



May 10, 2024

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, 2024, at the Board of Directors Meeting Held on May 10, 2024. The resolution will be submitted for approval at the 74th Ordinary General Shareholders Meeting, scheduled for June 25, 2024.

1. Description of Dividends of Surplus

	Dividends for FY 3/24	Most recent dividend forecast (published on May 12, 2023)	Dividends for FY 3/23
Record date	March 31, 2024	March 31, 2024	March 31, 2023
Dividend per share	24 yen	24 yen	24 yen
Total amount of dividend	6,859million yen	-	6,859 million yen
Effective date	June 26, 2024	-	June 28, 2023
Source of dividends	Retained earnings	-	Retained earnings

2. Reasons for the dividend decision

The Company's basic policy is "to make strategic investments for future growth including capital enhancement, technological development and capital expenditures while providing continuous and stable dividends to shareholders, and to improve shareholder returns and capital efficiency by carrying out share repurchases." Under the above policy, the Company sets the target of a consolidated total payout ratio at 40% or higher (of which, a consolidated dividend payout ratio of 30% or higher).

For the term-end dividends for FY 3/24, the Company decided to pay 24 yen of regular dividends per share as announced on May 12, 2023, and will submit the proposal to the 74th Ordinary General Shareholders Meeting for approval. Furthermore, as announced on May 10, 2024, the Company repurchases JPY 2 billion shares of its own stock, making the consolidated total payout ratio 49.6%.

As for the term-end dividends for FY 3/25, the Company plans to aim for the total payout ratio of 40% or higher by paying 24 yen of regular dividends per share (consolidated dividend payout ratio: 34.3%) and by conducting a share repurchase. Additionally, as announced on May 10, 2024, the Company plans to introduce an interim dividend system from FY 3/25 onwards as September 30 of each year as the record date, on condition that the proposal for amendments to the Articles of Incorporation of the Company regarding introduction of the interim dividend system is approved at the 74th Ordinary General Shareholders Meeting scheduled for June 25, 2024.

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