

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

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

May 11, 2020

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. hereby announces that the Company resolved to distribute the following dividends of surplus, with the record date of March 31, 2020, at the Board of Directors Meeting held on May 11, 2020. The resolution will be submitted for approval at the 70th General Shareholders Meeting, scheduled for June 25, 2020.

1. Description of Dividends of Surplus

| | Dividends for FY 3/20 | Most recent dividend forecast (published on May 10, 2019) | Dividends for FY 3/19 |
|--------------------------|--------------------------|--|--------------------------|
| Record date | March 31, 2020 | March 31, 2020 | March 31, 2019 |
| Dividend per share | 24 yen | 20 yen | 19 yen |
| Total amount of dividend | 6,859 million yen | - | 5,430 million yen |
| Effective date | June 26, 2020 | - | June 26, 2019 |
| Source of dividends | Retained earnings | - | Retained earnings |

2. Reasons for the dividend decision

The company's basic policy for dividend of surplus is to increase its corporate value, in order to pay stable dividends to the shareholders on a continuing basis, by enhancing its profitability through cutting-edge technological development and appropriate capital investments. Under the above policy, we set the target of dividend payout ratio at 25% -30% on a consolidated basis.

For the term-end dividend for FY 3/20, the company will submit the resolution to pay 24 yen per share at the 70th General Shareholders Meeting, based on the above policy and the current business results.

As for the term-end dividend for FY 3/21, the company is expected to pay 25 yen per share, adding 125th founding anniversary commemorative dividends of 5 yen to regular dividends of 20 yen per share, as announced in the "Summary of Consolidated Financial Results of Fiscal Year Ended March 2020, published on May 11, 2020.