

May 11, 2021

Listed company: Penta-Ocean Construction Co.,Ltd.

Code number: 1893

Stock exchange: Tokyo Stock Exchange, Nagoya Stock Exchange

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, 2021, at the Board of Directors Meeting held on May 11, 2021. The resolution will be submitted for approval at the 71st General Shareholders Meeting, scheduled for June 25, 2021.

1. Description of Dividends of Surplus

	Dividends for FY 3/21	Most recent dividend forecast (published on May 11, 2020)	Dividends for FY 3/20
Record date	March 31, 2021	March 31, 2021	March 31, 2020
Dividend per share	28 yen	25 yen	24 yen
Total amount of dividend	8,002 million yen	—	6,859 million yen
Effective date	June 28, 2021	—	June 26, 2020
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 30% or higher on a consolidated basis.

For the term-end dividend for FY 3/21, the Company will submit the resolution to pay 28 yen per share, adding the 125th founding anniversary commemorative dividends of 5 yen to regular dividends of 23 yen per share, at the 71st General Shareholders Meeting,

As for the term-end dividend for FY 3/22, the Company is expected to pay 23 yen per share, as announced in the "Summary of Consolidated Financial Results of Fiscal Year Ended March 2021", published on May 11, 2021.

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