

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]



May 11, 2018

Company name: NIPPON HUME CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Securities code: 5262

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2018

Scheduled date of commencing dividend payments: June 29, 2018

Scheduled date of filing annual securities report: June 28, 2018

Preparation of supplementary briefing material on financial results: No

Holding of financial results briefing session: Yes

(for mass media, analysts, and institutional investors)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

### (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, 2018	37,445	16.8	1,678	12.0	2,211	12.9	1,651	19.4
Fiscal year ended March 31, 2017	32,072	(5.0)	1,498	(20.9)	1,958	(15.8)	1,383	(23.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥1,842 million [-12.2%]

Fiscal year ended March 31, 2017: ¥2,099 million [138.1%]

	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, 2018	66.03	—	5.5	4.6	4.5
Fiscal year ended March 31, 2017	54.54	—	4.8	4.3	4.7

(Reference) Share of income (loss) of associates: Fiscal year ended March 31, 2018: ¥380 million

Fiscal year ended March 31, 2017: ¥371 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	49,034	30,787	62.3	1,228.33
As of March 31, 2017	47,501	29,558	61.8	1,166.30

(Reference) Equity: As of March 31, 2018: ¥30,570 million

As of March 31, 2017: ¥29,353 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, 2018	899	(363)	(598)	8,778
Fiscal year ended March 31, 2017	1,855	(699)	(607)	8,836

### 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, 2017	—	—	—	16.00	16.00	415	29.3	1.4
Fiscal year ended March 31, 2018	—	—	—	17.00	17.00	436	25.7	1.4
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	18.00	18.00		26.4	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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	18,000	1.4	720	1.5	1,150	2.9	900	4.6	36.16
Full year	38,000	1.5	1,700	1.3	2,300	4.0	1,700	2.9	68.31

#### \* Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

As of March 31, 2018: 29,347,500 shares

As of March 31, 2017: 29,347,500 shares

- 2) Total number of treasury shares at the end of the period  
 As of March 31, 2018: 4,459,908 shares  
 As of March 31, 2017: 4,179,180 shares
- 3) Average number of shares during the period  
 Fiscal year ended March 31, 2018: 25,016,254 shares  
 Fiscal year ended March 31, 2017: 25,368,851 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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, 2018	34,966	14.7	1,503	1.4	1,827	(15.1)	1,318	(19.8)
Fiscal year ended March 31, 2017	30,490	(3.9)	1,481	(19.4)	2,153	(8.1)	1,643	(8.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2018	51.11	—
Fiscal year ended March 31, 2017	62.83	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	40,960	24,285	59.3	945.79
As of March 31, 2017	39,663	23,451	59.1	903.44

(Reference) Equity: As of March 31, 2018: ¥24,285 million  
 As of March 31, 2017: ¥23,451 million

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

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

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

Table of Contents

1. Overview of Operating Results .....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position in the Fiscal Year under Review .....	3
(3) Overview of Cash Flows in the Fiscal Year under Review .....	3
(4) Future Outlook .....	3
2. Basic Approach Concerning Selection of Accounting Standards .....	3
3. Consolidated Financial Statements .....	5
(1) Consolidated Balance Sheets .....	5
(2) Consolidated Statements of Income and Comprehensive Income .....	7
(3) Consolidated Statements of Changes in Net Assets .....	9
(4) Consolidated Statements of Cash Flows .....	11
(5) Notes to the Consolidated Financial Statements .....	13
(Notes on going concern assumption) .....	13
(Segment information, etc.) .....	13
(Per share information) .....	16
(Significant subsequent events) .....	16

## 1. Overview of Operating Results

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

In the consolidated fiscal year under review, the Japanese economy stayed on a recovery trend as employment expansion supported by improved corporate earnings and increased capital expenditure as well as rising consumer spending underpinned by strong employment and income conditions were observed. Meanwhile, overseas, the sense of uncertainty over future economic prospects could not be dispelled, as attention focused on worries of trade friction between the United States and China, the impact of U.S. interest rate hikes on the emerging nations' economies, and the state of affairs on the Korean Peninsula.

In the concrete products industry in which the Group operates, demand for Hume pipes and pile products slightly exceeded the level of demand for them in the previous fiscal year.

Under these circumstances, the Group worked diligently to pursue stable profits and sustainable growth, which were the key objectives of the basic policy in Evolution All Japan, the Group's medium-term management plan that was in its final fiscal year.

Furthermore, at the Board of Directors' Meeting that was held on May 25, 2017, to improve the Group's capital efficiency and make a greater return of profits to shareholders, the Company resolved to purchase treasury stock, and it later purchased a total of 198 million yen in such stock.

In the consolidated fiscal year ended March 31, 2018, orders received for concrete products (mainly Hume pipes and pile products) and construction, etc., were ¥38,147 million (up 24.2% year on year), and turnover, including mainly revenue from concrete products, construction, and real estate, was ¥37,445 million (up 16.8% year on year).

As for profit and loss, operating income was ¥1,678 million (up 12.0% year on year); ordinary income was ¥2,211 million (up 12.9% year on year), mainly because of equity in earnings of affiliates and dividend income; and profit attributable to owners of parent was ¥1,651 million (up 19.4% year on year).

Segment results are as follows.

#### 1) Concrete Products

Orders received were ¥20,890 million (up 24.3% year on year), and turnover was ¥19,811 million (up 17.5% year on year), mainly due to an increase in sales of precast products, which is the Group's current focus of attention. Operating income was ¥235 million yen (down 51.2% year on year) because of increased competition for orders as well as investments mainly in manufacturing facilities and production technology development for segment products and precast products.

The total sales composition ratio was 52.9%.

#### 2) Construction

Orders received were ¥17,065 million (up 24.4% year on year); turnover was ¥16,056 million (up 17.7% year on year), mainly due to increases in sales of piling work and sewage line-related work; and operating income was ¥923 million (up 101.6% year on year), mainly because of cost reductions.

The total sales composition ratio was 42.9%.

#### 3) Real Estate Development

Turnover was ¥991 million (up 1.4% year on year), and operating income was ¥373 million (down 9.0% year on year).

The total sales composition ratio was 2.6%.

#### 4) Others

Orders received were ¥191 million (down 3.3% year on year), turnover, mainly for the solar power generation business and the sport facility management business, was ¥585 million (down 0.8% year on year), and operating income was ¥146 million (down 1.5% year on year).

The total sales composition ratio was 1.6%.

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

### (Assets)

Total assets, as of March 31, 2018, had increased ¥1,533 million from the end of the previous consolidated fiscal year, reaching ¥49,034 million. This was mainly because, under current assets, notes and accounts receivable – trade increased ¥1,440 million.

In addition, under liabilities, total liabilities increased ¥304 million from the end of the previous consolidated fiscal year to ¥18,247 million. This was mainly because, under current liabilities, notes and accounts payable – trade increased ¥269 million.

Under net assets, total net assets increased ¥1,228 million from the end of the previous fiscal year, to ¥30,787 million. This was mainly because, under retained earnings, while profit attributable to owners of parent company increased ¥1,651 million, there was a decrease of ¥415 million for cash dividends paid.

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

Cash and cash equivalents (hereinafter, “funds,” referring to cash and deposits minus time deposits with deposit terms of over three months) as of March 31, 2018, decreased ¥58 million from the end of the previous fiscal year to ¥8,778 million.

### (Cash flows from operating activities)

Funds provided by operating activities during the fiscal year ended March 31, 2018, decreased ¥956 million year on year to ¥899 million. This was mainly because ¥2,220 million increase in profit before income taxes and minority interests, depreciation of ¥669 million, an increase of ¥1,453 million in notes and accounts receivable – trade, and income taxes paid of ¥625 million.

### (Cash flows from investing activities)

Funds used in investing activities during the consolidated fiscal year ended March 31, 2018, decreased ¥335 million year on year to ¥363 million. This was mainly because ¥349 million in purchase of fixed assets, such as manufacturing equipment.

### (Cash flows from financing activities)

Funds used in financing activities during the consolidated fiscal year ended March 31, 2018, decreased ¥8 million year on year to ¥598 million. This was mainly because included cash dividends paid of ¥414 million and purchase of treasury stock of ¥198 million.

## (4) Future Outlook

Challenging conditions, especially increasing competition and a changing market structure, are expected to persist in the business environment in which the Group operates. Undeterred by them, based on the basic strategy stated in new medium-term management plan, Evolution All Japan II, everyone in the Group will work in unison to increase corporate value.

With regard to our financial results for the fiscal year ending March 31, 2019, the Company expects a turnover of ¥38,000 million, operating income of ¥1,700 million, ordinary income of ¥2,300 million, and profit attributable to owners of parent of ¥1,700 million.

## 2. Basic Approach Concerning Selection of Accounting Standards

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

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

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	8,892,925	8,838,717
Notes and accounts receivable - trade	13,711,307	15,151,754
Merchandise and finished goods	2,026,699	1,886,616
Raw materials and supplies	476,714	528,757
Deferred tax assets	103,102	86,832
Other	186,557	259,764
Provision for doubtful accounts	(14,662)	(16,939)
Total current assets	25,382,645	26,735,502
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,882,764	12,028,669
Accumulated depreciation	(8,786,142)	(9,005,471)
Buildings and structures, net	3,096,622	3,023,197
Machinery, equipment and vehicles	14,849,178	15,016,177
Accumulated depreciation	(12,789,991)	(13,179,898)
Machinery, equipment and vehicles, net	2,059,187	1,836,278
Land	3,692,743	3,697,674
Construction in progress	54,397	95,301
Other	712,192	725,100
Accumulated depreciation	(627,276)	(653,345)
Other, net	84,916	71,754
Total property, plant and equipment	8,987,867	8,724,206
Intangible assets		
Other	137,543	119,088
Total intangible assets	137,543	119,088
Investments and other assets		
Investment securities	12,750,556	13,150,972
Long-term accounts receivable - other	193,108	145,183
Deferred tax assets	6,276	6,847
Other	272,887	334,003
Provision for doubtful accounts	(229,530)	(180,997)
Total investments and other assets	12,993,299	13,456,009
Total non-current assets	22,118,709	22,299,304
Total assets	47,501,354	49,034,806

(Thousand yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,348,157	11,617,640
Short-term loans	1,212,269	1,221,480
Income taxes payable	476,049	438,800
Provision for bonuses	185,557	182,108
Provision for loss on construction contracts	30,223	—
Other	859,127	895,130
Total current liabilities	14,111,384	14,355,161
Non-current liabilities		
Deferred tax liabilities	562,518	592,652
Provision for directors' retirement benefits	36,017	36,017
Provision for environmental measures	17,014	7,736
Net defined benefit liability	2,612,372	2,688,857
Long-term lease and guarantee deposited	599,580	561,721
Other	3,681	5,304
Total non-current liabilities	3,831,184	3,892,290
Total liabilities	17,942,569	18,247,451
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,251,400	5,251,400
Share premium	4,736,508	4,736,524
Retained earnings	20,272,825	21,509,299
Treasury shares	(1,511,453)	(1,710,327)
Total shareholders' equity	28,749,280	29,786,896
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	756,093	905,884
Difference in foreign exchange	220,308	203,908
Remeasurements of defined benefit	(371,835)	(326,588)
Total accumulated other comprehensive income	604,565	783,204
Non-controlling interests	204,938	217,253
Total net assets	29,558,785	30,787,354
Total liabilities and net assets	47,501,354	49,034,806



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

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Turnover	32,072,030	37,445,127
Cost of sales	26,609,258	31,740,358
Gross profit	5,462,772	5,704,769
Selling, general and administrative expenses	3,963,819	4,026,362
Operating income	1,498,952	1,678,406
Non-operating income		
Interest income	352	1,466
Dividend income	92,612	103,594
Share of income of associates	371,772	380,441
Technical support fee	84,299	37,453
Foreign exchange gains	—	3,501
Other	78,480	69,484
Total non-operating income	627,517	595,941
Non-operating expenses		
Interest expenses	23,398	24,416
Foreign exchange losses	112,694	—
Settlement package	—	12,000
Real estate development maintenance and management expenses	7,908	7,881
Other	23,744	18,336
Total non-operating expenses	167,747	62,634
Ordinary income	1,958,722	2,211,713
Extraordinary income		
Gain on sales of fixed assets	383	2,421
State subsidy	1,424	1,440
Insurance income	18,128	5,167
Total extraordinary income	19,936	9,029
Extraordinary losses		
Loss on disposal of fixed assets	0	11
Total extraordinary losses	0	11
Profit before income taxes and minority interests	1,978,659	2,220,731
Income taxes - current	650,295	587,897
Income taxes - deferred	(70,424)	(31,292)
Total income taxes	579,870	556,605
Profit after income taxes	1,398,788	1,664,125
Profit attributable to non-controlling interests	15,256	12,314
Profit attributable to owners of parent company	1,383,531	1,651,810

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit after income taxes	1,398,788	1,664,125
Other comprehensive income		
Valuation difference on available-for-sale securities	492,782	129,183
Difference in foreign exchange	142,577	(16,400)
Remeasurements of defined benefit	57,292	43,451
Share of other comprehensive income of associates	8,251	22,404
Total other comprehensive income	700,903	178,639
Comprehensive income	2,099,692	1,842,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent company	2,084,435	1,830,449
Comprehensive income attributable to non-controlling interests	15,256	12,314

(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2017

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,736,508	19,309,786	(1,317,293)	27,980,401
Changes of items during period					
Dividends of surplus			(419,820)		(419,820)
Profit attributable to owners of parent company			1,383,531		1,383,531
Purchase of treasury shares				(194,159)	(194,159)
Disposal of treasury shares					
Increase of treasury shares of associate company				(0)	(0)
Change of scope of equity method			(671)		(671)
Other changes of shareholders' equity					
Total changes during current period			963,039	(194,159)	768,879
Balance at end of current period	5,251,400	4,736,508	20,272,825	(1,511,453)	28,749,280

	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	241,061	77,730	(415,129)	(96,337)	189,681	28,073,745
Changes of items during period						
Dividends of surplus						(419,820)
Profit attributable to owners of parent company						1,383,531
Purchase of treasury shares						(194,159)
Disposal of treasury shares						
Increase of treasury shares of associate company						(0)
Change of scope of equity method						(671)
Other changes of shareholders' equity	515,032	142,577	43,293	700,903	15,256	716,160
Total changes during current period	515,032	142,577	43,293	700,903	15,256	1,485,040
Balance at end of current period	756,093	220,308	(371,835)	604,565	204,938	29,558,785

For the fiscal year ended March 31, 2018

(Thousand yen)

	Shareholders' equity				
	Share capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,251,400	4,736,508	20,272,825	(1,511,453)	28,749,280
Changes of items during period					
Dividends of surplus			(415,336)		(415,336)
Profit attributable to owners of parent company			1,651,810		1,651,810
Purchase of treasury shares				(198,891)	(198,891)
Disposal of treasury shares		15		18	34
Increase of treasury shares of associate company				(1)	(1)
Change of scope of equity method					
Other changes of shareholders' equity					
Total changes during current period		15	1,236,473	(198,874)	1,037,615
Balance at end of current period	5,251,400	4,736,524	21,509,299	(1,710,327)	29,786,896

	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	756,093	220,308	(371,835)	604,565	204,938	29,558,785
Changes of items during period						
Dividends of surplus						(415,336)
Profit attributable to owners of parent company						1,651,810
Purchase of treasury shares						(198,891)
Disposal of treasury shares						34
Increase of treasury shares of associate company						(1)
Change of scope of equity method						
Other changes of shareholders' equity	149,791	(16,400)	45,247	178,639	12,314	190,954
Total changes during current period	149,791	(16,400)	45,247	178,639	12,314	1,228,569
Balance at end of current period	905,884	203,908	(326,588)	783,204	217,253	30,787,354

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes and minority interests	1,978,659	2,220,731
Depreciation	689,322	669,155
Increase (decrease) in provision for doubtful accounts	(49,671)	(46,101)
Increase (decrease) in provision for bonuses	(1,672)	(3,449)
Increase (decrease) in net defined benefit liability	135,020	140,242
Increase (decrease) in provision for loss on construction contracts	30,223	(30,223)
Increase (decrease) in provision for environmental measures	(5,904)	(9,278)
Interest and dividend income	(92,964)	(105,060)
Interest expenses	23,398	24,416
Foreign exchange losses (gains)	145,478	5,064
Share of (income) loss of associates	(371,772)	(380,441)
Loss (gain) on sales of fixed assets	(383)	(2,421)
Loss on disposal of fixed assets	0	11
State subsidy	(1,424)	(1,440)
Insurance income	(18,128)	(5,167)
Decrease (increase) in notes and accounts receivable - trade	(1,909,852)	(1,453,953)
Decrease (increase) in inventories	(513,974)	82,727
Decrease (increase) in other current assets	156,669	(73,332)
Increase (decrease) in notes and accounts payable - trade	1,886,944	266,676
Increase (decrease) in accrued consumption taxes	(222,581)	89,099
Increase (decrease) in other current liabilities	81,466	(103,799)
Decrease (increase) in other non-current assets	—	(14)
Increase (decrease) in other non-current liabilities	(18,088)	(36,235)
Subtotal	1,920,764	1,247,204
Interest and dividend income received	295,895	294,710
Interest expenses paid	(23,482)	(22,510)
Proceeds from insurance income	18,128	5,167
Income taxes paid	(355,396)	(625,146)
Net cash provided by (used in) operating activities	1,855,909	899,425

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from investing activities</b>		
Payments into time deposits	(423)	(4,290)
Purchase of fixed assets	(657,941)	(349,873)
Proceeds from sales of fixed assets	2,508	2,421
Proceeds from state subsidy	1,424	1,440
Purchase of shares of associated companies	(99,777)	—
Decrease (increase) in other investments	54,589	(13,340)
Net cash provided by (used in) investing activities	(699,620)	(363,643)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	6,289	15,104
Purchase of treasury shares	(194,159)	(198,891)
Proceeds from sales of treasury shares	—	34
Cash dividends paid	(419,757)	(414,983)
Net cash provided by (used in) financing activities	(607,626)	(598,735)
Net foreign exchange on cash and cash equivalents	465	4,454
Net increase (decrease) in cash and cash equivalents	549,126	(58,499)
Cash and cash equivalents at the beginning of the period	8,287,591	8,836,718
Cash and cash equivalents at the end of the period	8,836,718	8,778,218

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

No relevant items.

(Segment information, etc.)

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, 2017 (April 1, 2016 to March 31, 2017)

(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	16,859,590	13,644,157	977,811	31,481,559	590,471	32,072,030	—	32,072,030
Inter-segment turnover or transfers	15,304	—	42,652	57,956	381	58,337	(58,337)	—
Total	16,874,894	13,644,157	1,020,463	31,539,515	590,852	32,130,368	(58,337)	32,072,030
Segment income	482,019	458,099	410,083	1,350,202	148,749	1,498,952	—	1,498,952
Segment assets	19,384,714	10,203,114	2,540,541	32,128,369	1,651,622	33,779,991	13,721,362	47,501,354
Other items								
Depreciation	397,822	67,381	102,976	568,180	103,899	672,080	36,737	708,818
Increase in property, plant and equipment and intangible assets	589,756	97,310	132,163	819,230	1,837	821,068	46,775	867,844

(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 ¥(58,337) thousand is the elimination of inter-segment transactions.

(2) An adjustment to segment assets of ¥13,721,362 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥12,750,556 thousand and assets associated with administration divisions, etc. of ¥970,805 thousand.

(3) The adjustment to the increase in property, plant and equipment and intangible assets of ¥46,775 thousand accounts for capital expenditure for the head office building, etc.

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

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



For the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	19,811,130	16,056,680	991,458	36,859,269	585,857	37,445,127	—	37,455,127
Inter-segment turnover or transfers	16,338	—	42,837	59,176	203	59,379	(59,379)	—
Total	19,827,469	16,056,680	1,034,296	36,918,446	586,060	37,504,507	(59,379)	37,445,127
Segment income	235,239	923,352	373,300	1,531,892	146,513	1,678,406	—	1,678,406
Segment assets	19,859,101	10,994,259	2,318,067	33,171,428	1,544,765	34,716,193	14,318,613	49,034,806
Other items								
Depreciation	382,797	63,542	111,177	557,517	99,630	657,147	37,092	694,240
Increase in property, plant and equipment and intangible assets	218,576	67,965	115,946	402,488	1,074	403,563	22,544	426,107

(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 ¥(59,379) thousand is the elimination of inter-segment transactions.

(2) An adjustment to segment assets of ¥14,318,613 thousand is corporate assets not allocated to reportable segments, comprising investment securities of ¥13,150,972 thousand and assets associated with administration divisions, etc. of ¥1,167,640 thousand.

(3) The adjustment to the increase in property, plant and equipment and intangible assets of ¥22,544 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, 2017	For the fiscal year ended March 31, 2018
Net assets per share	¥1,166.30	¥1,228.33
Earnings per share	¥54.54	¥66.03

(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, 2017	For the fiscal year ended March 31, 2018
Profit attributable to owners of parent company (Thousand yen)	1,383,531	1,651,810
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent company relating to common stock (Thousand yen)	1,383,531	1,651,810
Average number of common stock during the period (Shares)	25,368,851	25,016,254

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

Items	As of March 31, 2017	As of March 31, 2018
Total net assets (Thousand yen)	29,558,785	30,787,354
Amount to be subtracted from the total net assets (Thousand yen)	204,938	217,253
[Non-controlling interest of the above (Thousand yen)]	[204,938]	[217,253]
Net assets at year-end relating to common stock (Thousand yen)	29,353,846	30,570,101
Number of common stock at year-end used for calculating earnings per share (Shares)	25,168,320	24,887,592

(Significant subsequent events)

No relevant items.