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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

<p>Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.</p> <p>Listing: Tokyo Stock Exchange</p> <p>Securities code: 5269</p> <p>URL: https://www.ncic.co.jp/</p> <p>Representative: TSUKAMOTO Hiroshi,</p> <p>Inquiries: SUGITA Yoshihiko,</p> <p>Telephone: +81-3-3452-1025</p> <p>Scheduled date of annual general meeting of shareholders: June 27, 2025</p> <p>Scheduled date to commence dividend payments: June 12, 2025</p> <p>Scheduled date to file annual securities report: June 30, 2025</p> <p>Preparation of supplementary material on financial results: Yes</p> <p>Holding of financial results briefing: Yes</p>	<p>Representative Director and President</p> <p>Director and Managing Executive Officer</p>
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(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	52,652	(1.9)	990	(45.2)	1,452	(35.2)	(209)	-
March 31, 2024	53,650	1.3	1,807	-	2,242	-	614	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 318 million [(89.7) %]
Fiscal year ended March 31, 2024: ¥ 3,102 million [- %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(3.86)	-	(0.6)	1.8	1.9
March 31, 2024	11.31	-	1.7	2.8	3.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 285 million
Fiscal year ended March 31, 2024: ¥ 258 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	77,282	39,985	47.9	681.08
March 31, 2024	81,995	40,395	45.7	690.70

(Reference) Equity: As of March 31, 2025: ¥ 36,983 million
As of March 31, 2024: ¥ 37,506 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(297)	(2,656)	(1,133)	7,033
March 31, 2024	5,835	(1,351)	(511)	11,120

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	6.50	-	6.50	13.00	710	114.9	1.9
March 31, 2025	-	6.50	-	6.50	13.00	712	-	1.9
Fiscal year ending March 31, 2026 (Forecast)	-	4.00	-	4.00	8.00		43.5	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	26,500	3.5	400	(55.2)	750	(39.8)	500	3.9	9.21
Full year	55,000	4.5	1,100	11.1	1,500	3.2	1,000	-	18.41

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025:	57,777,432 shares
March 31, 2024:	57,777,432 shares

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

March 31, 2025:	3,476,694 shares
March 31, 2024:	3,476,234 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025:	54,303,810 shares
Fiscal Year ended March 31, 2024:	54,296,313 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	34,149	(4.1)	488	(73.9)	(166)	-	(656)	-
March 31, 2024	35,595	(1.3)	1,873	437.1	620	-	(47)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	(12.06)	-
March 31, 2024	(0.88)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	59,127	24,529	41.5	450.77
March 31, 2024	63,081	25,751	40.8	473.22

(Reference) Equity: As of March 31, 2025: ¥ 24,529 million
As of March 31, 2024: ¥ 25,751 million

* Financial results reports are not required to be subjected to reviews.

* Explanation for appropriate use of financial forecasts and other special notes.

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. Actual results may differ from these forecasts by a variety of reasons.

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1. Overview of Business Results, etc.

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

During the fiscal year under review (ended March 31, 2025), although the economic environment saw a gradual recovery driven by domestic demand such as consumer spending and capital investment, the impact on the global and Japanese economy remained very uncertain due to an international environment, including developments in the U.S. and Chinese economies, and policy-related uncertainties such as tariffs.

Regarding the business environment in which the Group operates, the nationwide demand and shipment for concrete piles and poles declined compared to the previous year, mainly due to the 2024 problem in construction and logistics, labor shortages, and increasing raw material prices, and severe competitive market environment continued.

In these circumstances, the Group has been addressing the significant issues stated in the Medium-Term Management Plan 2024 formulated in May 2024, including the expansion of sales channels, research and development, and IT investment. However, amid ongoing intense market competition, declines in market share and production volume led to deteriorated profitability. In addition, as profitability in the Segment Business, which is part of the Civil Engineering Products Business, did not sufficiently recover, the Group recorded impairment losses of part of the non-current assets, such as production facilities in the Segment Business. As a result, the Group's net sales for the period under review were 52,652 million yen (down 1.9% year-on-year), operating profit was 990 million yen (down 45.2% year-on-year), ordinary profit was 1,452 million yen (down 35.2% year-on-year), and loss attributable to owners of parent was 209 million yen (profit attributable to owners of parent of 614 million yen in the same period of the previous fiscal year).

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

1) Foundation Business

The demand for concrete piles across Japan during the fiscal year under review decreased by approximately 6% compared to the same period last year, and the Group was also impacted by this decline. Additionally, many projects experienced delays in order receipt and construction starts, causing shifts in timing and a decline in market share. As a result, net sales were 24,223 million yen (down 8.7% year-on-year).

Segment income was 117 million yen (down 90.4% year-on-year) mainly due to deteriorated earnings of manufacturing subsidiaries caused by a decline in production volume, despite our efforts, such as penetration of fair pricing and improvement in construction efficiency.

2) Concrete Secondary Product Business

In the Pole-related Business, which is part of the Concrete Secondary Product Business, concrete pole shipments throughout Japan decreased approximately 8% from a year earlier and the Group's shipment volume and market share also decreased. As a result, net sales amounted to 14,271 million yen (down 3.7% year-on-year).

In the Civil Engineering Product Business, large-scale precast concrete wall projects, which were seen in the previous fiscal year, decreased in the period under review, but acceptance inspections of RC segments intended for the Linear Chuo Shinkansen progressed more smoothly than the Company's estimation. As a result, net sales were 13,850 million yen (up 15.5% year-on-year).

As a result, net sales for the Concrete Secondary Product Business amounted to 28,121 million yen (up 4.9% year-on-year).

Regarding segment income, profit in the Pole-related Business remained roughly flat, and combined with the recovery of amounts related to the slide clause in the Segment Business in the Civil Engineering Product Business, segment income amounted to 2,350 million yen (up 15.7% year-on-year).

3) Real Estate and Solar Power Generation Business

The Company reported steady rental income, and generated and sold electricity for net sales that amounted to 307 million yen (up 1.7% year-on-year) and segment income was 190 million yen (up 3.1% year-on-year).

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

The Group's financial policies are to reduce total assets so as to improve ROA through measures such as early collection of accounts receivable, optimization of product inventories, and efficient capital investment strategies; and to reduce interest-bearing debts by improving the efficiency of the Group's funds and assets.

Total assets at the end of the fiscal year under review were 77,282 million yen, down 4,712 million yen from the end of the previous fiscal year.

Current assets were 30,471 million yen, down 5,946 million yen from the end of the previous fiscal year, and non-current assets were 46,811 million yen, up 1,233 million yen from the end of the previous fiscal year.

The decrease in current assets was mainly due to decreases in cash and deposits and contract assets, and the increase in non-current assets was mainly due to increases in construction in progress and investment securities.

Total liabilities were 37,297 million yen, down 4,302 million yen from the end of the previous fiscal year.

Current liabilities were 22,394 million yen, down 4,493 million yen from the end of the previous fiscal year, and non-current liabilities were 14,902 million yen, up 190 million yen from the end of the previous fiscal year.

The decrease in current liabilities was mainly due to decreases in notes and accounts payable – trade and electronically recorded obligations – operating, and the increase in non-current liabilities was mainly due to an increase in deferred tax liabilities.

Total net assets were 39,985 million yen, down 410 million yen from the end of the previous fiscal year.

This was mainly due to a decrease in retained earnings, offset by increases in valuation difference on available-for-sale securities, remeasurements of defined benefit plans and non-controlling interests.

As a result of the above, the equity ratio came to 47.9%.

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

Cash and cash equivalents at the end of the fiscal year under review decreased by 4,087 million yen year-on-year to 7,033 million yen.

1) Cash flows from operating activities

Funds used in operating activities amounted to 297 million yen. This was chiefly because of factors to increase funds, such as 750 million yen recorded as profit before income taxes, and decreases in accounts receivable – trade and contract assets of 1,695 million yen, and inventories of 1,098 million yen, and factors to decrease funds, such as a decrease in trade payables of 3,826 million yen.

2) Cash flows from investing activities

Funds used in investing activities totaled 2,656 million yen. This was chiefly due to factors to decrease funds, such as 2,280 million yen recorded as purchase of property, plant and equipment.

3) Cash flows from financing activities

Funds used in financing activities totaled 1,133 million yen. This was chiefly because of factors to decrease funds, such as 710 million yen recorded as dividends paid.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	50.2	48.1	45.4	45.7	47.9
Market-value equity ratio (%)	31.1	21.3	18.0	25.1	22.5
Cash flow to interest-bearing debt ratio (years)	2.8	4.5	32.1	130.1	-
Interest coverage ratio (times)	85.2	55.1	6.90	81.9	(3.2)

Equity ratio = Equity / Total assets

Market-value equity ratio = Market capitalization / Total assets

Cash flow to interest-bearing debt ratio = Interest-bearing debts / Cash flows

Interest coverage ratio = Cash flows / Interest payment

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

The Company recognizes the return of profit to shareholders as one of its key business policies to follow, in parallel with the reinforcement of its management base and enhancement of its corporate value.

As to the distribution of retained earnings, the Company has made it a rule to provide appropriate returns to shareholders by ensuring steady dividend payments as far as its financial results allow. At the same time, we believe it is also in the long-term interests of shareholders to solidify our corporate foundation through research and development, production facility upgrades, and other measures. Therefore, we strive to secure an appropriate level of internal reserves as well.

From these perspectives, in determining the distribution of retained earnings, we comprehensively take into account a variety of factors, such as our consolidated financial results for the period concerned, profit trends, future business development, maintenance and enhancement of financial strength, and payout ratio policy of 40% or more. Additionally, when determining the distribution of retained earnings at the end of each second quarter, we consider the first-half financial results and the full-year financial results forecast, among other elements.

In accordance with this dividend policy, while also taking into account strengthening shareholder returns and the full-year forecast as of the interim period, we paid an interim dividend of 6.50 yen per share at the end of the second quarter of the current fiscal year. Regarding the year-end dividend, although loss attributable to owners of parent was recorded for the period under review, considering that part of the loss is temporary and comprehensively taking into account the future business environment outlook, we plan to pay a dividend of 6.50 yen per share.

(5) Future Outlook

With regard to the future outlook, we expect that the conditions of the business environment in which the Group operates will remain severe due to ongoing risks such as the unstable international environment and increases in energy, raw material and personnel expenses, in addition to logistics problem and risks of delays in construction starts and extended construction periods and other issues in construction projects.

On the other hand, from a medium- to long-term perspective, our original products and construction methods that contribute to preparedness for increasingly severe and frequent natural disasters (disaster prevention, mitigation, and recovery) are highly anticipated. Additionally, high-quality precast concrete products that contribute to productivity improvement and labor-saving measures are expected to address challenges such as the decline in construction industry workers and restrictions on overtime work. From the viewpoint of carbon neutrality, the Company-developed technology for carbon capture and CCUS (carbon dioxide capture, utilization and storage) products, and low-carbon

type concrete products continue to receive strong interest, presenting numerous opportunities for sustainable growth.

In this business environment, we are currently working to steadily secure orders and improve productivity to restore our performance. At the same time, by advancing measures such as the reduction of cross-shareholdings to secure profits and cash flow, we will implement growth investments while striving to strengthen shareholder returns. Furthermore, over the medium to long term, we are committed to steadily advancing the various initiatives outlined in our medium-term management plan, including research and development and investments aimed at growth and productivity improvement.

Looking ahead, the Group will continue to play a role in strengthening social infrastructure and contribute to society through offering technology and products to reduce environmental loads. In addition, we will be committed to utilizing the Group's synergy effect and realizing further growth, and by intensifying our efforts on corporate governance and sustainability, we are aiming to realize sustainable growth and enhance our corporate value to meet the expectations of our stakeholders.

2. Basic Approach to the Selection of Accounting Standards

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

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,120,707	7,149,097
Notes receivable - trade	1,827,350	982,348
Electronically recorded monetary claims - operating	2,925,147	2,443,545
Accounts receivable - trade	7,309,778	8,046,635
Contract assets	2,122,342	1,016,800
Merchandise and finished goods	6,950,355	5,966,223
Work in process	740,826	661,776
Raw materials and supplies	2,038,697	2,029,347
Costs on construction contracts in progress	319,817	293,867
Other	1,070,595	1,890,123
Allowance for doubtful accounts	(8,134)	(8,434)
Total current assets	36,417,483	30,471,333
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,988,110	19,776,255
Accumulated depreciation	(15,043,989)	(15,226,196)
Buildings and structures, net	4,944,121	4,550,058
Machinery, equipment and vehicles	33,971,964	34,133,191
Accumulated depreciation	(31,308,906)	(31,535,651)
Machinery, equipment and vehicles, net	2,663,058	2,597,540
Land	17,237,062	17,237,042
Construction in progress	677,761	1,405,726
Other	15,037,395	15,047,149
Accumulated depreciation	(14,271,308)	(14,453,277)
Other, net	766,087	593,872
Total property, plant and equipment	26,288,090	26,384,239
Intangible assets	881,242	886,790
Investments and other assets		
Investment securities	14,547,526	15,248,883
Retirement benefit asset	2,955,466	3,404,816
Deferred tax assets	352,097	293,471
Other	684,666	767,811
Allowance for doubtful accounts	(130,861)	(154,491)
Allowance for investment loss	-	(20,000)
Total investments and other assets	18,408,895	19,540,490
Total non-current assets	45,578,229	46,811,520
Total assets	81,995,712	77,282,853

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,285,032	3,955,823
Electronically recorded obligations - operating	9,864,508	7,367,474
Short-term borrowings	4,084,600	4,104,100
Current portion of long-term borrowings	2,260,089	2,174,246
Current portion of bonds payable	40,000	40,000
Income taxes payable	945,725	304,602
Provision for bonuses	618,073	608,916
Provision for bonuses for directors (and other officers)	77,270	52,350
Provision for loss on construction contracts	22,250	10,380
Provision for shareholder benefit program	-	36,472
Other	3,690,222	3,740,146
Total current liabilities	26,887,772	22,394,511
Non-current liabilities		
Bonds payable	100,000	60,000
Long-term borrowings	6,533,312	6,440,696
Deferred tax liabilities	3,737,547	4,026,257
Deferred tax liabilities for land revaluation	2,410,926	2,485,848
Retirement benefit liability	1,220,462	1,275,193
Other	709,736	614,567
Total non-current liabilities	14,711,984	14,902,563
Total liabilities	41,599,757	37,297,074
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,858,899	3,943,223
Retained earnings	18,752,806	17,834,006
Treasury shares	(1,009,783)	(1,009,421)
Total shareholders' equity	26,713,506	25,879,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,999,946	5,241,085
Revaluation reserve for land	5,312,368	5,237,445
Foreign currency translation adjustment	(138,068)	(139,657)
Remeasurements of defined benefit plans	618,394	765,006
Total accumulated other comprehensive income	10,792,641	11,103,879
Non-controlling interests	2,889,807	3,002,508
Total net assets	40,395,955	39,985,779
Total liabilities and net assets	81,995,712	77,282,853

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	53,650,671	52,652,871
Cost of sales	44,765,845	43,993,867
Gross profit	8,884,825	8,659,003
Selling, general and administrative expenses	7,077,249	7,668,993
Operating profit	1,807,575	990,010
Non-operating income		
Interest income	9,189	8,482
Dividend income	197,111	254,322
Share of profit of entities accounted for using equity method	258,547	285,583
Gain on sale of scraps	72,571	63,129
Outsourcing service income	-	107,660
Other	149,901	68,349
Total non-operating income	687,320	787,527
Non-operating expenses		
Loss on claims	13,964	-
Interest expenses	71,430	92,797
Arrangement fee	16,666	16,666
Loss from suspension of plantoperations assets	43,618	64,918
Other	106,233	150,309
Total non-operating expenses	251,913	324,692
Ordinary profit	2,242,981	1,452,846
Extraordinary income		
Gain on sale of non-current assets	30,096	23,910
Gain on sale of investment securities	93,732	2,491
Total extraordinary income	123,828	26,402
Extraordinary losses		
Loss on sales of affiliates' stocks	9,195	-
System failure response costs	30,890	-
Loss on retirement of non-current assets	48,175	24,811
Loss on valuation of investment securities	-	2,550
Impairment losses	-	700,891
Total extraordinary losses	88,261	728,252
Profit before income taxes	2,278,549	750,996
Income taxes - current	1,134,277	658,217
Income taxes - deferred	372,758	84,568
Total income taxes	1,507,036	742,786
Profit	771,513	8,209
Profit attributable to non-controlling interests	157,239	217,962
Profit (loss) attributable to owners of parent	614,273	(209,752)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	771,513	8,209
Other comprehensive income		
Valuation difference on available-for-sale securities	1,553,122	246,667
Revaluation reserve for land	-	(74,922)
Foreign currency translation adjustment	46,222	(1,820)
Remeasurements of defined benefit plans, net of tax	719,792	142,078
Share of other comprehensive income of entities accounted for using equity method	11,801	(1,624)
Total other comprehensive income	2,330,938	310,379
Comprehensive income	3,102,451	318,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,908,744	101,486
Comprehensive income attributable to non-controlling interests	193,707	217,103

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

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

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,452,402	5,312,368	(178,438)	(88,161)	8,498,170	2,709,590	37,658,927
Changes during period							
Dividends of surplus							(354,498)
Change in ownership interest of parent due to transactions with non-controlling interests							1,351
Profit (loss) attributable to owners of parent							614,273
Purchase of treasury shares							(16)
Disposal of treasury shares							1,230
Net changes in items other than shareholders' equity	1,547,544	-	40,370	706,555	2,294,470	180,217	2,474,687
Total changes during period	1,547,544	-	40,370	706,555	2,294,470	180,217	2,737,028
Balance at end of period	4,999,946	5,312,368	(138,068)	618,394	10,792,641	2,889,807	40,395,955

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,111,583	3,858,899	18,752,806	(1,009,783)	26,713,506
Changes during period					
Dividends of surplus			(709,047)		(709,047)
Change in ownership interest of parent due to transactions with non-controlling interests		84,323			84,323
Profit (loss) attributable to owners of parent			(209,752)		(209,752)
Purchase of treasury shares				(24)	(24)
Disposal of treasury shares				(1,082)	(1,082)
Net changes in items other than shareholders' equity				1,467	1,467
Total changes during period	-	84,323	(918,800)	361	(834,115)
Balance at end of period	5,111,583	3,943,223	17,834,006	(1,009,421)	25,879,391

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,999,946	5,312,368	(138,068)	618,394	10,792,641	2,889,807	40,395,955
Changes during period							
Dividends of surplus							(709,047)
Change in ownership interest of parent due to transactions with non-controlling interests							84,323
Profit (loss) attributable to owners of parent							(209,752)
Purchase of treasury shares							(24)
Disposal of treasury shares							(1,082)
Net changes in items other than shareholders' equity	241,138	(74,922)	(1,589)	146,612	311,238	112,701	425,407
Total changes during period	241,138	(74,922)	(1,589)	146,612	311,238	112,701	(410,176)
Balance at end of period	5,241,085	5,237,445	(139,657)	765,006	11,103,879	3,002,508	39,985,779

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,278,549	750,996
Depreciation	1,886,122	1,771,767
Impairment losses	-	700,891
Increase (decrease) in allowance for doubtful accounts	(22,291)	23,929
Increase (decrease) in allowance for investment loss	-	20,000
Increase (decrease) in provision for bonuses	91,266	(8,703)
Increase (decrease) in provision for bonuses for directors (and other officers)	25,693	(24,292)
Increase (decrease) in provision for loss on construction contracts	(5,720)	(11,870)
Increase (decrease) in retirement benefit liability	(21,790)	54,731
Decrease (increase) in retirement benefit asset	(126,215)	(199,715)
Increase (decrease) in provision for shareholder benefit program	-	36,472
Share of loss (profit) of entities accounted for using equity method	(258,547)	(285,583)
Interest and dividend income	(206,300)	(262,804)
Interest expenses	71,430	92,797
Loss (gain) on sale of non-current assets	(30,096)	(23,910)
Loss on retirement of non-current assets	48,175	24,811
System failure response costs	30,890	-
Loss (gain) on sale of investment securities	(93,732)	(2,491)
Loss (gain) on valuation of investment securities	-	2,550
Loss(gain)on sale of investmentse in associates	9,195	-
Outsourcing fee	-	(107,660)
Decrease (increase) in accounts receivable - trade, and contract assets	2,502,281	1,695,287
Decrease (increase) in inventories	(369,634)	1,098,480
Increase (decrease) in trade payables	(290,787)	(3,826,242)
Increase (decrease) in dvance received and contract debt	177,869	(88,307)
Decrease (increase) in accounts receivable - other	302,987	(183,095)
Increase (decrease) in accounts payable - other	22,642	74,130
Increase (decrease) in accrued consumption taxes	105,386	20,314
Decrease (increase) in other investments	(40,318)	54,945
Other, net	21,124	(672,302)
Subtotal	6,108,181	725,124
Interest and dividends received	239,330	309,354
Interest paid	(69,867)	(92,302)
Income taxes paid	(454,279)	(1,258,598)
Income taxes refund	42,570	19,116
System failure response costs paid	(30,890)	-
Net cash provided by (used in) operating activities	5,835,045	(297,306)

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,449,922)	(2,280,414)
Proceeds from sale of property, plant and equipment	34,113	25,727
Payments for retirement of property, plant and equipment	(9,249)	(45,489)
Purchase of intangible assets	(165,897)	(89,330)
Purchase of investment securities	(685)	(860)
Proceeds from sale of investment securities	99,510	3,811
Proceeds from sales of shares of associates-InvCF	140,400	-
Loan advances	-	(135,000)
Proceeds from collection of loans receivable	-	200
Payments into time deposits	-	(115,428)
Purchase of investments in non-consolidated subsidiary	-	(20,000)
Other, net	40	-
Net cash provided by (used in) investing activities	(1,351,691)	(2,656,783)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	35,000	19,500
Proceeds from long-term borrowings	2,100,000	2,100,000
Repayments of long-term borrowings	(2,125,869)	(2,278,459)
Redemption of bonds	(40,000)	(40,000)
Repayments of lease liabilities	(95,310)	(187,085)
Purchase of treasury shares	(16)	(24)
Dividends paid	(355,280)	(710,559)
Dividends paid to non-controlling interests	(12,711)	(12,822)
Repayments of construction assistance fund	(17,500)	(17,500)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(65)	(6,450)
Net cash provided by (used in) financing activities	(511,753)	(1,133,400)
Effect of exchange rate change on cash and cash equivalents	12,852	452
Net increase (decrease) in cash and cash equivalents	3,984,452	(4,087,037)
Cash and cash equivalents at beginning of period	7,136,254	11,120,707
Cash and cash equivalents at end of period	11,120,707	7,033,669

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and Related Guidelines)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard in 2022”) from the beginning of the current consolidated fiscal year.

The accounting category of income taxes (taxation on other comprehensive income) has been revised in accordance with the transitional treatment provided for in the proviso to Paragraph 20-3 of the Revised Accounting Standard in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance in 2022”). These changes in accounting policies do not affect the consolidated financial statements.

Additionally, the Company has applied the Revised Guidance in 2022 from the beginning of the current consolidated fiscal year for the revision to the treatment of the consolidated financial statements in case losses or gains on sale of subsidiaries’ shares among consolidated companies are deferred for tax purposes. These changes in accounting policies are applied retrospectively, and the consolidated financial statements for the previous fiscal year have been adjusted retrospectively. These changes in accounting policies do not affect the consolidated financial statements for the previous fiscal year.

(Additional Information)

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

(1) Summary of the transaction

As for the Board Incentive Plan Trust (hereinafter referred to as the “BIP Trust”) and the Stock Granting Trust (J-ESOP) (hereinafter referred to as the “J-ESOP Trust”) introduced in August 2015, the Company resolved at the Board of Directors’ Meeting held on August 9, 2024 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027) and reintroduced them by entering into an agreement to extend their terms, for the purpose of increasing motivation to improve the Company’s medium- to long-term performance and raising awareness toward the contribution to an increase in shareholder value.

(2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares in net assets at their book value (excluding incidental expenses) in the trust. For the BIP Trust, the book value and the number of treasury shares at the end of the previous fiscal year were 42,973 thousand yen and 134,359 shares, and at the end of the fiscal year under review, 43,601 thousand yen and 135,686 shares, and for the J-ESOP Trust, 34,730 thousand yen and 106,597 shares at the end of the previous fiscal year, and 35,184 thousand yen and 105,668 shares at the end of the fiscal year under review.

(Segment Information, etc.)

[Segment Information]

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company’s reportable segments are constituent units of the Group for which separate financial statements are available, and which are subject to regular review by the Board of Directors for the purpose of

determining the allocation of management resources and assessing business performance.

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

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

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

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

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

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

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

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

For the previous fiscal year ended March 31, 2024

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the consolidated financial statements (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	26,537,236	26,811,426	302,008	53,650,671	—	53,650,671
Inter-segment net sales or transfers	3,052	—	—	3,052	(3,052)	—
Total	26,540,288	26,811,426	302,008	53,653,723	(3,052)	53,650,671
Segment income	1,228,802	2,032,787	184,384	3,445,975	(1,638,399)	1,807,575
Segment assets	23,054,292	31,276,272	1,518,641	55,849,206	26,146,506	81,995,712
Other items						
Depreciation	748,554	980,361	55,134	1,784,049	102,072	1,886,122
Impairment losses	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	813,919	911,643	10,870	1,736,432	552,366	2,288,799

(Notes)

1. The adjustments are as follows:

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

2. Segment income is adjusted to the operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2025

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the consolidated financial statements (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	24,223,794	28,121,810	307,265	52,652,871	—	52,652,871
Inter-segment net sales or transfers	1,776	—	—	1,776	(1,776)	—
Total	24,225,571	28,121,810	307,265	52,654,647	(1,776)	52,652,871
Segment income	117,958	2,350,366	190,121	2,658,446	(1,668,435)	990,010
Segment assets	21,222,809	30,468,650	1,755,812	53,447,273	23,835,580	77,282,853
Other items						
Depreciation	773,759	770,218	52,380	1,596,357	175,409	1,771,767
Impairment losses	—	700,891	—	700,891	—	700,891
Increase in property, plant and equipment and intangible assets	756,295	1,181,091	281,764	2,219,151	381,835	2,600,987

(Notes)

1. The adjustments are as follows:

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

2. Segment income is adjusted to the operating profit in the consolidated statement of income.

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

For the previous fiscal year ended March 31, 2024

There is no relevant information.

For the fiscal year ended March 31, 2025

Significant impairment losses on non-current assets

In the Concrete Secondary Product Business segment, the carrying amount of production facility assets has been written down to their recoverable amount.

The impairment loss recognized for the current consolidated fiscal year amounts to 700,891 thousand yen.

5. Information on goodwill by reportable segment

For the previous fiscal year ended March 31, 2024

There is no relevant information.

For the fiscal year ended March 31, 2025

There is no relevant information.

(Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share (yen)	690.70	681.08
Basic earnings (loss) per share (yen)	11.31	(3.86)

(Notes)

1. Diluted earnings per share is not presented in the above as there were no potential shares.
2. Basic earnings (loss) per share was computed based on the figures below.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss) attributable to owners of parent (thousand yen)	614,273	(209,752)
Amount not attributable to common shareholders (thousand yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (thousand yen)	614,273	(209,752)
Average number of common shares during the period (thousand shares)	54,296	54,303

(Significant Events after Reporting Period)

There is no relevant information.