



May 9, 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 New Targets for Shareholder Returns

Penta-Ocean Construction Co., Ltd. (hereinafter, the Company) hereby announces that at the Board of Directors Meeting held on May 9, 2025, the Company resolved matters on new targets for shareholder returns as below.

### 1. Basic profit distribution policy

Making strategic investments for future growth including capital enhancement and capital expenditures while providing steady and continuous dividends to shareholders, and improving shareholder returns and capital efficiency by implementing share repurchases

### 2. Targets of shareholder returns

In its Medium-term Management Plan (FY3/24-FY3/26), the Company set a shareholder return target of “consolidated total payout ratio of 40% or higher”, which consisted of “consolidated dividend payout ratio of 30% or higher” and “payout ratio by share repurchases of approximately 10% or higher”.

In order to practice corporate management with due consideration to capital costs and stock price, the three-year period from FY 3/26 to FY 3/28 will be used for further enhancing the Company's corporate value, mainly by generating more aggressive shareholder returns.

- ① Consolidated dividend payout ratio: 35% or higher
- ② Share repurchases: Approximately JPY 30.0 bn (over a three-year period starting from FY 3/26)

Every fiscal year during the above period, share repurchases worth approximately JPY 5.0 bn will be implemented on two separate occasions, in the interim period (the second half) and in the full-year period (the first half of the following fiscal year), with a total amount of approximately JPY 10.0 bn annually. This amount corresponds to 40% of JPY 25.0 bn in net income, which is the Company's performance target for FY 3/26 (consolidated total payout ratio of 40%).

After FY 3/29, share repurchases will be continuously implemented, while eyeing other factors including the needs for construction funds, growth investments in offshore wind, etc.

### 3. Future plans for shareholder returns

As announced on May 9, 2025, for FY 3/25, 24 yen of ordinary dividends per share (consolidated dividend payout ratio 54.5%) with share repurchases worth JPY 5.0 billion, the consolidated total payout ratio is expected to be 94.6%.

As for FY 3/26, the Company plans to pay 34 yen of ordinary dividends per share (17 yen of interim dividends, 17 yen of term-end dividends, consolidated dividend payout ratio 38.5%) and implement share repurchases of approximately JPY 5.0 bn, in the second half of FY 3/26 and in the first half of FY 3/27, respectively.

With regard to share repurchases, the Company will determine the total number of shares to be repurchased and the repurchase period by taking into account factors including the stock price, the Company's business performance as well as its financial situation, and disclose these information in a timely manner each time such decisions are made.

[Reference] Past results and plans for shareholder returns

	Annual dividends	Share repurchases	Total payout ratio
FY 3/24	24 yen (38.4%)	JPY 2.0 bn (first half of FY 3/25)	49.6%
FY3/25 (plan)	24 yen (54.5%)	JPY 5.0 bn (first half of FY 3/26)	94.6%
FY 3/26 (plan)	34 yen (38.5%)	JPY 10.0bn (second half of FY 3/26, first half of FY 3/27)	78.5%

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