

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



May 9, 2024

Company name: NIPPON HUME CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Securities code: 5262

URL: <https://www.nipponhume.co.jp>

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 27, 2024

Preparation of supplementary briefing material on financial results: Yes

Holding of financial results briefing session: Yes (for analysts, and institutional investors)

(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.)

	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, 2024	33,732	5.8	1,381	11.8	2,391	13.8	1,912	16.4
Fiscal year ended March 31, 2023	31,876	8.1	1,236	(14.7)	2,102	(16.8)	1,642	(23.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥3,946 million [111.3%]

Fiscal year ended March 31, 2023: ¥1,867 million [7.7%]

	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, 2024	79.91	—	4.8	4.1	4.1
Fiscal year ended March 31, 2023	68.12	—	4.4	3.9	3.9

(Reference) Share of income (loss) of associates: Fiscal year ended March 31, 2024: ¥719 million

Fiscal year ended March 31, 2023: ¥609 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	62,079	41,599	66.3	1,725.59
As of March 31, 2023	54,979	38,201	68.9	1,575.56

(Reference) Equity: As of March 31, 2024: ¥41,128 million

As of March 31, 2023: ¥37,899 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, 2024	2,774	(121)	(790)	14,304
Fiscal year ended March 31, 2023	649	(757)	(519)	12,418

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, 2023	—	—	—	21.00	21.00	539	30.8	1.4
Fiscal year ended March 31, 2024	—	—	—	25.00	25.00	636	31.3	1.5
Fiscal year ending March 31, 2025 (Forecast)	—	17.00	—	17.00	34.00		40.5	

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.)

	Turnover		Operating income		Ordinary income		Profit attributable to owners of parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	37,000	9.7	1,700	23.0	2,600	8.7	2,000	4.6	83.91

\* 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, 2024: 29,347,500 shares

As of March 31, 2023: 29,347,500 shares

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

As of March 31, 2024: 5,513,111 shares

As of March 31, 2023: 5,292,998 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2024: 23,932,636 shares

Fiscal year ended March 31, 2023: 24,110,733 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 4 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, 2024, the Japanese economy was on a recovery track, driven by the accelerated normalization of economic and social activities, with the Nikkei Stock Average reaching its highest level in 34 years against a back drop of growing inbound demand due in part to the removal of movement restrictions caused by COVID-19 and strong corporate performance.

In the secondary concrete products industry, the Group's mainstay product line, the nationwide demand for the concrete piles, Hume pipes, and other products fell far below the levels seen in the previous fiscal year, resulting in an extremely difficult business environment.

Under these conditions, the Company will celebrate the 100th anniversary of its funding in 2025, and is working on fundamental business restructuring to become a 200-year company under its five-year medium-term management plan "23-27 Plan R," with 2025 as a milestone.

The main initiatives under the fiscal year under review, the first year of the plan, are provided below.

In terms of management strategy, we acquired shares of COSHO Co., Ltd. in January 2024 and made it a consolidated subsidiary, in order to achieve a synergy between human resources and technology through a merger and acquisition (M&A) and to strengthen the supply chain of steel products essential for secondary concrete products.

In terms of sales strategy, a Customer Relationship Management (CRM) system was introduced, in order for the divisions of sales, technology, production, construction, and management to organically develop organizational sales activities, beginning with our customers. While improving productivity of sales activities through information sharing, we will promote human resource development by formalizing tacit knowledge and also continue to reform our organizational sales structure based on the data-driven approach.

In terms of design technology strategy, as a way to strengthen our sales force for design proposals, we worked to improve the design system for the PC-well method (caisson foundation), an original method of the Company. This has enabled us to reduce the time required for design to one-sixth of the conventional time, thereby expanding opportunities for design proposals. In addition, as part of our organizational sales, we established the "Precast Design Center" in the Technical Department to strengthen our design system. We will continue to promote design solution reform by building a system enabling the provision of consultation for our customers in all regions and expanding opportunities to receive orders.

In terms of production technology strategy, with the aim of labor saving and streamlining at the plants in the future, we delivered precast (PCa) members to be applied to large structures manufactured by utilizing 3D printer technology for construction. In order to address labor shortages among construction workers and to promote work-style reform at the plants of the Company, we will continue to work on developing production technology using this technology.

In terms of R&D, we worked on development of new precast and other products to expand business areas, as well as decarbonized technology such as e-CON®, a low-carbon, high-functioning concrete, focusing on development for strengthening existing businesses, such as concrete piles and Hume pipes. We will continue to work tirelessly toward R&D and its commercialization from short-term and medium- to long-term perspectives.

In terms of environmental measures, the blue infrastructure (block) using e-CON®, a low-carbon, high-functioning concrete, has been adopted by the Ministry of Land, Infrastructure, Transport and Tourism for its port and harbor construction work. In addition to reducing CO<sub>2</sub> emissions, we will work to extend the life of social infrastructure with this product that is highly resistant to salt damage and acids.

In terms of construction strategy, we strived to strengthen safety measures through safety patrols by top management, increase personnel in the construction system, and reduce the time required for construction management operations (approximately 6% reduction) by deploying the "Pile-ViMSys®" ICT construction management system nationwide. We will continue to work on measures to improve safety and construction quality.

In terms of human resources strategy, under the slogan of "Turning Human Resources into Human Capital,"

we have provided opportunities for human resource development through social network services (SNS) by top management and roundtable meetings with employees working at construction sites, as well as strengthened our new role-oriented personnel system and recruitment structure. We will continue to enhance corporate value through human resource development.

As a result of these initiatives, in the fiscal year ended March 31, 2024, turnover amounted to ¥33,732 million (up 5.8% year on year), operating income was ¥1,381 million (up 11.8%), ordinary income was ¥2,391 million (up 13.8%), and profit attributable to owners of parent company was ¥1,912 million (up 16.4%).

The Group will work as one to enhance corporate value and to propel our medium-term management plan “23-27 Plan R” to meet the expectations of its shareholders and stakeholders.

An overview of the business segments is provided below.

1) Foundations business

Although nationwide demand for the concrete piles division fell far below the levels seen in the previous fiscal year, the Company strategically developed its sales activities.

Orders awarded increased mainly in the Kanto region, and the progress in improving selling prices to counter the soaring raw material prices has also had an impact. As a result, turnover and operating income increased to ¥21,924 million (up 10.1% year on year) and ¥1,161 million (up 259.6%), respectively.

2) Sewerage-related business

Due to lower market demand than in the previous fiscal year, turnover was ¥10,269 million (down 1.9% year on year) and operating income was ¥1,272 million (down 24.3%).

3) Solar Power Generation and Real Estate business

Turnover amounted to ¥1,471 million (up 2.2% year on year) and operating income was ¥815 million (up 1.0%). Income in the solar power generation area and real estate rental income both maintained the same level as in the previous fiscal year.

4) Others

In Others, turnover totaled ¥67 million (up 25.6% year on year) and operating income was ¥53 million (up 29.9%).

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

Total assets as of March 31, 2024, had increased ¥7,099 million from the end of the previous consolidated fiscal year, to ¥62,079 million. This was mainly because, there were increases of ¥1,928 million in cash and deposits ¥874 million in notes and accounts receivable – trade and contract assets under current assets, and ¥3,288 million in investment securities under non-current assets.

In addition, under liabilities, total liabilities increased ¥3,701 million from the end of the previous consolidated fiscal year, to ¥20,479 million. This was mainly because notes and accounts payable - trade and short-term loans increased ¥1,382 million and ¥378 million, respectively, under current liabilities, and deferred tax liabilities increased ¥810 million under non-current liabilities.

Under net assets, total net assets increased ¥3,397 million from the end of the previous consolidated fiscal year, to ¥41,599 million. This was mainly because, under retained earnings, while profit attributable to owners of parent company increased ¥1,912 million, there was a decrease of ¥539 million for cash dividends paid, and valuation difference on available-for-sale securities increased ¥2,046 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, 2024, increased ¥1,885 million from the end of the previous consolidated fiscal year to ¥14,304 million.

(Cash flows from operating activities)

Funds provided by operating activities during the fiscal year ended March 31, 2024, increased ¥2,124 million year on year to ¥2,774 million. This was mainly because of ¥2,573 million in profit before income taxes and minority interests, an increase of ¥1,138 million in notes and accounts receivable - trade and contract assets, an increase of ¥1,242 million in notes and accounts payable - trade, ¥719 million in share of income of associates, and ¥700 million in depreciation.

(Cash flows from investing activities)

Funds used in investing activities during the fiscal year ended March 31, 2024, decreased ¥635 million year on year to ¥121 million. This was mainly because of ¥700 million in purchase of fixed assets, ¥284 million in proceeds from sale of fixed assets, ¥206 million in proceeds from sale of investment securities, and ¥64 million in proceeds from purchase of shares of subsidiaries resulting in a change in scope of consolidation.

(Cash flows from financing activities)

Funds used in financing activities during the fiscal year ended March 31, 2024, increased ¥271 million year on year to ¥790 million. This was mainly because of ¥538 million in cash dividends paid and ¥200 million in purchase of treasury shares.

(4) Future Outlook

In the coming fiscal year, the Group continues to be aware of a number of risk scenarios, such as geopolitical risks in the U.S., China, Russia, and the Middle East, as well as downside risks to the economy due to foreign exchange rates, interest rates, and labor shortages triggered by the so-called “2024 problem.” To address these risks, the Group takes measures appropriate to the situation, such as passing increases in manufacturing costs on to selling prices, including logistics, materials, and labor costs, which are difficult to absorb by the Group’s self-help efforts, and enhancing cooperation with the supply chains. Moreover, given the ongoing strong tendency to pursue climate change countermeasures and a sustainable society, the Group will also contribute to the SDGs through the development and sales expansion of highly functional and unique products using “e-CON®,” a low-carbon, high-functioning concrete.

In light of these initiatives, in the coming fiscal year, the Group expects a turnover of ¥37,000 million, operating income of ¥1,700 million, ordinary income of ¥2,600 million, and profit attributable to owners of parent company of ¥2,000 million.

(5) Basic Policy for the Distribution of Profits and the Dividend Payout for the Fiscal Year Under Review and the Coming Fiscal Year

In terms of the Company’s dividends, the Company positions improvement in stable dividends and balanced return of profits to shareholders as one of its most important management policies, in accordance with the shareholder return policy under its medium-term management plan “23-27 Plan R.”

In light of the dividend policy and the situation in the fiscal year under review, the Company plans to pay ¥34 per share for the coming fiscal year, an increase of ¥9 per share from the fiscal year under review.

Moreover, in order to increase opportunities to distribute profits to shareholders, the Company resolved at a Board of Directors’ meeting held on April 26, 2024 to propose amendments to the Articles of Incorporation of the Company for enabling distribution of interim dividends at the Company’s 141st Annual General Meeting of Shareholders to be held on June 27, 2024.

If the proposal of the amendments to the Articles of Incorporation is approved, the Company plans to pay ¥17 per share as an interim dividend out of an annual dividend.

## 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, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,462,419	14,391,378
Notes and accounts receivable - trade and contract assets	10,003,539	10,877,836
Electronically recorded monetary claims	2,027,549	2,503,342
Merchandise and finished goods	3,202,918	3,389,764
Raw materials and supplies	913,078	823,044
Other	337,076	590,161
Provision for doubtful accounts	(12,846)	(18,593)
Total current assets	28,933,736	32,556,934
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,699,198	14,089,821
Accumulated depreciation	(10,037,091)	(10,452,467)
Buildings and structures, net	3,662,106	3,637,353
Machinery, equipment and vehicles	14,534,665	15,115,951
Accumulated depreciation	(12,381,112)	(12,982,386)
Machinery, equipment and vehicles, net	2,153,553	2,133,564
Land	3,608,446	3,679,942
Construction in progress	3,729	102,587
Other	733,009	882,411
Accumulated depreciation	(700,593)	(799,020)
Other, net	32,415	83,391
Total property, plant and equipment	9,460,251	9,636,839
Intangible assets		
Other	190,637	184,893
Total intangible assets	190,637	184,893
Investments and other assets		
Investment securities	16,136,631	19,424,951
Deferred tax assets	10,584	9,421
Other	280,126	298,247
Provision for doubtful accounts	(32,250)	(32,250)
Total investments and other assets	16,395,091	19,700,370
Total non-current assets	26,045,981	29,522,104
Total assets	54,979,717	62,079,039

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,145,252	11,527,358
Short-term loans	1,070,553	1,448,822
Current portion of long-term loans	—	33,320
Income taxes payable	192,212	533,074
Provision for bonuses	186,645	195,338
Provision for loss on construction contracts	3,122	1,995
Provision for shareholder benefit program	—	18,793
Other	1,341,314	1,897,371
Total current liabilities	12,939,100	15,656,075
Non-current liabilities		
Long-term loans	—	25,030
Deferred tax liabilities	530,200	1,340,422
Provision for share-based remuneration for directors	37,485	38,266
Provision for directors' retirement benefits	14,907	14,907
Provision for share-based remuneration for employees	—	54,903
Net defined benefit liability	2,707,744	2,775,530
Long-term lease and guarantee deposited	548,932	535,918
Other	—	38,658
Total non-current liabilities	3,839,270	4,823,637
Total liabilities	16,778,371	20,479,712
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium	4,920,916	4,920,916
Retained earnings	28,993,638	30,366,141
Treasury shares	(2,574,346)	(2,765,100)
Total shareholders' equity	36,591,608	37,773,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,035,136	3,082,049
Difference in foreign exchange	199,157	173,703
Remeasurements of defined benefit	73,496	99,382
Total accumulated other comprehensive income	1,307,790	3,355,136
Non-controlling interests	301,946	470,832
Total net assets	38,201,346	41,599,326
<b>Total liabilities and net assets</b>	<b>54,979,717</b>	<b>62,079,039</b>

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

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Turnover	31,876,570	33,732,086
Cost of sales	26,509,181	27,844,115
Gross profit	5,367,389	5,887,970
Selling, general and administrative expenses	4,131,178	4,506,261
Operating income	1,236,210	1,381,709
Non-operating income		
Interest income	496	362
Dividend income	164,155	178,648
Share of income of associates	609,409	719,282
Technical support fee	29,738	24,558
Foreign exchange gains	13,132	55,403
Other	92,934	114,920
Total non-operating income	909,868	1,093,176
Non-operating expenses		
Interest expenses	15,832	24,817
Real estate development maintenance and management expenses	4,631	4,496
Donations	5,570	5,438
Industrial waste cost	4,540	—
Disaster repair expenses	—	21,560
Other	13,481	26,822
Total non-operating expenses	44,055	83,134
Ordinary income	2,102,023	2,391,751
Extraordinary income		
Gain on sale of fixed assets	165	230,311
Gain on sale of investment securities	36,031	148,967
Gain on bargain purchase	—	13,125
Total extraordinary income	36,197	392,403
Extraordinary losses		
Loss on disposal of fixed assets	5	0
Structure reform expenses	—	210,403
Total extraordinary losses	5	210,404
Profit before income taxes and minority interests	2,138,215	2,573,751
Income taxes - current	521,648	734,986
Income taxes - deferred	(18,802)	(60,671)
Total income taxes	502,845	674,314
Profit after income taxes	1,635,369	1,899,437
Loss attributable to non-controlling interests	(7,055)	(13,015)
Profit attributable to owners of parent company	1,642,425	1,912,452

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit after income taxes	1,635,369	1,899,437
Other comprehensive income		
Valuation difference on available-for-sale securities	144,844	1,939,751
Difference in foreign exchange	523	(34,558)
Remeasurements of defined benefit	23,889	(758)
Share of other comprehensive income of associates	63,221	142,911
Total other comprehensive income	232,478	2,047,345
Comprehensive income	1,867,848	3,946,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent company	1,874,904	3,959,798
Comprehensive income (loss) attributable to non-controlling interests	(7,055)	(13,015)

(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2023

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,773,375	27,871,603	(2,345,135)	35,551,243
Cumulative effects of changes in accounting policies			(20,837)		(20,837)
Restated balance	5,251,400	4,773,375	27,850,765	(2,345,135)	35,530,406
Changes of items during period					
Dividends of surplus			(499,552)		(499,552)
Profit attributable to owners of parent company			1,642,425		1,642,425
Purchase of treasury shares				(581,690)	(581,690)
Disposal of treasury shares		147,540		352,407	499,947
Increase of treasury shares of associate company				72	72
Other changes of shareholders' equity					
Total changes during current period		147,540	1,142,873	(229,211)	1,061,202
Balance at end of current period	5,251,400	4,920,916	28,993,638	(2,574,346)	36,591,608

	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	881,657	186,904	6,749	1,075,312	308,960	36,935,515
Cumulative effects of changes in accounting policies						(20,837)
Restated balance	881,657	186,904	6,749	1,075,312	308,960	36,914,678
Changes of items during period						
Dividends of surplus						(499,552)
Profit attributable to owners of parent company						1,642,425
Purchase of treasury shares						(581,690)
Disposal of treasury shares						499,947
Increase of treasury shares of associate company						72
Other changes of shareholders' equity	153,479	12,252	66,746	232,478	(7,013)	225,465
Total changes during current period	153,479	12,252	66,746	232,478	(7,013)	1,286,667
Balance at end of current period	1,035,136	199,157	73,496	1,307,790	301,946	38,201,346

For the fiscal year ended March 31, 2024

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,920,916	28,993,638	(2,574,346)	36,591,608
Cumulative effects of changes in accounting policies					
Restated balance	5,251,400	4,920,916	28,993,638	(2,574,346)	36,591,608
Changes of items during period					
Dividends of surplus			(539,950)		(539,950)
Profit attributable to owners of parent company			1,912,452		1,912,452
Purchase of treasury shares				(200,523)	(200,523)
Disposal of treasury shares				9,771	9,771
Increase of treasury shares of associate company				(1)	(1)
Other changes of shareholders' equity					
Total changes during current period			1,372,502	(190,754)	1,181,748
Balance at end of current period	5,251,400	4,920,916	30,366,141	(2,765,100)	37,773,357

	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	1,035,136	199,157	73,496	1,307,790	301,946	38,201,346
Cumulative effects of changes in accounting policies						
Restated balance	1,035,136	199,157	73,496	1,307,790	301,946	38,201,346
Changes of items during period						
Dividends of surplus						(539,950)
Profit attributable to owners of parent company						1,912,452
Purchase of treasury shares						(200,523)
Disposal of treasury shares						9,771
Increase of treasury shares of associate company						(1)
Other changes of shareholders' equity	2,046,913	(25,453)	25,885	2,047,345	168,885	2,216,231
Total changes during current period	2,046,913	(25,453)	25,885	2,047,345	168,885	3,397,980
Balance at end of current period	3,082,049	173,703	99,382	3,355,136	470,832	41,599,326

## (4) Consolidated Statements of Cash Flows

(Thousand 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 and minority interests	2,138,215	2,573,751
Depreciation	607,415	700,203
Increase (decrease) in provision for doubtful accounts	973	2,350
Increase (decrease) in provision for bonuses	979	8,693
Increase (decrease) in net defined benefit liability	116,362	47,547
Increase (decrease) in provision for share based remuneration for directors	11,510	780
Increase (decrease) in provision for share based remuneration for employees	—	54,903
Increase (decrease) in provision for loss on construction contracts	(4,382)	(1,126)
Increase (decrease) in provision for shareholder benefit program	—	18,793
Interest and dividend income	(164,652)	(179,011)
Interest expenses	15,832	24,817
Foreign exchange losses (gains)	(17,238)	(21,609)
Share of (income) loss of associates	(609,409)	(719,282)
Loss (gain) on sales of fixed assets	(165)	(230,311)
Loss on disposal of fixed assets	5	0
Loss (gain) on sale of investment securities	(36,031)	(148,967)
Structure reform expenses	—	210,403
Insurance claim income	—	(17,283)
Gain on bargain purchase	—	(13,125)
Decrease (increase) in notes and accounts receivable - trade and contract assets	(1,732,632)	(1,138,122)
Decrease (increase) in inventories	(795,659)	174,129
Decrease (increase) in other current assets	(54,081)	(231,035)
Increase (decrease) in notes and accounts payable - trade	1,516,235	1,242,475
Increase (decrease) in accrued consumption taxes	(124,357)	148,156
Increase (decrease) in other current liabilities	155,251	195,370
Increase (decrease) in other non-current liabilities	(781)	(44,392)
Subtotal	1,023,390	2,658,110
Interest and dividend income received	477,507	521,065
Interest expenses paid	(15,831)	(24,840)
Proceeds from insurance income	—	17,283
Income taxes paid	(835,087)	(397,249)
Net cash provided by (used in) operating activities	649,978	2,774,369

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(0)	(380)
Purchase of investment securities	(187,350)	—
Proceeds from sales of investment securities	98,007	206,004
Purchase of fixed assets	(688,143)	(700,685)
Proceeds from sales of fixed assets	1,780	284,613
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	64,198
Decrease (increase) in other investments	18,120	24,619
Net cash provided by (used in) investing activities	(757,585)	(121,630)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	64,720	(48,716)
Purchase of treasury shares	(581,690)	(200,523)
Proceeds from sales of treasury shares	499,947	—
Cash dividends paid	(499,668)	(538,763)
Other payments	(2,828)	(2,554)
Net cash provided by (used in) financing activities	(519,519)	(790,558)
Net foreign exchange on cash and cash equivalents	24,488	23,063
Net increase (decrease) in cash and cash equivalents	(602,638)	1,885,243
Cash and cash equivalents at the beginning of the period	13,021,464	12,418,826
Cash and cash equivalents at the end of the period	12,418,826	14,304,069



(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

No relevant items.

(Segment information, etc.)

(Segment information)

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, 2023 (April 1, 2022 to March 31, 2023)

(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	19,918,805	10,464,095	1,439,784	31,822,685	53,884	31,876,570	—	31,876,570
Inter-segment turnover or transfers	6,509	—	39,205	45,715	—	45,715	(45,715)	—
Total	19,925,315	10,464,095	1,478,989	31,868,400	53,884	31,922,285	(45,715)	31,876,570
Segment income	322,882	1,680,495	807,495	2,810,873	41,273	2,852,147	(1,615,936)	1,236,210
Segment assets	20,563,671	12,379,090	4,376,344	37,319,106	20,934	37,340,040	17,639,676	54,979,717
Other items								
Depreciation (Note 4)	171,729	123,447	241,136	536,313	—	536,313	120,283	656,597
Increase in property, plant and equipment and intangible assets (Note 4)	317,902	397,672	—	715,574	—	715,574	89,656	805,231

(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 ¥(45,715) thousand is the elimination of inter-segment transactions.
  - (2) An adjustment to segment income of ¥(1,615,936) 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 ¥17,639,676 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥16,136,631 thousand and assets associated with administration divisions, etc. of ¥1,503,045 thousand.
  - (4) The adjustment to the increase in property, plant and equipment and intangible assets of ¥89,656 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, 2024 (April 1, 2023 to March 31, 2024)

(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	21,924,043	10,269,225	1,471,145	33,664,413	67,672	33,732,086	—	33,732,086
Inter-segment turnover or transfers	33,206	—	39,081	72,288	—	72,288	(72,288)	—
Total	21,957,249	10,269,225	1,510,227	33,736,702	67,672	33,804,374	(72,288)	33,732,086
Segment income	1,161,132	1,272,136	815,462	3,248,731	53,612	3,302,344	(1,920,635)	1,381,709
Segment assets	24,293,103	12,714,461	4,134,011	41,141,577	25,652	41,167,229	20,911,809	62,079,039
Other items								
Depreciation (Note 4)	195,083	171,426	237,640	604,150	—	604,150	125,441	729,592
Increase in property, plant and equipment and intangible assets (Note 4)	347,985	195,815	7,473	551,275	—	551,275	79,493	630,768

(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 ¥(72,288) thousand is the elimination of inter-segment transactions.
- (2) An adjustment to segment income of ¥(1,920,635) 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 ¥20,911,809 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥19,424,951 thousand and assets associated with administration divisions, etc. of ¥1,486,858 thousand.
- (4) The adjustment to the increase in property, plant and equipment and intangible assets of ¥79,493 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, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,575.56	¥1,725.59
Earnings per share	¥68.12	¥79.91

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

2. The Company has introduced a Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP). 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, 2023: 859,500 shares; Consolidated fiscal year ended March 31, 2024: 847,100 shares

Average number of treasury shares during the period deducted in the calculation of earnings per share

Consolidated fiscal year ended March 31, 2023: 184,558 shares; Consolidated fiscal year ended March 31, 2024: 850,200 shares

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

Items	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent company (Thousand yen)	1,642,425	1,912,452
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent company relating to common stocks (Thousand yen)	1,642,425	1,912,452
Average number of common stocks during the period (Shares)	24,110,733	23,932,636

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

Items	As of March 31, 2023	As of March 31, 2024
Total net assets (Thousand yen)	38,201,346	41,599,326
Amount to be subtracted from the total net assets (Thousand yen)	301,946	470,832
[Non-controlling interest of the above (Thousand yen)]	[301,946]	[470,832]
Net assets at year-end relating to common stocks (Thousand yen)	37,899,399	41,128,494
Number of common stocks at year-end used for calculating earnings per share (Shares)	24,054,502	23,834,389

(Significant subsequent events)

No relevant items.