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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

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 27, 2024
 Scheduled date of commencing dividend payments: June 12, 2024
 Scheduled date of filing annual securities report: June 28, 2024
 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, 2024 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	53,650	1.3	1,807	-	2,242	-	614	-
March 31, 2023	52,986	11.8	(228)	-	97	(93.8)	(439)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 3,102 million [-%]
 Fiscal year ended March 31, 2023: ¥ (522) 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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	11.31	-	1.7	2.8	3.4
March 31, 2023	(8.07)	-	(1.2)	0.1	(0.4)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 256 million
 Fiscal year ended March 31, 2023: ¥ 163 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	81,995	40,395	45.7	690.70
March 31, 2023	77,063	37,658	45.4	643.71

(Reference) Equity: As of March 31, 2024: ¥ 37,506 million
 As of March 31, 2023: ¥ 34,949 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	5,847	(1,364)	(511)	11,120
March 31, 2023	432	(1,434)	(447)	7,136

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	Millions of yen	%	%
March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
March 31, 2024	-	6.50	-	6.50	13.00	710	114.9	1.9
Fiscal year ending March 31, 2025 (Forecast)	-	6.50	-	6.50	13.00		44.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	26,600	0.6	700	(45.0)	1,000	(34.6)	600	(25.8)	11.05
Full year	57,000	6.2	2,400	32.8	2,800	24.8	1,600	160.5	29.47

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
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, 2024:	57,777,432 shares
March 31, 2023:	57,777,432 shares

2) Number of treasury shares at the end of the period:

March 31, 2024:	3,476,234 shares
March 31, 2023:	3,483,945 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	54,296,313 shares
Fiscal Year ended March 31, 2023:	54,402,098 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	35,595	(1.3)	1,873	437.1	648	-	(20)	-
March 31, 2023	36,048	10.1	348	(70.8)	(735)	-	(824)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	(0.37)	-
March 31, 2023	(15.10)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	63,109	25,779	40.8	473.73
March 31, 2023	61,555	24,675	40.1	453.49

(Reference) Equity: As of March 31, 2024: ¥ 25,779 million
As of March 31, 2023: ¥ 24,675 million

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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, 2024), although the economic environment saw progress in the normalization of economic activity, and the economy showed signs of a gradual recovery, the outlook remained uncertain due to an unstable international environment, depreciation of the yen, and an increase in raw material and logistics expenses.

Regarding the business environment in which the Group operates, while attention was drawn to the Group's products, construction, and supply systems, which enable rapid recovery from disasters, expectations also remained high for precast concrete products and construction technology that contribute to disaster prevention and mitigation, maintenance of social infrastructure, the shortening of construction periods and labor saving, as well as for the Company-developed technology for carbon capture and CCUS (carbon dioxide capture, utilization and storage) products, and low-carbon type concrete products.

In these circumstances, due to the recording of losses and non-payment of dividends in the previous fiscal year, the Group formulated a business improvement plan (announced on May 19, 2023) to realize a quick recovery in business performance and resume dividends. The Group has been steadily implementing various initiatives such as cost reductions, increase in construction profitability, and the penetration of fair prices.

As a result, the Group's net sales for the period under review were 53,650 million yen (up 1.3% year-on-year), operating profit was 1,807 million yen (operating loss of 228 million yen in the same period of the previous fiscal year), ordinary profit was 2,242 million yen (up 2,211.6% year-on-year), and profit attributable to owners of parent was 614 million yen (loss attributable to owners of parent of 439 million yen in the same period of the previous fiscal year).

Regarding the damage from ransomware infection which occurred on May 5, 2023, direct impact of the damage on our production and sales was minimal as we made efforts to maintain and recover business activities. However, we sincerely apologize to our shareholders and investors for the concern and inconvenience caused by a delay in the announcement of the financial results from the first to third quarters.

As a result of efforts to eliminate delays, the situation has normalized from the announcement of the current financial results.

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

1) Foundation Business

The demand for concrete piles across Japan during the fiscal year under review decreased substantially from a year earlier, and the Group's shipment volume declined, for net sales of 26,537 million yen (down 6.0% year-on-year).

As for profit, segment income was 1,228 million yen (up 138.3% year-on-year), owing to efforts to improve construction profitability and to increase the penetration of fair prices, despite plant utilization rates that were lower than the Company's estimation.

2) Concrete Secondary Product Business

In the Pole-related Business, which is part of the Concrete Secondary Product Business, concrete pole shipments throughout Japan remained roughly at the same level from a year earlier. In this environment, the Group's shipment volume increased due to a share expansion, and negotiations were conducted with large volume customers to review selling prices. As a result, net sales amounted to 14,814 million yen (up 13.5% year on-year).

In the Civil Engineering Product Business, production and inspection of RC segments intended for the Linear Chuo Shinkansen remained brisk. In addition, large-scale precast concrete wall projects were completed and shipments of precast products for "Oyagui-panel" soldier pile panels progressed smoothly. As a result, net sales were 11,996 million yen (up 5.1% year-on-year).

As a result, net sales in the Concrete Secondary Product Business amounted to 26,811 million yen (up 9.6% year-on-year). As for profit, segment income was 2,032 million yen (up 207.9% year-on-year) due to successful penetration of fair prices in the same way as the Foundation Business.

3) Real Estate and Solar Power Generation Business

The Company reported steady rental income, and generated and sold electricity for net sales that amounted to 302 million yen (up 3.2% year-on-year) and segment income was 184 million yen (up 0.2% 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 81,995 million yen, up 4,932 million yen from the end of the previous fiscal year.

Current assets were 36,417 million yen, up 1,858 million yen from the end of the previous fiscal year, and non-current assets were 45,578 million yen, up 3,074 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 investment securities.

Total liabilities were 41,599 million yen, up 2,195 million yen from the end of the previous fiscal year.

Current liabilities were 26,887 million yen, up 1,421 million yen from the end of the previous fiscal year, and non-current liabilities were 14,711 million yen, up 773 million yen from the end of the previous fiscal year.

The increase in current liabilities was mainly due to an increase in income taxes payable, and the increase in non-current liabilities was mainly due to an increase in deferred tax liabilities.

Total net assets were 40,395 million yen, up 2,737 million yen from the end of the previous fiscal year.

This was mainly due to increases in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio came to 45.7%.

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

Cash and cash equivalents at the end of the fiscal year under review increased by 3,984 million yen year-on-year to 11,120 million yen.

1) Cash flows from operating activities

Funds provided by operating activities amounted to 5,847 million yen. This was chiefly because of factors to increase funds, such as 2,278 million yen recorded as profit before income taxes and a 2,502 million yen decrease in accounts receivable – trade and contract assets.

2) Cash flows from investing activities

Funds used in investing activities totaled 1,364 million yen. This was chiefly due to the factors to decrease funds, such as 1,329 million yen recorded as purchase of property, plant and equipment.

3) Cash flows from financing activities

Funds used in financing activities totaled 511 million yen. This was chiefly because the factors to decrease funds, such as 355 million yen recorded as dividends paid.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	50.6	50.2	48.1	45.4	45.7

Market-value equity ratio (%)	21.4	31.1	21.3	18.0	25.1
Cash flow to interest-bearing debt ratio (years)	(21.8)	2.8	4.5	32.1	130.1
Interest coverage ratio (times)	(10.3)	85.2	55.1	6.90	81.9

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 6.50 yen per share at the end of the second quarter of the current fiscal year. In accordance with the same policy, and after comprehensively considering the business results for the period under review and the business environment, we have decided to pay a year-end dividend of 6.5 yen per share, for an annual dividend of 13 yen per share, as forecasted at the beginning of the period.

(5) Future Outlook

With regard the future outlook, we expect that the conditions of the business environment in which the Group operates will remain severe due to the on-going risks presented by an unstable international environment and increases in energy, raw material and personnel expenses, in addition to the 2024 logistics problem and construction start delays and extended construction periods and other issues in construction projects.

It was under such conditions that the Group announced the formulation of its new Medium-Term Management Plan on May 15, 2024.

In this plan, we identify our medium- to long-term vision of “safeguarding future social infrastructure and the global environment,” in keeping with the previous plan, and the medium-term management policy of “creating new value and contributing to a sustainable society through Group transformation and sustainable growth” with the aim of bolstering existing businesses and expanding into growth fields by both “improving the profitability of core businesses” and “strengthening our management base for value-added creation.” This is the policy which will empower our efforts to achieve sustainable growth.

In addition, by incorporating ESG and a policy of taking action to achieve management that is conscious of capital cost and stock prices, we will push further forward in efforts to raise corporate value.

Please see the announcement materials for the specific content of the new Medium-Term Management Plan (Japanese only).

In fiscal 2024, we plan to increase sales and profits by reinforcing our order-taking activities such as proposal-

based sales and product installation work, along with streamlined construction and further penetration of fair pricing, despite expected increases in costs for raw materials, labor, and logistics.

In addition, in April 2024 the Group welcomed Komatsu Seisakusyo Co., Ltd., the manufacture and sale of formwork for poles and piles, with the intent of creating synergy that will further reduce costs.

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 be committed to utilizing the Group's synergy effect and realizing further growth, and by intensifying our efforts on corporate governance and sustainability, we are aiming to realize sustainable growth and enhance our corporate value to meet the expectations of our stakeholders.

(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

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	7,136,254	11,120,707
Notes receivable - trade	2,184,668	1,827,350
Electronically recorded monetary claims - operating	2,851,162	2,925,147
Accounts receivable - trade	9,360,306	7,309,778
Contract assets	2,290,762	2,122,342
Merchandise and finished goods	6,662,602	6,950,355
Work in process	616,733	740,826
Raw materials and supplies	1,851,977	2,038,697
Costs on construction contracts in progress	548,749	319,817
Other	1,080,338	1,070,595
Allowance for doubtful accounts	(24,300)	(8,134)
Total current assets	34,559,255	36,417,483
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,809,852	19,988,110
Accumulated depreciation	(14,732,369)	(15,043,989)
Buildings and structures, net	5,077,483	4,944,121
Machinery, equipment and vehicles	33,444,158	33,971,964
Accumulated depreciation	(30,747,747)	(31,308,906)
Machinery, equipment and vehicles, net	2,696,411	2,663,058
Land	17,237,062	17,237,062
Construction in progress	504,159	677,761
Other	15,220,595	15,037,395
Accumulated depreciation	(14,283,237)	(14,271,308)
Other, net	937,357	766,087
Total property, plant and equipment	26,452,474	26,288,090
Intangible assets	596,533	881,242
Investments and other assets		
Investment securities	12,235,905	14,547,526
Retirement benefit asset	1,922,733	2,955,466
Deferred tax assets	788,855	352,097
Other	644,444	684,666
Allowance for doubtful accounts	(136,987)	(130,861)
Total investments and other assets	15,454,951	18,408,895
Total non-current assets	42,503,959	45,578,229
Total assets	77,063,214	81,995,712

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,345,374	5,285,032
Electronically recorded obligations - operating	10,094,953	9,864,508
Short-term borrowings	4,049,600	4,084,600
Current portion of long-term borrowings	2,121,682	2,260,089
Current portion of bonds payable	40,000	40,000
Income taxes payable	308,412	945,725
Provision for bonuses	561,537	618,073
Provision for bonuses for directors (and other officers)	15,617	77,270
Provision for loss on construction contracts	27,970	22,250
Other	2,901,088	3,690,222
Total current liabilities	25,466,236	26,887,772
Non-current liabilities		
Bonds payable	140,000	100,000
Long-term borrowings	6,697,588	6,533,312
Deferred tax liabilities	2,808,385	3,737,547
Deferred tax liabilities for land revaluation	2,410,926	2,410,926
Retirement benefit liability	1,242,252	1,220,462
Other	638,899	709,736
Total non-current liabilities	13,938,051	14,711,984
Total liabilities	39,404,287	41,599,757
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,857,548	3,858,899
Retained earnings	18,493,031	18,752,806
Treasury shares	(1,010,996)	(1,009,783)
Total shareholders' equity	26,451,166	26,713,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,452,402	4,999,946
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(178,438)	(138,068)
Remeasurements of defined benefit plans	(88,161)	618,394
Total accumulated other comprehensive income	8,498,170	10,792,641
Non-controlling interests	2,709,590	2,889,807
Total net assets	37,658,927	40,395,955
Total liabilities and net assets	77,063,214	81,995,712

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	52,986,076	53,650,671
Cost of sales	46,545,904	44,765,845
Gross profit	6,440,172	8,884,825
Selling, general and administrative expenses	6,668,825	7,077,249
Operating profit (loss)	(228,653)	1,807,575
Non-operating income		
Interest income	6,630	9,189
Dividend income	186,000	197,111
Share of profit of entities accounted for using equity method	163,855	258,547
Gain on sale of scraps	82,582	72,571
Other	160,062	149,901
Total non-operating income	599,133	687,320
Non-operating expenses		
Loss on claims	80,000	13,964
Interest expenses	63,658	71,430
Arrangement fee	16,666	16,666
Loss from suspension of plantoperations assets	22,136	43,618
Other	90,987	106,233
Total non-operating expenses	273,449	251,913
Ordinary profit	97,030	2,242,981
Extraordinary income		
Gain on sale of non-current assets	18,315	30,096
Gain on sale of investment securities	75,526	93,732
Total extraordinary income	93,841	123,828
Extraordinary losses		
System failure response costs	-	30,890
Loss on sales of affiliates' stocks	-	9,195
Loss on retirement of non-current assets	33,103	48,175
Total extraordinary losses	33,103	88,261
Profit before income taxes	157,768	2,278,549
Income taxes - current	531,856	1,134,277
Income taxes - deferred	(39,881)	372,758
Total income taxes	491,974	1,507,036
Profit (loss)	(334,206)	771,513
Profit attributable to non-controlling interests	104,990	157,239
Profit (loss) attributable to owners of parent	(439,196)	614,273

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	(334,206)	771,513
Other comprehensive income		
Valuation difference on available-for-sale securities	(89,317)	1,553,122
Foreign currency translation adjustment	(35,372)	46,222
Remeasurements of defined benefit plans, net of tax	(60,753)	719,792
Share of other comprehensive income of entities accounted for using equity method	(2,986)	11,801
Total other comprehensive income	(188,430)	2,330,938
Comprehensive income	(522,637)	3,102,451
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(625,774)	2,908,744
Comprehensive income attributable to non-controlling interests	103,137	193,707

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,111,583	3,894,910	19,181,307	(818,520)	27,369,281
Changes during period					
Dividends of surplus			(249,079)		(249,079)
Change in ownership interest of parent due to transactions with non-controlling interests		6,951			6,951
Profit (loss) attributable to owners of parent			(439,196)		(439,196)
Purchase of treasury shares				(299,364)	(299,364)
Disposal of treasury shares		(44,314)		106,888	62,574
Net changes in items other than shareholders' equity					
Total changes during period	-	(37,362)	(688,276)	(192,476)	(918,115)
Balance at end of period	5,111,583	3,857,548	18,493,031	(1,010,996)	26,451,166

	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	3,547,540	5,312,368	(147,543)	(27,616)	8,684,749	2,618,762	38,672,793
Changes during period							
Dividends of surplus							(249,079)
Change in ownership interest of parent due to transactions with non-controlling interests							6,951
Profit (loss) attributable to owners of parent							(439,196)
Purchase of treasury shares							(299,364)
Disposal of treasury shares							62,574
Net changes in items other than shareholders' equity	(95,137)	-	(30,894)	(60,545)	(186,578)	90,827	(95,750)
Total changes during period	(95,137)	-	(30,894)	(60,545)	(186,578)	90,827	(1,013,865)
Balance at end of period	3,452,402	5,312,368	(178,438)	(88,161)	8,498,170	2,709,590	37,658,927

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,111,583	3,857,548	18,493,031	(1,010,996)	26,451,166
Changes during period					
Dividends of surplus			(354,498)		(354,498)
Change in ownership interest of parent due to transactions with non-controlling interests		1,351			1,351
Profit (loss) attributable to owners of parent			614,273		614,273
Purchase of treasury shares				(16)	(16)
Disposal of treasury shares				1,230	1,230
Net changes in items other than shareholders' equity					
Total changes during period	-	1,351	259,775	1,213	262,340
Balance at end of period	5,111,583	3,858,899	18,752,806	(1,009,783)	26,713,506

	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	3,452,402	5,312,368	(178,438)	(88,161)	8,498,170	2,709,590	37,658,927
Changes during period							
Dividends of surplus							(354,498)
Change in ownership interest of parent due to transactions with non-controlling interests							1,351
Profit (loss) attributable to owners of parent							614,273
Purchase of treasury shares							(16)
Disposal of treasury shares							1,230
Net changes in items other than shareholders' equity	1,547,544	-	40,370	706,555	2,294,470	180,217	2,474,687
Total changes during period	1,547,544	-	40,370	706,555	2,294,470	180,217	2,737,028
Balance at end of period	4,999,946	5,312,368	(138,068)	618,394	10,792,641	2,889,807	40,395,955

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	157,768	2,278,549
Depreciation	1,859,940	1,886,122
Amortization of goodwill	56,928	-
Increase (decrease) in allowance for doubtful accounts	(110,689)	(22,291)
Increase (decrease) in provision for bonuses	(25,641)	91,266
Increase (decrease) in provision for bonuses for directors (and other officers)	(33,798)	25,693
Increase (decrease) in provision for loss on construction contracts	(89,100)	(5,720)
Increase (decrease) in retirement benefit liability	48,520	109,081
Decrease (increase) in retirement benefit asset	(38,256)	(126,215)
Share of loss (profit) of entities accounted for using equity method	(163,855)	(258,547)
Interest and dividend income	(192,631)	(206,300)
Interest expenses	63,658	71,430
Loss (gain) on sale of non-current assets	(18,315)	(30,096)
Loss on retirement of non-current assets	33,103	48,175
System failure response costs	-	30,890
Loss (gain) on sale of investment securities	(75,526)	(93,732)
Loss on sales of affiliates' stocks	-	9,195
Decrease (increase) in accounts receivable - trade, and contract assets	(3,340,797)	2,502,281
Decrease (increase) in inventories	(724,181)	(369,634)
Increase (decrease) in trade payables	2,807,701	(290,787)
Increase (decrease) in advance received and contract debt	41,190	177,869
Decrease (increase) in accounts receivable - other	(128,862)	302,987
Increase (decrease) in accounts payable - other	(45,250)	55,150
Increase (decrease) in accrued consumption taxes	(57,741)	105,386
Decrease (increase) in other investments	363,091	(73,371)
Other, net	229,726	(97,229)
Subtotal	616,983	6,120,154
Interest and dividends received	210,260	239,330
Interest paid	(62,831)	(69,867)
Income taxes paid	(391,126)	(454,279)
Income taxes refund	59,092	42,570
System failure response costs paid	-	(30,890)
Net cash provided by (used in) operating activities	432,378	5,847,017
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,308,082)	(1,329,330)
Proceeds from sale of property, plant and equipment	18,315	34,113
Purchase of intangible assets	(242,571)	(308,376)
Purchase of investment securities	(578)	(685)
Proceeds from sale of investment securities	98,279	99,510
Proceeds from sales of shares of associates	-	140,400
Other, net	160	40
Net cash provided by (used in) investing activities	(1,434,478)	(1,364,329)

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	49,600	35,000
Proceeds from long-term borrowings	2,355,663	4,248,216
Repayments of long-term borrowings	(2,303,941)	(4,274,085)
Proceeds from issuance of bonds	100,000	-
Redemption of bonds	(24,500)	(40,000)
Repayments of lease liabilities	(102,494)	(95,310)
Purchase of treasury shares	(299,364)	-
Dividends paid	(249,621)	(355,280)
Dividends paid to non-controlling interests	(13,555)	(12,062)
Repayments of construction assistance fund	(17,500)	(17,500)
Proceeds from sales of shares of parent held by subsidiaries	60,200	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,876)	(65)
Net cash provided by (used in) financing activities	(447,390)	(511,087)
Effect of exchange rate change on cash and cash equivalents	(13,988)	12,852
Net increase (decrease) in cash and cash equivalents	(1,463,478)	3,984,452
Cash and cash equivalents at beginning of period	8,599,733	7,136,254
Cash and cash equivalents at end of period	7,136,254	11,120,707

(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.

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: 3

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

The balance sheet date of consolidated subsidiaries 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 (The entire valuation difference is recognized directly in net assets, and the cost of securities sold is calculated using the moving-average method.)

Shares with no market value:

Stated at cost, using the moving average method.

2) Inventories

Merchandise, finished goods, raw materials, and supplies:

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

Work in process and expenditure on contracts 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 pertaining to piles, poles, and civil engineering products, a provision is recognized for the amount of the current fiscal year's share of estimated losses for uncompleted construction contracts at the end of the fiscal year under review when the estimated total construction cost exceeds total construction revenues.

(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 benefit liability 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 revenue and expenses

The details of the main performance obligations in the major businesses related to revenue from contracts with the customers of the Company and those of its consolidated subsidiaries, and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

1) Product sales

In terms of product sales for the Foundation Business and the Concrete Secondary Product Business, the Company is engaged in the manufacture and selling of concrete piles, poles, and civil engineering products. Our primary performance obligation in these transactions is the delivery of specified products to customers based upon contracts with the same customers. Therefore, the typical timing (when the Company typically recognizes revenue) at which such performance obligations are satisfied, when control of the products is transferred to customers via delivery of the products and the performance obligations are satisfied, is the point of delivery of the goods. However, for transactions within Japan, in which the period comprising shipment of the product until the control of said merchandise or finished product is transferred to the customer represents the typical timing, revenue is recognized at the point of shipment of the product. Further, the Company receives consideration for such transactions generally within one year of delivery of the product, which is not considered to include a significant financial-components.

2) Construction contract sales

In terms of construction contract sales for the Foundation Business and the Concrete Secondary Product Business, the Company is engaged in contracted work related to the construction of concrete piles, poles, and civil engineering products. Our primary performance obligation in these transactions is the completion of the respective construction works, including the construction of pile foundations on the land of the contractor based on the contract with the customer. With regard to these construction contracts, as the customer assumes control over the asset as it is built over the course of the construction work, the performance obligation is one in which its satisfaction is achieved over a set period of time. Further, the degree of progress toward satisfaction of said 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, which we judge to be a faithful characterization with regard to the transfer of control to the customer. As such, we recognize revenue based on the ratio of the construction cost actually incurred by the end of the fiscal year under review to the estimated total construction cost (hereinafter referred to as, "revenue recognized based on the percentage-of-completion method"). However, due to the fact that it is impossible to make reasonable estimates with regard to the degree of progress at the

end of the fiscal year under review due to the lack of reliable information for estimating total construction costs, etc., if it is probable that the construction cost incurred when the performance obligations are satisfied will be recovered, the Company will recognize revenue using the actual construction costs up until it becomes possible to reasonably estimate the degree of progress toward satisfaction of said performance obligations (hereinafter referred to as, “revenue recognized based on the cost recovery method”).

For construction contracts in which the period from the time when a transaction is commenced to the period the construction is complete is very short, the Company applies alternative treatment, and does not recognize revenue over a period of time but recognizes revenue at the point in time when the construction is complete (hereinafter referred to as, “revenue recognized based on the completion method”).

The considerations for these construction contract transactions are received in stages according to the general degree of progress and in accordance with the terms of the contract.

Further the main item under “Other revenue” recorded in Net Sales includes revenue from real estate leasing, the revenue from which is recognized based on time elapsed.

(6) 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.

(7) Accounting policy for goodwill

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

(8) 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 Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

Effective from the beginning of the fiscal year under review, the Company has applied the “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ PITF No. 43, August 26, 2022).

There has been no impact on the consolidated financial statements.

(Additional Information)

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

(1) Summary of the transaction

As for the Board Incentive Plan Trust (hereinafter referred to as the “BIP Trust”) and the Stock Granting Trust (J-ESOP) (hereinafter referred to as the “J-ESOP Trust”) introduced in August 2015, the Company resolved at the Board of Directors’ Meeting held on August 11, 2021 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from the fiscal year 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. For the BIP Trust, the book value and the number of treasury shares at the end of the previous fiscal year were 43,816 thousand yen and 136,995 shares, and at the end of the fiscal year under review, 42,973 thousand yen and 134,359 shares, and for the J-ESOP Trust, 35,117 thousand yen and 107,785 shares at the end of the previous fiscal year, and 34,730 thousand yen and 106,597 shares at the end of the fiscal year under review.

(Matters Related to Revenue Recognition)

Information on the breakdown of revenue arising from contracts with customers

For the previous fiscal year ended March 31, 2023

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	4,529,468	21,694,442	—	26,223,910
Construction contract sales	23,683,384	2,753,882	—	26,437,266
Other sales	13,150	12,238	58,182	83,571
Revenue from contracts with customers	28,226,003	24,460,563	58,182	52,744,748
Other revenue (Note)	6,926	—	234,400	241,327
Net sales to outside customers	28,232,929	24,460,563	292,583	52,986,076

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

For the fiscal year ended March 31, 2024

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	3,192,914	23,891,901	—	27,084,816
Construction contract sales	23,325,612	2,917,266	—	26,242,878
Other sales	14,133	2,258	60,000	76,392
Revenue from contracts with customers	26,532,660	26,811,426	60,000	53,404,087
Other revenue (Note)	4,575	—	242,007	246,583
Net sales to outside customers	26,537,236	26,811,426	302,008	53,650,671

(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, 2023

(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	28,232,929	24,460,563	292,583	52,986,076	—	52,986,076
Inter-segment net sales or transfers	1,596	—	—	1,596	(1,596)	—
Total	28,234,525	24,460,563	292,583	52,987,672	(1,596)	52,986,076
Segment income (loss)	515,730	660,246	184,086	1,360,063	(1,588,716)	(228,653)
Segment assets	25,265,513	29,144,774	1,989,007	56,399,294	20,663,920	77,063,214
Other items						
Depreciation	833,587	888,825	56,539	1,778,952	80,987	1,859,940
Amortization of goodwill	—	56,928	—	56,928	—	56,928
Increase in property, plant and equipment and intangible assets	594,840	785,250	31,629	1,411,720	351,741	1,763,461

(Notes)

1. The adjustments are as follows:

- (1) The adjustment for segment income (loss) 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 (loss) is adjusted to the operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2024

(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	26,537,236	26,811,426	302,008	53,650,671	—	53,650,671
Inter-segment net sales or transfers	3,052	—	—	3,052	(3,052)	—
Total	26,540,288	26,811,426	302,008	53,653,723	(3,052)	53,650,671
Segment income	1,228,802	2,032,787	184,384	3,445,975	(1,638,399)	1,807,575
Segment assets	23,054,292	31,276,272	1,518,641	55,849,206	26,146,506	81,995,712
Other items						
Depreciation	748,554	980,361	55,134	1,784,049	102,072	1,886,122
Increase in property, plant and equipment and intangible assets	813,919	911,643	10,870	1,736,432	552,366	2,288,799

(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

For the previous fiscal year ended March 31, 2023

There is no relevant information.

For the fiscal year ended March 31, 2024

There is no relevant information.

(Per Share Information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share (yen)	643.71	690.70
Basic earnings (loss) per share (yen)	(8.07)	11.31

(Notes)

1. Diluted earnings per share is not presented in the above as there were no potential shares.

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss) attributable to owners of parent (thousand yen)	(439,196)	614,273
Amount not attributable to common shareholders (thousand yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (thousand yen)	(439,196)	614,273
Average number of common shares during the period (thousand shares)	54,402	54,296

(Significant Events after Reporting Period)

There is no relevant information.