



May 13, 2022

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

Code number: 1893

Stock exchange: Prime market of the Tokyo Stock Exchange,

Premier Market of the 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, 2022, at the Board of Directors Meeting Held on May 13, 2022. The resolution will be submitted for approval at the 72nd General Shareholders meeting, scheduled for June 24, 2022.

1. Description of Dividends of Surplus

	Dividends for FY 3/22	Most recent dividend forecast (published on May 11, 2021)	Dividends for FY 3/21
Record date	March 31, 2022	March 31, 2022	March 31, 2021
Dividend per share	23 yen	23 yen	28 yen
Total amount of dividend	6,573 million yen	—	8,002 million yen
Effective date	June 27, 2022	—	June 28, 2021
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 3/22, although the business results fell short of the initial forecasts, the unfavorable performance is considered only temporary. The Company will submit the resolution to pay 23 yen of regular dividends per share, at the 72nd General Shareholders Meeting.

As for the term dividend for FY 3/23, the Company is expected to pay 24 yen per share, as announced in the “Summary of Consolidated Financial Results of Fiscal Year Ended March 2022”, published on May 13, 2022.

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