

Consolidated Quarterly Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 7, 2025

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 commencing dividend payments: —

Preparation of supplementary briefing material on financial results: No

Holding of financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024

(April 1, 2024 to December 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	%
Nine months ended December 31, 2024	28,652	17.7	2,022	145.4	3,108	93.3	3,079	134.2
Nine months ended December 31, 2023	24,338	5.8	824	11.1	1,608	(3.7)	1,314	(3.3)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥3,091 million [48.9%]

Nine months ended December 31, 2023: ¥2,076 million [63.1%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	131.01	—
Nine months ended December 31, 2023	54.86	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	60,572	42,846	69.9	1,823.69
As of March 31, 2024	62,079	41,599	66.3	1,725.59

(Reference) Equity: As of December 31, 2024: ¥42,370 million

As of March 31, 2024: ¥41,128 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen —	Yen —	Yen 25.00	Yen 25.00
Fiscal year ending March 31, 2025	—	19.00	—		
Fiscal year ending March 31, 2025 (Forecast)				19.00	38.00

(Note) Revision to the dividend forecast announced most recently: No

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	1,900	37.5	3,000	25.4	2,600	36.0	110.93

(Note) Revision to the financial results forecast announced most recently: No

* Notes

(1) Significant changes in the scope of consolidation during the period under review: No

Newly included: — (Company name) Excluded: — (Company name)

(2) Application of accounting procedures specific to preparation of consolidated quarterly financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards, etc.: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024: 29,347,500 shares

As of March 31, 2024: 29,347,500 shares

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

As of December 31, 2024: 6,114,087 shares

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

3) Average number of shares during the period

Nine months ended December 31, 2024: 23,507,798 shares

Nine months ended December 31, 2023: 23,965,380 shares

* Review of the attached consolidated quarterly financial statements by certified public accountants or audit firms: No

* 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 (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attachment.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Period under Review

1) Operating Results for the Period under Review

During the nine months ended December 31, 2024, the Japanese economy remained solid, backed by external demand and strong inbound demand, despite the burden of rising prices leading to a decrease in personal consumption.

In the environment affecting the Group, public investment, driven by factors such as government disaster prevention and mitigation policies, and national resilience initiatives, and private capital investment remained solid. At the same time, while progress was made in passing on increases in raw material and transportation costs to selling prices, persistently high raw material prices and labor shortages on construction sites led to longer construction periods, and the business environment continues to be harsh.

Under these circumstances, in the nine months ended December 31, 2024, the Group posted turnover of ¥28,652 million (up 17.7% year on year) and operating income of ¥2,022 million (up 145.4%), and ordinary income was ¥3,108 million (up 93.3%) and profit attributable to owners of parent company was ¥3,079 million (up 134.2%), all of which increased significantly compared to the same period of the previous fiscal year.

2) Overview by Business Segment

Foundations business

Although the nationwide demand for concrete piles remained largely at the same level as in the same period of the previous year, as a result of efforts such as strengthening the design specification-based sales approach, turnover and operating income increased to ¥18,369 million (up 15.2% year on year) and ¥1,393 million (up 70.3%), respectively.

Sewerage-related business

Despite a decrease in nationwide demand for Hume pipes, sales activities leveraging our strengths led to an increase in orders. The precast products business included in this business segment saw an increase in orders and shipments of guard fences (precast products for roads) as a result of steady specification-based sales activities.

As a result, turnover and operating income increased significantly, achieving ¥9,151 million (up 26.6% year on year) and ¥1,555 million (up 98.7%), respectively.

In addition, the aging of social infrastructure is a pressing issue in this business segment. Moving forward, we will further strengthen our solutions in this area, through our one-stop system that provides everything from diagnosis to upgrading and rehabilitation.

Solar Power Generation and Real Estate business

Turnover amounted to ¥1,061 million (down 5.3% year on year) and operating income was ¥597 million (down 2.6%).

Others

In Others, turnover totaled ¥69 million (up 48.5% year on year) and operating income was ¥56 million (up 57.7%).

3) Main Initiatives and Achievements in the Medium-term Management Plan “23-27 Plan R”

Driving DX initiatives

(Pile-ViMSys® verification test for the Ministry of Land, Infrastructure, Transport and Tourism)

Pile-ViMSys® is an ICT construction management system that enables users to confirm the excavation depth and the presence of a supporting layer, which are necessary for the construction management of piling work and to check and approve the amount of cement milk to be injected, and other data, remotely and in real time.

We participated in the Ministry of Land, Infrastructure, Transport and Tourism’s “On-site Verification of Automated and Remote Technology for Construction Machinery” as a selected implementer and conducted a verification test of the Pile-ViMSys® system.

Through this verification, we will enhance recognition of our unique technology, standardize and popularize the use of pile construction management, and contribute to improve productivity and safety, and labor-saving by utilizing DX.

(Manufacturing and delivery of 3D-printed precast retaining walls)

We produced embedded 3D-printed formwork*, and manufactured and delivered precast retaining walls for the corner sections of temporary facilities in the construction project ordered by the Chubu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

By manufacturing 3D-printed precast products, we will continue to work on product development by leveraging this technology, aiming to improve labor efficiency and productivity as well as to expand the lineup of precast products that are essential for improving productivity at construction sites.

* A type of formwork designed to be incorporated into concrete structures and not removed after concrete placement.

New method for piling work

The new piling method “CP-X” significantly reduces the amount of residual soil generated during construction and the consumption of cement, thereby lowering environmental impact. Further, it allows for a substantial reduction in construction time for deep piling work.

We completed the certification of technical evaluation by an evaluation agency for this new method, which was developed jointly with Tenox Corporation.

Taking advantage of the ability to shorten construction time and provide an economical design with high load-bearing capacity, we will work to expand our sales activities, aiming to adopt the new method for various buildings, including data centers with increasing demands for construction, logistics facilities, hospitals, and apartment complexes. Furthermore, by adopting this method, we will help suppress the generation of residual soil, reduce CO₂ emissions from heavy machinery usage and transportation, and contribute to the realization of a decarbonized society.

Expansion of the shareholder benefit program

As part of our efforts to enhance and strengthen shareholder returns, at the Board of Directors’ meeting in December 2024, we decided to expand our shareholder benefit program, the Nippon Hume Premium Benefit Club, with the objective of increasing the attractiveness of investing in the Company’s shares.

In conjunction with this, we will lower the minimum number of shares held by shareholders to 400 shares or more, thereby broadening the range of eligible shareholders. In addition, we will reduce the eligibility criteria for the maximum number of shares to at least 2,000 shares, and increase the shareholder benefit points awarded to 20,000 points. This change to the program will apply to shareholders listed or recorded in the shareholder registry as of the end of March 2025.

This fiscal year is the second year of our medium-term management plan “23-27 Plan R.” Building on the achievements of the first year of the plan, we will continue to focus on company-wide efforts to expand earnings. Further, we will also make ongoing efforts on business restructuring to become a 200-year company, in an effort to enhance corporate value and to meet the expectations of our shareholders and all stakeholders.

(2) Overview of Financial Position for the Period under Review

Total assets as of December 31, 2024, decreased ¥1,506 million from the end of the previous consolidated fiscal year, to ¥60,572 million. This was mainly due to a decrease of ¥1,305 million in notes and accounts receivable - trade and contract assets under current assets, respectively.

In addition, under liabilities, total liabilities decreased ¥2,753 million from the end of the previous consolidated fiscal year, to ¥17,726 million. This was mainly because notes and accounts payable - trade and short-term loans decreased ¥2,142 million and ¥618 million, under current liabilities, respectively.

Under net assets, total net assets increased ¥1,247 million from the end of the previous consolidated fiscal year, to ¥42,846 million. This was mainly because, under retained earnings, while profit attributable to owners of parent company increased ¥3,079 million, there was a decrease of ¥1,114 million in cash dividends paid and a decrease of ¥730 million in purchase of treasury shares.

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

Regarding the results forecasts pertaining to the fiscal year ending March 31, 2025, there has been no change to the full-year results forecast published in the “Notice of Revision (Upward Revision) of Results Forecasts” dated November 8, 2024.

2. Consolidated Quarterly Financial Statements and Important Notes

(1) Consolidated Quarterly Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	14,391,378	13,978,273
Notes and accounts receivable - trade and contract assets	10,877,836	9,571,942
Electronically recorded monetary claims	2,503,342	1,772,049
Merchandise and finished goods	3,389,764	3,843,567
Raw materials and supplies	823,044	795,892
Other	590,161	256,503
Provision for doubtful accounts	(18,593)	(16,361)
Total current assets	32,556,934	30,201,867
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,637,353	3,471,885
Land	3,679,942	3,499,197
Other, net	2,319,543	3,010,749
Total property, plant and equipment	9,636,839	9,981,832
Intangible assets	184,893	179,050
Investments and other assets		
Investment securities	19,424,951	19,951,192
Other	307,669	291,227
Provision for doubtful accounts	(32,250)	(32,250)
Total investments and other assets	19,700,370	20,210,170
Total non-current assets	29,522,104	30,371,053
Total assets	62,079,039	60,572,920
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,527,358	9,384,419
Short-term loans	1,448,822	830,000
Current portion of long-term loans	33,320	33,360
Income taxes payable	533,074	488,825
Provision for bonuses	195,338	—
Provision for loss on construction contracts	1,995	722
Provision for shareholder benefit program	18,793	12,471
Other	1,897,371	2,082,337
Total current liabilities	15,656,075	12,832,135
Non-current liabilities		
Long-term loans	25,030	—
Provision for share-based remuneration for directors	38,266	51,487
Provision for directors' retirement benefits	14,907	14,907
Provision for share-based remuneration for employees	54,903	91,016
Net defined benefit liability	2,775,530	2,820,245
Other	1,914,998	1,916,280
Total non-current liabilities	4,823,637	4,893,938
Total liabilities	20,479,712	17,726,074

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium	4,920,916	4,921,604
Retained earnings	30,366,141	32,331,777
Treasury shares	(2,765,100)	(3,495,510)
Total shareholders' equity	37,773,357	39,009,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,082,049	3,093,472
Difference in foreign exchange	173,703	163,237
Remeasurements of defined benefit	99,382	104,459
Total accumulated other comprehensive income	3,355,136	3,361,169
Non-controlling interests	470,832	476,404
Total net assets	41,599,326	42,846,845
Total liabilities and net assets	62,079,039	60,572,920

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Consolidated Quarterly Statements of Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Turnover	24,338,538	28,652,336
Cost of sales	20,224,357	22,805,515
Gross profit	4,114,180	5,846,820
Selling, general and administrative expenses	3,289,881	3,824,164
Operating income	824,299	2,022,656
Non-operating income		
Interest income	290	1,285
Dividend income	177,152	218,422
Share of income of associates	478,424	779,396
Foreign exchange gains	85,469	23,372
Other	106,564	91,757
Total non-operating income	847,901	1,114,234
Non-operating expenses		
Interest expenses	19,456	8,013
Disaster repair expenses	21,560	—
Donations	3,828	5,708
Other	19,231	14,768
Total non-operating expenses	64,076	28,490
Ordinary income	1,608,125	3,108,401
Extraordinary income		
Gain on sales of fixed assets	215,457	646,880
Gain on sale of investment securities	148,967	366,897
Total extraordinary income	364,424	1,013,778
Extraordinary losses		
Loss on disposal of fixed assets	0	47,081
Structure reform expenses	198,859	—
Impairment losses	—	204,623
Total extraordinary losses	198,859	251,704
Profit before income taxes and minority interests	1,773,690	3,870,474
Income taxes - current	437,142	806,939
Income taxes - deferred	35,396	(21,862)
Total income taxes	472,539	785,077
Profit after income taxes	1,301,151	3,085,396
Profit (loss) attributable to non-controlling interests	(13,691)	5,572
Profit attributable to owners of parent company	1,314,842	3,079,824

Consolidated Quarterly Statements of Comprehensive Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit after income taxes	1,301,151	3,085,396
Other comprehensive income		
Valuation difference on available-for-sale securities	764,815	36,456
Difference in foreign exchange	(66,065)	(18,681)
Remeasurements of defined benefit	8,737	7,301
Share of other comprehensive income of associates	67,865	(19,043)
Total other comprehensive income	775,352	6,033
Comprehensive income	2,076,503	3,091,429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent company	2,090,195	3,085,319
Comprehensive income (loss) attributable to non-controlling interests	(13,691)	6,110

(3) Notes to the Consolidated Quarterly Financial Statements

(Notes on segment information, etc.)

I. For the nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information on turnover and income (loss) by reportable segment

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the Consolidated Quarterly Statements of Income (Note 3)
	Foundations	Sewerage- related	Solar Power Generation and Real Estate	Total				
Turnover								
Turnover to external customers	15,939,702	7,231,328	1,120,997	24,292,029	46,509	24,338,538	—	24,338,538
Inter-segment turnover or transfers	32,490	—	29,026	61,517	—	61,517	(61,517)	—
Total	15,972,192	7,231,328	1,150,024	24,353,546	46,509	24,400,055	(61,517)	24,338,538
Segment income	818,367	782,690	613,998	2,215,056	36,138	2,251,194	(1,426,894)	824,299

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

2. An adjustment to segment income of ¥(1,426,894) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

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

2. Information on impairment loss or goodwill for non-current assets by reportable segment

No relevant items.

II. For the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information on turnover and income (loss) by reportable segment

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the Consolidated Quarterly Statements of Income (Note 3)
	Foundations	Sewerage- related	Solar Power Generation and Real Estate	Total				
Turnover								
Turnover to external customers	18,369,659	9,151,635	1,061,984	28,583,279	69,056	28,652,336	—	28,652,336
Inter-segment turnover or transfers	4,337	—	28,854	33,191	—	33,191	(33,191)	—
Total	18,373,996	9,151,635	1,090,838	28,616,471	69,056	28,685,528	(33,191)	28,652,336
Segment income	1,393,835	1,555,318	597,735	3,546,889	56,992	3,603,882	(1,581,226)	2,022,656

- (Notes) 1. The “Others” segment includes businesses not included in reportable segments, such as the rental business.
2. An adjustment to segment income of ¥(1,581,226) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.
3. Total segment income with adjustments corresponds to operating income on the Consolidated Quarterly Statements of Income.

2. Information on impairment loss or goodwill for non-current assets by reportable segment
(Significant impairment losses on non-current assets)

For the Solar Power Generation and Real Estate segment and for corporate assets not belonging to a reportable segment, we assessed the future recoverability of the assets. As a result, the carrying amounts were reduced to the recoverable amounts, and the reduced amounts were recorded as impairment losses under extraordinary losses. The amounts of impairment losses recorded in the nine months ended December 31, 2024, were ¥14,548 thousand for the Solar Power Generation and Real Estate segment and ¥190,075 thousand for corporate assets not belonging to a reportable segment.

(Notes in the case of significant changes in shareholders' equity)

No relevant items.

(Notes on going concern assumption)

No relevant items.

(Notes on statements of cash flows)

Consolidated quarterly statements of cash flows are not prepared for the nine months ended December 31, 2024. Depreciation, including amortization related to intangible assets, for the nine months ended December 31, 2024, are as follows.

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	521,031	550,890