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.

* FY 3/26 result or figures at the end of FY 3/26

Input

Financial Capital

Financial base for achieving value creation

Total Assets JPY **790.4** billion

Net Assets JPY **198.3** billion

Equity Ratio **25.1** %

Human Capital

Diverse and professional human resources

Number of Consolidated Employees **3,991**

Intellectual Capital

Target-oriented technology development

R&D Expenses (Non-consolidated) JPY **3.3** billion

Manufacturing Capital

Capital investment to support business activities

Capital Expenditures JPY **84.7** billion

Social and Relationship Capital

Partnerships for co-creating value

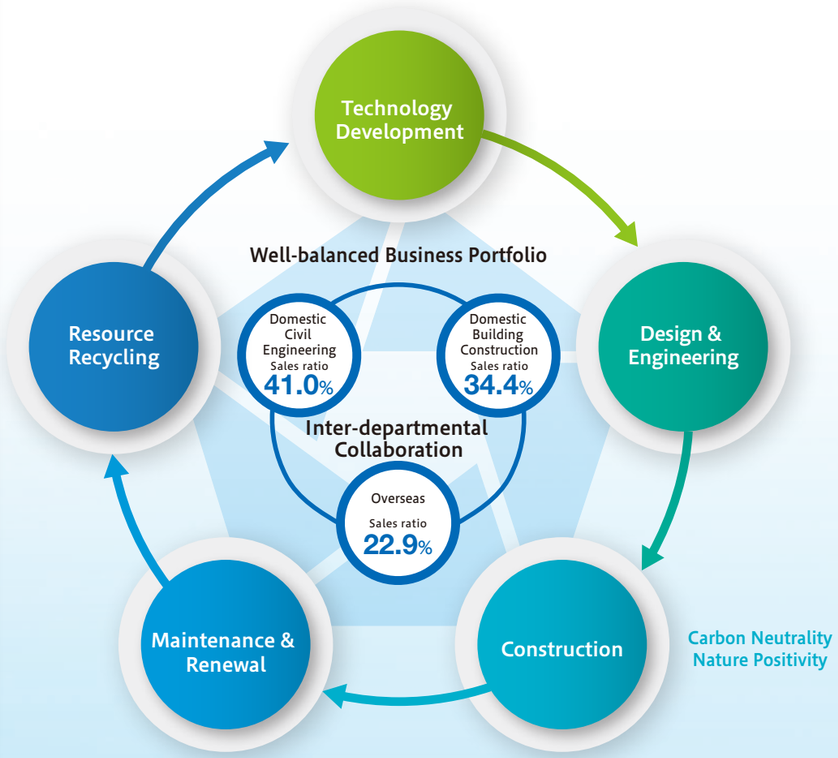
Number of Penta-Ocean Construction Labour Safety Council Members **1,155** companies

Natural Capital

Efficient use of resources

Amount of Energy Used **5,684,128** GJ

Business Model



Sustainable Construction Business Activities

Materiality (Key Issues)

1. Responding to Climate Change Issues
2. Creation of a Rich Environment
3. Construction of High-quality Social Infrastructure and Buildings
4. Enhancing Technology Development and Technical Capabilities
5. Promotion of DE&I
6. Respecting Human Rights and Building Sustainable Supply Chain
7. Ensuring Occupational Health and Safety
8. Promotion of Effective Governance

Output

Social Infrastructure and Buildings in Japan and Overseas



Domestic Civil Engineering

Net Sales JPY **325.9** billion

Gross Profit Margin **17.0** %

Operating Profit JPY **40.2** billion

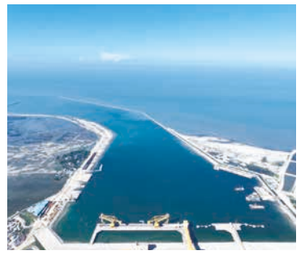


Domestic Building Construction

Net Sales JPY **273.4** billion

Gross Profit Margin **9.5** %

Operating Profit JPY **16.8** billion



Overseas

Net Sales JPY **181.8** billion

Gross Profit Margin (**0.2** %)

Operating Profit (JPY **3.2** billion)



Others

(Shipbuilding, environment-related, real estate, etc.)

Net Sales JPY **13.2** billion

Gross Profit Margin **17.6** %

Operating Profit JPY **1.5** billion

Outcome

Value Provided to Stakeholders

Customers

Providing reliable safety and quality backed by technology

Construction Performance of Government-ordered (Domestic Civil Engineering) Projects **80.4** points

Customer Satisfaction (Domestic Civil Engineering, Private Sector) **100** %

Customer Satisfaction (Domestic Building Construction, Private Sector) **93.2** %

Shareholders and Other Investors

Enhancement of corporate value, continuous and stable shareholder returns

ROE **18.7** %

Annual Dividend Amount JPY **48**

Total Return Ratio **66.9** %

Employees

Promoting equal opportunities in the workplace regardless of nationality, gender, etc.

Ratio of Female Employees **17.6** %

Turnover Rate within 3 Years of Joining (Domestic Hires) **11.2** %

Implementation Status of 8 Site-closures per 4 Weeks (Domestic) **95.3** %

Business Partners

Building partnerships on an equal footing

Number of Excellent Foreman Certifications (Domestic) **530**

Number of Fatalities (Domestic Subcontractors) **0**

Number of Fatalities (Overseas Subcontractors) **1**

Environment, Local Communities

Creating a nature-rich environment through the practice of sustainability management

CO_2 Emissions Reduction Rate* (Compared to FY 3/20) **7.8** %

Number of ZEB and Other Certifications Acquired **4**

Construction Waste Recycling Rate (Domestic) **95.0** %

* Scope 1, 2

Enhanced Reinvestment of Management Capital

Business Model and Strengths

Over the decades of our history, POC has cultivated four strengths. Under the four strengths, the three business units closely collaborate to create sustainable value in the value chains for “technology development,” “design and engineering,” “construction,” “maintenance and renewal,” and “resource recycling,” and to contribute to the sustainable development of society.

Penta-Ocean Construction Group Value Chain



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 250 or more new graduates and 50 or more mid-career employees, and quickly developing young employees into valuable assets through various education and training programmes
- Promoting proactive initiatives and workplace enhancements that enable all employees to contribute to corporate growth while fostering a rewarding workplace and supporting a healthy balance between professional and personal responsibilities, including childcare and family caregiving

Four Strengths

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)


Tokyo Port Umi no Mori Tunnel


Tokyo International Cruise Terminal

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 2026: 40th 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 Orchard Residences (Singapore)

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 (strengthening collaboration with the Global DX Centre as the core, application of Japanese civil engineering technologies to overseas projects, and application of overseas civil engineering technology in domestic 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)


The Kitakyushu Hibikinada Offshore Wind Farm


Hisamitsu Pharmaceutical Museum