

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]

February 12, 2021

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.
 Stock exchange listing: Tokyo
 Code number: 5269
 URL: <https://www.ncic.co.jp/>
 Representative: AMIYA Katsuhiko, Representative Director, Chairman and President
 Contact: IMAI Shoichi, Director and Managing Executive Officer
 Phone: 03-3452-1025
 Scheduled date of filing quarterly securities report: February 12, 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 Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

(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	%
Nine months ended December 31, 2020	35,624	4.6	2,056	-	2,467	-	1,418	-
December 31, 2019	34,067	(7.4)	(305)	-	39	(97.8)	(191)	-

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 1,925 million [-%]
 Nine months ended December 31, 2019: ¥ (335) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	25.26	-
December 31, 2019	(3.41)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2020	75,539	38,952	49.2
March 31, 2020	70,214	37,279	50.6

(Reference) Equity: As of December 31, 2020: ¥ 37,186 million
 As of March 31, 2020: ¥ 35,538 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, 2020	-	2.00	-	0.00	2.00
Fiscal year ending March 31, 2021	-	2.50	-		
Fiscal year ending March 31, 2021 (Forecast)				6.50	9.00

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

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% 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	47,500	3.7	2,500	-	2,850	908.1	1,600	-	28.49

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(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: No

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):

December 31, 2020: 57,777,432 shares

March 31, 2020: 57,777,432 shares

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

December 31, 2020: 1,616,863 shares

March 31, 2020: 1,628,882 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 56,156,847 shares

Nine months ended December 31, 2019: 56,276,053 shares

* Quarterly financial results reports 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.

Table of contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1) Explanation of Business Results	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statements of Income	7
Quarterly Consolidated Statements of Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	9
(Notes on going concern assumption)	9
(Notes in the case of significant changes in the amount of shareholders' equity)	9
(Segment Information etc.)	10
(Additional Information)	11
(Significant events after reporting period)	12

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

(1) Explanation of Business Results

In the nine months ended December 31, 2020, the Japanese economy, affected by the global spread of COVID-19, initially recorded a significant drop in performance even more sharply than during the Lehman Shock crisis, and the pace of the subsequent recovery trend remains sluggish. With no end of the pandemic in sight and a new surge of infections seen in Japan and across the globe, there is a growing uncertainty over the future economy and consumption trends.

Regarding the business environment in which the Group operates, the demand for concrete piles across Japan during the nine months ended December 31, 2020 dropped from the same period of the previous year, while the demand in the Kanto region, our main business area, was slightly higher than that a year earlier. The shipments of concrete poles throughout Japan remained flat compared to a year earlier, while the demand for poles for mobile phone base stations was robust. Furthermore, concrete products that contribute to the development of new base stations for 5G mobile phones, as well as precast concrete walls and other concrete products that help prevent and mitigate disasters and reinforce national resilience, are also growing in demand. Our environmental technologies and recycled products are also attracting increasing attention.

Under such environment, the Group has been working on measures to materialize our corporate philosophy: We contribute to a safe, secure, and affluent society through concrete. Our efforts have also been focused on the improvement of our earnings through a company-wide cost reduction, with the strengthening of the foundation of our existing business as the top priority in view of the deficit in the previous year.

As a result, a significant recovery in profits was achieved with a slight increase in revenue. Net sales for the nine months ended December 31, 2020 were 35,624 million yen (up 4.6% year-on-year); operating profit was 2,056 million yen (against operating loss of 305 million yen a year earlier); ordinary profit was 2,467 million yen (up 6,091.1% year-on-year); and profit attributable to owners of parent was 1,418 million yen (against loss attributable to owners of parent of 191 million yen a year earlier).

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

Trends by business segment are as follows.

1) Foundation Business

The demand for concrete piles during the nine months ended December 31, 2020 was slightly higher in eastern Japan but lower in total than a year earlier, due to the significant fall in demand in western Japan. Although our shipments and sales have increased in the Kanto region, net sales dropped to 17,718 million yen (down 13.3% year-on-year) as a result of the steep decline in demand in western Japan.

As for the profit, although loss was recorded a year earlier mainly due to construction works with deficits and remodeling of main plant, the segment achieved an income of 825 million yen in the nine months ended December 31, 2020 (against segment loss of 38 million yen a year earlier) as a result of our efforts to secure profits from construction works by such means as the improvement of profitability across our factories by means of thorough cost reduction as well as thorough construction progress management.

We will continue to focus on promoting sales activities tailored to regional characteristics and winning orders through putting our products into designs, and work on improving profit from construction works. We will also promote the development of technologies (including those relating to materials and peripheral works), enhance our construction management capability, and endeavor to improve the customers' satisfaction.

2) Secondary Concrete Product Business

In the Pole-related Business among the Secondary Concrete Product Business, while the demand for concrete

poles across Japan remained flat, the Company's shipment of poles for mobile phone base stations continued to be robust, with the sales significantly higher and the market share on a recovery track, due mainly to the completion of large-scale ball stop net constructions for sports facilities. The steady shipment of poles to Myanmar, where a national project for achieving 100% electrification is underway, also contributed to the net sales of 9,665 million yen (up 42.7% year-on-year).

In terms of the Civil Engineering Product Business, despite delays in production and shipment in some part of the RC segment due to delays in construction, net sales were 8,013 million yen (up 20.9% year-on-year), driven by robust distribution and construction of civil engineering products contributing to national resilience (such as precast concrete walls) mainly for large-scale projects, and steady growth in sales of our group companies undertaking slope reinforcement works.

As a result, net sales for the Secondary Concrete Product Business were 17,679 million yen (up 31.9% year-on-year).

As for the profit, the segment achieved an income of 2,374 million yen (up 160.3% year-on-year), owing to an improved profitability of the factories thanks to the increase in production of concrete poles and precast concrete walls as well as an increase in net sales.

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 a great deal of 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 through putting our products into designs. In the Segment Business, the production and shipment have been lower than expected due to construction delays. However, as we have already won a tentative order for multiple sections of Linear Chuo Shinkansen, we are currently preparing for the start of full-scale production. At the same time, we endeavor 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 226 million yen (up 0.5% year-on-year) and segment income was 132 million yen (up 8.8% year-on-year).

Following the business environment and conditions described above, the Group will actively work to win orders and maintain and increase sales in each business. Meanwhile, we will pay close attention to the potential decline in demand for piles and other developments due to the review of future private sector investment in construction projects affected by the COVID-19 pandemic and rebuild a system for optimum production and construction in response to changes in the business environment, while focusing on further boosting earnings through continued cost reduction.

With respect to the Myanmar business, we will continue to closely watch the situation and take appropriate action, putting our employees' safety first.

As we have previously announced, we will strengthen our bases for the foundation business with a business alliance with Tenox Corporation. And also we will strive to enhance our competitiveness in each of our foundation, pole, and civil engineering business operations across eastern Japan including Hokkaido by steadily carrying out the process of making Tohoku Pole Co., Ltd. our subsidiary. Through these efforts, we will endeavor to achieve sustainable growth. Furthermore, we will push forward our initiatives to commercialize our unique environmental technologies, thereby contributing to reduction of CO₂ emissions and establishment of a recycling-oriented society. (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 third quarter of the fiscal year under review were 75,539 million yen, up 5,325 million yen from the end of the previous fiscal year.

Current assets were 32,668 million yen, up 5,004 million yen from the end of the previous fiscal year, and non-current assets were 42,871 million yen, up 320 million yen from the end of the previous fiscal year.

The increase in current assets was mainly due to an increase in cash and deposits, and the increase in non-current assets was mainly due to an increase in the market value of investment securities.

Total liabilities were 36,587 million yen, up 3,652 million yen from the end of the previous fiscal year.

Current liabilities were 24,013 million yen, up 3,818 million yen from the end of the previous fiscal year, and non-current liabilities were 12,574 million yen, down 165 million yen from the end of the previous fiscal year.

The increase in current liabilities was mainly due to an increase in short-term borrowings, and the decrease in non-current liabilities was mainly due to a decrease in long-term borrowings.

Total net assets were 38,952 million yen, up 1,672 million yen from the end of the previous fiscal year.

It was mainly due to an increase in retained earnings.

As a result of the above, the equity ratio was 49.2%, compared to 50.6% as at the end of the previous consolidated fiscal year.

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

The consolidated financial results forecast for the full fiscal year, published on November 12, 2020, was updated in line with the recent trend of results. For details, please refer to our "Notice of Revision to Full-Year Results Forecast and Year-End Dividend Forecast (Appendix)" released today (February 12, 2021).

The impact of the COVID-19 pandemic on our business results during the nine months ended December 31, 2020 was insignificant, due to the smooth performance of plant production, shipments, construction work, sales, and other business activities as a result of the group-wide efforts to prevent the spread of infection. If the further spread of the infection has a greater impact on our business activities and we accordingly judge that it is deemed necessary to revise the forecast, we will promptly announce the revised forecast.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	5,121,583	7,678,012
Notes and accounts receivable - trade	9,461,890	11,542,399
Electronically recorded monetary claims - operating	3,055,142	3,130,811
Merchandise and finished goods	4,895,644	5,785,818
Work in process	2,503,513	2,315,137
Raw materials and supplies	1,118,301	1,330,998
Other	1,511,443	921,732
Allowance for doubtful accounts	(3,800)	(36,339)
Total current assets	27,663,720	32,668,569
Non-current assets		
Property, plant and equipment		
Land	16,423,210	16,453,797
Other, net	9,417,075	9,021,077
Total property, plant and equipment	25,840,286	25,474,874
Intangible assets	328,811	348,237
Investments and other assets		
Investment securities	13,076,308	13,825,557
Other	3,453,493	3,464,285
Allowance for doubtful accounts	(148,298)	(241,945)
Total investments and other assets	16,381,503	17,047,896
Total non-current assets	42,550,600	42,871,008
Total assets	70,214,321	75,539,578

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,386,533	5,591,568
Electronically recorded obligations - operating	7,228,523	7,736,228
Short-term borrowings	1,950,000	3,982,000
Current portion of long-term borrowings	2,392,156	2,151,177
Income taxes payable	88,507	604,775
Provisions	499,511	380,501
Other	2,649,497	3,566,750
Total current liabilities	20,194,729	24,013,002
Non-current liabilities		
Bonds payable	31,500	18,000
Long-term borrowings	5,915,548	5,343,632
Retirement benefit liability	651,332	667,553
Other	6,141,289	6,545,130
Total non-current liabilities	12,739,669	12,574,315
Total liabilities	32,934,399	36,587,318
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,826,864	3,837,740
Retained earnings	17,170,058	18,448,012
Treasury shares	(536,786)	(530,921)
Total shareholders' equity	25,571,720	26,866,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,373,014	4,775,981
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(46,795)	(52,960)
Remeasurements of defined benefit plans	328,060	284,377
Total accumulated other comprehensive income	9,966,648	10,319,767
Non-controlling interests	1,741,553	1,766,076
Total net assets	37,279,921	38,952,259
Total liabilities and net assets	70,214,321	75,539,578

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Net sales	34,067,735	35,624,362
Cost of sales	29,900,080	29,331,480
Gross profit	4,167,654	6,292,881
Selling, general and administrative expenses	4,473,080	4,236,165
Operating profit (loss)	(305,425)	2,056,716
Non-operating income		
Interest income	9,766	9,274
Dividend income	187,135	193,074
Share of profit of entities accounted for using equity method	213,351	218,735
Other	69,336	91,677
Total non-operating income	479,590	512,761
Non-operating expenses		
Interest expenses	35,317	38,944
Other	98,995	63,280
Total non-operating expenses	134,312	102,225
Ordinary profit	39,851	2,467,253
Extraordinary income		
Gain on sales of non-current assets	13,024	2,167
Gain on sales of investment securities	80,214	-
Total extraordinary income	93,238	2,167
Extraordinary losses		
Loss on retirement of non-current assets	18,539	16,851
Loss on sales of non-current assets	11,228	-
Restructuring cost of production base	138,288	54,912
Total extraordinary losses	168,056	71,763
Profit (loss) before income taxes	(34,966)	2,397,657
Income taxes - current	127,795	680,703
Income taxes - deferred	(85,453)	144,659
Total income taxes	42,341	825,362
Profit (loss)	(77,307)	1,572,294
Profit attributable to non-controlling interests	114,472	154,006
Profit (loss) attributable to owners of parent	(191,779)	1,418,288

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

(Thousand yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit (loss)	(77,307)	1,572,294
Other comprehensive income		
Valuation difference on available-for-sale securities	(191,237)	379,748
Foreign currency translation adjustment	(1,304)	(6,164)
Remeasurements of defined benefit plans, net of tax	(53,758)	(43,683)
Share of other comprehensive income of entities accounted for using equity method	(11,653)	23,218
Total other comprehensive income	(257,953)	353,119
Comprehensive income	(335,261)	1,925,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(446,718)	1,770,731
Comprehensive income attributable to non-controlling interests	111,456	154,682

(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 nine months ended December 31, 2019

1. Dividends paid

Resolution	Types of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
May 24, 2019 Board of Directors' Meeting	Common shares	200,644	3.50	March 31, 2019	June 10, 2019	Retained earnings
November 14, 2019 Board of Directors' Meeting	Common shares	113,316	2.00	September 30, 2019	December 2, 2019	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on November 14, 2019 includes dividend of 128 thousand yen for the Board Incentive Plan Trust (BIP) and dividend of 140 thousand yen for the Stock Granting Trust (J-ESOP).

2. Dividends with a record date in the nine months ended December 31, 2020 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.

For the nine months ended December 31, 2020

1. Dividends paid

Resolution	Types of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
November 12, 2020 Board of Directors' Meeting	Common shares	141,646	2.50	September 30, 2020	December 1, 2020	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on November 12, 2020 includes dividend of 141 thousand yen for the Board Incentive Plan Trust (BIP) and dividend of 159 thousand yen for the Stock Granting Trust (J-ESOP).

2. Dividends with a record date in the nine months ended December 31, 2020 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.

(Segment Information etc.)

[Segment Information]

I. For the nine months ended December 31, 2019

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	Secondary Concrete Product	Real Estate and Solar Power Generation	Total		
Net sales						
Net sales to outside customers	20,437,787	13,404,109	225,837	34,067,735	-	34,067,735
Inter-segment net sales or transfers	4,058	-	-	4,058	(4,058)	-
Total	20,441,845	13,404,109	225,837	34,071,793	(4,058)	34,067,735
Segment income (loss)	(38,619)	911,987	121,837	995,206	(1,300,631)	(305,425)

(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 reporting segment

There is no relevant information.

II. For the nine months ended December 31, 2020

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	Secondary Concrete Product	Real Estate and Solar Power Generation	Total		
Net sales						
Net sales to outside customers	17,718,038	17,679,343	226,979	35,624,362	-	35,624,362
Inter-segment net sales or transfers	8,232	-	-	8,232	(8,232)	-
Total	17,726,271	17,679,343	226,979	35,632,594	(8,232)	35,624,362
Segment income (loss)	825,995	2,374,214	132,498	3,332,708	(1,275,991)	2,056,716

(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 reporting segment

There is no relevant information.

(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 9, 2018 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from August 9, 2018 to August 31, 2021) 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 towards 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 third quarter of the fiscal year under review are 23,875 thousand yen and 56,413 shares for the BIP Trust, and 25,106 thousand yen and 63,651 shares for the J-ESOP Trust.

(Significant events after reporting period)

(Acquisition of Shares)

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.

(1) Overview of business combination

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 (plan)

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%

(2) Acquisition cost of acquired company and its breakdown by type of consideration

The acquisition cost is not disclosed based on agreements with the parties from which the Company will acquire the shares.

(3) Names of companies from which shares will be acquired

Tohoku Electric Power Co., Inc., and HNK Co., Inc. (subsidiary of Tohoku Electric Power Co., Inc.)

(4) Fund for acquisition

The acquisition will be funded by cash and deposits and borrowings from banks.



February 12, 2021

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.
 Representative: AMIYA Katsuhiko,
 Representative Director and President
 (Code: 5269, TSE 1st Section)
 Contact: IMAI Shoichi,
 Director and Managing Executive Officer
 (Phone: 03-3452-1025)

Notice regarding Revision of Full-year Financial Results Forecast and Year-end Dividend Forecast

Based on its recent business performance, 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, 2021 announced on November 12, 2020.

1. Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 01, 2020 to March 31, 2021)

	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)	47,000	2,050	2,400	1,350	24.03
Revised forecasts (B)	47,500	2,500	2,850	1,600	28.49
Difference (B - A)	500	450	450	250	
Increase (Decrease) ratio (%)	1.1	22.0	18.8	18.5	
For ref.: Results for previous year (FY ended March 31, 2020)	45,824	(86)	282	(35)	(0.62)

Reasons for the revision

The forecast for net sales remains generally in line with projections, since the shipment of poles for mobile phone base stations in our Pole-related Business has been more robust than expected and making up for declining sales in other businesses. Meanwhile, the profit margin is expected to make a greater improvement than estimated, due to progress in cost reduction, in addition to an increase in production and shipment of products with relatively high profit margin. Therefore, the Company decided to revise the forecasts upward, as shown above.

2. Revision to the Year-end Dividend Forecast

	Annual dividends		
	2nd quarter-end	Year-end	Total
Previous forecasts (announced on November 12, 2020)	Yen 2.50	Yen 3.50	Yen 6.00
Revised forecasts		6.50	9.00
Dividends paid for this year	2.50		
Dividends paid for previous year (FY ended March 31, 2020)	2.00	0.00	2.00

Reasons for the revision

As to the distribution of retained earnings, the Company has made it a rule to provide appropriate returns to shareholders by ensuring steady dividend payments as far as its financial results allow, and makes decisions by taking all factors into consideration, including retention of internal reserves and business conditions.

Taking into consideration the above revisions made to the full-year consolidated financial results forecast and future business environment, among other factors, the distribution of retained earnings for the fiscal year ending March 31, 2021 is forecast to be 6.50 yen per share (up 3 yen from the previous forecast). With 2.50 yen as of September 30, 2020, the annual dividend is now expected to be 9 yen per share (up 3 yen from the previous forecast).

(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.