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Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

August 11, 2021

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 Stock exchange listing: Tokyo
 Code number: 5269
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 Scheduled date of filing quarterly securities report: August 13, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(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 profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	8,902	(18.5)	(22)	-	206	(54.6)	103	(62.2)
June 30, 2020	10,922	(0.1)	249	-	454	173.1	273	195.6

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ (525) million [-%]
 Three months ended June 30, 2020: ¥ 1,074 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	1.83	-
June 30, 2020	4.88	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	70,588	38,518	52.0
March 31, 2021	74,825	39,384	50.2

(Reference) Equity: As of June 30, 2021: ¥ 36,702 million
 As of March 31, 2021: ¥ 37,539 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	2.50	-	6.50	9.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		4.50	-	4.50	9.00

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

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 profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2021	26,000	14.3	900	(13.2)	1,200	(12.3)	700	(6.3)	12.45
Full year	56,000	14.6	2,500	(9.0)	2,800	(12.0)	1,800	(3.8)	32.02

(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

New - (Company name:)

Exclusion: - (Company name:)

(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: 57,777,432 shares

March 31, 2021: 57,777,432 shares

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

June 30, 2021: 1,290,871 shares

March 31, 2021: 1,359,228 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 56,440,357 shares

Three months ended June 30, 2020: 56,152,975 shares

* Quarterly financial results are not required to be subjected to quarterly reviews.

* Explanation for appropriate use of financial forecasts and other special notes.

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. Actual results may differ from these forecasts by a variety of reasons.

* These financial results are reflected adjustments disclosed on August 17, 2021.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Business Results

In the three months ended June 30, 2021, the Japanese economy as a whole appeared to be on a recovery path as capital investment and other components picked up, although consumer spending and other components remained sources of concern, affected by a resurgence of the COVID-19 pandemic.

Regarding the business environment in which the Group operates, the demand for concrete piles across Japan during the three months ended June 30, 2021 increased year on year. Whereas the shipments of concrete poles throughout Japan remained flat compared to the same period of the previous year, the demand for poles for mobile phone base stations remained robust, continuing from the previous period. Furthermore, demand is growing for concrete products that contribute to the development of new base stations for 5G mobile phones, as well as for concrete products that help prevent and mitigate disasters, reinforce national resilience, and are used in disaster recovery (such as precast concrete walls, which are the Company's proprietary products). Demand for slope reinforcement works is also growing. In addition, the environmental technology for carbon capture developed by the Company and CCUS (carbon dioxide capture, utilization and storage) products are attracting increasing attention.

In these circumstances, the Group has been working on measures to materialize our corporate philosophy: We contribute to a safe, secure, and affluent society through concrete. We also strove to further improve our earnings.

Regarding the situation of the Group's overall business, the performance was weak because of sluggish production and shipments in Foundation Business and the delay in the start of construction of precast concrete walls. On the other hand, shipment of poles for mobile phone base stations continued to be robust, production of the RC segment for the Linear Chuo Shinkansen started, and Free Kogyo Co., Ltd., which is mainly engaged in slope reinforcement works, performed well.

As a result, the Group's revenue and profit both declined. Net sales for the three months ended June 30, 2021 were 8,902 million yen (down 18.5% year-on-year); operating loss was 22 million yen (against operating profit of 249 million yen a year earlier); ordinary profit was 206 million yen (down 54.6% year-on-year); and profit attributable to owners of parent was 103 million yen (down 62.2% year-on-year).

The impact of the COVID-19 pandemic on our business has been insignificant so far.

Trends by business segment are as follows.

1) Foundation Business

The demand across Japan for concrete piles during the three months ended June 30, 2021 was slightly higher than a year earlier. However, net sales were 4,251 million yen (down 25.7% year-on-year) as a result of significant declines in production and shipments of piles due to a decrease in orders received for large-scale projects, reflecting severe competition for orders in the Kanto region.

As for the profit, a segment loss of 17 million yen (against segment income of 190 million yen a year earlier) was recorded, affected by a decline in plant utilization rates in addition to lower sales.

We will take steps to improve plant utilization rates by securing orders through initiatives for large-scale civil engineering projects in the Kanto region. While making a concerted effort to increase profit through strengthened construction management, we will also promote the development of technologies (including those relating to materials and peripheral works), further enhance our construction management capability, and endeavor to strengthen competitiveness and improve the customers' satisfaction.

2) Concrete Secondary Product Business

In the Pole-related Business, which is part of the Concrete Secondary Product Business, while the demand for concrete poles across Japan remained flat, the Group's shipment of poles for mobile phone base stations continued to be robust, with net sales of 3,143 million yen (down 1.0% year-on-year), virtually unchanged from the same period of the previous year when a significant increase in net sales was recorded.

In terms of the Civil Engineering Product Business, notwithstanding the robust performance of Free Kogyo, which undertakes slope reinforcement works, net sales were 1,429 million yen (down 26.7% year-on-year). This decline in net sales occurred because sales of the RC segment will be recorded from the second quarter onward, even though production for the Linear Chuo Shinkansen has already started, and many precast concrete wall projects will start in the second half of the fiscal year under review, and it also reflected a decrease in construction works due to delays in the start of scheduled projects.

As a result, net sales for the Concrete Secondary Product Business were 4,572 million yen (down 10.8% year-on-year).

As for the profit, segment income was 478 million yen (up 4.1% year-on-year), owing to profit from the robust shipment of poles for mobile phone base stations as well as reflecting the contribution of briskly performing Free Kogyo.

Regarding our ongoing efforts in each business, in the Pole-related Business, there has been a steady number of inquiries about COP (cap on poles), fit-in flange poles which enhance workability of construction. Therefore, we are working to expand the sales of poles for mobile phone base stations with a view to 5G network rollouts. We are also strengthening our efforts to win orders including those for pole maintenance and the construction of poles to boost our earnings. In the Civil Engineering Product Business, we are receiving many inquiries about our precast concrete walls (for faster construction and less manpower) and slope reinforcement works for flood control, following the increasing demand for greater national resilience as well as preventing and mitigating disasters. Accordingly, we are working actively to win orders with an enhanced sales structure and expand sales by incorporating our products into designs. In the Segment Business, as well as promoting steady production of segments for the Linear Chuo Shinkansen, we are endeavoring to win orders for large-scale projects such as construction of underground regulating reservoirs in urban areas.

3) Real Estate and Solar Power Generation Business

In the Real Estate and Solar Power Generation Business, net sales were 79 million yen (down 1.3% year-on-year) and segment income was 50 million yen (up 4.6% year-on-year).

In view of the current business environment and conditions described above, each of the Group's businesses will make proactive efforts to win orders and expand sales. At the same time, while adapting swiftly to changes

in the business environment, we will continue to reduce costs and focus on enhancing earning power. The process of making Tohoku Pole Co., Ltd. our subsidiary, an initiative that we previously announced, was completed by the end of July as scheduled and we plan to include Tohoku Pole in consolidated financial statements from the second quarter of the fiscal year under review.

Under the 2021 Medium-Term Management Plan announced today, in keeping with the corporate philosophy “We contribute to a safe, secure, and affluent society through concrete,” the Group set the medium- to long-term vision “Protect social infrastructure and the global environment far into the future” and the basic policy “Contribute to reinforcement of national resilience and the global environment by boosting competitiveness and expanding business through promotion of Group management.” The Group will continue to play a role in building social infrastructure and contribute to society by offering technology and product lines that reduce environmental impacts. In addition, we will continue our efforts to enhance corporate value through sustainable growth by exploiting Group synergy.

(Note) Net sales and other figures do not include consumption and other taxes.

(2) Explanation of Financial Position

The Group’s financial policies are to reduce total assets so as to improve ROA through measures such as early collection of accounts receivable, optimization of product inventories, and efficient capital investment strategies; and to reduce interest-bearing debts by improving the efficiency of the Group’s funds and assets.

Total assets at the end of the first quarter of the fiscal year under review were 70,588 million yen, down 4,237 million yen from the end of the previous fiscal year.

Current assets were 28,626 million yen, down 3,237 million yen from the end of the previous fiscal year, and non-current assets were 41,961 million yen, down 999 million yen from the end of the previous fiscal year.

The decrease in current assets was mainly due to a decrease in notes and accounts receivable - trade, and contract assets, and the decrease in non-current assets was mainly due to a decrease in investment securities in line with a decrease in market value gains on investment securities.

Total liabilities were 32,070 million yen, down 3,371 million yen from the end of the previous fiscal year.

Current liabilities were 22,170 million yen, down 2,627 million yen from the end of the previous fiscal year, and non-current liabilities were 9,899 million yen, down 743 million yen from the end of the previous fiscal year.

The decrease in current liabilities was mainly due to a decrease in income taxes payable, and the decrease in non-current liabilities was mainly due to a decrease in long-term borrowings.

Total net assets were 38,518 million yen, down 865 million yen from the end of the previous fiscal year.

It was mainly due to a decrease in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio was 52.0%, up from 50.2% at the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change in our consolidated financial results forecast for the fiscal year ending March 31, 2022 from the forecast announced on May 20, 2021.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of June 30,2021
Assets		
Current assets		
Cash and deposits	8,804,311	7,509,207
Notes and accounts receivable - trade	11,965,519	-
Notes and accounts receivable - trade, and contract assets	-	9,197,485
Electronically recorded monetary claims - operating	2,521,131	3,508,192
Merchandise and finished goods	4,608,488	4,904,451
Work in process	1,610,450	810,615
Raw materials and supplies	1,367,942	1,521,984
Other	1,023,371	1,208,969
Allowance for doubtful accounts	(36,522)	(34,001)
Total current assets	31,864,693	28,626,904
Non-current assets		
Property, plant and equipment		
Land	16,453,797	16,453,797
Other, net	9,114,099	9,063,805
Total property, plant and equipment	25,567,897	25,517,602
Intangible assets	399,997	391,989
Investments and other assets		
Investment securities	13,781,673	12,878,890
Other	3,452,086	3,409,726
Allowance for doubtful accounts	(241,129)	(236,994)
Total investments and other assets	16,992,630	16,051,622
Total non-current assets	42,960,524	41,961,214
Total assets	74,825,217	70,588,119

(Thousand yen)

	As of March 31,2021	As of June 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,939,989	4,383,786
Electronically recorded obligations - operating	6,824,886	6,778,863
Short-term borrowings	4,050,000	4,050,000
Current portion of long-term borrowings	3,408,008	3,258,838
Income taxes payable	936,707	82,300
Provisions	610,661	363,482
Other	4,027,869	3,253,318
Total current liabilities	24,798,122	22,170,590
Non-current liabilities		
Bonds payable	4,500	4,500
Long-term borrowings	3,577,548	2,976,701
Retirement benefit liability	688,257	694,922
Other	6,372,725	6,223,326
Total non-current liabilities	10,643,031	9,899,449
Total liabilities	35,441,153	32,070,040
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,850,779	3,880,011
Retained earnings	18,900,629	18,661,946
Treasury shares	(443,433)	(415,450)
Total shareholders' equity	27,419,559	27,238,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,628,464	4,070,663
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(42,293)	(118,599)
Remeasurements of defined benefit plans	221,127	200,433
Total accumulated other comprehensive income	10,119,665	9,464,866
Non-controlling interests	1,844,839	1,815,121
Total net assets	39,384,064	38,518,079
Total liabilities and net assets	74,825,217	70,588,119

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Net sales	10,922,981	8,902,937
Cost of sales	9,155,942	7,388,002
Gross profit	1,767,038	1,514,935
Selling, general and administrative expenses	1,517,361	1,537,390
Operating profit (loss)	249,676	(22,455)
Non-operating income		
Interest income	3,888	2,206
Dividend income	172,141	174,789
Share of profit of entities accounted for using equity method	52,860	58,268
Other	21,476	30,547
Total non-operating income	250,367	265,813
Non-operating expenses		
Interest expenses	13,020	12,186
Other	32,251	24,830
Total non-operating expenses	45,272	37,016
Ordinary profit	454,771	206,341
Extraordinary income		
Gain on sale of investment securities	-	164,036
Total extraordinary income	-	164,036
Extraordinary losses		
Loss on retirement of non-current assets	2,121	527
Impairment losses	-	26,741
Total extraordinary losses	2,121	27,268
Profit before income taxes	452,650	343,109
Income taxes - current	128,076	78,956
Income taxes - deferred	8,672	134,550
Total income taxes	136,748	213,506
Profit	315,902	129,602
Profit attributable to non-controlling interests	42,141	26,082
Profit attributable to owners of parent	273,760	103,520

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

(Thousand yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Profit	315,902	129,602
Other comprehensive income		
Valuation difference on available-for-sale securities	753,430	(552,679)
Foreign currency translation adjustment	2,022	(76,305)
Remeasurements of defined benefit plans, net of tax	(14,561)	(20,693)
Share of other comprehensive income of entities accounted for using equity method	17,814	(5,120)
Total other comprehensive income	758,706	(654,799)
Comprehensive income	1,074,608	(525,196)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,029,813	(549,453)
Comprehensive income attributable to non-controlling interests	44,794	24,257

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes in the Case of Significant Changes in the Amount of Shareholders' Equity)

For the three months ended June 30, 2020

1. Dividends paid

As no dividends are paid, there is no relevant information.

2 Dividends with a record date in the three months ended June 30, 2020 but with an effective date after the end of the period

There is no relevant information.

For the three months ended June 30, 2021

1. Dividends paid

Resolution	Type of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
June 4, 2021 Board of Directors' Meeting	Common shares	368,280	6.50	March 31, 2021	June 15, 2021	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on June 4, 2021 includes dividends of 366 thousand yen for the Board Incentive Plan Trust (BIP) and dividends of 413 thousand yen for the Stock Granting Trust (J-ESOP).

2. Dividends with a record date in the three months ended June 30, 2021 but with an effective date after the end of the period

There is no relevant information.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

Effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. and recognizes the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to a customer. With regard to construction contracts, the Company previously applied the percentage-of-completion method for contracts for which results are deemed certain in terms of the completed portion. However, in the case of goods or services whose control will be transferred to a customer over a period of time, the Company has changed the method and recognizes revenue over a period of time in line with the satisfaction of performance obligations to transfer goods or services to a customer. The measurement of the degree of progress toward satisfaction of performance obligations is based on the ratio of the construction cost incurred by the end of the reporting period to the estimated total construction cost. If it is not possible to reasonably estimate the degree of progress toward satisfaction of performance obligations in the early stage of the contract, but it is probable that the costs incurred will be recovered, the Company recognizes revenue by the cost recovery method. The Company applies alternative treatment for construction contracts under which the period from the transaction commencement date to the point in time at which performance obligations are expected to be fully satisfied is very short and does not recognize revenue for such contracts over a period of time but recognizes revenue at the point in time when the Company fully satisfies performance obligations.

For application of the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment, which is stipulated in the proviso of Paragraph 84 of the Revenue Recognition

Accounting Standard. Accordingly, the cumulative effect of retrospective application of the new accounting policy before the beginning of the first quarter of the fiscal year under review has been added to or deducted from retained earnings at the beginning of the first quarter of the fiscal year under review and thus the new accounting policy has been applied from the beginning of the first quarter of the fiscal year under review. However, the Company has applied the method stipulated in Paragraph 86 of the Revenue Recognition Accounting Standard and has not applied the new accounting policy retrospectively to the contracts for which almost all the revenue had been recognized in accordance with the previous treatment before the beginning of the first quarter of the fiscal year under review. Moreover, the Company has applied the method stipulated in additional proviso (1) of Paragraph 86 of the Revenue Recognition Accounting Standard and, for changes to contracts made before the beginning of the first quarter of the fiscal year under review, accounting treatment has been implemented based on the contract conditions after all changes to contracts had been reflected and its cumulative effect has been added to or deducted from retained earnings at the beginning of the first quarter of the fiscal year under review.

As a result, net sales and cost of sales for the three months ended June 30, 2020 decreased 260,127 thousand yen and 248,987 thousand yen, respectively, operating loss increased 11,139 thousand yen, and ordinary profit and profit before income taxes decreased 11,139 thousand yen, respectively. The beginning balance of retained earnings increased 36,458 thousand yen.

As a result of the application of the Revenue Recognition Accounting Standard, etc., “notes and accounts receivable - trade,” which was presented under “current assets” in the consolidated balance sheet for the previous fiscal year, has been included in “notes and accounts receivable - trade, and contract assets” from the first quarter of the fiscal year under review. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, reclassification based on the new presentation method has not been made for the previous fiscal year. Moreover, in accordance with the transitional treatment stipulated in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information on the breakdown of revenue arising from contracts with customers for the first quarter of the previous fiscal year is not presented.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

Effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as “Fair Value Measurement Accounting Standard”), etc. and has applied the new accounting policy established by the Fair Value Measurement Accounting Standard, etc. and will apply it in the future as well, in accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There has been no impact on the quarterly consolidated financial statements.

(Additional Information)

(A transaction in which the Company’s shares are delivered to its employees, etc. through a trust)

(1) Summary of the transaction

As for the Board Incentive Plan Trust (hereinafter referred to as the “BIP Trust”) and the Stock Granting Trust (J-ESOP) (hereinafter referred to as the “J-ESOP Trust”) introduced in August 2015, the Company resolved at the Board of Directors’ Meeting held on July 29, 2021 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from July 29, 2021 to August 31, 2024) and reintroduced them by entering into an agreement to extend their terms, for the purpose of increasing motivation to improve the Company’s medium- to long-term performance and raising awareness toward the contribution to an increase in shareholder value.

(2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares in net assets at their book

value (excluding incidental expenses) in the trust. The book value and the number of shares of the treasury shares at the end of the first quarter of the fiscal year under review are 8,886 thousand yen and 20,997 shares for the BIP Trust, and 12,113 thousand yen and 30,710 shares for the J-ESOP Trust.

(Segment Information, etc.)

[Segment Information]

I. For the three months ended June 30, 2020

1. Information on net sales and income by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statements of income (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	5,718,559	5,124,261	80,161	10,922,981	—	10,922,981
Inter-segment net sales or transfers	3,356	—	—	3,356	(3,356)	—
Total	5,721,915	5,124,261	80,161	10,926,337	(3,356)	10,922,981
Segment income	190,553	459,809	48,074	698,437	(448,760)	249,676

(Notes) 1. The adjustment for segment income mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.

2. Segment income is adjusted to the operating income in the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets and goodwill by reportable segment

There is no relevant information.

II. For the three months ended June 30, 2021

1. Information on net sales and income (loss) by reportable segment and information on the breakdown of revenue

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statements of income (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	4,251,397	4,572,442	79,097	8,902,937	—	8,902,937
Inter-segment net sales or transfers	1,549	—	—	1,549	(1,549)	—
Total	4,252,947	4,572,442	79,097	8,904,487	(1,549)	8,902,937
Segment income (loss)	(17,820)	478,851	50,263	511,294	(533,749)	(22,455)

(Notes) 1. The adjustment for segment income or loss mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.

2. Segment income or loss is adjusted to the operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses of non-current assets and goodwill by reportable segment

There is no relevant information.

3. Information on changes in reportable segments, etc.

As described in the changes in accounting policies, effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the Revenue Recognition Accounting Standard, etc. and changed the accounting treatment for revenue recognition, and accordingly has changed the method of measurement of segment income or loss in the same manner.

(Significant Events after Reporting Period)

(Acquisition of shares of Tohoku Pole Co., Ltd.)

The Company resolved at the Board of Directors' Meeting held on January 28, 2021 to make Tohoku Pole Co., Ltd. a subsidiary of the Company by acquiring 57.9% of its shares, and entered into a share transfer agreement on February 5, 2021.

The Company acquired shares of Tohoku Pole Co., Ltd. on July 30, 2021.

(1) Name of acquired company and description of its business

Name of acquired company

Tohoku Pole Co., Ltd.

Description of business

Manufacture and sales of concrete poles and piles

Design and execution of civil engineering and building construction works

Size of business

Total assets: 9,863 million yen

Net sales: 10,416 million yen

These are figures for the fiscal year ended March 2020, for which audit certification is not obtained from the Company's Accounting Auditor.

(2) Reason for acquisition of shares

The Company and Tohoku Pole Co., Ltd. have built a favorable relationship through providing pole and pile manufacturing technologies and pile construction technologies, and mutual cooperation in sales activities and other initiatives.

The addition of Tohoku Pole Co., Ltd. to the Group will enable us to work on establishing 5G networks and measures for reinforcing national resilience in eastern Japan in an integrated manner together with Hokkaido Concrete Industries Co., Ltd., which joined the Group earlier. This will help the future growth of the Group and add to its contribution to creating a safe, secure, and affluent society with initiatives such as mutual provision of products in the event of a large-scale disaster or other emergency situations.

(3) Date of business combination

July 30, 2021

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Company name after business combination

There will be no change.

(6) Percentage of voting rights before and after acquisition

Percentage of voting rights before the change: 6.4%

Percentage of voting rights after the change: 64.3%

3. Other

Significant Events Relating to Going Concern Assumption, etc.

There is no relevant information.