Consolidated Financial Results
for the Year Ended March 31, 2022
[Japanese GAAP]

May 13, 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
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Scheduled date of Annual General Meeting of Shareholders:	June 29, 2022
Scheduled date of commencing dividend payments:	June 14, 2022
Scheduled date of filing annual securities report:	June 30, 2022
Availability of supplementary briefing material on annual financial results:	Yes
Schedule of annual financial results briefing session:	Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	47,376	(3.1)	1,228	(55.3)	1,553	(51.2)	874	(53.2)
March 31, 2021	48,877	6.7	2,746	-	3,182	-	1,870	-

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ (497) million [-%]
Fiscal year ended March 31, 2021: ¥ 2,197 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	15.60	-	2.4	2.1	2.6
March 31, 2021	33.29	-	5.1	4.4	5.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 218 million
Fiscal year ended March 31, 2021: ¥ 274 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	75,334	38,652	47.8	653.58
March 31, 2021	74,825	39,384	50.2	665.37

(Reference) Equity: As of March 31, 2022: ¥ 36,033 million
As of March 31, 2021: ¥ 37,539 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	2,919	(3,590)	491	8,599
March 31, 2021	4,242	(1,526)	966	8,804

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	2.50	-	6.50	9.00	509	27.0	1.4
March 31, 2022	-	4.50	-	4.50	9.00	505	57.7	1.4
Fiscal year ending March 31, 2023 (Forecast)	-	3.50	-	3.50	7.00		35.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :
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	22.3	1,110	26.9	19.79

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
New 1 (Company name: Tohoku Pole Co., Ltd.)
Exclusion: - (Company name:)

(2) 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

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2022: 57,777,432 shares
March 31, 2021: 57,777,432 shares

2) Total number of treasury shares at the end of the period:
March 31, 2022: 2,644,746 shares
March 31, 2021: 1,359,228 shares

3) Average number of shares during the period:
Fiscal Year ended March 31, 2022: 56,081,665 shares
Fiscal Year ended March 31, 2021: 56,206,366 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	32,734	(15.9)	1,193	(47.9)	1,041	(53.5)	601	(59.8)
March 31, 2021	38,940	6.9	2,289	738.6	2,241	-	1,495	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	10.68	-
March 31, 2021	26.45	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	58,315	26,131	44.8	471.37
March 31, 2021	58,727	27,514	46.9	486.65

(Reference) Equity: As of March 31, 2022: ¥ 26,131 million
As of March 31, 2021: ¥ 27,514 million

* Financial results reports are not required to be subjected to 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. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year under Review

During the fiscal year under review (ended March 31, 2022), the Japanese economy gradually recovered, despite stagnant parts supply including semiconductor shortage and the price rises in crude oil and raw materials, while strict COVID-19 regulations were eased as vaccination programs progressed. Still the outlook for the economy remains uncertain, as there are concerns about further spread of COVID-19, significantly weak yen, the soaring crude oil and raw material prices and situation in Ukraine.

Regarding the business environment in which the Company operated during the fiscal year under review, the national demand for concrete piles remained at a similar level to the previous fiscal year. Shipments of concrete poles also stayed at a similar level to the previous fiscal year throughout Japan. The demand for poles for mobile phone base stations continued to be robust during the first half of the fiscal year, which was, however, slowed down during the second half of the year. Demand for additional deployment of new base stations for 5G mobile phones continued to be high. Also demand for concrete products that contribute to prevent and mitigate disasters, to maintenance of social infrastructure and to disaster recovery as well as demand for slope reinforcement works remained strong. Furthermore, environmental technology for carbon capture developed by the Company and its usage (CCUS - carbon dioxide capture, utilization and storage) as well as low-carbon type concrete products attracted growing attention.

In these circumstances, under the corporate philosophy: “We contribute to a safe, secure, and affluent society through concrete,” the Group set a medium- to long-term vision under the 2021 Medium-Term Management Plan formulated in August last year: “Protect social infrastructure and the global environment far into the future,” and a medium-term policy: “Contribute to reinforcement of national resilience and the global environment by boosting competitiveness and expanding business through promotion of Group management.” The Group has been working on measures to achieve the target sales of 64,000 million yen and ordinary profit of 4,200 million yen in FY2023. In July last year, the Company made Tohoku Pole Co., Ltd. a subsidiary and was working to strengthen Group management.

With regard to individual businesses, the Pole-related Business steadily enjoyed shipments of poles for mobile phone base stations. In the Civil Engineering Product Business, Free Kogyo Co., Ltd., a specialist in slope reinforcement work, showed a strong performance and contributed to the sales, with newly started RC segments production for the Linear Chuo Shinkansen project. Though the Foundation Business seemed picking up with orders of civil engineering projects in the second half of the year, however, plant utilization rates declined throughout the year by failures to receiving orders for large-scale projects due to increased competition. We could not achieve the profit planned at the beginning of the fiscal year, partly influenced by the price rises in raw materials and energy.

As a result of the above, for the fiscal year under review, the Group’s net sales were 47,376 million yen (down 3.1% year-on-year). The operating profit was 1,228 million yen (down 55.3% year-on-year) and the ordinary profit was 1,553 million yen (down 51.2% year-on-year). Profit attributable to owners of parent was 874 million yen (down 53.2% year-on-year) as a result of impairment losses for non-current assets of the subsidiary in Myanmar.

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

An overview of each business for the fiscal year under review is as follows:

1) Foundation Business

While the demand across Japan for concrete piles remained at a similar level to the previous fiscal year, the Group had less orders for large-scale projects due to intensified order-taking competition, resulting in net sales of 18,995 million yen (down 21.9% year-on-year).

As for the profit, a segment income of 227 million yen (down 81.9% year-on-year) was recorded, affected by a decline in plant utilization rates in addition to lower sales.

2) Concrete Secondary Product Business

In this segment, while the national demand of concrete poles stayed at the similar level as the previous fiscal year, the Group's Pole-related Business achieved net sales of 16,375 million yen (up 21.3% year-on-year) as shipments of poles for mobile phone base stations exceeded those in the previous fiscal year, in addition to the increased sales through the new consolidation with Tohoku Pole Co., Ltd.

In the Civil Engineering Product Business, in spite of some consequences of delayed orders for precast concrete walls, Free Kogyo Co., Ltd., a specialist in slope reinforcement works, performed strongly, with sales of RC segments for the Linear Chuo Shinkansen, and the net sales of 11,694 million yen (up 2.9% year-on-year) was achieved.

As a result, net sales for the Concrete Secondary Product Business were 28,069 million yen (up 13.6% year-on-year).

As for the profit, although we ensured growth from pole shipments and Free Kogyo performed well, the segment income was 2,551 million yen (down 17.5% year-on-year), affected by sluggish sales of civil engineering products such as precast concrete walls and soaring prices of raw materials.

3) Real Estate and Solar Power Generation Business

The Real Estate Business reported steady rental income from nursing-care facilities and other property. The Solar Power Generation Business also steadily generated and sold electricity, utilizing its two solar power plants in Ibaraki Prefecture: NC Kanto Solar Power Plant in Koga City and NC Tagawa Solar Power Plant in Chikusei City. Consequently, the Real Estate and Solar Power Generation Business recorded net sales of 311 million yen (up 2.9% year-on-year) and segment income of 182 million yen (up 3.9% year-on-year).

(2) Overview of Financial Position for the Fiscal Year under Review

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 fiscal year under review were 75,334 million yen, up 508 million yen from the end of the previous fiscal year.

Current assets were 32,299 million yen, up 435 million yen from the end of the previous fiscal year, and non-current assets were 43,034 million yen, up 73 million yen from the end of the previous fiscal year.

The increase in current assets was mainly due to an increase in amount of notes receivable - trade, accounts receivable - trade and contract assets, and the increase in non-current assets was mainly due to acquisition of land.

Total liabilities were 36,681 million yen, up 1,240 million yen from the end of the previous fiscal year.

Current liabilities were 23,066 million yen, down 1,732 million yen from the end of the previous fiscal year, and non-current liabilities were 13,615 million yen, up 2,972 million yen from the end of the previous fiscal year.

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

Total net assets were 38,652 million yen, down 731 million yen from the end of the previous fiscal year.

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

As a result of the above, the equity ratio came to 47.8%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review decreased by 204 million yen year-on-year to 8,599 million yen.

1) Cash flows from operating activities

Funds provided by operating activities amounted to 2,919 million yen. This was chiefly because the factors to increase funds, such as 1,708 million yen recorded as profit before income taxes and 2,119 million yen recorded as depreciation, exceeded the factors to decrease funds including 643 million yen recorded as decrease in trade payables.

2) Cash flows from investing activities

Funds used in investing activities totaled 3,590 million yen. This was chiefly due to the factors to decrease funds, such as 1,605 million yen recorded as purchase of property, plant and equipment and 2,097 million and 117 thousand yen recorded as purchase of shares of subsidiaries resulting in change in scope of consolidation.

3) Cash flows from financing activities

Funds provided by financing activities totaled 491 million yen. This was chiefly because the factors to increase funds, such as 5,200 million yen recorded as net increase in proceeds from long-term borrowings and 100 million yen recorded as proceeds from issuance of bonds, exceeded the factors to decrease funds including 3,418 million yen recorded as repayment of long-term borrowings.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	49.6	49.0	50.6	50.2	47.8
Market-value equity ratio (%)	35.0	20.3	21.4	31.1	21.3
Cash flow to interest-bearing debt ratio (years)	3.1	3.0	(21.8)	2.8	4.5
Interest coverage ratio (times)	69.1	63.3	(10.3)	85.2	55.1

Equity ratio = Equity / Total assets
Market-value equity ratio = Market capitalization / Total assets
Cash flow to interest-bearing debt ratio = Interest-bearing debts / Cash flows
Interest coverage ratio = Cash flows / Interest payment

(4) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and Next Fiscal Year

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.

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. At the same time, we believe it is also in the long-term interests of shareholders to solidify our corporate foundation through research and development, production facility upgrades, and other measures. Therefore, we strive to secure an appropriate level of internal reserves as well.

From these perspectives, in determining the distribution of retained earnings, we comprehensively take into account a variety of factors, such as our consolidated financial results for the period concerned, profit trends, future business development, maintenance and enhancement of financial strength, and payout ratio. Additionally, when determining the distribution of retained earnings at the end of each second quarter, we consider the first-half financial results and the full-year financial results forecast, among other elements.

In accordance with this dividend policy, we paid an interim dividend of 4.50 yen per share at the end of the second quarter of the fiscal year under review. Pursuant to the same policy, a decision has also been made to pay a year-end dividend of 4.50 yen per share for the fiscal year under review, after comprehensively taking into account the financial results for the fiscal year under review and the business environment. This will bring the annual dividend to 9 yen per share.

(5) Future Outlook

The economic outlook in Japan continues to be uncertain due to factors including the spreading trend of COVID-19, depreciation of yen, price rise in crude oil and raw materials and concerns about the situation of Ukraine. Under these circumstances, however, demands for eco- and human-friendly products and services that contribute to solve social issues will be increasingly on the rise, against the backdrop of the need for prevention and mitigation of frequent natural disasters and global warming and need for automation and labor-saving to deal with manpower shortage.

In the business environment surrounding the Group, demand for precast concrete products is expected to grow, contributing to reduction of construction periods and labor saving at construction sites. In addition to new projects such as establishment of base stations for 5G mobile phones, various other infrastructure projects are being anticipated, including upgrades of existing utility poles and measures to prevent and mitigate disasters and reinforce national resilience. On the other hand, we also take into consideration certain risks, such as decline in construction demand caused by private-sector capital investment being cancelled or pushed back, depending on how the economy evolves going forward.

In this business environment, the Group is determined to go forward with its groupwide measures centered on 2021 Medium-Term Management Plan and the Basic Sustainability Policy. Each of the Group’s businesses will make proactive efforts to win orders and expand sales, while we will adapt swiftly to changes in the business environment, paying particular attention to demand trends of each product and service. We will also continue to reduce costs and focus on enhancing earning power.

With regard to individual businesses, the Foundation Business will make proactive efforts to win orders for large-scale projects in view of improvement of plant utilization rates and aim at releasing our unique G (green)-ONA pile this year, which can reduce CO_2 emissions by approximately 40% over our existing product, as part of efforts to expand sales of environment-friendly piles.

The Pole-related Business will continue to expand sales in view of installation of more poles for mobile phone bases along with infiltration of the next-generation 5 G telecommunication standard. The Business will also make efforts to grasp demand for replacing long-term used utility poles and also to extend the scope of orders including pole maintenance and pole construction works.

In the Civil Engineering Product Business, in an effort to contribute to preventing and mitigating disasters and maintaining social infrastructure, 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 and Other Business, to meet the target of cutting CO_2 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.

As for the Myanmar business, taking the country’s political and economic situations into account, we recorded impairment of non-current assets of the subsidiary in Myanmar at the end of the fiscal year under review and canceled the plan for new plant construction. At present, however, as a certain quantity of orders for poles has recovered and immediate new orders can be expected, we will continue business operation at the existing factory while keeping a close watch on the local political situation.

In order to enhance our sustainability, we set up a committee which works on identification of materiality and execution of various measures in accordance with the Basic Policy and detail of its activity will be communicated in a timely manner.

As announced in December 2021, we are active in the sale of cross-shareholdings, with the aim of strengthening our ESG investments and investments in growth areas.

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.

(6) Significant Events Relating to Going Concern Assumption, etc.

There is no relevant information.

2. Basic Approach to the Selection of Accounting Standards

The Group makes it a policy to prepare consolidated financial statements in compliance with Japanese accounting standards for the time being, considering comparability between consolidated financial statements for different reporting periods and comparability between reporting entities.

With respect to the adoption of International Financial Reporting Standards, we intend to consider various situations in Japan and abroad and take appropriate steps.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	8,804,311	8,599,733
Notes and accounts receivable - trade	11,965,519	-
Notes receivable - trade	-	2,360,569
Accounts receivable - trade	-	8,419,996
Contract assets	-	1,369,614
Electronically recorded monetary claims - operating	2,521,131	1,526,162
Merchandise and finished goods	4,608,488	6,311,250
Work in process	387,742	476,576
Raw materials and supplies	1,367,942	1,898,836
Costs on uncompleted construction contracts	1,222,707	269,218
Other	1,023,371	1,103,198
Allowance for doubtful accounts	(36,522)	(35,280)
Total current assets	31,864,693	32,299,875
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,623,450	19,712,117
Accumulated depreciation	(11,053,747)	(14,414,749)
Buildings and structures, net	4,569,702	5,297,368
Machinery, equipment and vehicles	26,113,022	33,120,637
Accumulated depreciation	(23,192,233)	(30,102,713)
Machinery, equipment and vehicles, net	2,920,789	3,017,923
Land	16,453,797	17,237,062
Construction in progress	285,546	141,951
Other	12,634,436	15,401,205
Accumulated depreciation	(11,296,374)	(14,220,263)
Other, net	1,338,061	1,180,942
Total property, plant and equipment	25,567,897	26,875,248
Intangible assets	399,997	444,132
Investments and other assets		
Investment securities	13,781,673	12,219,800
Retirement benefit asset	2,110,288	1,884,476
Deferred tax assets	562,287	734,512
Other	779,509	1,112,681
Allowance for doubtful accounts	(241,129)	(236,696)
Total investments and other assets	16,992,630	15,714,773
Total non-current assets	42,960,524	43,034,154
Total assets	74,825,217	75,334,029

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,939,989	4,983,571
Electronically recorded obligations - operating	6,824,886	7,792,309
Short-term borrowings	4,050,000	4,000,000
Current portion of long-term borrowings	3,408,008	2,309,054
Current portion of bonds payable	27,000	24,500
Contract liabilities	-	380,745
Income taxes payable	936,707	203,887
Provision for bonuses	413,732	586,357
Provision for bonuses for directors (and other officers)	68,528	48,615
Provision for loss on construction contracts	128,400	117,070
Other	4,000,869	2,619,909
Total current liabilities	24,798,122	23,066,019
Non-current liabilities		
Bonds payable	4,500	80,000
Long-term borrowings	3,577,548	6,458,494
Deferred tax liabilities	3,326,544	2,860,025
Deferred tax liabilities for land revaluation	2,410,926	2,410,926
Retirement benefit liability	688,257	1,193,732
Other	635,255	612,554
Total non-current liabilities	10,643,031	13,615,732
Total liabilities	35,441,153	36,681,752
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,850,779	3,895,125
Retained earnings	18,900,629	19,160,519
Treasury shares	(443,433)	(818,520)
Total shareholders' equity	27,419,559	27,348,708
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,628,464	3,547,540
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(42,293)	(147,543)
Remeasurements of defined benefit plans	221,127	(27,616)
Total accumulated other comprehensive income	10,119,665	8,684,749
Non-controlling interests	1,844,839	2,618,819
Total net assets	39,384,064	38,652,277
Total liabilities and net assets	74,825,217	75,334,029

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	48,877,051	47,376,648
Cost of sales	40,327,401	39,580,268
Gross profit	8,549,650	7,796,380
Selling, general and administrative expenses	5,803,260	6,568,327
Operating profit	2,746,389	1,228,052
Non-operating income		
Interest income	14,829	8,218
Dividend income	193,074	200,134
Share of profit of entities accounted for using equity method	274,773	218,485
Other	122,920	151,383
Total non-operating income	605,597	578,221
Non-operating expenses		
Loss From Suspension of Plantoperations assets	-	32,793
Interest expenses	50,805	54,730
Other	118,843	165,003
Total non-operating expenses	169,649	252,526
Ordinary profit	3,182,338	1,553,747
Extraordinary income		
Gain on step acquisitions	-	433,716
Gain on sale of non-current assets	2,227	12,825
Gain on sale of investment securities	12,995	164,036
Total extraordinary income	15,222	610,578
Extraordinary losses		
Loss on retirement of non-current assets	19,698	8,460
Loss on valuation of investment securities	-	117,949
Impairment losses	-	329,354
Restructuring cost of production base	54,912	-
Total extraordinary losses	74,610	455,764
Profit before income taxes	3,122,950	1,708,562
Income taxes - current	976,962	633,725
Income taxes - deferred	101,363	120,847
Total income taxes	1,078,326	754,573
Profit	2,044,623	953,988
Profit attributable to non-controlling interests	173,783	79,291
Profit attributable to owners of parent	1,870,839	874,697

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	2,044,623	953,988
Other comprehensive income		
Valuation difference on available-for-sale securities	230,046	(1,081,911)
Foreign currency translation adjustment	4,502	(120,515)
Remeasurements of defined benefit plans, net of tax	(106,933)	(246,558)
Share of other comprehensive income of entities accounted for using equity method	25,403	(2,749)
Total other comprehensive income	153,017	(1,451,735)
Comprehensive income	2,197,641	(497,747)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,031,940	(560,219)
Comprehensive income attributable to non-controlling interests	165,701	62,472

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,111,583	3,826,864	17,170,058	(536,786)	25,571,720
Cumulative effects of changes in accounting policies					-
Restated balance	5,111,583	3,826,864	17,170,058	(536,786)	25,571,720
Changes during period					
Dividends of surplus			(140,269)		(140,269)
Change in ownership interest of parent due to transactions with non-controlling interests		12,587			12,587
Profit attributable to owners of parent			1,870,839		1,870,839
Purchase of treasury shares					-
Disposal of treasury shares		13,038		93,352	106,391
Capital increase of consolidated subsidiaries		(1,710)			(1,710)
Other					-
Net changes in items other than shareholders' equity					
Total changes during period	-	23,915	1,730,570	93,352	1,847,838
Balance at end of period	5,111,583	3,850,779	18,900,629	(443,433)	27,419,559

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,373,014	5,312,368	(46,795)	328,060	9,966,648	1,741,553	37,279,921
Cumulative effects of changes in accounting policies							-
Restated balance	4,373,014	5,312,368	(46,795)	328,060	9,966,648	1,741,553	37,279,921
Changes during period							
Dividends of surplus							(140,269)
Change in ownership interest of parent due to transactions with non-controlling interests							12,587
Profit attributable to owners of parent							1,870,839
Purchase of treasury shares							-
Disposal of treasury shares							106,391
Capital increase of consolidated subsidiaries							(1,710)
Other							-
Net changes in items other than shareholders' equity	255,449	-	4,502	(106,933)	153,017	103,286	256,303
Total changes during period	255,449	-	4,502	(106,933)	153,017	103,286	2,104,142
Balance at end of period	4,628,464	5,312,368	(42,293)	221,127	10,119,665	1,844,839	39,384,064

For the fiscal year ended March 31,2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,111,583	3,850,779	18,900,629	(443,433)	27,419,559
Cumulative effects of changes in accounting policies			25,294		25,294
Restated balance	5,111,583	3,850,779	18,925,924	(443,433)	27,444,853
Changes during period					
Dividends of surplus			(641,389)		(641,389)
Change in ownership interest of parent due to transactions with non-controlling interests		44,346			44,346
Profit attributable to owners of parent			874,697		874,697
Purchase of treasury shares				(403,069)	(403,069)
Disposal of treasury shares				27,982	27,982
Capital increase of consolidated subsidiaries					-
Other			1,288		1,288
Net changes in items other than shareholders' equity					
Total changes during period	-	44,346	234,595	(375,087)	(96,145)
Balance at end of period	5,111,583	3,895,125	19,160,519	(818,520)	27,348,708

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,628,464	5,312,368	(42,293)	221,127	10,119,665	1,844,839	39,384,064
Cumulative effects of changes in accounting policies							25,294
Restated balance	4,628,464	5,312,368	(42,293)	221,127	10,119,665	1,844,839	39,409,359
Changes during period							
Dividends of surplus							(641,389)
Change in ownership interest of parent due to transactions with non-controlling interests							44,346
Profit attributable to owners of parent							874,697
Purchase of treasury shares							(403,069)
Disposal of treasury shares							27,982
Capital increase of consolidated subsidiaries							-
Other							1,288
Net changes in items other than shareholders' equity	(1,080,923)	-	(105,250)	(248,743)	(1,434,916)	773,980	(660,936)
Total changes during period	(1,080,923)	-	(105,250)	(248,743)	(1,434,916)	773,980	(757,081)
Balance at end of period	3,547,540	5,312,368	(147,543)	(27,616)	8,684,749	2,618,819	38,652,277

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit (loss) before income taxes	3,122,950	1,708,562
Depreciation	1,720,291	2,119,312
Impairment losses	-	329,354
Amortization of goodwill	56,928	56,928
Increase (decrease) in allowance for doubtful accounts	125,552	(5,674)
Increase (decrease) in provision for bonuses	46,031	92,981
Increase (decrease) in provision for bonuses for directors (and other officers)	65,003	(19,913)
Increase (decrease) in provision for loss on construction contracts	5,980	13,776
Increase (decrease) in retirement benefit liability	36,925	(4,867)
Decrease (increase) in retirement benefit asset	(91,454)	(151,171)
Share of loss (profit) of entities accounted for using equity method	(274,773)	(218,485)
Interest and dividend income	(207,903)	(208,353)
Interest expenses	50,805	54,730
Loss (gain) on step acquisitions	-	(433,716)
Loss (gain) on valuation of investment securities	-	117,949
Loss (gain) on sale of non-current assets	(2,227)	(12,825)
Loss on retirement of non-current assets	19,698	8,460
Loss (gain) on sale of investment securities	(12,995)	(164,036)
Restructuring cost of production base	54,912	-
Decrease (increase) in trade receivables	(2,067,349)	-
Decrease (increase) in notes and accounts receivable - trade and contract assets	-	2,703,670
Decrease (increase) in inventories	931,808	97,518
Increase (decrease) in advances received	394,810	-
Increase (decrease) in trade payables	(850,281)	(643,588)
Increase (decrease) in dvance received and contract debt	-	(805,868)
Decrease (increase) in accounts receivable - other	112,269	(202,226)
Increase (decrease) in accounts payable - other	(41,741)	81,011
Increase (decrease) in accrued consumption taxes	456,202	(407,419)
Decrease (increase) in accounts receivable-liquidity	134,789	-
Decrease (increase) in other investments	(92,596)	(291,658)
Other, net	12,857	130,683
Subtotal	3,706,495	3,945,132
Interest and dividends received	246,722	253,295
Interest paid	(49,775)	(52,968)
Income taxes paid	(75,362)	(1,225,934)
Restructuring cost of production base paid	(54,912)	-
Income taxes refund	469,486	-
Net cash provided by (used in) operating activities	4,242,654	2,919,524

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from investing activities		
Purchase of investment securities	(93,557)	-
Purchase of property, plant and equipment	(1,299,558)	(1,605,267)
Proceeds from sale of property, plant and equipment	2,354	12,825
Purchase of intangible assets	(28,045)	(180,203)
Proceeds from sale of investment securities	-	276,146
Purchase of shares of subsidiaries	(218,210)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,097,117)
Other, net	110,805	3,570
Net cash provided by (used in) investing activities	(1,526,211)	(3,590,046)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100,000	(100,000)
Proceeds from long-term borrowings	1,000,000	5,200,000
Repayments of long-term borrowings	(2,322,148)	(3,418,008)
Proceeds from issuance of bonds	-	100,000
Redemption of bonds	(27,000)	(27,500)
Purchase of treasury shares	-	(364,375)
Proceeds from sale and leaseback transactions	313,413	-
Proceeds from sales of shares of parent held by subsidiaries	147,070	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(121,501)
Dividends paid	(140,570)	(621,920)
Dividends paid to non-controlling interests	(9,263)	(34,358)
Repayments of lease liabilities	(77,832)	(102,861)
Repayments of construction assistance fund	(17,500)	(17,500)
Net cash provided by (used in) financing activities	966,169	491,975
Effect of exchange rate change on cash and cash equivalents	115	(26,032)
Net increase (decrease) in cash and cash equivalents	3,682,728	(204,578)
Cash and cash equivalents at beginning of period	5,121,583	8,804,311
Cash and cash equivalents at end of period	8,804,311	8,599,733

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Significant Accounting Policies for Preparation of Consolidated Financial Statements)

1. Disclosure of scope of consolidation

1) Consolidated subsidiaries

・Number of consolidated subsidiaries: 20

・Names of consolidated subsidiaries:

NC East Japan Concrete Industries Co., Ltd.; NC Central Japan Concrete Industries Co., Ltd.; NC Kanto Pile Manufacturing Co., Ltd.; NC West Japan Pile Manufacturing Co., Ltd.; NC Shikoku Concrete Industries Co., Ltd.; NC Kyushu Co., Ltd.; NC Kaihara Pile Manufacturing Co., Ltd.; NC Chubu Pile Manufacturing Co., Ltd.; NC Segment Co., Ltd.; NC Precon Co., Ltd.; Hokkaido Concrete Industries Co., Ltd.; NC Steel Co., Ltd.; NC Nikkon Industries Co., Ltd.; NIPPON CONCRETE (Myanmar) Co., Ltd.; NC Kaihara Concrete Co., Ltd.; NC Koki Co., Ltd.; Free Kogyo Co., Ltd.; Tohoku Pole Co., Ltd.; NC Management Service Co., Ltd. and NC Logistics Co., Ltd.

As the Company acquired shares in Tohoku Pole Co., Ltd., it is included in the scope of consolidation from the fiscal year under review.

2) Name of major unconsolidated subsidiary:

NC Union Kosan Co., Ltd.

Reasons for exclusion from scope of consolidation:

This unconsolidated subsidiary is small in size and none of its total assets, net sales, profit (amount corresponding to the Company’s equity in the subsidiary), retained earnings (amount corresponding to the Company’s equity in the subsidiary), and so forth has a significant impact on the consolidated financial statements.

3) Number of associates accounted for using equity method: three

Names of major entities accounted for using equity method:

Kyushu Kouatsu Concrete Industries Co. Ltd. and Chugoku Kouatsu Concrete Industries Co. Ltd.

4) Names of major unconsolidated subsidiaries and associates not accounted for using equity method:

NC Union Kosan Co., Ltd. and Nihonkai Concrete Industries Co. Ltd.

Reasons for not being accounted for using equity method:

Each of the companies not accounted for using the equity method has only an insignificant impact on the Company’s profit or loss, retained earnings, and other items, and is generally immaterial. Therefore, they are excluded from the application of the equity method.

5) Disclosure about fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, NIPPON CONCRETE (Myanmar) Co., Ltd. has September 30 as its balance sheet date. In the preparation of consolidated financial statements, the Company uses financial statements based on provisional settlement of accounts implemented as of the consolidated balance sheet date. The balance sheet date of other consolidated subsidiaries, etc. is the same as the consolidated balance sheet date.

2. Disclosure of accounting policies

(1) Accounting policy for measuring significant assets

1) Securities

Available-for-sale securities

Excluding shares, etc. with no market value:

Stated at market value based on market prices, etc. at the fiscal year-end date. (The entire valuation difference is recognized directly in net assets, and the cost of securities sold is calculated using the moving-average method.)

Securities with no market value:

Stated at cost, using the moving average method.

2) Inventories

Finished goods, raw materials, and supplies:

Stated at cost, mainly using the moving average method (write-downs due to decreased profitability).

Work in process:

Stated at cost, mainly using the identified cost method.

(2) Accounting policy for depreciation of significant assets

1) Property, plant and equipment (excluding leased assets)

Depreciated mainly using the declining-balance method.

However, the straight-line method is used to depreciate the buildings (excluding facilities attached to them) acquired on or after April 1, 1998, and the facilities attached to buildings and structures acquired on or after April 1, 2016.

The useful lives of major assets are as follows:

Buildings and structures: 10 to 50 years

Machinery, equipment and vehicles: five to nine years

2) Intangible assets (excluding leased assets)

Amortized using the straight-line method.

Software for internal use is amortized based on the usable period within the Company (five years).

3) Leased assets

Leased assets related to finance lease transactions not involving the transfer of ownership:

Depreciated using the straight-line method, based on the assumption that the useful life equals the lease term and the residual value equals zero.

(3) Accounting policy for significant provisions

1) Allowance for doubtful accounts

To provide for losses from bad debts, an allowance is recognized in the amount estimated to be uncollectible, using the loan loss ratio for general accounts receivable, while examining collectability on an individual basis for specific accounts receivable such as doubtful accounts receivable.

2) Provision for bonuses

To prepare for the payment of bonuses (including a performance-linked portion of performance-linked compensation) to employees, a provision is recognized based on the estimated amount of payments attributable to the fiscal year under review.

3) Provision for bonuses for directors (and other officers)

To prepare for the payment of salaries (including a performance-linked portion of performance-linked compensation) to directors and other officers, a provision is recognized based on the estimated amount of payments for the fiscal year under review.

4) Provision for loss on construction contracts

To provide for losses on construction contracts, a provision is recognized in the amount of estimated losses for uncompleted construction contracts at the end of fiscal year under review that are likely to incur losses and for which the amount of losses can be reasonably estimated.

(4) Accounting policy for retirement benefits

To provide for the payment of retirement benefits to employees, the amount of retirement benefit obligations minus plan assets is recognized as retirement benefit liability, based on the estimated amounts at the end of the fiscal year under review. The methods of accounting for provision for retirement benefits and retirement benefit expenses are as follows:

1) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit liability, expected retirement benefits are attributed to the periods up to the end of the fiscal year under review using the benefit formula basis.

2) Method of expensing actuarial gains and losses and past service cost

Past service cost is expensed using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence.

Actuarial gains and losses are expensed in an amount prorated using the straight-line method over a fixed number of years (10 years) within the employees' average remaining service period at incurrence, from the fiscal year following the fiscal year of incurrence.

3) Application of the simplified method for small businesses

In the calculation of retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries apply a simplified method in which the necessary retirement benefit provisions for voluntary resignations at the end of the fiscal year are recognized as retirement benefit obligations.

(5) Accounting policy for translation of significant foreign currency denominated assets or liabilities into yen

Monetary claims and debts denominated in foreign currency are translated into yen at the spot exchange rate on the balance sheet date, with translated amounts recognized in profit or loss.

(6) Accounting policy for goodwill

Goodwill is amortized evenly over five years, except for goodwill with immaterial value that is fully amortized as incurred.

(7) Scope of funds in consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, demand deposits, and liquid short-term investments bearing a very low risk of value fluctuation with maturities not exceeding three months from the acquisition date.

(Changes in Accounting Policies)

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

Effective from the beginning of the fiscal year under review, the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. and recognizes the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to a customer.

Accordingly, regarding construction contracts, the Company previously recognized revenue based on the percentage-of-completion method for contracts for which results are deemed certain in terms of the portion completed by the end of the fiscal year under review. However, in the case of goods or services whose control will be transferred to a customer over a period of time, the Company has changed the method and recognizes revenue over a period of time in line with the satisfaction of performance obligations to transfer goods or services to a customer. The degree of progress toward satisfaction of performance obligations is measured by the ratio of the construction cost actually incurred by the end of the fiscal year under review to the estimated total construction cost. If it is not possible to reasonably estimate the degree of progress toward satisfaction of performance obligations at the end of the fiscal year under review but it is probable that the construction cost incurred when the performance obligations are satisfied will be recovered, the Company recognizes revenue based on the cost recovery method until it becomes possible to reasonably estimate the degree of progress toward satisfaction of performance obligations. The Company applies alternative treatment if the period from the time when a transaction is commenced to the point in time at which performance obligations are expected to be fully satisfied is very short, and does not recognize revenue over a period of time but recognizes revenue at the point in time when the Company fully satisfies performance obligations.

For application of the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment, which is stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, the cumulative effect of retrospective application of the new accounting policy before the beginning of the fiscal year under review has been added to or deducted from retained earnings at the beginning of the fiscal year under review and thus the new accounting policy has been applied from the beginning of the fiscal year under review.

As a result, net sales and cost of sales for the fiscal year under review decreased by 492,583 thousand yen and 576,909 thousand yen, respectively, operating profit increased by 84,326 thousand yen, and ordinary profit and profit before income taxes increased by 84,326 thousand yen, respectively. The beginning balance of retained earnings increased by 25,294 thousand yen.

As a result of the application of the Revenue Recognition Accounting Standard, etc., “notes and accounts receivable - trade,” which was presented under “current assets” in the consolidated balance sheet for the previous fiscal year, has been included in “notes receivable - trade,” “accounts receivable - trade” and “contract assets” from the fiscal year under review. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, reclassification based on the new presentation method has not been made for the previous fiscal year. Moreover, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Accounting Standard, information on the breakdown of revenue arising from contracts with customers for the previous fiscal year is not presented.

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

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

(Significant Changes in Subsidiaries During the Fiscal Year Under Review)

As the Company acquired shares in Tohoku Pole Co., Ltd. and made it a subsidiary on July 30, 2021, it is included in the scope of consolidation from the second quarter of the fiscal year under review.

(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 ending 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 fiscal year under review are 44,617 thousand yen and 139,497 shares for the BIP Trust, and 35,940 thousand yen and 110,310 shares for the J-ESOP Trust.

(Matters Related to Revenue Recognition)

Information on the breakdown of revenue arising from contracts with customers

For the fiscal year under review (April 1, 2021 to March 31, 2022)

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	9,420,940	24,724,587	—	34,145,528
Construction contract sales	9,543,267	3,330,667	—	12,873,935
Other sales	14,743	14,686	76,511	105,941
Revenue from contracts with customers	18,978,952	28,069,941	76,511	47,125,405
Other revenue (Note)	16,597	—	234,645	251,243
Net sales to outside customers	18,995,549	28,069,941	311,157	47,376,648

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

(Segment Information, etc.)

[Segment Information]

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company’s reportable segments are constituent units of the Group for which separate financial statements are available, and which are subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and assessing business performance.

The Company is organized based on the three business units of Foundation Business, Concrete Secondary Product Business, and Real Estate and Solar Power Generation Business, each of which formulates comprehensive strategies and engages in business activities.

Accordingly, the Company classifies its operations into three reportable segments: Foundation Business, Concrete Secondary Product Business, and Real Estate and Solar Power Generation Business.

(2) Types of products and services belonging to each reportable segment

The Foundation Business segment manufactures and sells piles, as well as performing piling and soil stabilization works. The Concrete Secondary Product Business segment focuses primarily on the manufacture, sale, and commissioned testing and research of poles, civil engineering products, and other concrete secondary products and on the construction of poles and civil engineering products. The Real Estate and Solar Power Generation Business segment engages in renting real estate and generating electricity from solar energy.

2. Method of calculating net sales, income or loss, assets, and other items by reportable segment

Accounting policies for reportable segments are generally the same as those described in "Significant Accounting Policies for Preparation of Consolidated Financial Statements" above.

Income for each reportable segment is based on operating profit, and inter-segment revenues and transfers are based on market prices.

3. Information on net sales, income or loss, assets, and other items by reportable segment

For the previous fiscal year ended March 31, 2021

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the consolidated financial statements (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	24,319,048	24,255,707	302,296	48,877,051	—	48,877,051
Inter-segment net sales or transfers	9,262	—	—	9,262	(9,262)	—
Total	24,328,310	24,255,707	302,296	48,886,314	(9,262)	48,877,051
Segment income	1,256,363	3,092,490	175,408	4,524,261	(1,777,872)	2,746,389
Segment assets	19,758,277	30,281,516	2,086,630	52,126,424	22,698,793	74,825,217
Other items						
Depreciation	822,114	775,223	72,705	1,670,043	50,248	1,720,291
Amortization of goodwill	—	56,928	—	56,928	—	56,928
Increase in property, plant and equipment and intangible assets	356,293	1,086,293	—	1,442,586	168,142	1,610,728

(Notes)

1. The adjustments are as follows:
   (1) The adjustment for segment income mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.
   (2) The adjustment for segment assets principally represents corporate assets. Corporate assets mainly include assets not attributed to reportable segments, such as funds on hand to prepare for the settlement of accounts (cash and deposits), funds for long-term investment (investment securities), and assets related to administrative divisions.
   (3) The adjustment for depreciation represents depreciation of corporate assets not allocated to reportable segments.
   (4) The adjustment for increase in property, plant and equipment and intangible assets pertains to corporate assets not allocated to reportable segments.
2. Segment income is adjusted to the operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2022

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the consolidated financial statements (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	18,995,549	28,069,941	311,157	47,376,648	—	47,376,648
Inter-segment net sales or transfers	6,578	—	—	6,578	(6,578)	—
Total	19,002,128	28,069,941	311,157	47,383,227	(6,578)	47,376,648
Segment income	227,029	2,551,001	182,578	2,960,608	(1,732,556)	1,228,052
Segment assets	19,277,086	34,202,670	1,600,575	55,080,331	20,253,698	75,334,029
Other items						
Depreciation	1,019,485	953,808	64,957	2,038,251	81,061	2,119,312
Amortization of goodwill	—	56,928	—	56,928	—	56,928
Impairment losses	66,441	262,912	—	329,354	—	329,354
Increase in property, plant and equipment and intangible assets	568,448	942,102	2,789	1,513,339	123,324	1,636,663

(Notes)

1. The adjustments are as follows:
   (1) The adjustment for segment income mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.
   (2) The adjustment for segment assets principally represents corporate assets. Corporate assets mainly include assets not attributed to reportable segments, such as funds on hand to prepare for the settlement of accounts (cash and deposits), funds for long-term investment (investment securities), and assets related to administrative divisions.
   (3) The adjustment for depreciation represents depreciation of corporate assets not allocated to reportable segments.
   (4) The adjustment for increase in property, plant and equipment and intangible assets pertains to corporate assets not allocated to reportable segments.
2. Segment income is adjusted to the operating profit in the consolidated statement of income.

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

(Significant impairment losses pertaining to non-current assets)

(1) 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 fiscal year under review was 26,741 thousand yen.

(2) In the Concrete Secondary Product Business segment, the Company reduced the book value of non-current assets in the Myanmar subsidiary to their recoverable value.

The amount of the said impairment loss reported during the fiscal year under review was 262,912 thousand yen.

(3) In the Foundation Business segment, the Company reduced the book value of assets in subsidiaries to their recoverable value.

The amount of the said impairment loss reported during the fiscal year under review was 39,700 thousand yen.

(Per Share Information)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net assets per share (yen)	665.37	653.58
Basic earnings per share (yen)	33.29	15.60
Diluted earnings per share	Not presented as there were no potential shares.	Not presented as there were no potential shares.

Note: Basic earnings (loss) per share was computed based on the figures below.

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit attributable to owners of parent (thousand yen)	1,870,839	874,697
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common shares (thousand yen)	1,870,839	874,697
Average number of common shares during the period (thousand shares)	56,206	56,081

(Significant Events after Reporting Period)

There is no relevant information.