00	24.00	6,785	54.5	3.9
FY3/26 (Forecast)	-	17.00	-	17.00	34.00		38.5	

(Note) Total dividends contain the dividends for the trust banks of the Board Benefit Trust (BBT), JPY22 million in FY3/24, and JPY22 million in FY3/25. The payout ratio is calculated, by dividing the Total dividends by the net income attributable to owners of parent.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	727,000	(0.1)	39,500	82.0	36,000	91.1	25,000	100.6	88.71

* Notes:

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

(2) 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

(3) Total number of issued shares (common shares)

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

March 31, 2025: 286,013,910 shares

March 31, 2024: 286,013,910 shares

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

March 31, 2025: 4,204,061 shares

March 31, 2024: 1,157,161 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 282,404,224 shares

Fiscal Year ended March 31, 2024: 284,987,493 shares

Note: Both the number of shares of treasury stock as of the end of FY3/25, 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 review procedures.

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

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	60,148	57,270
Notes receivable, accounts receivable from completed construction contracts and other	300,417	360,808
Securities	41	-
Costs on construction contracts in progress	21,427	21,362
Real estate for sale and development projects in progress	1,192	439
Accounts receivable - other	34,868	36,445
Other	11,084	8,148
Allowance for doubtful accounts	(340)	(443)
Total current assets	428,840	484,031
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,363	41,546
Machinery, vehicles, tools, furniture and fixtures	136,362	140,917
Land	33,425	33,454
Construction in progress	4,028	46,123
Other	269	380
Accumulated depreciation	(119,171)	(125,110)
Total property, plant and equipment	96,278	137,311
Intangible assets	2,498	2,089
Investments and other assets		
Investment securities	24,852	22,475
Deferred tax assets	3,571	3,459
Retirement benefit asset	6,955	7,667
Other	7,317	7,334
Allowance for doubtful accounts	(4,285)	(4,242)
Total investments and other assets	38,411	36,694
Total non-current assets	137,188	176,096
Total assets	566,028	660,127

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	138,508	156,821
Short-term borrowings	43,705	57,011
Commercial papers	-	9,961
Current portion of bonds payable	-	10,000
Income taxes payable	8,224	2,783
Advances received on construction contracts in progress	43,200	30,388
Deposits received	65,301	81,519
Provision for warranties for completed construction	1,279	1,252
Provision for bonuses	3,258	3,324
Provision for loss on construction contracts	8,699	6,191
Other	8,825	19,591
Total current liabilities	321,004	378,846
Non-current liabilities		
Bonds payable	41,000	31,000
Long-term borrowings	25,611	58,503
Deferred tax liabilities for land revaluation	3,679	3,787
Provision for share awards for directors (and other officers)	423	492
Retirement benefit liability	801	1,246
Other	444	14,129
Total non-current liabilities	71,959	109,159
Total liabilities	392,964	488,005
Net assets		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	108,948	111,155
Treasury shares	(773)	(2,759)
Total shareholders' equity	157,011	157,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,268	5,007
Deferred gains or losses on hedges	23	13
Revaluation reserve for land	3,977	3,869
Foreign currency translation adjustment	3,114	3,510
Remeasurements of defined benefit plans	2,613	2,426
Total accumulated other comprehensive income	15,996	14,828
Non-controlling interests	55	60
Total net assets	173,064	172,121
Total liabilities and net assets	566,028	660,127

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	(Millions of yen)	
	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 (From Apr. 1, 2024 to Mar. 31, 2025)
Net sales		
Net sales of completed construction contracts	600,833	703,077
Other sales	16,874	24,414
Total net sales	617,708	727,491
Cost of sales		
Cost of sales of completed construction contracts	550,892	658,920
Other cost of sales	13,488	20,989
Total cost of sales	564,380	679,909
Gross profit		
Gross profit on completed construction contracts	49,941	44,156
Gross profit - other	3,386	3,424
Total gross profit	53,327	47,581
Selling, general and administrative expenses	24,175	25,884
Operating profit	29,152	21,697
Non-operating income		
Interest income	524	417
Dividend income	367	342
Foreign exchange gains	235	-
Other	202	226
Total non-operating income	1,329	987
Non-operating expenses		
Interest expenses	1,989	2,357
Share of loss of entities accounted for using equity method	549	554
Foreign exchange losses	-	530
Other	721	403
Total non-operating expenses	3,260	3,845
Ordinary income	27,221	18,839
Extraordinary income		
Gain on sale of non-current assets	203	55
Gain on sale of investment securities	1,061	1,256
Other	-	2
Total extraordinary income	1,265	1,313
Extraordinary losses		
Impairment losses	892	541
Loss on retirement of non-current assets	138	315
Other	48	28
Total extraordinary losses	1,079	885
Income before income taxes	27,406	19,267
Income taxes - current	9,071	6,188
Income taxes - deferred	512	611
Total income taxes	9,583	6,800
Net income	17,823	12,467
Net income (loss) attributable to non-controlling interests	(52)	7
Net income attributable to owners of parent	17,875	12,460

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 (From Apr. 1, 2024 to Mar. 31, 2025)
Net income	17,823	12,467
Other comprehensive income		
Valuation difference on available-for-sale securities	2,451	(1,260)
Deferred gains or losses on hedges	(818)	(9)
Revaluation reserve for land	-	(108)
Foreign currency translation adjustment	1,104	71
Remeasurements of defined benefit plans, net of tax	2,361	(186)
Share of other comprehensive income of entities accounted for using equity method	310	322
Total other comprehensive income	5,408	(1,171)
Comprehensive income	23,232	11,295
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,284	11,291
Comprehensive income attributable to non-controlling interests	(52)	4

Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 (From Apr. 1, 2024 to Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	27,406	19,267
Depreciation	7,565	8,680
Impairment losses	892	541
Amortization of goodwill	334	214
Increase (decrease) in allowance for doubtful accounts	455	61
Increase (decrease) in provision for bonuses	184	66
Increase (decrease) in provision for loss on construction contracts	(2,426)	(2,573)
Increase (decrease) in retirement benefit liability	337	171
Decrease (increase) in retirement benefit asset	(442)	(661)
Interest and dividend income	(891)	(760)
Interest expenses	1,989	2,357
Foreign exchange losses (gains)	(1,072)	16
Share of loss (profit) of entities accounted for using equity method	549	554
Loss (gain) on sale of property, plant and equipment	(202)	(52)
Loss (gain) on sale of short-term and long-term investment securities	(1,061)	(1,247)
Decrease (increase) in trade receivables	(30,190)	(59,908)
Decrease (increase) in costs on construction contracts in progress	(4,219)	(864)
Decrease (increase) in inventories	(1,424)	1,685
Increase (decrease) in trade payables	13,860	17,883
Increase (decrease) in advances received on construction contracts in progress	(7,615)	(12,872)
Decrease (increase) in accounts receivable - other	(12,692)	(1,556)
Increase (decrease) in deposits received	14,099	16,217
Other, net	7,288	2,577
Subtotal	12,724	(10,204)
Interest and dividends received	905	788
Interest paid	(1,899)	(2,307)
Income taxes paid	(2,589)	(11,608)
Net cash provided by (used in) operating activities	9,139	(23,331)
Cash flows from investing activities		
Payments into time deposits	(3,320)	(528)
Proceeds from withdrawal of time deposits	5,977	628
Purchase of short-term and long-term investment securities	(27)	(563)
Proceeds from sale and redemption of short-term and long-term investment securities	1,896	2,277
Purchase of property, plant and equipment	(10,887)	(38,151)
Proceeds from sale of property, plant and equipment	230	60
Proceeds from collection of loans receivable	6	6
Proceeds from long-term deposits received	-	13,723
Other, net	(282)	(669)
Net cash provided by (used in) investing activities	(6,406)	(23,216)

	(Millions of yen)	
	FY3/24 (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 (From Apr. 1, 2024 to Mar. 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,320	14,295
Net increase (decrease) in commercial papers	(9,999)	9,961
Proceeds from long-term borrowings	14,790	43,644
Repayments of long-term borrowings	(9,074)	(11,497)
Proceeds from issuance of bonds	20,885	-
Redemption of bonds	(10,000)	-
Purchase of treasury shares	(304)	(2,002)
Dividends paid	(6,847)	(10,232)
Other, net	(60)	(285)
Net cash provided by (used in) financing activities	6,710	43,883
Effect of exchange rate change on cash and cash equivalents	2,739	(113)
Net increase (decrease) in cash and cash equivalents	12,183	(2,777)
Cash and cash equivalents at beginning of period	47,380	59,564
Cash and cash equivalents at end of period	59,564	56,786

(Reference)

Non-Consolidated Orders Received, Net Sales and Backlog

1. Orders Received (Millions of Yen)

			FY3/24 4Q (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 4Q (From Apr. 1, 2024 to Mar. 31, 2025)	Increase (Decrease)	Rate of change (%)
		Public works	193,446	171,881	(21,565)	(11.1)
		Private works	80,186	61,099	(19,087)	(23.8)
	Domestic civil engineering		273,632	232,980	(40,652)	(14.9)
		Public works	80,049	75,512	(4,536)	(5.7)
		Private works	170,511	240,353	69,842	41.0
	Domestic building construction		250,560	315,866	65,305	26.1
		Civil engineering	14,410	77,570	63,160	438.3
		Building construction	53,592	40,538	(13,053)	(24.4)
	Overseas		68,002	118,109	50,106	73.7
	Construction Total		592,196	666,956	74,759	12.6
Others		478	299	(178)	(37.4)	
Total		592,674	667,255	74,580	12.6	

2. Net Sales (Millions of Yen)

			FY3/24 4Q (From Apr. 1, 2023 to Mar. 31, 2024)	FY3/25 4Q (From Apr. 1, 2024 to Mar. 31, 2025)	Increase (Decrease)	Rate of change (%)
		Public works	177,941	197,711	19,769	11.1
		Private works	66,066	84,397	18,331	27.7
	Domestic civil engineering		244,007	282,108	38,101	15.6
		Public works	25,583	32,457	6,873	26.9
		Private works	160,472	217,518	57,045	35.5
	Domestic building construction		186,056	249,976	63,919	34.4
		Civil engineering	78,012	62,773	(15,238)	(19.5)
		Building construction	57,315	73,910	16,595	29.0
	Overseas		135,327	136,684	1,356	1.0
	Construction Total		565,391	668,769	103,377	18.3
Others		478	299	(178)	(37.4)	
Total		565,870	669,068	103,198	18.2	

3. Backlog (Millions of Yen)

			FY3/24 4Q (Mar. 31, 2024)	FY3/25 4Q (Mar. 31, 2025)	Increase (Decrease)	Rate of change (%)
		Public works	214,669	188,840	(25,829)	(12.0)
		Private works	145,065	121,767	(23,298)	(16.1)
	Domestic civil engineering		359,735	310,607	(49,128)	(13.7)
		Public works	131,722	174,778	43,055	32.7
		Private works	250,856	273,691	22,835	9.1
	Domestic building construction		382,579	448,469	65,890	17.2
		Civil engineering	110,344	124,063	13,718	12.4
		Building construction	250,933	216,380	(34,552)	(13.8)
	Overseas		361,277	340,443	(20,833)	(5.8)
	Construction Total		1,103,592	1,099,520	(4,071)	(0.4)
Others		—	—	—	—	
Total		1,103,592	1,099,520	(4,071)	(0.4)	