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## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.  
 Stock exchange listing: Tokyo  
 Code number: 5269  
 URL: <https://www.ncic.co.jp/>  
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 Scheduled date of filing quarterly securities report: August 10, 2022  
 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, 2022 (April 01, 2022 to June 30, 2022)

#### (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, 2022	10,511	18.1	(79)	-	156	(24.1)	11	(89.2)
June 30, 2021	8,902	(18.5)	(22)	-	206	(54.6)	103	(62.2)

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 238 million [ -% ]  
 Three months ended June 30, 2021: ¥ (525) million [ -% ]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	0.20	-
June 30, 2021	1.83	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2022	74,560	38,408	48.0
March 31, 2022	75,003	38,672	48.1

(Reference) Equity: As of June 30, 2022: ¥ 35,776 million  
 As of March 31, 2022: ¥ 36,054 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, 2022	-	4.50	-	4.50	9.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		3.50	-	3.50	7.00

(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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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, 2022	26,800	26.9	660	172.0	920	72.4	530	(17.8)	9.45
Full year	56,000	18.2	1,650	34.4	1,900	22.1	1,110	26.7	19.79

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

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(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, 2022: 57,777,432 shares

March 31, 2022: 57,777,432 shares

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

June 30, 2022: 3,488,369 shares

March 31, 2022: 2,644,746 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 54,647,630 shares

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

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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, 2022, the economic environment saw progress made to both COVID-19 prevention and economic activities, while on the other hand, the outlook remained uncertain due to the prolonged situation in Ukraine and significant depreciation of the yen, in addition to soaring raw material and logistics expenses.

Regarding the business environment in which the Group operates, conditions were severe, buffeted by the rising price of steel, being the raw material for piles, poles, precast products and other concrete secondary products, as well as by delays to mobile phone base station deployment. On the other hand, expectations continued to rise for concrete products that contribute to disaster prevention and mitigation, maintenance of social infrastructure, disaster recovery, the shortening of construction periods, and labor saving, as well as for the Company-developed environmental technology for carbon capture and CCUS (carbon dioxide capture, utilization and storage) products, and low-carbon type concrete products.

In these circumstances, the Group has been working under our corporate philosophy: “We contribute to a safe, secure, and affluent society through concrete,” to realize the basic policy of our Medium-Term Management Plan, namely, to “Contribute to reinforcement of national resilience and the global environment by boosting competitiveness and expanding business through promotion of Group management,” and has earnestly undertaken the various measures set forth in the plan.

Trends by business segment for the period under review are as follows.

#### 1) Foundation Business

The demand for concrete piles across Japan during the three months ended June 30, 2022 rose by approximately 5% from a year earlier, while the Group also had a steady rebound in orders received and shipment volume. Net sales were 5,501 million yen (up 29.4% year-on-year).

As for profit, segment loss was 70 million yen (against segment loss of 17 million yen a year earlier) on the impact of higher raw material prices in addition to a lower profit margin on construction during the period, despite an improvement in plant utilization rates.

#### 2) Concrete Secondary Product Business

In the Pole-related Business, which is part of the Concrete Secondary Product Business, concrete pole shipments throughout Japan fell roughly 17% year-on-year. In this environment, while there was an increase in sales accounted for by Tohoku Pole Co., Ltd., which the Company newly brought under consolidation in July of last year, shipments of poles for mobile phone base stations declined substantially due to the impact of semiconductor shortages and other factors, and net sales amounted to 2,974 million yen (down 5.4% year-on-year).

In the Civil Engineering Product Business, shipments of precast products rose, and production was brisk for RC segments intended for the Linear Chuo Shinkansen. Net sales were 1,956 million yen (up 36.9% year-on-year).

As a result, net sales in the Concrete Secondary Product Business amounted to 4,931 million yen (up 7.8% year-on-year).

As for profit, segment income was 323 million yen (down 32.4% year-on-year) on account of a decline in pole production in addition to the impact of rising raw material prices.

### 3) Real Estate and Solar Power Generation Business

The Company reported steady rental income, and generated and sold electricity for net sales that amounted to 79 million yen (up 0.1% year-on-year) and segment income was 51 million yen (up 1.7% year-on-year).

As a result of the above, the Group's net sales for the three months ended June 30, 2022 were 10,511 million yen (up 18.1% year-on-year), operating loss was 79 million yen (operating loss of 22 million yen in the same period of the previous year), ordinary profit was 156 million yen (down 24.1% year-on-year), and profit attributable to owners of parent was 11 million yen (down 89.2% year-on-year).

As for future initiatives, each business will strive to pass on costs to sales prices and secure profits as a measure to cope with rising raw material prices. In addition, in the Foundation Business, we will continue to focus on securing more orders by incorporating our products into designs and improving the profit margin on construction projects while endeavoring to enhance plant utilization rates. Moreover, we will make efforts to expand sales of environment-friendly piles, aiming to release our unique G (green)-ONA pile this year, which can reduce CO<sub>2</sub> emissions by approximately 40% over the Company's existing product. The Pole-related Business will work to expand sales in view of increased pole installation for 5G while keeping an eye on demand for poles geared toward mobile phone base stations, and strive to capture demand for the replacement of existing poles. We will also make concerted efforts in the Pole Solutions Business, expanding the scope of orders to include pole construction works. In the Civil Engineering Product Business, inquiries for seawall repair products are increasing, and we will proactively secure orders by means of reinforcement of sales organization, such as inter-group cooperation and expansion of sales areas, in consideration of entering infrastructure maintenance markets. In the Environment Business, to meet the target of cutting CO<sub>2</sub> emissions by approximately 6,000 tons (equivalent to around 30% of the Group's total emissions) in FY2023 set under the Medium-Term Management Plan, besides the abovementioned G-ONA pile, we are vigorously developing environment-friendly products, such as poles and civil engineering products utilizing concrete with reduced environmental load. Furthermore, we are also working on pole recycling and urban infrastructure redevelopment to contribute to the establishment of a recycling-oriented society.

Looking ahead, the Group will continue to play a role in strengthening social infrastructure and contribute to society through offering technology and products to reduce environmental loads. In addition, we will utilize the Group's synergy effect to keep enhancing our corporate value through sustainable growth.

## (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 74,560 million yen, down 442 million yen from the end of the previous fiscal year.

Current assets were 31,757 million yen, down 212 million yen from the end of the previous fiscal year, and non-current assets were 42,803 million yen, down 230 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 property, plant and equipment.

Total liabilities were 36,152 million yen, down 178 million yen from the end of the previous fiscal year.

Current liabilities were 22,770 million yen, down 118 million yen from the end of the previous fiscal year, and non-current liabilities were 13,381 million yen, down 59 million yen from the end of the previous fiscal year.

The decrease in current liabilities was mainly due to decreases in current portion of long-term borrowings, income taxes payable, and provisions, while the decrease in non-current liabilities was mainly due to a decline in long-term borrowings.

Total net assets were 38,408 million yen, down 264 million yen from the end of the previous fiscal year.

The main factor was a decrease due to acquisition of treasury shares.

As a result of the above, the equity ratio came to 48.0%, down from 48.1% 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 the consolidated financial results forecast for the fiscal year ending March 31, 2023 announced on May 13, 2022.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of June 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,599,733	7,178,866
Notes and accounts receivable - trade, and contract assets	11,819,939	9,406,743
Electronically recorded monetary claims - operating	1,526,162	3,148,819
Merchandise and finished goods	6,311,250	7,917,650
Work in process	476,576	486,125
Raw materials and supplies	1,898,836	2,074,468
Costs on uncompleted construction contracts	269,218	407,663
Other	1,103,198	1,143,652
Allowance for doubtful accounts	(35,280)	(6,371)
Total current assets	31,969,634	31,757,618
Non-current assets		
Property, plant and equipment		
Land	17,237,062	17,237,062
Other, net	9,638,185	9,426,627
Total property, plant and equipment	26,875,248	26,663,690
Intangible assets	444,132	440,332
Investments and other assets		
Investment securities	12,241,800	12,579,755
Other	3,709,276	3,248,526
Allowance for doubtful accounts	(236,696)	(128,973)
Total investments and other assets	15,714,380	15,699,308
Total non-current assets	43,033,760	42,803,331
<b>Total assets</b>	<b>75,003,395</b>	<b>74,560,949</b>

(Thousand yen)

	As of March 31,2022	As of June 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,983,962	4,909,913
Electronically recorded obligations - operating	7,792,309	7,803,398
Short-term borrowings	4,000,000	4,282,000
Current portion of long-term borrowings	2,389,054	2,202,431
Income taxes payable	203,887	57,400
Provisions	752,042	588,911
Other	2,767,675	2,926,457
Total current liabilities	22,888,930	22,770,512
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term borrowings	6,378,494	6,182,600
Retirement benefit liability	1,193,732	1,197,103
Other	5,789,445	5,922,015
Total non-current liabilities	13,441,671	13,381,718
Total liabilities	36,330,602	36,152,230
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,894,910	3,850,596
Retained earnings	19,181,307	18,933,678
Treasury shares	(818,520)	(1,012,426)
Total shareholders' equity	27,369,281	26,883,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,547,540	3,767,073
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(147,543)	(126,512)
Remeasurements of defined benefit plans	(27,616)	(59,717)
Total accumulated other comprehensive income	8,684,749	8,893,211
Non-controlling interests	2,618,762	2,632,076
Total net assets	38,672,793	38,408,719
Total liabilities and net assets	75,003,395	74,560,949



## (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 30,2021	For the three months ended June 30,2022
Net sales	8,902,937	10,511,629
Cost of sales	7,388,002	8,962,250
Gross profit	1,514,935	1,549,379
Selling, general and administrative expenses	1,537,390	1,629,268
Operating loss	(22,455)	(79,888)
Non-operating income		
Interest income	2,206	759
Dividend income	174,789	161,294
Share of profit of entities accounted for using equity method	58,268	34,208
Other	30,547	76,823
Total non-operating income	265,813	273,085
Non-operating expenses		
Interest expenses	12,186	14,343
Other	24,830	22,251
Total non-operating expenses	37,016	36,594
Ordinary profit	206,341	156,601
Extraordinary income		
Gain on sale of non-current assets	-	1,465
Gain on sale of investment securities	164,036	-
Total extraordinary income	164,036	1,465
Extraordinary losses		
Loss on retirement of non-current assets	527	6,717
Impairment losses	26,741	-
Total extraordinary losses	27,268	6,717
Profit before income taxes	343,109	151,350
Income taxes - current	78,956	40,371
Income taxes - deferred	134,550	85,591
Total income taxes	213,506	125,963
Profit	129,602	25,386
Profit attributable to non-controlling interests	26,082	14,188
Profit attributable to owners of parent	103,520	11,198

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

(Thousand yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	129,602	25,386
Other comprehensive income		
Valuation difference on available-for-sale securities	(552,679)	224,697
Foreign currency translation adjustment	(76,305)	24,079
Remeasurements of defined benefit plans, net of tax	(20,693)	(32,100)
Share of other comprehensive income of entities accounted for using equity method	(5,120)	(3,528)
Total other comprehensive income	(654,799)	213,146
Comprehensive income	(525,196)	238,533
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(549,453)	222,650
Comprehensive income attributable to non-controlling interests	24,257	15,882

### (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, 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 dividend of 366 thousand yen for the Board Incentive Plan Trust (BIP) and dividend 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.

For the three months ended June 30, 2022

#### 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
May 30, 2022 Board of Directors' Meeting	Common shares	250,588	4.50	March 31, 2022	June 14, 2022	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on May 30, 2022 includes dividend of 627 thousand yen for the Board Incentive Plan Trust (BIP) and dividend of 496 thousand yen for the Stock Granting Trust (J-ESOP).

#### 2. Dividends with a record date in the three months ended June 30, 2022 but with an effective date after the end of the period

There is no relevant information.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

Effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Guidance"), and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. There has been no impact on 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 August 11, 2021 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from the fiscal year ended March 31, 2022 to the fiscal year ending

March 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 44,424 thousand yen and 138,895 shares for the BIP Trust, and 35,940 thousand yen and 110,310 shares for the J-ESOP Trust.

(Segment Information, etc.)

[Segment Information]

I. For the three months ended June 30, 2021

1. Information on net sales, income (loss) 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	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

(Significant impairment losses pertaining to non-current assets)

In the Foundation Business segment, the Company reduced the book value of assets held for sale to their recoverable value. The amount of the said impairment loss reported during the three months ended June 30, 2021 was 26,741 thousand yen.

II. For the three months ended June 30, 2022

1. Information on net sales and income (loss) 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	5,501,235	4,931,194	79,199	10,511,629	—	10,511,629
Inter-segment net sales or transfers	809	—	—	809	(809)	—
Total	5,502,044	4,931,194	79,199	10,512,438	(809)	10,511,629
Segment income (loss)	(70,920)	323,527	51,133	303,741	(383,629)	(79,888)

- (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.

(Matters Related to Revenue Recognition)

Information on the breakdown of revenue arising from contracts with customers

For the three months ended June 30, 2021

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	476,416	4,117,664	—	4,594,080
Construction contract sales	3,767,434	449,962	—	4,217,396
Other sales	4,386	4,815	22,087	31,290
Revenue from contracts with customers	4,248,237	4,572,442	22,087	8,842,767
Other revenue (Note)	3,160	—	57,009	60,170
Net sales to outside customers	4,251,397	4,572,442	79,097	8,902,937

(Note) Other revenue includes revenue from real estate leasing.

For the three months ended June 30, 2022

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	1,311,524	4,347,032	—	5,658,557
Construction contract sales	4,183,124	582,312	—	4,765,437
Other sales	3,128	1,849	20,776	25,754
Revenue from contracts with customers	5,497,778	4,931,194	20,776	10,449,749
Other revenue (Note)	3,456	—	58,423	61,880
Net sales to outside customers	5,501,235	4,931,194	79,199	10,511,629

(Note) Other revenue includes revenue from real estate leasing.

(Significant Events after Reporting Period)

There is no relevant information.

3. Other

Significant Events Relating to Going Concern Assumption, etc.

There is no relevant information.