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## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2022 [Japanese GAAP]

August 04, 2021

Company name: PENTA-OCEAN CONSTRUCTION CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 1893  
 URL: <https://www.penta-ocean.co.jp/>  
 Representative: Takuzo Shimizu President, Chief Executive Officer and Representative Director  
 Contact: Syunji Kitahashi Managing Executive Officer, General Manager, Head of Accounting Division  
 Phone: (03)3817-7619  
 Scheduled date of filing quarterly securities report: August 04, 2021  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 01, 2021 to June 30, 2021)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/22 1Q	98,962	(13.8)	5,606	(31.5)	5,745	(32.4)	4,550	(23.6)
FY3/21 1Q	114,802	(20.7)	8,180	(0.6)	8,504	4.5	5,953	0.6

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 3,751 million [ (40.1)%]  
 Three months ended June 30, 2020: ¥ 6,263 million [ 39.8%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY3/22 1Q	15.96	-
FY3/21 1Q	20.86	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	431,368	154,198	35.7
March 31, 2021	452,248	158,403	35.0

(Reference) Equity: As of June 30, 2021: ¥ 154,075 million  
 As of March 31, 2021: ¥ 158,287 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/21	-	-	-	28.00	28.00
FY3/22	-	-	-	-	-
FY3/22 (Forecast)	-	-	-	23.00	23.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of FY3/21 ordinary dividends: JPY 23, commemorative dividends for the 125th founding anniversary: JPY 5

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	491,000	4.2	29,000	(4.8)	28,500	(6.7)	20,000	(4.7)	70.17

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2021: 286,013,910 shares

March 31, 2021: 286,013,910 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 961,160 shares

March 31, 2021: 977,610 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 285,048,650 shares

Three months ended June 30, 2020: 285,373,231 shares

Note: Both the number of shares of treasury stock as of end of period, and the average number of shares outstanding during the period that is calculated by subtracting the number of shares of treasury stock from the number of outstanding shares, contain the company's shares of the BBT

※This document is out of the scope of the quarterly review procedures.

Notes: Request for appropriate use of the business outlook and other special remarks:

1) The financial forecasts for the entire term for fiscal year ending March 31, 2022 are the same as ones provided in May 11, 2021.

2) The forecasts given above are based on information currently available and certain premises regarded as reasonable, and do not include any intent that the company will guarantee its achievement. The actual business result is inherently subject to a variety of risks and uncertainties, and may vary significantly from forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

## Quarterly Consolidated Financial Statements

## Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of June 30,2021
<b>Assets</b>		
Current assets		
Cash and deposits	59,781	63,345
Notes receivable, accounts receivable from completed construction contracts and other	239,949	208,348
Securities	8	8
Costs on construction contracts in progress	12,395	12,758
Real estate for sale and development projects in progress	1,898	1,680
Accounts receivable - other	17,888	17,665
Other	3,524	10,596
Allowance for doubtful accounts	(358)	(297)
Total current assets	335,087	314,105
Non-current assets		
Property, plant and equipment		
Land	33,491	33,491
Other, net	50,915	50,032
Total property, plant and equipment	84,407	83,524
Intangible assets	3,931	3,968
Investments and other assets		
Investment securities	19,485	21,360
Retirement benefit asset	3,190	3,261
Other	9,407	8,382
Allowance for doubtful accounts	(3,261)	(3,236)
Total investments and other assets	28,821	29,769
Total non-current assets	117,160	117,262
<b>Total assets</b>	<b>452,248</b>	<b>431,368</b>

(Million yen)

	As of March 31,2021	As of June 30,2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	117,482	95,477
Short-term borrowings	28,841	33,785
Current portion of bonds payable	10,000	10,000
Income taxes payable	4,806	1,385
Advances received on construction contracts in progress	24,586	34,430
Provisions	5,348	3,378
Other	53,775	51,527
Total current liabilities	244,839	229,984
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	23,371	21,517
Deferred tax liabilities for land revaluation	3,679	3,679
Provisions	299	306
Retirement benefit liability	1,118	1,150
Other	535	530
Total non-current liabilities	49,004	47,184
Total liabilities	293,844	277,169
Net assets		
Shareholders' equity		
Share capital	30,449	30,449
Capital surplus	18,386	18,386
Retained earnings	101,198	97,781
Treasury shares	(590)	(579)
Total shareholders' equity	149,445	146,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,583	3,840
Deferred gains or losses on hedges	(175)	(135)
Revaluation reserve for land	3,912	3,912
Foreign currency translation adjustment	(15)	(71)
Remeasurements of defined benefit plans	536	491
Total accumulated other comprehensive income	8,842	8,036
Non-controlling interests	116	122
Total net assets	158,403	154,198
Total liabilities and net assets	452,248	431,368

## Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the three months)

	(Million yen)	
	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)
<b>Net sales</b>		
Net sales of completed construction contracts	112,484	96,817
Other sales	2,317	2,144
Total net sales	114,802	98,962
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	100,410	86,627
Other cost of sales	1,576	1,418
Total cost of sales	101,986	88,045
<b>Gross profit</b>		
Gross profit on completed construction contracts	12,074	10,190
Gross profit - other	741	726
Total gross profit	12,815	10,916
Selling, general and administrative expenses	4,635	5,310
Operating profit	8,180	5,606
<b>Non-operating income</b>		
Interest income	21	9
Dividend income	205	156
Reversal of allowance for doubtful accounts	126	86
Other	172	79
Total non-operating income	526	330
<b>Non-operating expenses</b>		
Interest expenses	151	135
Foreign exchange losses	-	51
Other	50	4
Total non-operating expenses	202	192
Ordinary income	8,504	5,745
<b>Extraordinary income</b>		
Gain on sale of non-current assets	3	13
Gain on sale of investment securities	13	482
Total extraordinary income	17	496
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	3	53
Other	19	15
Total extraordinary losses	22	68
Income before taxes	8,499	6,172
Income taxes - current	15	400
Income taxes - deferred	2,531	1,214
Total income taxes	2,546	1,615
Net income	5,952	4,557
Net income (loss) attributable to non-controlling interests	(0)	6
Net income attributable to owners of parent	5,953	4,550

## Quarterly Consolidated Statements of Comprehensive Income (For the three months)

	(Million yen)	
	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)
Net income	5,952	4,557
Other comprehensive income		
Valuation difference on available-for-sale securities	330	(743)
Deferred gains or losses on hedges	(103)	39
Foreign currency translation adjustment	64	140
Remeasurements of defined benefit plans, net of tax	20	(44)
Share of other comprehensive income of entities accounted for using equity method	-	(196)
Total other comprehensive income	311	(805)
Comprehensive income	6,263	3,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,261	3,745
Comprehensive income attributable to non-controlling interests	2	6

**(Reference)****Non-Consolidated Orders Received, Net Sales and Backlog**

## 1. Orders Received

(Millions of Yen)

	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	Increase (Decrease)	Rate of change (%)
Public works	32,278	21,097	(11,180)	(34.6)
Private works	8,212	6,553	(1,658)	(20.2)
Domestic civil engineering	40,490	27,651	(12,838)	(31.7)
Public works	7,695	5,073	(2,622)	(34.1)
Private works	27,745	30,997	3,252	11.7
Domestic building construction	35,441	36,070	629	1.8
Civil engineering	434	3,749	3,315	763.2
Building construction	21,185	4,495	(16,690)	(78.8)
Overseas	21,620	8,245	(13,375)	(61.9)
Construction Total	97,552	71,967	(25,584)	(26.2)
Others	80	550	469	580.4
Total	97,632	72,518	(25,114)	(25.7)

## 2. Net Sales

(Millions of Yen)

	FY3/21 1Q (From Apr. 1, 2020 to Jun. 30, 2020)	FY3/22 1Q (From Apr. 1, 2021 to Jun. 30, 2021)	Increase (Decrease)	Rate of change (%)
Public works	31,915	26,625	(5,290)	(16.6)
Private works	9,805	8,795	(1,009)	(10.3)
Domestic civil engineering	41,721	35,421	(6,299)	(15.1)
Public works	4,195	3,855	(339)	(8.1)
Private works	27,467	25,975	(1,492)	(5.4)
Domestic building construction	31,663	29,831	(1,831)	(5.8)
Civil engineering	30,411	18,998	(11,413)	(37.5)
Building construction	4,095	7,589	3,493	85.3
Overseas	34,507	26,588	(7,919)	(22.9)
Construction Total	107,892	91,841	(16,050)	(14.9)
Others	80	550	469	580.4
Total	107,973	92,391	(15,581)	(14.4)

## 3. Backlog

(Millions of Yen)

	FY3/21 1Q (Jun. 30, 2020)	FY3/22 1Q (Jun. 30, 2021)	Increase (Decrease)	Rate of change (%)
Public works	138,660	120,937	(17,722)	(12.8)
Private works	59,591	70,941	11,350	19.0
Domestic civil engineering	198,251	191,879	(6,372)	(3.2)
Public works	35,661	51,596	15,934	44.7
Private works	180,128	202,769	22,640	12.6
Domestic building construction	215,789	254,365	38,575	17.9
Civil engineering	234,707	179,451	(55,255)	(23.5)
Building construction	92,452	182,961	90,508	97.9
Overseas	327,160	362,413	35,253	10.8
Construction Total	741,202	808,658	67,456	9.1
Others	—	—	—	—
Total	741,202	808,658	67,456	9.1