Outcome

Value Provided to Stakeholder

Customers

Shareholders and Other Investors

continuous and stable shareholder returns

Employees

workplace regardless of nationality, gender, etc.

Business Partners

Environment, Local Communities

Creating a nature-rich environment through

the practice of sustainability management

Building partnerships on an equal footing

81.0 points

100%

91.4%

7.2%

¥24

94.6%

16.2%

14.9%

95.5%

521

39.7%

98.5%

0

Providing reliable safety and quality

backed by technology

Construction performance

(civil engineering) projects Customer satisfaction

(civil engineering, private sector)

Enhancement of corporate value,

Promoting equal opportunities in the

Ratio of female employees

Implementation status of

8 site-closures per 4 weeks

Number of Excellent

Number of deaths

Foreman Certifications

(domestic subcontractors) Number of deaths

(overseas subcontractors)

CO₂ emissions reduction rate*

other certifications acquired

Construction waste recycling

(compared to FY3/20)

Number of ZEB and

rate (domestic)

Turn over rate within 3 years

Customer satisfaction (building

construction, private sector)

Annual dividend amount

Total return ratio

of joining

ROE

of government-ordered

Value Creation Process

We promote our core business growth strategies and sustainability management with focus on ESG (environment, social and governance), as two inseparable elements of our corporate management, with the aim of achieving two distinctive goals of medium- to long-term corporate growth and sustainable development of society.

Recycling

Input

Business Model

Technology

Development

Well-balanced

Business Portfolio

Inter-departmental

Collaboration

Overseas

20.9%

Construction

Sales ratio 35.0%

Domestic

Civil Engineering
Sales ratio
42.2%

Output

Social Infrastructure and Buildings in Japan and Overseas

Domestic Civil Engineering

Net Sales: ¥307.3 billion

Gross Profit Margin: 13.6%

Operating Profit:

¥27.8 billion



Domestic Building Construction

Net Sales: ¥254.5 billion

Gross Profit Margin: **6.8**%

Operating Profit: **¥9** billion



Overseas

Net Sales: ¥151.8 billion

Gross Profit Margin: (8.3%)

Operating Profit:

(¥15.6 billion)

Others

Net sales: ¥13.9 billion

Operating Profit:

Financial Capital

Financial base for achieving value creation

Total assets ••• ¥660.1 billion Net assets ••• ¥172.1 billion Equity ratio 26.1%

Human Capital

Diverse and professional human resources

Number of consolidated employees3,888

Intellectual Capital

Target-oriented technology development

R&D expenses (individual)¥3.3 billion

Manufacturing Capital

Capital investment to support business activities

Capital expenditures¥50.2 billion

Social and Relationship Capital

Partnerships for co-creating value

Number of Penta-Ocean **Construction Labor Safety** Council members

.....1,092 companies -----

Natural Capital

Efficient use of resources

Amount of energy used3,726,383_GJ

Materiality (Material Business Issues)

Sustainable Construction Business Activities

1 Responding to Climate Change Issues 5 Promotion of DE&I

Maintenance &

Renewal

- 2 Creation of a Rich Environment
- 3 Construction of High-quality Social Infrastructure and Buildings
- 4 Enhancing Technology **Development and Technical** Capabilities
- **6** Respecting Human Rights and **Building Sustainable Supply Chain**

Construction

Design &

Engineering

- Ensuring Occupational Health and Safety
- 8 Promotion of Effective Governance

Gross Profit Margin: 8.8%

¥0.5 billion

* Scope 1, 2

*FY 3/25 result or figures at the end of FY 3/25 **Enhanced Reinvestment of Management Capital**

PENTA-OCEAN ANNUAL REPORT 2025 14

13 PENTA-OCEAN ANNUAL REPORT 2025

Business Model and Strengths

Over the decades of our history, POC cultivated four strengths. Under the four strengths, the three business units closely collaborate to create sustainable value in the value chains for "development and design", "procurement", "construction", "maintenance and renewal", and "dismantling and recycle", and to contribute to the sustainable development of society.

Penta-Ocean Construction Group Value Chain Technology Development Well-balanced **Business Portfolio Design &** Recycling **Engineering** Domestic Domestic Building Civil Engineering Construction 42.2% 35.0_% Inter-departmental Collaboration Overseas Sales ratio 20.9%**Maintenance &** Construction Renewal

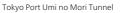
Business Activities Supported by Diverse Talent through the Promotion of DE&I

- Building a workplace environment where diverse talent such as women, mid-career professionals, international talent, people with disabilities, and senior employees can thrive through proactive recruitment and advancement of such talent
- · Hiring approximately 200 new graduates annually and quickly developing young employees into valuable assets through various education and training programs
- Proactive initiatives and workplace enhancements that support all employees to contribute to corporate growth while engaging in rewarding work and maintaining a healthy balance between professional and personal responsibilities, including childcare and family caregiving

Number One Contractor in Port, **Coastal, and Waterfront Areas**

- · Abundant construction track record in port, coastal, and waterfront areas (civil engineering works including reclamation, dredging, ports, undersea tunnels, as well as construction of logistics facilities, cruise terminals, etc.)
- Excellent engineering and construction capabilities in the marine civil engineering field (from technology development to proposal, design, construction, and maintenance repair)
- Advanced initiatives in the marine environment enhancement field (creation of seaweed beds and tidal flats, recycling of construction- generated soil and dredged soil, blue-carbon initiatives)







Global Expansion

- 1961: Embarked on global expansion with the Suez Canal Dredging Project (showcasing the "Pioneering Spirit", our corporate DNA)
- 2024: 60th anniversary of our entry into Singapore and 38th anniversary of our entry into Hong Kong (from marine civil engineering to land civil engineering, contributing to the expansion of approximately 10% of Singapore's national land, and relocating our headquarters' functions to Singapore)
- Contributing to the export of high-quality infrastructure (ODA) (mainly in Southeast Asia as well as South Asia, Africa, and Oceania)





Pasir Panjang Container Terminal (Singapore) ION Orchard and the Orchar

Inter-departmental Collaboration

- Collaboration between civil engineering and building construction, as well as between domestic and overseas, to leverage their strengths
- Collaboration between civil engineering and building construction (civil engineering undertakes foundation works such as soil improvement, groundwater control, and construction close to existing infrastructure, etc.)
- · Collaboration between domestic and overseas projects (collaboration with Singapore, a leading country in BIM/CIM, application of Japanese civil engineering technologies to overseas projects,



Yodobashi Umeda Tower



MTR Shatin to Central Link Contract 1121 – Cross Harbour Tunnels (Hong Kong)

Cherishing a Pioneering Spirit

- Challenges as a front runner in offshore wind construction (active investments in work vessels and securing and nurturing over 150 human resources)
- Active net zero energy building (ZEB) initiatives (promotion of ZEB conversion of actual projects and site offices)
- · Trial use of hydrogen energy at Muroran Factory (trial of hydrogen production and storage through electrolysis system using solar power generation electricity, and power generation using fuel cells)



for the Kitakyushu Hibikinada Offshore Wind Power Proje



15 PENTA-OCEAN ANNUAL REPORT 2025