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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 14, 2022

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.  
 Stock exchange listing: Tokyo  
 Code number: 5269  
 URL: <https://www.ncic.co.jp/>  
 Representative: TSUKAMOTO Hiroshi, Representative Director and President  
 Contact: SUGITA Yoshihiko, Director and Executive Officer  
 Phone: 03-3452-1025  
 Scheduled date of filing quarterly securities report: November 14, 2022  
 Scheduled date of commencing dividend payments: -  
 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 Six Months Ended September 30, 2022 (April 01, 2022 to September 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	%
Six months ended September 30, 2022	24,608	16.5	40	(83.3)	363	(31.8)	49	(92.3)
September 30, 2021	21,116	(7.2)	242	(76.6)	533	(61.0)	644	(13.7)

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 384 million [ 196.6%]  
 Six months ended September 30, 2021: ¥ 129 million [ (90.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	0.91	-
September 30, 2021	11.44	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	75,414	38,556	47.6
March 31, 2022	75,003	38,672	48.1

(Reference) Equity: As of September 30, 2022: ¥ 35,882 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	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the 2nd 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
Full year	51,000	7.6	100	(91.9)	500	(67.9)	20	(97.7)	0.37

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 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:

September 30, 2022: 3,483,945 shares

March 31, 2022: 2,644,746 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 54,495,194 shares

Six months ended September 30, 2021: 56,334,482 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 six months ended September 30, 2022, the economic environment saw movement toward gradual recovery of the economy in an ongoing shift to the new stage of coexisting with COVID-19, 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 a repeated increase in raw material and logistics expenses.

Regarding the business environment in which the Group operates, conditions were currently severe, buffeted by the rising prices of the raw material for piles, poles, precast products and other concrete secondary products, and of energy. 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 are as follows.

#### 1) Foundation Business

The demand for concrete piles across Japan during the six months ended September 30, 2022 rose by approximately 17% from a year earlier, while the Group also had a rebound in orders received and shipment volume. Net sales were 12,748 million yen (up 40.5% year-on-year).

As for profit, segment income was 200 million yen (up 238.1% year-on-year) due to a significant improvement in plant utilization rates, despite time consuming to pass on rising raw material prices to sales prices.

#### 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 16% year-on-year. In this extremely severe environment, 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 6,457 million yen (down 16.5% 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 5,252 million yen (up 26.4% year-on-year).

As a result, net sales in the Concrete Secondary Product Business amounted to 11,709 million yen (down 1.5% year-on-year). As for profit, segment income was 525 million yen (down 48.7% year-on-year) on account of a decline in pole shipments 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 149 million yen (down 3.2% year-on-year) and segment income was 94 million yen (down 1.4% year-on-year).

As a result of the above, the Group's net sales for the six months ended September 30, 2022 were 24,608 million yen (up 16.5% year-on-year), operating profit was 40 million yen (down 83.3% year-on-year), ordinary profit was 363 million yen (down 31.8% year-on-year), and profit attributable to owners of parent was 49 million yen (down 92.3% year-on-year).

As for future initiatives, first of all we will strive to further pass on costs to sales prices as a measure to cope with rising raw material prices and reduce costs as well, so as to secure profits.

In the Foundation Business, we will focus on securing orders by incorporating our products into designs and endeavor to enhance plant utilization rates, while improving the profit margin on construction projects. We recently obtained the JIS mark certification of our unique G (green)-ONA pile, which can reduce CO<sub>2</sub> emissions by approximately 40% over the Company's existing product, and launched it on the market. We will make steady efforts to expand sales of these environment-friendly piles.

The Pole-related Business will work to develop sales in view of increased pole installation for 5G and 6G 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 revetment wall repair products (soldier pile panels, named Oyagui-panel) 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 and deploying production facilities. 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 second quarter of the fiscal year under review were 75,414 million yen, up 411 million yen from the end of the previous fiscal year.

Current assets were 32,516 million yen, up 547 million yen from the end of the previous fiscal year, and non-current assets were 42,897 million yen, down 136 million yen from the end of the previous fiscal year.

The increase in current assets was mainly due to an increase in notes and accounts receivable - trade, and contract assets, and the decrease in non-current assets was mainly due to a decrease in investments and other assets.

Total liabilities were 36,858 million yen, up 527 million yen from the end of the previous fiscal year.

Current liabilities were 23,760 million yen, up 871 million yen from the end of the previous fiscal year, and non-current liabilities were 13,097 million yen, down 343 million yen from the end of the previous fiscal year.

The increase in current liabilities was mainly due to an increase in electronically recorded obligations - operating, while the decrease in non-current liabilities was mainly due to a decline in long-term borrowings.

Total net assets were 38,556 million yen, down 116 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 47.6%, down from 48.1% at the end of the previous consolidated fiscal year.

#### Analysis of Cash Flows

Cash and cash equivalents at the end of the six months ended September 30, 2022 amounted to 6,892 million yen.

(Cash flows from operating activities)

Funds used in operating activities amounted to 110 million yen (inflow of 1,994 million yen in the same period last year).

This was chiefly because the factors to decrease funds, including 1,506 million yen recorded as increase in notes and accounts receivable - trade, and contract assets and 836 million yen recorded as increase in inventories, exceeded the factors to increase funds, such as 918 million yen recorded as depreciation and 1,002 million yen recorded as increase in trade payables.

(Cash flows from investing activities)

Funds used in investing activities totaled 693 million yen (as compared to 2,702 million yen in the same period last year).

This was chiefly due to the factors to decrease funds, such as 662 million yen recorded as purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds used in financing activities totaled 901 million yen (inflow of 1,334 million yen in the same period last year).

This was chiefly because the factors to decrease funds, such as 1,187 million yen recorded as repayments of long-term borrowings, exceeded the factors to increase funds, such as 455 million yen recorded as net increase in short-term borrowings.

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

In view of the recent business trends, the Company revised its full-year consolidated financial results forecast announced on May 13, 2022. For details, please refer to the "Notice regarding Revision of Full-Year Financial Results Forecast and Year-End Dividend Forecast (Appendix)" released today (November 14, 2022).

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,599,733	6,892,476
Notes and accounts receivable - trade, and contract assets	11,819,939	12,593,965
Electronically recorded monetary claims - operating	1,526,162	2,258,321
Merchandise and finished goods	6,311,250	6,867,615
Work in process	476,576	549,965
Raw materials and supplies	1,898,836	2,135,644
Expenditure on contracts in process	269,218	238,823
Other	1,103,198	986,714
Allowance for doubtful accounts	(35,280)	(6,581)
Total current assets	31,969,634	32,516,946
Non-current assets		
Property, plant and equipment		
Land	17,237,062	17,237,062
Other, net	9,638,185	9,286,622
Total property, plant and equipment	26,875,248	26,523,685
Intangible assets	444,132	429,307
Investments and other assets		
Investment securities	12,241,800	12,752,884
Other	3,709,276	3,341,741
Allowance for doubtful accounts	(236,696)	(149,940)
Total investments and other assets	15,714,380	15,944,684
Total non-current assets	43,033,760	42,897,677
<b>Total assets</b>	<b>75,003,395</b>	<b>75,414,623</b>

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,983,962	5,123,728
Electronically recorded obligations - operating	7,792,309	8,526,969
Short-term borrowings	4,000,000	4,455,000
Current portion of long-term borrowings	2,389,054	2,154,972
Income taxes payable	203,887	247,754
Provisions	752,042	640,298
Other	2,767,675	2,611,771
Total current liabilities	22,888,930	23,760,494
Non-current liabilities		
Bonds payable	80,000	70,000
Long-term borrowings	6,378,494	5,825,524
Retirement benefit liability	1,193,732	1,199,044
Other	5,789,445	6,003,137
Total non-current liabilities	13,441,671	13,097,706
Total liabilities	36,330,602	36,858,201
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,894,910	3,854,962
Retained earnings	19,181,307	18,971,999
Treasury shares	(818,520)	(1,010,996)
Total shareholders' equity	27,369,281	26,927,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,547,540	3,857,574
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(147,543)	(148,605)
Remeasurements of defined benefit plans	(27,616)	(66,844)
Total accumulated other comprehensive income	8,684,749	8,954,492
Non-controlling interests	2,618,762	2,674,380
Total net assets	38,672,793	38,556,422
Total liabilities and net assets	75,003,395	75,414,623



## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	21,116,333	24,608,243
Cost of sales	17,672,321	21,283,850
Gross profit	3,444,012	3,324,393
Selling, general and administrative expenses	3,201,370	3,283,771
Operating profit	242,641	40,621
Non-operating income		
Interest income	4,546	2,697
Dividend income	185,660	167,019
Share of profit of entities accounted for using equity method	95,466	76,256
Other	82,061	163,580
Total non-operating income	367,734	409,555
Non-operating expenses		
Interest expenses	26,438	30,820
Loss from suspension of plantoperations assets	15,484	7,168
Other	34,874	48,288
Total non-operating expenses	76,796	86,276
Ordinary profit	533,579	363,899
Extraordinary income		
Gain on sale of non-current assets	299	16,515
Gain on sale of investment securities	164,036	-
Gain on step acquisitions	433,716	-
Total extraordinary income	598,052	16,515
Extraordinary losses		
Loss on retirement of non-current assets	4,803	24,360
Impairment losses	26,741	-
Total extraordinary losses	31,544	24,360
Profit before income taxes	1,100,087	356,054
Income taxes - current	337,237	208,410
Income taxes - deferred	59,918	34,452
Total income taxes	397,155	242,863
Profit	702,931	113,191
Profit attributable to non-controlling interests	58,393	63,671
Profit attributable to owners of parent	644,538	49,519

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	702,931	113,191
Other comprehensive income		
Valuation difference on available-for-sale securities	(302,125)	316,172
Foreign currency translation adjustment	(220,726)	(1,215)
Remeasurements of defined benefit plans, net of tax	(41,386)	(39,338)
Share of other comprehensive income of entities accounted for using equity method	(9,095)	(4,404)
Total other comprehensive income	(573,333)	271,214
Comprehensive income	129,598	384,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	99,366	319,263
Comprehensive income attributable to non-controlling interests	30,231	65,142

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,100,087	356,054
Depreciation	960,684	918,476
Impairment losses	26,741	-
Amortization of goodwill	28,464	28,464
Increase (decrease) in allowance for doubtful accounts	(11,610)	(115,455)
Increase (decrease) in provision for bonuses	91,866	(17,238)
Increase (decrease) in provision for bonuses for directors (and other officers)	(15,150)	(11,811)
Increase (decrease) in provision for loss on construction contracts	(115,860)	(81,070)
Increase (decrease) in retirement benefit liability	(33,148)	4,227
Decrease (increase) in retirement benefit asset	(69,080)	(76,394)
Share of loss (profit) of entities accounted for using equity method	(95,466)	(76,256)
Interest and dividend income	(190,207)	(169,717)
Interest expenses	26,438	30,820
Loss (gain) on step acquisitions	(433,716)	-
Loss (gain) on sale of non-current assets	(299)	(16,515)
Loss on retirement of non-current assets	4,803	24,360
Loss (gain) on sale of investment securities	(164,036)	-
Decrease (increase) in notes and accounts receivable - trade and contract assets	3,602,671	(1,506,184)
Decrease (increase) in inventories	228,593	(836,168)
Increase (decrease) in trade payables	(1,050,585)	1,002,988
Increase (decrease) in advance received and contract debt	(214,320)	60,746
Decrease (increase) in accounts receivable - other	74,992	159,909
Increase (decrease) in accrued consumption taxes	(558,416)	(147,682)
Increase (decrease) in accounts payable - other	(136,835)	(82,676)
Decrease (increase) in other investments	20,697	460,666
Other, net	(417,257)	(54,162)
Subtotal	2,660,051	(144,617)
Interest and dividends received	235,148	187,347
Interest paid	(28,530)	(33,306)
Income taxes paid	(872,513)	(178,997)
Income taxes refund	-	59,092
Net cash provided by (used in) operating activities	1,994,155	(110,482)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(333)	(458)
Proceeds from sale of investment securities	276,146	-
Purchase of property, plant and equipment	(713,805)	(662,709)
Proceeds from sale of property, plant and equipment	300	16,515
Purchase of intangible assets	(171,518)	(46,934)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,097,117)	-
Other, net	3,721	(250)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,702,607)</b>	<b>(693,836)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,900,000	455,000
Proceeds from long-term borrowings	100,000	400,000
Repayments of long-term borrowings	(1,158,614)	(1,187,052)
Redemption of bonds	(13,500)	(14,500)
Purchase of treasury shares	(59,557)	(299,364)
Proceeds from sales of shares of parent held by subsidiaries	-	60,200
Dividends paid	(367,498)	(249,621)
Dividends paid to non-controlling interests	(10,916)	(13,555)
Repayments of lease liabilities	(52,237)	(50,670)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,365)	(1,714)
<b>Net cash provided by (used in) financing activities</b>	<b>1,334,310</b>	<b>(901,277)</b>
Effect of exchange rate change on cash and cash equivalents	(97,760)	(1,660)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>528,098</b>	<b>(1,707,256)</b>
Cash and cash equivalents at beginning of period	8,804,311	8,599,733
Cash and cash equivalents at end of period	9,332,410	6,892,476

(4) 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 six months ended September 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 six months ended September 30, 2021 but with an effective date after the end of the period

Resolution	Type of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
November 12, 2021 Board of Directors' Meeting	Common shares	254,963	4.50	September 30, 2021	December 1, 2021	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on November 12, 2021 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).

3. Significant changes in shareholders' equity

There is no relevant information.

For the six months ended September 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 six months ended September 30, 2022 but with an effective date after the end of the period

There is no relevant information.

3. Significant changes in shareholders' equity

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, 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 second quarter of the fiscal year under review are 43,816 thousand yen and 136,995 shares for the BIP Trust, and 35,117 thousand yen and 107,785 shares for the J-ESOP Trust.

(Segment Information, etc.)

[Segment Information]

I. For the six months ended September 30, 2021

1. Information on net sales, 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	9,071,121	11,890,491	154,719	21,116,333	—	21,116,333
Inter-segment net sales or transfers	4,955	—	—	4,955	(4,955)	—
Total	9,076,077	11,890,491	154,719	21,121,288	(4,955)	21,116,333
Segment income	59,196	1,026,103	95,473	1,180,773	(938,131)	242,641

(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 profit 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 six months ended September 30, 2021 was 26,741 thousand yen.

## II. For the six months ended September 30, 2022

### 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	12,748,582	11,709,865	149,795	24,608,243	—	24,608,243
Inter-segment net sales or transfers	1,157	—	—	1,157	(1,157)	—
Total	12,749,739	11,709,865	149,795	24,609,401	(1,157)	24,608,243
Segment income	200,141	525,905	94,140	820,187	(779,566)	40,621

(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 profit 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 six months ended September 30, 2021

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	1,151,241	10,799,651	—	11,950,892
Construction contract sales	7,901,617	1,085,478	—	8,987,095
Other sales	8,187	5,361	41,209	54,759
Revenue from contracts with customers	9,061,046	11,890,491	41,209	20,992,747
Other revenue (Note)	10,075	—	113,510	123,585
Net sales to outside customers	9,071,121	11,890,491	154,719	21,116,333

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

For the six months ended September 30, 2022

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	2,794,784	9,992,932	—	12,787,716
Construction contract sales	9,944,007	1,710,051	—	11,654,059
Other sales	5,750	6,881	32,193	44,824
Revenue from contracts with customers	12,744,541	11,709,865	32,193	24,486,600
Other revenue (Note)	4,040	—	117,602	121,642
Net sales to outside customers	12,748,582	11,709,865	149,795	24,608,243

(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.





November 14, 2022

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.  
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 Representative Director and President  
 (Code: 5269, TSE PRIME)  
 Contact: SUGITA Yoshihiko,  
 Director and Executive Officer  
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### Notice regarding Revision of Full-year Financial Results Forecast and Year-end Dividend Forecast

NIPPON CONCRETE INDUSTRIES CO., LTD. (the “Company”) has revised its consolidated financial results forecast and year-end dividend forecast for the fiscal year ending March 31, 2023 announced on May 13, 2022.

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#### 1. Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

	Net sales (Million yen)	Operating profit (Million yen)	Ordinary profit (Million yen)	Profit attributable to owners of parent (Million yen)	Basic earnings per share (Yen)
Previously announced forecasts (A)	56,000	1,650	1,900	1,110	19.79
Revised forecasts (B)	51,000	100	500	20	0.37
Difference (B - A)	△5,000	△1,550	△1,400	△1,090	
Increase (Decrease) ratio (%)	△8.9	△93.9	△73.7	△98.2	
For ref.: Results for previous year (FY ended March 31, 2022)	47,376	1,228	1,555	876	15.63

#### Reasons for the revision

Net sales for the full year are expected to fall below the previously announced forecast, despite robust performance in the Foundation Business. This is mainly attributable to the fact that net sales for the first half were below the forecast at the beginning of the period as disclosed today and that, in the second half, shipments of poles for mobile phone base stations are expected to fall below the initial forecast in the Pole-related Business and delays in construction works are likely to result in decreased production in the Civil Engineering Product Business. In terms of profit and loss, the impact of rising raw material prices exceeding the initial assumption is expected to appear more evidently in the second half than the first half. For these reasons, the Company decided to revise its financial results forecast.

## 2. Revision to the Year-end Dividend Forecast

	Annual dividends		
	2nd quarter-end	Year-end	Total
Previous forecasts (announced on September 21, 2022)	Yen 0.00	Yen 3.50	Yen 3.50
Revised forecasts		0.00	0.00
Dividends paid for this year	0.00		
Dividends paid for previous year (FY ended March 31, 2022)	4.50	4.50	9.00

### Reasons for the revision

The Company recognizes the return of profit to shareholders as one of its key business policies to follow, in parallel with the reinforcement of its management base and enhancement of its corporate value, and has made it a rule to ensure steady dividend payments as far as its financial results allow.

The Company regrets to announce that no year-end dividend payment is expected for the fiscal year ending March 31, 2023. This is due to the fact that profit attributable to owners of parent is forecast to be 20 million yen, as shown in the above full-year financial results forecast. In addition, we have taken into consideration possible changes in the business environment.

Taking the situation seriously, the Company has decided to reduce executive compensation from November 2022 to clarify its management responsibility.

We sincerely apologize to our shareholders and will strive to turn around our business performance to resume dividend payments soon. We would appreciate continued support from our shareholders.

(Note) The forecasts given in this document are based on the information currently available in the Company and certain assumptions deemed reasonable by the Company, which means that no commitment is made by the Company as to the fulfillment of such forecasts. Actual results may differ from these forecasts for a variety of reasons.