

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 13, 2021

Company name: NIPPON HUME CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Securities code: 5262

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2021

Scheduled date of commencing dividend payments: June 30, 2021

Scheduled date of filing annual securities report: June 29, 2021

Preparation of supplementary briefing material on financial results: No

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

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

	Turnover		Operating income		Ordinary income		Profit attributable to owners of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	30,446	(13.1)	1,730	(4.5)	2,711	2.6	2,129	1.2
Fiscal year ended March 31, 2020	35,051	(7.8)	1,811	8.4	2,642	2.4	2,105	2.5

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥3,351 million [94.5%]

Fiscal year ended March 31, 2020: ¥1,723 million [(10.2)%]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to turnover
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	87.17	—	6.2	5.5	5.7
Fiscal year ended March 31, 2020	85.83	—	6.5	5.4	5.2

(Reference) Share of income (loss) of associates: Fiscal year ended March 31, 2021: ¥674 million

Fiscal year ended March 31, 2020: ¥616 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	50,418	36,020	70.8	1,461.11
As of March 31, 2020	48,978	33,159	67.0	1,342.50

(Reference) Equity: As of March 31, 2021: ¥35,691 million

As of March 31, 2020: ¥32,814 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	3,598	(1,162)	(473)	12,285
Fiscal year ended March 31, 2020	1,760	(1,496)	(945)	10,333

### 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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	—	—	—	19.00	19.00	479	22.1	1.4
Fiscal year ended March 31, 2021	—	—	—	25.00	25.00	633	28.7	1.8
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	20.00	20.00		24.4	

(Note) Breakdown of dividends for the fiscal year ended March 31, 2021: Ordinary dividend: 20.00 yen  
Commemorative dividend: 5.00 yen

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Turnover		Operating income		Ordinary income		Profit attributable to owners of parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	15,000	(0.3)	650	(24.9)	1,400	(7.7)	1,100	(4.3)	45.03
Full year	31,000	1.8	1,750	1.2	2,650	(2.3)	2,000	(6.1)	81.87

#### \* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
Newly included: — (Company name) Excluded: — (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, etc.: No
  - 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 stock)
  - 1) Total number of issued shares at the end of the period (including treasury shares)  
As of March 31, 2021: 29,347,500 shares  
As of March 31, 2020: 29,347,500 shares

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

As of March 31, 2021: 4,919,851 shares

As of March 31, 2020: 4,904,971 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2021: 24,430,907 shares

Fiscal year ended March 31, 2020: 24,527,583 shares

\* The financial results are not subject to auditing by certified public accountants or auditing corporations.

\* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of publication of this document. They are not intended as a commitment by the Company that these results will be achieved. Actual results may differ considerably as a result of numerous factors. For the assumptions used in the financial results forecast and precautionary notes on its use, please refer to “1. Overview of Operating Results (4) Future Outlook” on page 3 of the attachment.

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## 1. Overview of Operating Results

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

During the fiscal year ended March 31, 2021, with the end of the spread of the novel coronavirus still not in sight, conditions in the world economy continued to call for caution. Although the Japanese economy showed some signs of a turnaround including a pickup in consumer spending and production activities after the lifting of the first state of emergency in May 2020, economic activity was unavoidably restricted by two subsequent state of emergency declarations. The uncertain outlook on the economy is expected to continue as the spread of the novel coronavirus remains unchecked at present.

In terms of market trends affecting the Group, demand for Hume pipes in the sewerage-related business and demand for concrete pile products in the foundations business fell short of those in the previous fiscal year.

Under such business conditions, the Group worked diligently on three basic strategies—Strategy for the Group’s growth, Strategy to improve competitiveness, and Strategy to enhance the management foundation—to pursue stable profits and sustainable growth, which are the key objectives of the basic policy in Evolution All Japan II (fiscal 2018 to 2020), the Group’s three-year medium-term management plan that reached its final year.

Although affected by a downturn in private investment during the coronavirus crisis, the Group came together as one and made efforts toward profitability-based order screening, cost reductions, and expense reductions.

Solar Power Generation and Real Estate secured stable profits through renewals of leased buildings and other measures to enhance the added value of properties.

In the Sewerage-related segment, turnover and profits increased as we met needs in areas including disaster readiness/mitigation and national resilience.

As a result, orders received totaled ¥32,185 million (up 2.6% year on year), turnover amounted to ¥30,446 million (down 13.1% year on year), operating income was ¥1,730 million (down 4.5% year on year), ordinary income was ¥2,711 million (up 2.6% year on year), and profit attributable to owners of parent company was ¥2,129 million (up 1.2% year on year).

Furthermore, at the Board of Directors’ Meeting that was held on May 22, 2020, to improve the Group’s capital efficiency and make a greater return of profits to shareholders, the Company resolved to purchase treasury stock, and it later purchased a total of ¥97 million in such stock.

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

Total assets as of March 31, 2021, had increased ¥1,439 million from the end of the previous consolidated fiscal year, to ¥50,418 million. This was mainly because, while notes and accounts receivable - trade decreased ¥3,116 million under current assets, cash and deposits increased ¥1,951 million under current assets, and investment securities increased ¥2,226 million under non-current assets.

In addition, under liabilities, total liabilities decreased ¥1,421 million from the end of the previous consolidated fiscal year, to ¥14,397 million. This was mainly because, under current liabilities, notes and accounts payable – trade decreased ¥2,017 million.

Under net assets, total net assets increased ¥2,860 million from the end of the previous consolidated fiscal year, to ¥36,020 million. This was mainly because, under retained earnings, while profit attributable to owners of parent company increased ¥2,129 million, there was a decrease of ¥479 million for cash dividends paid; valuation difference on available-for-sale securities increased ¥973 million; and remeasurements of defined benefit increased ¥265 million.

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

Cash and cash equivalents (hereinafter, “funds,” referring to cash and deposits minus time deposits with deposit terms of over three months) as of March 31, 2021, increased ¥1,951 million from the end of the previous consolidated fiscal year to ¥12,285 million.

#### (Cash flows from operating activities)

Funds provided by operating activities during the consolidated fiscal year ended March 31, 2021, increased

¥1,838 million year on year to ¥3,598 million. This was mainly because of ¥2,655 million increase in profit before income taxes and minority interests, a decrease of ¥3,092 million in notes and accounts receivable – trade, and a decrease of ¥2,044 million in notes and accounts payable - trade.

(Cash flows from investing activities)

Funds used in investing activities during the consolidated fiscal year ended March 31, 2021, decreased ¥333 million year on year to ¥1,162 million. This was mainly because of ¥706 million in purchase of fixed assets and ¥418 million in purchase of investment securities.

(Cash flows from financing activities)

Funds used in financing activities during the consolidated fiscal year ended March 31, 2021, decreased ¥471 million year on year to ¥473 million. This was mainly because of ¥479 million in cash dividends paid.

#### (4) Future Outlook

With the prolonging of impacts from the spread of the novel coronavirus, Japan's economy is facing a crisis that differs from preceding ones. Despite the appearance of new growth in stay-at-home consumption and other consumption, the pandemic is giving rise to a chain of crises, from unprecedented contraction of demand in service-related industries, increasing unemployment, and an uncertain outlook to contraction of consumption and investment.

In the concrete products industry to which the Group belongs, public works projects are predicted to remain firm, underpinned by domestic demand. However, some postponement of private construction investment has begun to appear, and, despite hopes for potential demand, uncertainties over the outlook are not expected to disappear.

At the same time, disaster readiness/mitigation to keep people safe from climate change and earthquakes, measures to address aging social infrastructure, adaptation to renewable energy and decarbonization, the declining birthrate and super-aging population, the shortage of technicians in the construction industry, utilization of digital technology, and many other social issues call for urgent action.

Under these circumstances, the Group has formulated the 21-23 Plan, a new three-year medium-term management plan with fiscal 2023 as its final year.

The Company will celebrate its 100th anniversary in October 2025. We will position the period of the plan as one to "Aim for a sustainable company and take a strong STEP!" As we work toward the stability of our management foundation and toward sustainable growth, we will position R&D and capital expenditures as key issues for future growth and will focus on them.

With regard to our financial results for the consolidated fiscal year ending March 31, 2022, the Group expects a turnover of ¥31,000 million, operating income of ¥1,750 million, ordinary income of ¥2,650 million, and profit attributable to owners of parent of ¥2,000 million.

## 2. Basic Approach Concerning Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements based on Japanese-GAAP for the time being, considering comparability with other companies in the same industry in Japan.

Our policy for the future is to review the application of International Accounting Standards in light of factors including application trends by companies in Japan.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	10,376,529	12,328,246
Notes and accounts receivable - trade	11,887,000	8,770,485
Merchandise and finished goods	2,433,113	2,564,269
Raw materials and supplies	519,544	509,182
Other	169,935	206,376
Provision for doubtful accounts	(16,498)	(11,769)
Total current assets	25,369,624	24,366,791
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,316,931	13,661,052
Accumulated depreciation	(9,269,814)	(9,526,580)
Buildings and structures, net	4,047,116	4,134,471
Machinery, equipment and vehicles	13,559,656	13,768,907
Accumulated depreciation	(12,041,439)	(12,282,949)
Machinery, equipment and vehicles, net	1,518,217	1,485,958
Land	3,572,904	3,610,229
Construction in progress	45,937	42,293
Other	756,563	754,360
Accumulated depreciation	(675,329)	(699,314)
Other, net	81,234	55,046
Total property, plant and equipment	9,265,410	9,327,999
Intangible assets		
Other	119,910	188,238
Total intangible assets	119,910	188,238
Investments and other assets		
Investment securities	13,973,557	16,200,362
Long-term accounts receivable - other	69,032	—
Deferred tax assets	12,054	9,983
Other	270,198	357,748
Provision for doubtful accounts	(100,931)	(32,718)
Total investments and other assets	14,223,911	16,535,375
Total non-current assets	23,609,232	26,051,613
Total assets	48,978,857	50,418,405

(Thousand yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,130,996	8,113,087
Short-term loans	944,469	928,055
Income taxes payable	260,525	327,912
Provision for bonuses	176,906	172,900
Other	784,145	1,065,399
Total current liabilities	12,297,043	10,607,354
Non-current liabilities		
Deferred tax liabilities	188,766	683,777
Provision for share-based remuneration for directors	—	16,500
Provision for directors' retirement benefits	17,217	14,907
Provision for environmental measures	1,514	—
Net defined benefit liability	2,744,509	2,517,770
Long-term lease and guarantee deposited	547,899	547,902
Other	22,212	9,542
Total non-current liabilities	3,522,119	3,790,401
Total liabilities	15,819,162	14,397,755
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium	4,688,447	4,773,375
Retained earnings	24,715,817	26,366,080
Treasury shares	(2,073,120)	(2,163,815)
Total shareholders' equity	32,582,545	34,227,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	240,023	1,213,840
Difference in foreign exchange	227,280	220,761
Remeasurements of defined benefit	(235,658)	29,869
Total accumulated other comprehensive income	231,646	1,464,471
Non-controlling interests	345,503	329,137
Total net assets	33,159,694	36,020,649
Total liabilities and net assets	48,978,857	50,418,405



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

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Turnover	35,051,886	30,446,551
Cost of sales	29,225,302	24,941,434
Gross profit	5,826,584	5,505,117
Selling, general and administrative expenses	4,015,233	3,775,051
Operating income	1,811,351	1,730,065
Non-operating income		
Interest income	4,723	870
Dividend income	119,477	166,126
Share of income of associates	616,090	674,720
Technical support fee	43,455	60,188
Foreign exchange gains	4,532	15,164
Other	96,331	102,096
Total non-operating income	884,610	1,019,168
Non-operating expenses		
Interest expenses	28,248	12,895
Consumption taxes for prior periods	7,775	—
Real estate development maintenance and management expenses	5,020	5,682
Donations	3,539	5,303
Other	9,014	13,694
Total non-operating expenses	53,598	37,576
Ordinary income	2,642,363	2,711,657
Extraordinary income		
State subsidy	1,440	1,440
Gain on sales of shares of subsidiaries and associates	75,025	—
Total extraordinary income	76,465	1,440
Extraordinary losses		
Loss on sale of fixed assets	—	940
Loss on disposal of fixed assets	0	0
Loss on valuation of investment securities	—	17,181
Structure reform expenses	59,289	39,453
Total extraordinary losses	59,290	57,574
Profit before income taxes and minority interests	2,659,539	2,655,522
Income taxes - current	584,741	564,606
Income taxes - deferred	(47,940)	(27,287)
Total income taxes	536,800	537,319
Profit after income taxes	2,122,739	2,118,202
Profit (loss) attributable to non-controlling interests	17,442	(11,506)
Profit attributable to owners of parent company	2,105,296	2,129,709

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit after income taxes	2,122,739	2,118,202
Other comprehensive income		
Valuation difference on available-for-sale securities	(393,803)	927,770
Difference in foreign exchange	(5,927)	3,702
Remeasurements of defined benefit	47,554	249,126
Share of other comprehensive income of associates	(47,526)	52,226
Total other comprehensive income	(399,703)	1,232,825
Comprehensive income	1,723,035	3,351,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent company	1,705,592	3,362,534
Comprehensive income (loss) attributable to non-controlling interests	17,442	(11,506)

(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,736,524	23,126,662	(1,910,923)	31,203,663
Changes of items during period					
Dividends of surplus			(458,181)		(458,181)
Profit attributable to owners of parent company			2,105,296		2,105,296
Purchase of treasury shares				(161,925)	(161,925)
Disposal of treasury shares		16		20	37
Increase of treasury shares of associate company				(292)	(292)
Changes in scope of consolidation			(57,958)		(57,958)
Change in ownership interest of parent due to transactions with non-controlling interests		(48,093)			(48,093)
Other changes of shareholders' equity					
Total changes during current period		(48,076)	1,589,155	(162,196)	1,378,881
Balance at end of current period	5,251,400	4,688,447	24,715,817	(2,073,120)	32,582,545

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Difference in foreign exchange	Remeasurements of defined benefit	Total accumulated other comprehensive income		
Balance at beginning of current period	665,198	233,208	(267,057)	631,349	233,135	32,068,148
Changes of items during period						
Dividends of surplus						(458,181)
Profit attributable to owners of parent company						2,105,296
Purchase of treasury shares						(161,925)
Disposal of treasury shares						37
Increase of treasury shares of associate company						(292)
Changes in scope of consolidation						(57,958)
Change in ownership interest of parent due to transactions with non-controlling interests						(48,093)
Other changes of shareholders' equity	(425,175)	(5,927)	31,399	(399,703)	112,367	(287,335)
Total changes during current period	(425,175)	(5,927)	31,399	(399,703)	112,367	1,091,545
Balance at end of current period	240,023	227,280	(235,658)	231,646	345,503	33,159,694

For the fiscal year ended March 31, 2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,688,447	24,715,817	(2,073,120)	32,582,545
Changes of items during period					
Dividends of surplus			(479,446)		(479,446)
Profit attributable to owners of parent company			2,129,709		2,129,709
Purchase of treasury shares				(196,678)	(196,678)
Disposal of treasury shares		84,927		107,523	192,451
Increase of treasury shares of associate company				(1,539)	(1,539)
Changes in scope of consolidation					
Change in ownership interest of parent due to transactions with non-controlling interests					
Other changes of shareholders' equity					
Total changes during current period		84,927	1,650,262	(90,694)	1,644,495
Balance at end of current period	5,251,400	4,773,375	26,366,080	(2,163,815)	34,227,040

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Difference in foreign exchange	Remeasurements of defined benefit	Total accumulated other comprehensive income		
Balance at beginning of current period	240,023	227,280	(235,658)	231,646	345,503	33,159,694
Changes of items during period						
Dividends of surplus						(479,446)
Profit attributable to owners of parent company						2,129,709
Purchase of treasury shares						(196,678)
Disposal of treasury shares						192,451
Increase of treasury shares of associate company						(1,539)
Changes in scope of consolidation						
Change in ownership interest of parent due to transactions with non-controlling interests						
Other changes of shareholders' equity	973,816	(6,518)	265,527	1,232,825	(16,366)	1,216,459
Total changes during current period	973,816	(6,518)	265,527	1,232,825	(16,366)	2,860,955
Balance at end of current period	1,213,840	220,761	29,869	1,464,471	329,137	36,020,649

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes and minority interests	2,659,539	2,655,522
Depreciation	670,017	634,248
Increase (decrease) in provision for doubtful accounts	(31,066)	(72,941)
Increase (decrease) in provision for bonuses	(5,844)	(4,005)
Increase (decrease) in net defined benefit liability	108,942	133,183
Increase (decrease) in provision for share based remuneration for directors	—	16,500
Increase (decrease) in provision for directors' retirement benefits	(18,800)	(2,310)
Increase (decrease) in provision for environmental measures	(7,142)	(1,514)
Interest and dividend income	(124,201)	(166,997)
Interest expenses	28,248	12,895
Foreign exchange losses (gains)	41,744	7,154
Share of (income) loss of associates	(616,090)	(674,720)
Loss (gain) on sales of fixed assets	—	940
Loss on disposal of fixed assets	0	0
State subsidy	(1,440)	(1,440)
Loss (gain) on sales of shares of subsidiaries and associates	(75,025)	—
Loss (gain) on valuation of investment securities	—	17,181
Structure reform expenses	59,289	—
Decrease (increase) in notes and accounts receivable - trade	603,272	3,092,463
Decrease (increase) in inventories	(504,812)	(131,764)
Decrease (increase) in other current assets	57,962	(37,331)
Increase (decrease) in notes and accounts payable - trade	(534,941)	(2,044,242)
Increase (decrease) in accrued consumption taxes	29,281	160,218
Increase (decrease) in other current liabilities	(162,156)	110,249
Decrease (increase) in other non-current assets	9,257	—
Increase (decrease) in other non-current liabilities	14,575	(7,858)
Subtotal	2,200,609	3,695,428
Interest and dividend income received	348,051	411,852
Interest expenses paid	(31,135)	(12,891)
Income taxes paid	(757,086)	(495,903)
Net cash provided by (used in) operating activities	1,760,438	3,598,486

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Payments into time deposits	(2,059)	—
Purchase of investment securities	(657,685)	(418,839)
Proceeds from sales of investment securities	—	1
Purchase of fixed assets	(909,771)	(706,994)
Proceeds from sales of fixed assets	—	1,647
Proceeds from state subsidy	1,440	1,440
Proceeds from sales of shares of subsidiaries resulting in change in the scope of consolidation	68,787	—
Purchase of investments in associated companies	(74,571)	—
Proceeds from sales of golf club memberships	2,700	—
Decrease (increase) in other investments	74,911	(39,749)
Net cash provided by (used in) investing activities	(1,496,248)	(1,162,494)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	(320,964)	14,140
Purchase of treasury shares	(161,925)	(196,678)
Proceeds from sales of treasury shares	37	192,451
Cash dividends paid	(458,127)	(479,126)
Other payments	(4,301)	(4,249)
Net cash provided by (used in) financing activities	(945,280)	(473,463)
Net foreign exchange on cash and cash equivalents	4,308	(10,813)
Net increase (decrease) in cash and cash equivalents	(676,781)	1,951,714
Cash and cash equivalents at the beginning of the period	11,010,749	10,333,968
Cash and cash equivalents at the end of the period	10,333,968	12,285,682

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

No relevant items.

(Segment information, etc.)

1. Description of reportable segments

The Group's reportable segments represent units for which discrete financial information is available. Regular reviews are also carried out by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Group comprises segments by type of products and services, with three reportable segments, namely Foundations, Sewerage-related, and Solar Power Generation and Real Estate.

In Foundations, concrete piles are manufactured and sold, and pile driving work is carried out. In the Sewerage-related segment, Hume pipes, segments and other products are manufactured and sold, and pipe and drain rehabilitation projects are carried out. In Solar Power Generation and Real Estate, real estate is rented, managed and developed, and equipment related to solar power and the environment is sold and maintenance is provided for it.

2. Method for calculating turnover, income (loss), assets, liabilities and other items by reportable segment

The accounting methods for reported business segments are generally the same as those stated in "Basic significant matters for the preparation of consolidated financial statements."

The reportable segment income is based on operating income. Inter-segment turnover and transfers are based on current market prices.

## 3. Information on calculating turnover, income (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Foundations	Sewerage- related	Solar Power Generation and Real Estate	Total				
Turnover								
Turnover to external customers	22,862,163	10,650,846	1,360,604	34,873,614	178,272	35,051,886	—	35,051,886
Inter-segment turnover or transfers	6,544	—	39,249	45,793	—	45,793	(45,793)	—
Total	22,868,708	10,650,846	1,399,853	34,919,408	178,272	35,097,680	(45,793)	35,051,886
Segment income	911,086	1,519,038	743,343	3,173,468	45,347	3,218,815	(1,407,464)	1,811,351
Segment assets	18,814,329	10,023,564	4,728,852	33,566,746	259,715	33,826,461	15,152,395	48,978,857
Other items								
Depreciation	278,061	133,402	239,374	650,839	17,116	667,955	38,839	706,795
Increase in property, plant and equipment and intangible assets	216,695	55,448	585,968	858,111	265	858,377	31,477	889,854

(Notes) 1. The “Others” segment includes businesses not included in reportable segments, such as the sport facility management business and the rental business.

2. Adjustments are as follows:

(1) An adjustment to turnover of ¥(45,793) thousand is the elimination of inter-segment transactions.

(2) An adjustment to segment income of ¥(1,407,464) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

(3) An adjustment to segment assets of ¥15,152,395 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥13,973,557 thousand and assets associated with administration divisions, etc. of ¥1,178,838 thousand.

(4) The adjustment to the increase in property, plant and equipment and intangible assets of ¥31,477 thousand accounts for capital expenditure for the head office building, etc.

3. Total segment income corresponds to operating income on the Consolidated Statements of Income.

4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and the related amortization.



For the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Foundations	Sewerage- related	Solar Power Generation and Real Estate	Total				
Turnover								
Turnover to external customers	17,816,470	11,111,410	1,461,809	30,389,690	56,860	30,446,551	—	30,446,551
Inter-segment turnover or transfers	7,489	—	38,673	46,162	—	46,162	(46,162)	—
Total	17,823,960	11,111,410	1,500,482	30,435,853	56,860	30,492,713	(46,162)	30,446,551
Segment income	682,276	1,664,593	801,399	3,148,269	44,865	3,193,135	(1,463,070)	1,730,065
Segment assets	16,812,294	11,152,459	4,903,977	32,868,731	21,975	32,890,707	17,527,697	50,418,405
Other items								
Depreciation	239,786	136,411	254,887	631,085	108	631,193	50,355	681,549
Increase in property, plant and equipment and intangible assets	341,366	203,513	336,382	881,262	238	881,500	44,796	926,296

(Notes) 1. The “Others” segment includes businesses not included in reportable segments, such as the rental business.

2. Adjustments are as follows:

- (1) An adjustment to turnover of ¥(46,162) thousand is the elimination of inter-segment transactions.
- (2) An adjustment to segment income of ¥(1,463,070) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.
- (3) An adjustment to segment assets of ¥17,527,697 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥16,200,362 thousand and assets associated with administration divisions, etc. of ¥1,327,334 thousand.
- (4) The adjustment to the increase in property, plant and equipment and intangible assets of ¥44,796 thousand accounts for capital expenditure for the head office building, etc.

3. Total segment income corresponds to operating income on the Consolidated Statements of Income.

4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and the related amortization.

(Per share information)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net assets per share	¥1,342.50	¥1,461.11
Earnings per share	¥85.83	¥87.17

(Notes) 1. Diluted earnings per share is not presented due to the absence of residual shares.

2. In the fiscal year ended March 31, 2021, the Company introduced a Board Benefit Trust (BBT). In the calculation of net assets per share and earnings per share, the Company's shares held by the trust are included in the treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period and the average number of shares during the period.

Number of treasury shares at the end of the period deducted in the calculation of net assets per share  
Consolidated fiscal year ended March 31, 2020: 0 shares; Consolidated fiscal year ended March 31, 2021: 125,400 shares

Average number of treasury shares during the period deducted in the calculation of earnings per share  
Consolidated fiscal year ended March 31, 2020: 0 shares; Consolidated fiscal year ended March 31, 2021: 83,600 shares

3. Basis for calculating earnings per share is as follows.

Items	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit attributable to owners of parent company (Thousand yen)	2,105,296	2,129,709
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent company relating to common stocks (Thousand yen)	2,105,296	2,129,709
Average number of common stocks during the period (Shares)	24,527,583	24,430,907

4. Basis for calculating net assets per share is as follows.

Items	As of March 31, 2020	As of March 31, 2021
Total net assets (Thousand yen)	33,159,694	36,020,649
Amount to be subtracted from the total net assets (Thousand yen)	345,503	329,137
[Non-controlling interest of the above (Thousand yen)]	[345,503]	[329,137]
Net assets at year-end relating to common stocks (Thousand yen)	32,814,191	35,691,512
Number of common stocks at year-end used for calculating earnings per share (Shares)	24,442,529	24,427,649

(Significant subsequent events)

No relevant items.