

The following is an English translation of the original Japanese document.

All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

May 10, 2018

Listed company: Penta Ocean Construction Co.,Ltd.  
Code number: 1893  
Stock Exchange: Tokyo Stock Exchange (TSE)  
Nagoya Stock Exchange (NSE)

## **Notice of Dividends of Surplus**

Penta-Ocean Construction Co., Ltd. announced at the Board of Directors Meeting, held on May 10, 2018, that the company resolved to distribute dividends of surplus, with the record date of March 31, 2018, subject to the approval of the 68<sup>th</sup> General Shareholders Meeting, scheduled on June 26, 2018.

### **1. Description of Dividends of Surplus**

	Dividends for FY 3/18	Most recent dividend forecast, published on May 10 2017	Dividends for FY 3/17
Record date	March 31, 2018	March 31, 2018	March 31, 2017
Dividend per share	14 yen	12 yen	12 yen
Total amount of dividend	4,002 million yen	-	3,430 million yen
Effective date	June 27, 2018	-	June 28, 2017
Source of dividends	Retained earnings	-	Retained earnings

### **2. Reasons for the dividend decision**

The company's basic policy of dividend of surplus is to increase its corporate value, in order to pay stable dividends to the shareholders on a continual basis, by enhancing its profitability through cutting-edge technological developments and appropriate capital investments. Under the policy, the company aims to return profits to shareholders at a target dividend payout ratio of 20 to 25%.

For the term-end dividend for fiscal year 2018, ended March 31, 2018, the company will propose to pay 14 yen per share, instead of 12 yen per share that was originally announced on May 10, 2017, subject to the approval of the 68<sup>th</sup> General Shareholders Meeting, scheduled on June 26, 2018.

As for the term-end dividend for fiscal year 2019, ending March 31, 2019, the company is expected to increase it by 4 yen over the previous year, and pay 18 yen per share at a target consolidated dividend payout ratio of 25 to 30%, according to its business environment, profitability, and adequacy of equity capital. This was reported in the "Summary of Consolidated Financial Results of Fiscal Year Ended March 2018", published on May 10, 2018.