

**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2016  
[Japanese GAAP]**



May 13, 2016

Company name: NIPPON HUME CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Securities code: 5262

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

Representative: Minoru Okawauchi, President and Representative Director

Contact: Takamasa Ishii, Executive Officer and General Manager of Accounting Division

Phone: +81-3-3433-4111

Scheduled date of Annual General Meeting of Shareholders: June 29, 2016

Scheduled date of commencing dividend payments: June 30, 2016

Scheduled date of filing annual securities report: June 29, 2016

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 Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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, 2016	33,750	(6.3)	1,894	(12.0)	2,326	(44.3)	1,802	(49.7)
Fiscal year ended March 31, 2015	36,018	1.0	2,152	1.0	4,176	45.2	3,585	88.3

(Note) Comprehensive income: Fiscal year ended March 31, 2016: ¥881 million [(72.4%)]  
Fiscal year ended March 31, 2015: ¥3,190 million [77.0%]

	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, 2016	69.89	—	6.5	5.2	5.6
Fiscal year ended March 31, 2015	136.70	—	13.5	9.4	6.0

(Reference) Share of income (loss) of associates: Fiscal year ended March 31, 2016: ¥431 million  
Fiscal year ended March 31, 2015: ¥1,584 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	43,857	28,073	63.6	1,095.70
As of March 31, 2015	46,007	28,047	60.6	1,069.94

(Reference) Equity: As of March 31, 2016: ¥27,884 million  
As of March 31, 2015: ¥27,871 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, 2016	2,568	(628)	(1,148)	8,287
Fiscal year ended March 31, 2015	2,317	(3,586)	(445)	7,496

### 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, 2015	—	—	—	15.00	15.00	402	11.0	1.5
Fiscal year ended March 31, 2016	—	—	—	16.00	16.00	419	22.9	1.5
Fiscal year ending March 31, 2017 (Forecast)	—	—	—	16.00	16.00		20.4	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% indicates changes from the previous corresponding period.)

	Turnover		Operating income		Ordinary income		Profit attributable to owners of parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	17,000	0.7	800	(24.3)	1,200	(21.8)	800	(29.6)	31.44
Full year	40,000	18.5	2,300	21.4	2,700	16.1	2,000	11.0	78.59

#### \* 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.: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please refer to “5. Consolidated Financial Statements (5) Notes to the Consolidated Financial Statements (Changes in accounting policies)” on page 21 of the attachment.

(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, 2016: 29,347,500 shares

As of March 31, 2015: 29,347,500 shares

- 2) Total number of treasury shares at the end of the period  
 As of March 31, 2016: 3,898,940 shares  
 As of March 31, 2015: 3,298,111 shares
- 3) Average number of shares during the period  
 Fiscal year ended March 31, 2016: 25,783,634 shares  
 Fiscal year ended March 31, 2015: 26,231,787 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Turnover		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2016	31,743	(2.0)	1,837	7.2	2,343	4.9	1,802	3.4
Fiscal year ended March 31, 2015	32,384	0.8	1,714	(1.4)	2,233	10.8	1,743	56.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2016	67.84		—	
Fiscal year ended March 31, 2015	64.98		—	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	36,103	21,929	60.7	835.77
As of March 31, 2015	38,009	21,571	56.8	803.70

(Reference) Equity: As of March 31, 2016: ¥21,929 million  
 As of March 31, 2015: ¥21,571 million

\* Presentation regarding the implementation status of the audit procedures

These financial results are outside the scope of audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

\* 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. Analysis of Operating Results and Financial Position (1) Analysis of Operating Results” on page 3 of the attachment.

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

(Operating results for the fiscal year under review)

The Japanese economy continued on a moderate recovery track during the fiscal year ended March 31, 2016, amid an improving trend in employment and other areas. The outlook remained uncertain, however, due to risk factors including a downswing in China and other emerging nations.

Under these circumstances, the Group is working diligently toward stable profits and sustainable growth in line with the basic policy of the medium-term management plan, “Evolution All Japan,” that covers the three years from fiscal 2015.

In the concrete products industry where the Company operates, demand for both Hume pipes and pile products weakened compared to the previous fiscal year.

Orders received for products and construction, etc. for the fiscal year ended March 31, 2016, were ¥31,523 million (a year-on-year decline of 7.4%). Turnover including revenue from products, construction and real estate amounted to ¥33,750 million (down 6.3% year on year).

Looking at profit and loss, operating income was ¥1,894 million (a year-on-year decline of 12.0%). Ordinary income was ¥2,326 million (a year-on-year drop of 44.3%), due to a decrease in share of income of associates as a result of posting “negative goodwill” of ¥1,085 million arising from acquisitions of shares in the previous fiscal year. Profit attributable to owners of parent company was ¥1,802 million (a year-on-year decrease of 49.7%).

Segment results are indicated as follows.

#### 1) Concrete Products

Orders received were ¥18,613 million (down 13.9% year on year). Turnover was ¥19,957 million (down 11.3% year on year), mainly due to a decline in precast products that offset an increase in sales of mainstay Hume pipes and pile products. Segment income was ¥153 million (down 81.8% year on year), mainly due to a decrease in highly profitable precast products.

The total sales composition ratio was 59.1%.

#### 2) Construction

Orders received were ¥12,713 million (up 4.1% year on year) and turnover was ¥12,213 million (up 1.5% year on year). Segment income amounted to ¥1,148 million (rising 36.0% year on year), mainly due to an increase in highly profitable construction.

The total sales composition ratio was 36.2%.

#### 3) Real Estate Development

Turnover was ¥975 million (down 4.5% year on year), due to a decrease in rental real estate income. However, segment income amounted to ¥422 million (rising 8.7% year on year), due mainly to reduced selling, general and administrative expenses.

The total sales composition ratio was 2.9%.

#### 4) Others

Orders received were ¥196 million (down 10.4% year on year) and turnover was ¥604 million (rising 27.9% year on year), reflecting the contribution of the solar power generation business. Segment income amounted to ¥169 million (up 121.2% year on year).

The total sales composition ratio was 1.8%.

(Outlook)

Challenging conditions are expected to persist in the business environment surrounding the Company as we continue to face fierce competition on orders and prices, among other factors. However, we believe that our concrete precast products and construction technologies enable us to offer optimal solutions to problems in the domestic construction market, such as labor shortages, as well as for the creation of a safe and secure social infrastructure. We will actively tackle these issues in line with the basic strategy set out in our medium-term management plan, “Evolution All Japan.”

With regard to financial results for the fiscal year ending March 31, 2017, the Company is expecting turnover of ¥40.0 billion (a year-on-year increase of 18.5%), operating income of ¥2.3 billion (up 21.4% year on year), ordinary income of ¥2.7 billion (rising 16.1% year on year), and profit attributable to owners of parent company of ¥2.0 billion (a year-on-year increase of 11.0%). This outlook is based on the results of entering new businesses (segment businesses) where future growth is anticipated.

## (2) Analysis of Financial Position

## 1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2016, fell by ¥2,150 million from the end of the previous fiscal year to ¥43,857 million. Current assets fell by ¥1,285 million from the end of the previous fiscal year to ¥22,550 million. This was due to factors including a decrease of ¥1,178 million in notes and accounts receivable - trade. Non-current assets declined by ¥865 million from the end of the previous fiscal year to ¥21,307 million. This was due to factors including a decrease of ¥851 million in investment securities.

In addition, liabilities declined ¥2,177 million from the end of the previous fiscal year to ¥15,783 million. Current liabilities decreased by ¥2,203 million from the end of the previous fiscal year to ¥12,193 million. This was due to factors including declines of ¥1,414 million in notes and accounts payable - trade and ¥408 million in short-term loans. Non-current liabilities grew by ¥26 million from the end of the previous fiscal year to ¥3,590 million.

Under net assets, shareholders' equity grew by ¥947 million, due to an increase of ¥1,354 million in retained earnings, offsetting the impact of acquiring treasury shares of ¥404 million, among other factors. Accumulated other comprehensive income also decreased by ¥934 million, due to declines of ¥698 million in valuation difference on available-for-sale securities and ¥297 million in remeasurements of defined benefit, despite an increase of ¥62 million in difference in foreign exchange. As a result of these factors, net assets increased by ¥26 million from the end of the previous fiscal year to ¥28,073 million.

## 2) Cash Flows

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, 2016, grew ¥791 million from the end of the previous fiscal year to ¥8,287 million.

Funds provided by operating activities during the fiscal year ended March 31, 2016, increased by ¥251 million year on year to ¥2,568 million. The primary factors were an increase in funds due to ¥2,308 million in profit before income taxes and minority interests and ¥1,156 million in decrease (increase) in notes and accounts receivable - trade. These offset a decline in funds mainly due to ¥1,414 million in increase (decrease) in notes and accounts payable - trade.

Funds used in investing activities during the fiscal year ended March 31, 2016, declined by ¥2,958 million year on year to ¥628 million. The primary factors included a ¥717 million outflow due to purchase of fixed assets.

Funds used in financing activities during the fiscal year ended March 31, 2016, grew by ¥703 million year on year to ¥1,148 million. The primary factors included an outflow of ¥404 million due to purchase of treasury shares, ¥402 million in cash dividend payments and net increase (decrease) in short-term loans of ¥339 million.

## (Reference) Cash flow indicators

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Equity ratio	60.1%	59.4%	59.2%	60.6%	63.6%
Equity ratio based on fair value	26.9%	38.7%	52.1%	47.8%	33.8%
Interest-bearing debt to cash flow ratio	6.6 years	0.8 years	0.5 years	0.7 years	0.5 years
Interest coverage ratio	7.5 times	50.3 times	88.9 times	59.5 times	83.8 times

Equity ratio:

Shareholders' equity / Total assets

Equity ratio based on fair value:

Total market value of shares / Total assets

Interest-bearing debt to cash flow ratio:

Interest bearing liabilities / Cash flows

Interest coverage ratio:

Cash flows / Interest paid

- (Notes)
1. The indicators were calculated using consolidated financial figures.
  2. Total market value of shares is calculated based on the total number of issued shares, excluding treasury shares.
  3. Operating cash flows are used for cash flows.
  4. Interest-bearing debts include all debts recorded on the Consolidated Balance Sheets for which interest is paid.

### (3) Dividend Policy and Payments for the Fiscal Year under Review and Next Fiscal Year

The Company considers distribution of profits to shareholders as an important management task. Our basic policy is to maintain a stable dividend level. In the meantime, we strive to enhance overall return to shareholders by implementing purchases of treasury shares and other measures, taking into account factors such as maintaining a sound financial structure, enhancing internal reserves to prepare for business development, as well as performance.

Funds retained as internal reserves will be used as a portion of the funds invested in development of new products and new technologies and for capital investment in efficiency enhancement and reduction of power consumption. The efficiency of the investments is considered from a long-term perspective.

Under this basic policy, the Company is scheduled to increase the year-end dividend by ¥1 to ¥16 per share. The Company has secured an increase in non-consolidated financial results for the fiscal year under review, despite the impact on consolidated financial results for the fiscal year under review of “negative goodwill” arising from the acquisition of shares and foreign exchange gains in the previous fiscal year.

For the next fiscal year, the Company plans to pay dividends of ¥16 per share.

### (4) Business and Other Risks

#### 1) Price Competition

The Great East Japan Earthquake has created expectations of reconstruction demand and increased spending on public works. Even so, conditions are expected to remain severe in the business environment surrounding the Group due to fierce price competition. This could have an effect on its financial results and financial position.

#### 2) Changes in Laws and Regulations and Other Systems

The Group is subject to regulations by the Construction Business Act, the Building Lots and Buildings Transaction Business Act and related laws and regulations in the operation of its business. The Group conducts its business operations in accordance with these related laws and regulations, and there are no legal regulations that pose a major hindrance to our business operations at this point. However, our future business strategies could be affected in the event these regulations are tightened.

#### 3) Overseas Business Activities

The Group’s overseas subsidiaries and associates engage in business activities mainly in emerging nations in Asia. Therefore, there are inherent risks of unforeseen drastic changes in the political situation or changes in legal systems, in addition to geopolitical risks.



## 2. Corporate Group

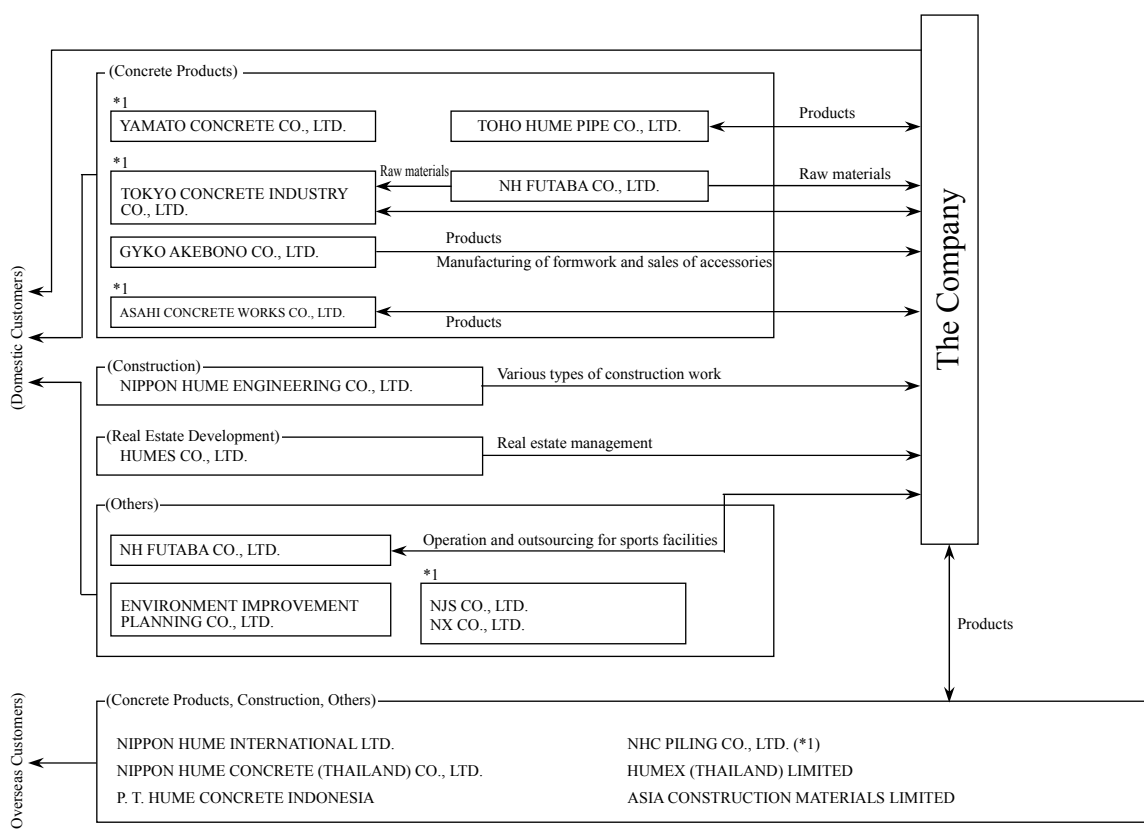
The Group, which comprises the Company, 11 consolidated subsidiaries, 6 associated companies accounted for by the equity method and 1 associated company not accounted for by the equity method, is mainly engaged in businesses related to concrete products, construction and real estate development.

The position of these companies in relation to the Group's business and business segments are as follows.

The categories indicated below are the same as the Group's business segments.

(Concrete Products) Manufacturing and sales of concrete products	Engaged in manufacturing and sales of concrete products, manufacturing of formwork, sales of accessories, etc. [Main subsidiaries and associates] TOHO HUME PIPE CO., LTD., NH FUTABA CO., LTD., GYKO AKEBONO CO., LTD., TOKYO CONCRETE INDUSTRY CO., LTD., YAMATO CONCRETE CO., LTD., ASAHI CONCRETE WORKS CO., LTD.
(Construction) Various contracted construction	Engaged in various contracted construction [Main subsidiaries and associates] NIPPON HUME ENGINEERING CO., LTD.
(Real Estate Development) Leasing, management and development of real estate	Engaged in leasing, management and development of real estate [Main subsidiaries and associates] HUMES CO., LTD.
(Others)	Engaged in sales of environment-related equipment, operation of sports facilities, rental business, solar power generation business, etc. [Main subsidiaries and associates] NH FUTABA CO., LTD., ENVIRONMENT IMPROVEMENT PLANNING CO., LTD.

The following chart outlines the business structure.



- (Note) Companies with no mark are consolidated subsidiaries. Companies marked with \*1 are associated companies accounted for by the equity method.
- (Note) NIPPON HUME CONCRETE (HONG KONG) LTD. was excluded from the scope of consolidated subsidiaries due to the transfer of all shares as of December 31, 2015.

### 3. Management Policies

#### (1) Basic Management Policies of the Company

The Company conducts its business activities based on the management policies of “Developing and strengthening our core business,” “Expanding new businesses” and “Revitalizing management,” under the corporate philosophy of “Taking part in the establishment of social infrastructure and contributing to the creation of a prosperous human environment,” “Working for harmony among people, and always seeking happiness and motivation for our employees” and “Aiming to be a strong company through unceasing technological development with our eyes firmly fixed on the future.”

#### (2) Target Management Indicators

Under the medium-term management plan, “Evolution All Japan,” which started in the 133rd term (the fiscal year ended March 31, 2015), the NIPPON HUME Group has set out its basic strategies: “Strategy for the Group’s growth,” “Strategy to improve competitiveness” and “Strategy to enhance the management foundation.” The entire Group will put all its efforts into these strategies.

We will engage in management to enhance corporate value by working to improve our profitability and financial structure, setting return on equity (ROE) as management’s target indicator.

#### (3) Medium- to Long-term Management Strategy of the Company and Issues to Deal with

The Company will dedicate the full strength of the entire Group to the medium-term management plan, “Evolution All Japan,” which started in the 133rd term (the fiscal year ended March 31, 2015).

We have set out the following basic policies and three basic strategies under the medium-term management plan, “Evolution All Japan,” in order to build further on the previous medium-term management plan, “All Japan-90.” We will work to enhance corporate value leading up to the 100th anniversary of the Company’s founding.

##### 1. Basic Policies

The NIPPON HUME Group strives to develop technology and enhance quality as a general manufacturer of concrete secondary products, in order to “take part in the establishment of safe and secure social infrastructure and contribute to the creation of a prosperous human environment,” as stated in our corporate philosophy. We also work as a civil engineering and construction company to develop construction methods and enhance construction quality for those products. In these ways, we seek to gain the trust of society and customers while pursuing stable profits and sustainable growth.

##### 2. Basic Strategies

Challenging conditions are expected to persist in the business environment surrounding the Company as we continue to face fierce competition on orders and prices, among other factors. However, we believe that our concrete precast products and construction technologies enable us to offer optimal solutions to problems in the domestic construction market such as labor shortages and to create a safe and secure social infrastructure. We will actively tackle these issues in line with the basic strategies set out below.

##### (i) Strategy for the Group’s Growth

The NIPPON HUME Group has cultivated product development of concrete secondary products and development of construction methods over the course of 90 years. We will evolve these strengths further as we approach the 100th anniversary of the Company’s founding. We will pursue sustainable growth by addressing the issues faced by society and customers, based on the strategies of 1) expansion of business domains (pursuit of scale), 2) differentiation through marketing, 3) differentiation through development of core technologies, and 4) development and cultivation of environmental and energy businesses as revenue sources for the future.

##### (ii) Strategy to Improve Competitiveness

The NIPPON HUME Group will continue to create a low-cost structure that can realize prices that are more

competitive than other companies and can ensure stable profits, with the aim of improving our competitiveness in terms of the trust of society and customers. To that end, we will continue to intensify the following strategies: 1) strengthening the procurement system, 2) enhancing efficiency of production and construction systems, 3) reducing costs through development of production technologies and construction technologies, 4) reducing costs in back-office divisions through organizational reform and operational reform, and 5) improving white collar productivity.

(iii) Strategy to Improve Management Foundation

Stable profit and sustainable growth can only be achieved by earning the trust of society through actions such as providing safe, high-quality and high-added-value products and technology and addressing environmental issues. Bearing that in mind, the NIPPON HUME Group will work to strengthen governance during this three-year period with a view to the next decade that will mark the 100th anniversary of the Company's founding. To that end, we will build on the following strategies: 1) establishing and reinforcing the risk management system, 2) bolstering the personnel system and the human resources development base (strengthening on-site capabilities), 3) reinforcing the management foundation of overseas businesses, 4) reinforcing the management foundation of subsidiaries and associates in Japan, 5) strengthening the business management foundation through visualization, and 6) enhancing cash flow management.

#### 4. 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.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	7,549,232	8,343,375
Notes and accounts receivable - trade	12,986,787	11,807,820
Merchandise and finished goods	2,156,208	1,579,806
Raw materials and supplies	617,688	411,776
Deferred tax assets	108,415	76,552
Other	434,905	344,707
Provision for doubtful accounts	(17,523)	(13,903)
Total current assets	23,835,714	22,550,135
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,568,257	11,678,504
Accumulated depreciation	(8,378,277)	(8,579,721)
Buildings and structures, net	3,189,979	3,098,782
Machinery, equipment and vehicles	14,265,580	14,411,651
Accumulated depreciation	(12,187,926)	(12,418,260)
Machinery, equipment and vehicles, net	2,077,653	1,993,390
Land	3,712,154	3,697,405
Construction in progress	180,490	302,748
Other	654,546	678,964
Accumulated depreciation	(615,192)	(611,701)
Other, net	39,353	67,262
Total property, plant and equipment	9,199,631	9,159,590
Intangible assets		
Other	103,366	141,008
Total intangible assets	103,366	141,008
Investments and other assets		
Investment securities	12,610,997	11,759,521
Long-term accounts receivable - other	290,493	243,134
Deferred tax assets	7,551	6,406
Other	288,274	277,642
Provision for doubtful accounts	(328,131)	(280,165)
Total investments and other assets	12,869,185	12,006,540
Total non-current assets	22,172,183	21,307,138
Total assets	46,007,898	43,857,273

(Thousand yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,027,434	9,612,889
Short-term loans	1,622,812	1,214,430
Income taxes payable	441,781	181,150
Provision for bonuses	192,283	187,230
Provision for environmental measures	—	1,334
Other	1,112,419	996,282
Total current liabilities	14,396,732	12,193,318
Non-current liabilities		
Deferred tax liabilities	820,182	363,487
Provision for directors' retirement benefits	50,767	36,017
Provision for environmental measures	22,918	21,584
Net defined benefit liability	2,044,534	2,547,786
Long-term lease and guarantee deposited	616,970	620,236
Other	8,771	1,098
Total non-current liabilities	3,564,146	3,590,210
Total liabilities	17,960,878	15,783,528
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium	4,739,426	4,736,508
Retained earnings	17,955,480	19,309,786
Treasury shares	(912,998)	(1,317,293)
Total shareholders' equity	27,033,308	27,980,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	940,031	241,061
Difference in foreign exchange	15,434	77,730
Remeasurements of defined benefit	(117,392)	(415,129)
Total accumulated other comprehensive income	838,073	(96,337)
Non-controlling interests	175,637	189,681
Total net assets	28,047,019	28,073,745
Total liabilities and net assets	46,007,898	43,857,273

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

(Thousand yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Turnover	36,018,511	33,750,621
Cost of sales	29,807,733	27,950,357
Gross profit	6,210,777	5,800,264
Selling, general and administrative expenses	4,058,734	3,906,184
Operating income	2,152,042	1,894,080
Non-operating income		
Interest income	1,399	971
Dividend income	92,915	82,445
Share of income of associates	1,584,204	431,027
Technical support fee	83,620	81,047
Foreign exchange gains	265,866	—
Other	116,253	85,427
Total non-operating income	2,144,260	680,920
Non-operating expenses		
Interest expenses	38,964	30,642
Foreign exchange losses	—	181,234
Other	80,848	36,952
Total non-operating expenses	119,813	248,829
Ordinary income	4,176,489	2,326,170
Extraordinary income		
Gain on sales of fixed assets	1,288	5,381
State subsidy	—	66,179
Insurance income	128,110	—
Total extraordinary income	129,398	71,560
Extraordinary losses		
Loss on disposal of fixed assets	50,644	2,680
Structural reform expenses	—	86,224
Loss on sales of golf club memberships	8,539	—
Other	0	—
Total extraordinary losses	59,184	88,904
Profit before income taxes and minority interests	4,246,703	2,308,826
Income taxes - current	740,165	509,322
Income taxes - deferred	(94,502)	(16,624)
Total income taxes	645,662	492,698
Profit after income taxes	3,601,040	1,816,128
Profit attributable to non-controlling interests	15,231	14,044
Profit attributable to owners of parent company	3,585,808	1,802,083

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Profit after income taxes	3,601,040	1,816,128
Other comprehensive income		
Valuation difference on available-for-sale securities	(154,446)	(637,178)
Difference in foreign exchange	(293,738)	62,297
Remeasurements of defined benefit	12,216	(267,879)
Share of other comprehensive income of associates	25,775	(91,650)
Total other comprehensive income	(410,192)	(934,411)
Comprehensive income	3,190,847	881,717
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent company	3,175,615	867,672
Comprehensive income attributable to non-controlling interests	15,231	14,044



(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2015

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,749,738	14,691,769	(718,938)	23,973,970
Cumulative effects of changes in accounting policies					
Restated balance	5,251,400	4,749,738	14,691,769	(718,938)	23,973,970
Changes of items during period					
Dividends of surplus			(322,097)		(322,097)
Profit attributable to owners of parent company			3,585,808		3,585,808
Purchase of treasury shares				(1,663)	(1,663)
Disposal of treasury shares		111		61	172
Increase of treasury shares of associate company				(192,458)	(192,458)
Purchase of shares of consolidated subsidiaries		(10,423)			(10,423)
Other changes of shareholders' equity					
Total changes during current period		(10,312)	3,263,710	(194,060)	3,059,337
Balance at end of current period	5,251,400	4,739,426	17,955,480	(912,998)	27,033,308

	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	1,091,585	309,171	(152,491)	1,248,266	160,405	25,382,642
Cumulative effects of changes in accounting policies						
Restated balance	1,091,585	309,171	(152,491)	1,248,266	160,405	25,382,642
Changes of items during period						
Dividends of surplus						(322,097)
Profit attributable to owners of parent company						3,585,808
Purchase of treasury shares						(1,663)
Disposal of treasury shares						172
Increase of treasury shares of associate company						(192,458)
Purchase of shares of consolidated subsidiaries						(10,423)
Other changes of shareholders' equity	(151,554)	(293,737)	35,098	(410,192)	15,231	(394,961)
Total changes during current period	(151,554)	(293,737)	35,098	(410,192)	15,231	2,664,376
Balance at end of current period	940,031	15,434	(117,392)	838,073	175,637	28,047,019

For the fiscal year ended March 31, 2016

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,739,426	17,955,480	(912,998)	27,033,308
Cumulative effects of changes in accounting policies			(45,184)		(45,184)
Restated balance	5,251,400	4,739,426	17,910,296	(912,998)	26,988,124
Changes of items during period					
Dividends of surplus			(402,594)		(402,594)
Profit attributable to owners of parent company			1,802,083		1,802,083
Purchase of treasury shares				(404,318)	(404,318)
Disposal of treasury shares		52		23	75
Increase of treasury shares of associate company				(0)	(0)
Purchase of shares of consolidated subsidiaries		(2,969)			(2,969)
Other changes of shareholders' equity					
Total changes during current period		(2,917)	1,399,489	(404,295)	992,276
Balance at end of current period	5,251,400	4,736,508	19,309,786	(1,317,293)	27,980,401

	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	940,031	15,434	(117,392)	838,073	175,637	28,047,019
Cumulative effects of changes in accounting policies						(45,184)
Restated balance	940,031	15,434	(117,392)	838,073	175,637	28,001,835
Changes of items during period						
Dividends of surplus						(402,594)
Profit attributable to owners of parent company						1,802,083
Purchase of treasury shares						(404,318)
Disposal of treasury shares						75
Increase of treasury shares of associate company						(0)
Purchase of shares of consolidated subsidiaries						(2,969)
Other changes of shareholders' equity	(698,969)	62,295	(297,737)	(934,411)	14,044	(920,366)
Total changes during current period	(698,969)	62,295	(297,737)	(934,411)	14,044	71,910
Balance at end of current period	241,061	77,730	(415,129)	(96,337)	189,681	28,073,745

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes and minority interests	4,246,703	2,308,826
Depreciation	572,913	699,884
Increase (decrease) in provision for doubtful accounts	(49,281)	(51,589)
Increase (decrease) in provision for bonuses	21,837	(5,052)
Increase (decrease) in net defined benefit liability	90,901	168,413
Increase (decrease) in provision for directors' retirement benefits	(6,930)	(14,750)
Interest and dividend income	(94,315)	(83,417)
Interest expenses	38,964	30,642
Foreign exchange losses (gains)	(204,903)	12,736
Share of (income) loss of associates	(1,584,204)	(431,027)
Loss (gain) on sales of fixed assets	(1,288)	(5,381)
Loss on disposal of fixed assets	50,644	2,680
State subsidy	—	(66,179)
Loss (gain) on sales of golf club memberships	8,539	—
Insurance income	(128,110)	—
Decrease (increase) in notes and accounts receivable - trade	(1,008,716)	1,156,940
Decrease (increase) in inventories	(609,971)	750,408
Decrease (increase) in other current assets	428,265	68,511
Increase (decrease) in notes and accounts payable - trade	1,436,951	(1,414,112)
Increase (decrease) in accrued consumption taxes	(65,523)	273,210
Increase (decrease) in other current liabilities	(329,340)	(314,300)
Increase (decrease) in other non-current liabilities	(22,342)	(3,590)
Other, net	(1,498)	—
<b>Subtotal</b>	<b>2,789,294</b>	<b>3,082,854</b>
Interest and dividend income received	236,315	286,247
Interest expenses paid	(39,340)	(31,277)
Proceeds from insurance income	140,694	—
Income taxes paid	(809,512)	(768,981)
<b>Net cash provided by (used in) operating activities</b>	<b>2,317,451</b>	<b>2,568,843</b>

(Thousand yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
<b>Cash flows from investing activities</b>		
Payments into time deposits	(327)	(2,923)
Purchase of fixed assets	(2,108,365)	(717,719)
Proceeds from sales of fixed assets	3,302	6,154
Payments for disposal of fixed assets	(101,561)	(37,726)
Proceeds from state subsidy	—	66,179
Purchase of shares of associated companies	(1,397,680)	—
Proceeds from sales of golf club memberships	3,060	—
Decrease (increase) in other investments	14,659	58,000
Net cash provided by (used in) investing activities	(3,586,911)	(628,036)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	(122,140)	(339,323)
Purchase of treasury shares	(1,663)	(404,318)
Proceeds from sales of treasury shares	172	75
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(2,969)
Cash dividends paid	(321,991)	(402,412)
Net cash provided by (used in) financing activities	(445,622)	(1,148,948)
Net foreign exchange on cash and cash equivalents	(5,875)	(639)
Net increase (decrease) in cash and cash equivalents	(1,720,957)	791,219
Cash and cash equivalents at the beginning of the period	9,217,329	7,496,372
Cash and cash equivalents at the end of the period	7,496,372	8,287,591

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

No relevant items.

(Basic significant matters for the preparation of consolidated financial statements)

1. Scope of consolidation

(i) Number of consolidated subsidiaries: 11

Name of principal consolidated subsidiaries

TOHO HUME PIPE CO., LTD.

GYKO AKEBONO CO., LTD.

NH FUTABA CO., LTD.

NIPPON HUME ENGINEERING CO., LTD.

HUMES CO., LTD.

ENVIRONMENT IMPROVEMENT PLANNING CO., LTD.

NIPPON HUME INTERNATIONAL LTD.

NIPPON HUME CONCRETE (THAILAND) CO., LTD.

P. T. HUME CONCRETE INDONESIA

ASIA CONSTRUCTION MATERIALS LIMITED

HUMEX (THAILAND) LIMITED

NIPPON HUME CONCRETE (HONG KONG) LTD. was excluded from the scope of consolidated subsidiaries due to the transfer of all shares as of December 31, 2015.

(ii) Name of non-consolidated subsidiaries

No relevant items.

2. Matters concerning the application of the equity method

(i) Non-consolidated subsidiaries accounted for by the equity method

No relevant items.

(ii) Number of associated companies accounted for by the equity method: 6

Name of principal companies, etc.

YAMATO CONCRETE CO., LTD.

NJS CO., LTD.

NX CO., LTD.

TOKYO CONCRETE INDUSTRY CO., LTD.

ASAHI CONCRETE WORKS CO., LTD.

NHC PILING CO., LTD.

(iii) Non-consolidated subsidiaries and associated companies not accounted for by the equity method

Associated company

Taiwan Lisa Engineering Corporation has been excluded from the scope of application of the equity method due to the immateriality of its impact on the Company's profit or loss and retained earnings.

- (iv) Matters concerning the procedures for the application of the equity method deemed to require special remarks  
With respect to the companies accounted for by the equity method but with different closing dates, their financial statements based on their respective fiscal years are used.

3. Matters concerning the fiscal years of consolidated subsidiaries

The closing date of the following consolidated subsidiaries is December 31.

NIPPON HUME INTERNATIONAL LTD.

NIPPON HUME CONCRETE (THAILAND) CO., LTD.

P. T. HUME CONCRETE INDONESIA

ASIA CONSTRUCTION MATERIALS LIMITED

HUMEX (THAILAND) LIMITED

Financial statements as of December 31 are used in the preparation of consolidated financial statements, while adjustments are made as appropriate for the purpose of consolidation for significant transactions occurring between the respective closing date and the consolidated closing date.

4. Matters concerning the accounting policies

- (i) Valuation standards and methods for significant assets

1) Valuation standards and methods of securities

Available-for-sale securities

Fair market values available

Stated at fair market value based on the market value, etc. on the closing date (The valuation difference is accounted for as a separate component of net assets, and cost of sales is calculated primarily by the gross average method.)

Fair market values not available

Stated at cost based on the gross average method

2) Receivables and payables generated from derivative transactions

Stated at fair value

3) Valuation standards and methods of inventories

Inventories held for regular sales purpose

Valuation standards are based on the cost method (by writing down the book value based on decline in profitability)

a. Merchandise and finished goods

Stated at monthly moving-average method

b. Raw materials and supplies

Stated at monthly moving-average method

- (ii) Depreciation and amortization methods for significant depreciable assets

1) Property, plant and equipment

Depreciated by the declining balance method. The Company and its domestic consolidated subsidiaries have adopted the straight-line method for buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998, as well as the businesses related to real estate development and solar power generation.

Useful lives of main items are as follows:

Buildings and structures: 3 to 60 years

Machinery, equipment and vehicles: 2 to 17 years

2) Intangible assets

Depreciated by the straight-line method

Useful lives are as follows:

Software (for internal use): 5 years (internally usable period)

(iii) Accounting standards for significant reserves

1) Provision for doubtful accounts

In order to prepare for credit losses such as those involving notes and accounts receivable - trade and loans receivables, estimated uncollectible amount is provided for based on the historical write-off rate in the case of general receivables, while based on the consideration of individual collectability in the case of specific receivables such as doubtful accounts receivables.

2) Provision for bonuses

The Company and its domestic consolidated subsidiaries record the provision for the payment of bonuses to employees, based on the estimated amount of future payment.

3) Provision for directors' retirement benefits

The Company and some of its domestic consolidated subsidiaries record the provision for directors' retirement benefits at the amount required by internal regulations at the end of the fiscal year.

The Company and its domestic consolidated subsidiaries abolished the directors' retirement benefits system by resolutions of the Board of Directors' meetings held on April 23, 2008, and May 20, 2008. Afterward, the Company and its domestic consolidated subsidiaries resolved at the respective Annual General Meetings of Shareholders held on June 12, 2008, and June 27, 2008, that retirement benefits for discontinuance would be paid to the directors serving as of the conclusion of these General Meetings of Shareholders, commensurate with their terms of office up to such conclusions, and that specific amounts and methods of payment thereof would be decided by the Board of Directors in the case of directors, while by the mutual consultation among Audit & Supervisory Board Members in the case of Audit & Supervisory Board Members. Accordingly, the Company continues to record the estimated amount of the aforementioned retirement benefits for discontinuance as provision for directors' retirement benefits.

4) Provision for environmental measures

The provision for the expenditure for the purpose of environmental measures has been recorded at the estimated amount of expenditure at the end of the fiscal year under review.

(iv) Accounting method for retirement benefits

1) Periodic allocation of projected retirement benefits

In calculating retirement benefit obligations, the periodic allocation of projected retirement benefits up to the end of the fiscal year under review is based the straight-line attribution method.

2) Method of amortizing actuarial differences and prior service costs

Prior service costs are recorded as expense over a certain number of years within the average remaining years of service of the corresponding employees at the time of occurrence (generally 10 years) using the straight-line method.

Actuarial differences are accounted for as expenses over a certain number of years within the average remaining years of service of the corresponding employees (generally 10 years) using the straight-line method, commencing with the consolidated fiscal year following the one in which they were incurred.

(v) Accounting standards for significant revenue and expenses

1) Accounting standards for amount and cost of completed construction contracts

The amounts of completed construction contracts are recorded based on the percentage-of-completion method (where percentage of completion is estimated by the cost-to-cost method) in the case where the progress of construction by the end of the fiscal year under review is recognized with certainty, while otherwise based on the completed contract method.

2) Accounting standards for revenue relating to finance leases

The revenue relating to finance leases is accounted for based on the method, whereby turnover and cost of sales are recorded at the time of receipt of lease fees.

(vi) Standards for translation of significant foreign currency denominated assets or liabilities into yen

Foreign currency monetary assets and liabilities are translated into yen at the year-end spot exchange rate, and translation adjustments are accounted for as profit or loss. The assets, liabilities, revenue and expenses of overseas subsidiaries and affiliates are translated into yen at the year-end spot exchange rate, and translation adjustments are included in difference in foreign exchange in net assets.

(vii) Funds covered by Consolidated Statements of Cash Flows

Funds are comprised of cash on hand, demand deposits and short-term investments with maturity within three months from the date of acquisition, which are highly liquid and readily convertible to cash involving minimal risk of fluctuation in value.

(viii) Other significant matters on presenting consolidated financial statements

Accounting for consumption tax

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.

(Changes in accounting policies)

Effective from the fiscal year ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013; hereinafter the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter the “Consolidated Financial Statements Standard”), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter the “Business Divestitures Standard”) and others. Accordingly, the Company’s accounting policies have been changed. The difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control is recorded as share premium and acquisition related costs are expensed in the consolidated fiscal year when they are incurred. Also, for business combinations to be conducted at and after the beginning of the fiscal year ended March 31, 2016, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the consolidated fiscal year in which the days of the relevant business combinations are included. In addition, the Company has changed the presentation of profit and other related items, and the presentation of minority interests to non-controlling interests. To reflect these changes in presentation, reclassifications of accounts have been made to the consolidated financial statements for the fiscal year ended March 31, 2015.

The Business Combinations Standard and others were applied in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively applied from the beginning of the fiscal year ended March 31, 2016.

The presentation method has been changed in the Consolidated Statements of Cash Flows for the fiscal year ended March 31, 2016. Cash flows associated with the acquisition or disposal of shares in subsidiaries without



involving changes in the scope of consolidation are presented under the heading of “Cash flows from financing activities.” Cash flows associated with costs related to the acquisition of shares in subsidiaries involving changes in the scope of consolidation, or expenses associated with the acquisition or disposal of shares in subsidiaries without involving changes in the scope of consolidation, are presented under the heading of “Cash flows from operating activities.”

These changes have no effect on the consolidated financial statements nor on per share information for the fiscal year ended March 31, 2016.

(Segment information)

### 1. Description of reportable segments

The Company'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 Company has business divisions by type of business established in the head office. Each business division formulates comprehensive strategies for its domestic and overseas operations, thereby deploying its business activities.

Accordingly, the Company comprises segments by type of business, with three reportable segments, namely Concrete Products, Construction and Real Estate Development.

The Concrete Products segment engages in manufacturing and sales of concrete products, manufacturing of formwork, sales of accessories, etc. The Construction segment engages in the undertaking of various contracted construction. The Real Estate Development segment engages in leasing, management and development of real estate.

### 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, 2015 (April 1, 2014 to March 31, 2015)

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Concrete Products	Construction	Real Estate Development	Total				
Turnover								
Turnover to external customers	22,488,847	12,034,819	1,022,231	35,545,898	472,612	36,018,511	—	36,018,511
Inter-segment turnover or transfers	12,342	—	35,347	47,690	698	48,388	(48,388)	—
Total	22,501,189	12,034,819	1,057,579	35,593,589	473,310	36,066,899	(48,388)	36,018,511
Segment income	841,881	844,329	389,059	2,075,270	76,772	2,152,042	—	2,152,042
Segment assets	20,358,752	7,509,211	2,333,191	30,201,155	1,989,059	32,190,215	13,817,682	46,007,898
Other items								
Depreciation	307,993	47,919	100,611	456,524	71,073	527,598	61,328	588,926
Increase in property, plant and equipment and intangible assets	904,069	25,696	5,861	935,626	1,221,059	2,156,686	18,809	2,175,496

(Notes) 1. The "Others" segment includes businesses not included in reportable segments, such as the environmental equipment sales business, the sport facility management business, the rental business, and solar power generation business.

2. Adjustments are as follows:

(1) An adjustment to turnover of ¥(48,388) thousand is the elimination of inter-segment transactions.

- (2) An adjustment to segment assets of ¥13,817,682 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥12,610,997 thousand and assets associated with administration divisions, etc. of ¥1,206,684 thousand.
- (3) The adjustment to the increase in property, plant and equipment and intangible assets of ¥18,809 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.
5. During the second quarter of the fiscal year ended March 31, 2015, the Company acquired additional shares in ASAHI CONCRETE WORKS CO., LTD., bringing it under the scope for applying the equity method. The associated ¥1,085,360 thousand in negative goodwill included in share of income of associates is not allocated to a reportable segment.

For the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Concrete Products	Construction	Real Estate Development	Total				
Turnover								
Turnover to external customers	19,957,280	12,213,038	975,885	33,146,204	604,417	33,750,621	—	33,750,621
Inter-segment turnover or transfers	13,596	—	42,804	56,401	10,491	66,892	(66,892)	—
Total	19,970,877	12,213,038	1,018,690	33,202,606	614,908	33,817,514	(66,892)	33,750,621
Segment income	153,128	1,148,258	422,877	1,724,264	169,815	1,894,080	—	1,894,080
Segment assets	19,016,772	7,880,404	2,278,731	29,175,908	1,746,038	30,921,947	12,935,325	43,857,273
Other items								
Depreciation	402,632	63,678	100,912	567,224	109,918	677,142	41,833	718,975
Increase in property, plant and equipment and intangible assets	710,135	115,416	30,479	856,031	1,196	857,227	10,095	867,322

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

2. Adjustments are as follows:

- (1) An adjustment to turnover of ¥(66,892) thousand is the elimination of inter-segment transactions.
- (2) An adjustment to segment assets of ¥12,935,325 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥11,759,521 thousand and assets associated with administration divisions, etc. of ¥1,175,804 thousand.
- (3) The adjustment to the increase in property, plant and equipment and intangible assets of ¥10,095 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, 2015	For the fiscal year ended March 31, 2016
Net assets per share	¥1,069.94	¥1,095.70
Earnings per share	¥136.70	¥69.89

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

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

Items	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Profit attributable to owners of parent company (Thousand yen)	3,585,808	1,802,083
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent company relating to common stock (Thousand yen)	3,585,808	1,802,083
Average number of common stock during the period (Shares)	26,231,787	25,783,634

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

Items	As of March 31, 2015	As of March 31, 2016
Total net assets (Thousand yen)	28,047,019	28,073,745
Amount to be subtracted from the total net assets (Thousand yen)	175,637	189,681
[Non-controlling interest of the above (Thousand yen)]	[175,637]	[189,681]
Net assets at year-end relating to common stock (Thousand yen)	27,871,381	27,884,063
Number of common stock at year-end used for calculating earnings per share (Shares)	26,049,389	25,448,560

(Significant subsequent events)

No relevant items.

## 6. Non-consolidated Financial Statements

## (1) Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	6,857,916	7,663,878
Notes receivable - trade	3,598,915	3,453,088
Accounts receivable - trade	8,596,014	7,815,883
Lease receivables	14,084	11,722
Merchandise and finished goods	1,940,869	1,476,574
Raw materials and supplies	392,565	292,545
Prepaid expenses	23,719	24,971
Deferred tax assets	104,191	70,655
Short-term loans receivable from subsidiaries and associates	10,000	—
Accounts receivable - other	271,668	117,096
Other	70,937	123,182
Provision for doubtful accounts	(11,963)	(11,116)
Total current assets	21,868,919	21,038,483
Non-current assets		
Property, plant and equipment		
Buildings	3,016,163	2,918,615
Structures	139,211	151,067
Machinery and equipment	1,926,573	1,856,216
Vehicles	8,740	5,670
Tools, furniture and fixtures	17,238	42,609
Land	3,682,081	3,681,909
Construction in progress	180,490	300,995
Total property, plant and equipment	8,970,500	8,957,083
Intangible assets		
Software	50,387	24,453
Telephone subscription right	7,701	7,701
Software in progress	43,150	106,800
Total intangible assets	101,239	138,954
Investments and other assets		
Investment securities	3,787,598	2,844,766
Shares of subsidiaries and associates	2,748,412	2,748,412
Long-term loans receivable from subsidiaries and associates	474,426	400,000
Long-term accounts receivable from subsidiaries and associates	1,178,489	789,779
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,039	2,431
Long-term prepaid expenses	21,638	13,434
Long-term accounts receivable - other	285,032	237,032
Other	262,137	258,972
Provision for doubtful accounts	(1,691,518)	(1,326,160)
Total investments and other assets	7,069,256	5,968,669
Total non-current assets	16,140,996	15,064,707
Total assets	38,009,915	36,103,190

(Thousand yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes payable - trade	6,872,557	5,558,875
Accounts payable - trade	3,737,973	3,725,493
Short-term loans	500,000	500,000
Accounts payable - other	269,937	450,804
Accrued expenses	47,234	48,243
Income taxes payable	425,635	155,291
Advance payments - other	291,159	161,809
Deposits received	66,481	64,901
Provision for bonuses	184,006	179,684
Provision for environmental measures	—	1,334
Other	12,352	1,317
Total current liabilities	12,407,338	10,847,758
Non-current liabilities		
Deferred tax liabilities	867,750	496,610
Provision for retirement benefits	1,823,877	1,939,411
Provision for directors' retirement benefits	47,460	32,710
Provision for loss on guarantees	661,914	224,564
Provision for environmental measures	22,302	20,968
Long-term lease and guarantee deposited	608,212	611,478
Total non-current liabilities	4,031,517	3,325,742
<b>Total liabilities</b>	<b>16,438,856</b>	<b>14,173,500</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium		
Legal capital surplus	1,312,850	1,312,850
Other capital surplus	3,430,166	3,430,218
Total share premium	4,743,016	4,743,068
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of fixed assets	2,094,154	2,076,035
Reserve for reduction entry of gain on insurance adjustment	6,216	5,865
General reserve	5,500,000	6,000,000
Retained earnings brought forward	3,716,815	4,635,336
Other retained earnings	11,317,187	12,717,237
Total retained earnings	11,317,187	12,717,237
Treasury shares	(650,113)	(1,054,407)
Total shareholders' equity	20,661,490	21,657,298
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	909,568	272,390
Total valuation and translation adjustments	909,568	272,390
<b>Total net assets</b>	<b>21,571,059</b>	<b>21,929,689</b>
<b>Total liabilities and net assets</b>	<b>38,009,915</b>	<b>36,103,190</b>

## (2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Turnover	32,384,630	31,743,410
Cost of sales	27,071,534	26,364,567
Gross profit	5,313,095	5,378,842
Selling, general and administrative expenses	3,598,117	3,540,939
Operating income	1,714,977	1,837,903
Non-operating income		
Interest income	8,530	6,594
Dividend income	234,915	285,276
Technical support fee	83,620	81,047
Other	253,530	191,825
Total non-operating income	580,596	564,743
Non-operating expenses		
Interest expenses	3,766	4,020
Foreign exchange losses	—	25,946
Real estate development maintenance and management expenses	41,326	8,726
Contribution	6,344	7,249
Other	10,292	13,445
Total non-operating expenses	61,730	59,388
Ordinary income	2,233,844	2,343,259
Extraordinary income		
Gain on sales of fixed assets	—	5,381
State subsidy	—	66,179
Insurance income	128,110	—
Total extraordinary income	128,110	71,560
Extraordinary losses		
Structural reform expenses	—	171,892
Loss on disposal of fixed assets	50,500	2,680
Loss on sales of golf club memberships	8,539	—
Other	0	—
Total extraordinary losses	59,039	174,572
Profit before income taxes	2,302,914	2,240,246
Income taxes - current	675,605	469,553
Income taxes - deferred	(116,686)	(31,951)
Total income taxes	558,919	437,602
Profit after income taxes	1,743,995	1,802,644



## (3) Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2015

(Thousand yen)

	Shareholders' equity								
	Share capital	Share premium			Retained earnings				
		Legal capital surplus	Other capital surplus	Total share premium	Other retained earnings				Total retained earnings
					Reserve for advanced depreciation of fixed assets	Reserve for reduction entry of gain on insurance adjustment	General reserve	Retained earnings brought forward	
Balance at beginning of current period	5,251,400	1,312,850	3,430,056	4,742,906	2,020,395	6,273	5,000,000	2,868,621	9,895,290
Changes of items during period									
Reversal of reserve for advanced depreciation of fixed assets					73,759			(73,759)	—
Reversal of reserve for reduction entry of gain on insurance adjustment						(56)		56	—
Provision of general reserve							500,000	(500,000)	—
Dividends of surplus								(322,097)	(322,097)
Profit after income taxes								1,743,995	1,743,995
Purchase of treasury shares									
Disposal of treasury shares			110	110					
Other changes of shareholders' equity									
Total changes during current period			110	110	73,759	(56)	500,000	848,194	1,421,897
Balance at end of current period	5,251,400	1,312,850	3,430,166	4,743,016	2,094,154	6,216	5,500,000	3,716,815	11,317,187

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(648,512)	19,241,084	1,064,012	1,064,012	20,305,096
Changes of items during period					
Reversal of reserve for advanced depreciation of fixed assets					
Reversal of reserve for reduction entry of gain on insurance adjustment					
Provision of general reserve					
Dividends of surplus		(322,097)			(322,097)
Profit after income taxes		1,743,995			1,743,995
Purchase of treasury shares	(1,663)	(1,663)			(1,663)
Disposal of treasury shares	62	172			172
Other changes of shareholders' equity			(154,444)	(154,444)	(154,444)
Total changes during current period	(1,600)	1,420,406	(154,444)	(154,444)	1,265,962
Balance at end of current period	(650,113)	20,661,490	909,568	909,568	21,571,059

For the fiscal year ended March 31, 2016

(Thousand yen)

	Shareholders' equity								
	Share capital	Share premium			Retained earnings				
		Legal capital surplus	Other capital surplus	Total share premium	Other retained earnings			Retained earnings brought forward	Total retained earnings
				Reserve for advanced depreciation of fixed assets	Reserve for reduction entry of gain on insurance adjustment	General reserve			
Balance at beginning of current period	5,251,400	1,312,850	3,430,166	4,743,016	2,094,154	6,216	5,500,000	3,716,815	11,317,187
Changes of items during period									
Reversal of reserve for advanced depreciation of fixed assets					(18,118)			18,118	—
Reversal of reserve for reduction entry of gain on insurance adjustment						(350)		350	—
Provision of general reserve							500,000	(500,000)	—
Dividends of surplus								(402,594)	(402,594)
Profit after income taxes								1,802,644	1,802,644
Purchase of treasury shares									
Disposal of treasury shares			51	51					
Other changes of shareholders' equity									
Total changes during current period			51	51	(18,118)	(350)	500,000	918,520	1,400,050
Balance at end of current period	5,251,400	1,312,850	3,430,218	4,743,068	2,076,035	5,865	6,000,000	4,635,336	12,717,237

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(650,113)	20,661,490	909,568	909,568	21,571,059
Changes of items during period					
Reversal of reserve for advanced depreciation of fixed assets					
Reversal of reserve for reduction entry of gain on insurance adjustment					
Provision of general reserve					
Dividends of surplus		(402,594)			(402,594)
Profit after income taxes		1,802,644			1,802,644
Purchase of treasury shares	(404,318)	(404,318)			(404,318)
Disposal of treasury shares	24	75			75
Other changes of shareholders' equity			(637,177)	(637,177)	(637,177)
Total changes during current period	(404,294)	995,807	(637,177)	(637,177)	358,630
Balance at end of current period	(1,054,407)	21,657,298	272,390	272,390	21,929,689

## 7. Other

### (1) Changes in Directors and Audit & Supervisory Board Members

#### 1. Candidates for Audit & Supervisory Board Members (scheduled to be appointed on June 29, 2016)

Full-time Audit & Supervisory Board Member	Hirokazu Suzuki (current Management Officer, General Manager of General Administrative Department and Environmental Business Division)
Audit & Supervisory Board Member	Yoshihide Shimoyama (reappointment)
Audit & Supervisory Board Member	Mamoru Hara (reappointment)
Audit & Supervisory Board Member	Torao Yamakawa (current President and Representative Director of Heart Agency Co., Ltd.)

#### 2. Audit & Supervisory Board Members scheduled to retire (scheduled to retire on June 29, 2016)

Full-time Audit & Supervisory Board Member	Shigeo Miyanogawa (scheduled to be appointed as a Management Advisor)
Audit & Supervisory Board Member	Keiichi Kiyota