



May 8, 2026

Listed company name: Penta-Ocean Construction Co., Ltd.

Code number: 1893

Stock exchange: Tokyo Prime, Nagoya Premier

Notice regarding Introduction of Japanese Employee Stock Ownership Plan (J-ESOP)

Penta-Ocean Construction (hereinafter, the “Company”) hereby announces that at the Board of Directors meeting held on May 8, 2026, the Company passed a resolution to introduce a trust-based incentive scheme “Japanese Employee Stock Ownership Plan (J-ESOP)” (hereinafter, the “Plan”, and the trust to be established based on the trust agreement concluded with Mizuho Trust and Banking Co., Ltd. in connection with the Plan will be hereinafter referred to as the “Trust”), to provide eligible employees with the Company’s shares. The purpose of the Plan is to further enhance employee motivation and engagement toward improving the Company’s stock price and business performance. By further strengthening the link between the remuneration of senior management employees (hereinafter, the “Eligible Employees”) and those factors, the Plan seeks to align their economic interests with those of our shareholders. The details are as follows.

1. Reasons for the introduction

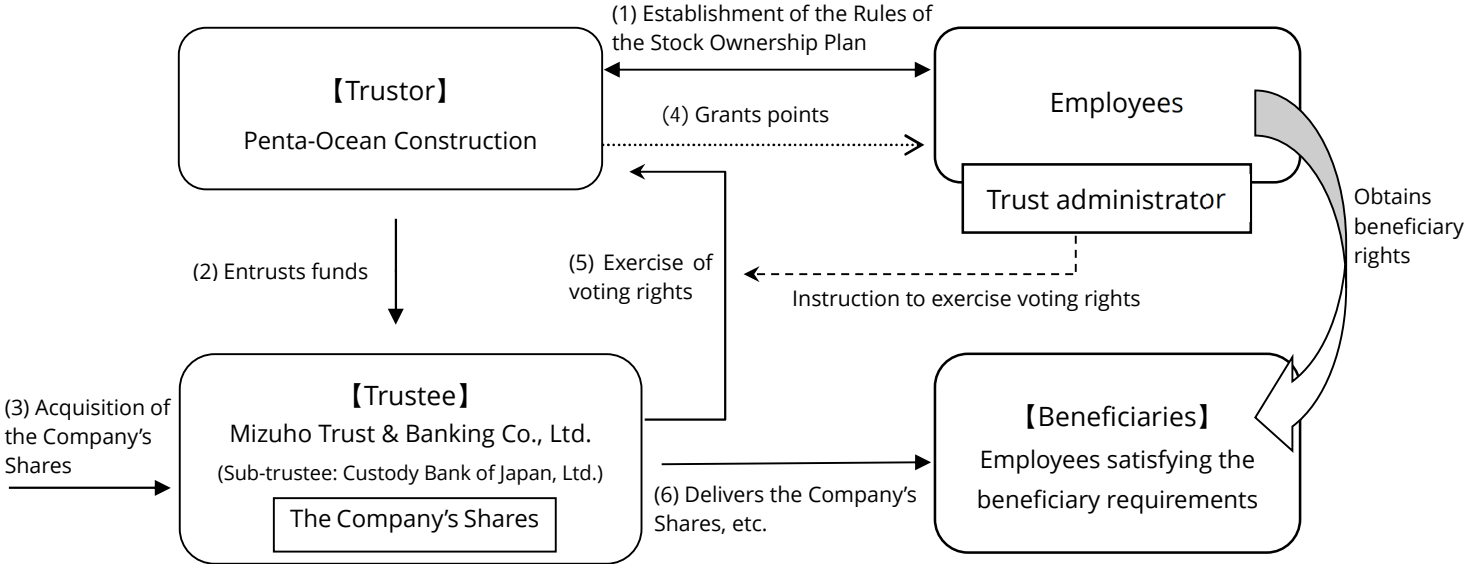
In the new Medium-Term Management Plan (FY 2026-2028), the Company envisions becoming “a Genuine Global General Contractor who Practices Sustainability Management and Builds New Horizons in Construction,” and have established it as the goal to aim for. In light of this target, we have considered various incentive plans that encourage employees to pursue greater challenges and ensure appropriate remuneration for their achievements. To this end, we have decided to introduce the Plan, which provides employees with the Company’s shares and links their remuneration more closely to stock price appreciation. The Plan is expected to elevate the Eligible Employees’ awareness of our stock price and business performance, thereby fostering a strengthened commitment to the enhancement of medium- to long-term corporate value.

2. Outline of the System

The Plan is a trust-type incentive scheme modeled after the Employee Stock Ownership Plan (ESOP) widely adopted by U.S. companies. Under the “Rules of the Stock Ownership Plan” established by the Company, the Eligible Employees who meet specific criteria shall receive the Company’s shares or a cash equivalent based on the market price at the time (hereinafter referred to as the “Company’s Shares, etc.”).

The Company grants points to the Eligible Employees based on business performance and other factors. Upon satisfying certain vesting conditions, the Eligible Employees will receive the Company’s Shares, etc., in proportion to their accumulated points. To fulfill its future obligations under the Plan, the Company will acquire the necessary shares through a trust, using funds

specifically reserved and separately managed as trust assets.
 Details regarding the trust period, the total trust amount, and other specifics under the Plan will be disclosed as soon as they are finalized.



- (1) The Company establishes the “Rules of the Stock Ownership Plan” upon the introduction of the Plan
- (2) The Company entrusts funds (third party benefit trust) to Mizuho Trust & Banking Co., Ltd. (sub-trustee: Custody Bank of Japan, Ltd.) to acquire the Company's shares for future delivery to the Eligible Employees in accordance with the Rules of the Stock Ownership Plan.
- (3) The Trust acquires the Company's shares from the stock market or by underwriting shares of the Company's treasury stock, using the entrusted funds in the process (2) as source of funds.
- (4) The Company grants points to the Eligible Employees in accordance with the Rules of the Stock Ownership Plan.
- (5) The Trustee exercises voting rights as instructed by the trust administrator.
- (6) The Trust delivers the Company's shares to the Eligible Employees who satisfy beneficiary requirements (hereinafter, the Beneficiaries) based on their accumulated points; provided, however, that a certain portion of the Shares may be converted and paid in cash equivalent to their prevailing market price in accordance with the Rules of the Stock Ownership Plan.

3. Outline of the Trust

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| (1) Name | Japanese Employee Stock Ownership Plan (J-ESOP) |
| (2) Trustor | Penta-Ocean Construction Co., Ltd. |
| (3) Trustee
(sub-trustee) | Mizuho Trust and Banking Co., Ltd.
Custody Bank of Japan, Ltd. |
| (4) Beneficiaries | The Eligible Employees of the Company meeting the beneficiary requirements stipulated in the Rules of the Stock Ownership Plan |
| (5) Trust administrator | Shall be selected from among the Eligible Employees |
| (6) Type of trust | Monetary trust other than a common money trust
(third party beneficiary trust) |
| (7) Date of the trust agreement | September 2026 (scheduled) |
| (8) Date of funding | September 2026 (scheduled) |
| (9) Trust Period | From September 2026 (scheduled) until the termination of the Trust (no specific expiration date is set, as the Trust shall remain in effect for as long as the Plan continues) |

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