



February 7, 2025

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 regarding Revision of Earnings Forecasts

Penta-Ocean Construction Group hereby announces that we revised the earnings forecasts for the fiscal year ending March 2025 (April 1, 2024 to March 31, 2025) announced in May 10, 2024, as described below.

### 1. Revision of earnings forecasts for FY 3/25 (April 1, 2024 to March 31, 2025)

#### (1) Forecasts for consolidated earnings

(Unit : in JPY million)

	Net sales	Operating profit	Ordinary income	Net income attributable to owners of parent	Earnings per share (yen)
Previous forecasts (A)	655,000	32,500	30,000	20,000	70.21
Revised forecasts (B)	694,000	21,000	18,000	12,000	42.49
Change (B—A)	39,000	-11,500	-12,000	-8,000	
Change rate (%)	6.0%	-35.4%	-40.0%	-40.0%	
(reference) Results for previous term (FY 3/24)	617,708	29,152	27,221	17,875	62.73

#### (2) Forecasts for unconsolidated earnings

(Unit : in JPY million)

	Net sales	Operating profit	Ordinary income	Net income attributable to owners of parent	Earnings per share (yen)
Previous forecasts (A)	610,500	29,000	26,500	18,000	63.19
Revised forecasts (B)	640,500	18,500	17,500	11,000	38.95
Change (B—A)	30,000	-10,500	-9,000	-7,000	
Change rate (%)	4.9%	-36.2%	-34.0%	-38.9%	
(reference) Results for previous term (FY 3/24)	565,870	26,336	27,908	16,765	58.83

Note: The earnings forecasts contained herein have been prepared based on the information available at the time of the release of this notice, and actual performance may differ from the forecasts due to various factors.

## 2. Reasons for the revision of earnings forecasts

### (1) Unconsolidated earnings forecasts

We currently forecast net sales of JPY 640.5 billion (up JPY 30 bn, or up 4.9% compared to the previously announced forecast), thanks to steady progress of large-scale projects at hand, both in domestic civil engineering and building construction sectors.

As for operating profits, we expect an approximately JPY 2.5 billion increase in total for domestic civil engineering and domestic building construction sectors. Although the overseas sector is projected to record an approximately JPY 6 billion increase in profits thanks to the improved profit margins in multiple large-scale marine projects, the additional construction losses of JPY 16 bn posted in large-scale projects scheduled for substantial completion/completion in FY 3/25, led to a decline of JPY 13 bn, compared to the previously announced forecast. In total, operating profit is expected to be JPY 18.5 bn, down JPY 10.5 bn (or down 36.2%) from the previously announced forecast. The breakdown of the additional construction losses is approximately JPY 12 bn for a polder project in Singapore (substantial completion) and approximately JPY 4 bn in a civil engineering project (scheduled completion) in Hong Kong. The above construction losses are already factored in the Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2025 announced today.

The forecasts for ordinary income and net income have been revised to JPY 17.5 bn (down JPY 9 bn, or down 34.0% compared to the previously announced forecast) and JPY 11 bn (down JPY 7 bn, or down 38.9% compared to the previously announced forecast), respectively.

### (2) Consolidated earnings forecasts

In light of the above revision of unconsolidated earnings, although net sales projects an increase of JPY 39 bn to JPY 694 bn (up 6.0% compared to the previously announced forecast), we are impacted by some factors including the worsened business performance of our M&E subsidiary in Singapore. Operating profit is expected to decrease JPY 11.5 bn (or down 35.4% compared to the previously announced forecast) to JPY 21 bn, ordinary income is expected to decrease JPY 12 bn (or down 40.0% compared to the previously announced forecast) to JPY 18 bn, and net income attributable to owners of parent is expected to decrease JPY 8 bn (or down 40.0% compared to the previously announced forecast) to JPY 12 bn.

## 3. Earnings outlook for FY 3/26

For FY 3/26, which is the last year of the current medium-term management plan, we will aim at surpassing the JPY 700 bn mark in consolidated net sales for the first time and renewing record-high profits (net income attributable to owners of parent at JPY 25 bn, which is the target in the current medium-term management plan), based on steady progress of large-scale projects in all of the three sectors of domestic civil engineering, domestic building construction

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and overseas, in addition to a positive turnaround expected in the overseas sector. The earnings forecasts for FY 3/26 will be announced at the time of the announcement of the full-year results of FY 3/25 (May 2025).

#### 4. Shareholder returns

Our basic policy is “to make strategic investments for future growth including capital enhancement, technological development and capital expenditures, while providing continuous and stable dividend to shareholders, and to improve shareholder returns and capital efficiency by carrying our share repurchase.” Under the above policy, we set a target of a consolidated total payout ratio at 40% or higher (of which, a consolidated dividend payout ratio of 30% or higher). For FY 3/25, despite the downward revision of earnings forecast, we plan to pay JPY 24 of annual dividends per share (of which, interim dividends JPY 12), and to conduct a share repurchase (return ratio 10% or higher).

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