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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

January 17, 2024

Company name: NIPPON CONCRETE INDUSTRIES CO., LTD.
 Stock exchange listing: Tokyo
 Code number: 5269
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 Scheduled date of filing quarterly securities report: January 17, 2024
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	26,433	7.4	1,273	-	1,529	320.4	808	-
September 30, 2022	24,608	16.5	40	(83.3)	363	(31.8)	49	(92.3)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,433 million [533.0%]
 Six months ended September 30, 2022: ¥ 384 million [196.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	14.89	-
September 30, 2022	0.91	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	80,378	40,080	46.3
March 31, 2023	77,063	37,658	45.4

(Reference) Equity: As of September 30, 2023: ¥ 37,254 million
 As of March 31, 2023: ¥ 34,949 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2024	-	6.50			
Fiscal year ending March 31, 2024 (Forecast)			-	6.50	13.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	55,000	3.8	1,900	-	2,300	-	1,200	-	22.10

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2023: 57,777,432 shares

March 31, 2023: 57,777,432 shares

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

September 30, 2023: 3,480,121 shares

March 31, 2023: 3,483,945 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 54,294,932 shares

Six months ended September 30, 2022: 54,495,194 shares

* Quarterly financial results are not required to be subjected to quarterly reviews.

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

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

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Business Results

In the six months ended September 30, 2023, although the economic environment saw progress in the normalization of economic activity, and the economy showed signs of gradual recovery, the outlook remained uncertain due to an increase in raw material and logistics expenses caused by an unstable international environment and depreciation of the yen, etc.

Regarding the business environment in which the Group operates, while attention was drawn to the Group's products, construction, and supply systems, which enable rapid recovery from disasters, expectations also remained high for precast concrete products and construction technology that contribute to disaster prevention and mitigation, maintenance of social infrastructure, the shortening of construction periods and labor saving, as well as for the Company-developed technology for carbon capture and CCUS (carbon dioxide capture, utilization and storage) products, and low-carbon type concrete products.

In these circumstances, due to the recording of losses and non-payment of dividends in the previous fiscal year, the Group formulated a business improvement plan (announced on May 19, 2023) to realize a quick recovery in business performance and resume dividends. The Group has been steadily implementing various initiatives such as the penetration of fair prices, sales expansion, and cost reductions as outlined in this plan and achieved certain results.

As a result, the Group's net sales for the period under review were 26,433 million yen (up 7.4% year-on-year), operating profit was 1,273 million yen (up 3,034.6% year-on-year), ordinary profit was 1,529 million yen (up 320.4% year-on-year), and profit attributable to owners of parent was 808 million yen (up 1,532.9% year-on-year).

Regarding the damage from ransomware infection which occurred on May 5, 2023, direct impact of the damage on our production and sales was minimal as we made efforts to maintain and recover business activities. However, we sincerely apologize to our shareholders and investors for the concern and inconvenience caused by a delay in the announcement of the financial results for the six months ended September 30.

We are currently working to eliminate delays, but we expect to apply for an extension of approximately one month to the deadline for the announcement of the financial results for the nine months ended December 31, 2023. We are aiming to announce the financial results for the fiscal year ending March 31, 2024 in time for the deadline.

An overview of each business for the period under review is as follows.

1) Foundation Business

The demand for concrete piles across Japan during the six months ended September 30, 2023 decreased from a year earlier, and the Group's shipment volume was lower than estimated. Nevertheless, as a result of the Company's efforts for the penetration of fair prices, net sales were 12,933 million yen (up 1.5% year-on-year).

Segment income was 550 million yen (up 174.9% year-on-year) as the Company also worked to increase construction profitability despite plant utilization rates that were slightly lower than the Company's estimation.

2) Concrete Secondary Product Business

In the Pole-related Business, which is part of the Concrete Secondary Product Business, concrete pole shipments throughout Japan remained roughly at the same level from a year earlier. In this environment, the Group's shipment volume increased slightly and negotiations were conducted with large-volume customers to review selling prices. As a result, net sales amounted to 7,628 million yen (up 18.1% year-on-year).

In the Civil Engineering Product Business, production of RC segments intended for the Linear Chuo Shinkansen remained brisk. In addition, shipments and construction of precast products such as precast concrete walls and "Oyagui-panel" soldier pile panel progressed more smoothly than expected. As a result, net sales were 5,720 million yen (up 8.9% year-on-year).

As a result, net sales in the Concrete Secondary Product Business amounted to 13,349 million yen (up 14.0% year-on-year).

Segment income was 1,360 million yen (up 158.7% year-on-year) due to successful penetration of fair prices in the same way as the Foundation Business.

3) Real Estate and Solar Power Generation Business

The Company reported steady rental income, and generated and sold electricity for net sales that amounted to 150 million yen (up 0.3% year-on-year) and segment income was 95 million yen (up 1.4% year-on-year).

We expect that the conditions of the business environment in which the Group operates will remain severe owing to the on-going risks presented by an unstable international environment, price increases, an intense labor shortage in the construction industry, and the 2024 problem in logistics.

Under these circumstances, the Group will certainly implement the initiatives outlined in the business improvement plan and strive to realize a further recovery in business performance. At the same time, the Group is determined to build a foundation for delivering its growth strategy in the new Medium-Term Management Plan, which is scheduled to be formulated and announced in 2024.

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

(2) Explanation of Financial Position

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

Total assets at the end of the second quarter of the fiscal year under review were 80,378 million yen, up 3,315 million yen from the end of the previous fiscal year.

Current assets were 35,672 million yen, up 1,112 million yen from the end of the previous fiscal year, and non-

current assets were 44,706 million yen, up 2,202 million yen from the end of the previous fiscal year.

The increase in current assets was mainly due to an increase in cash and deposits, and the increase in non-current assets was mainly due to an increase in investment securities.

Total liabilities were 40,298 million yen, up 894 million yen from the end of the previous fiscal year.

Current liabilities were 26,616 million yen, up 1,150 million yen from the end of the previous fiscal year, and non-current liabilities were 13,681 million yen, down 256 million yen from the end of the previous fiscal year.

The increase in current liabilities was mainly due to increases in notes and accounts payable - trade and income taxes payable, and the decrease in non-current liabilities was mainly due to a decrease in long-term borrowings.

Total net assets were 40,080 million yen, up 2,421 million yen from the end of the previous fiscal year. It was mainly due to an increase in valuation difference on available-for-sale securities.

As a result of the above, the equity ratio came to 46.3%, up from 45.4% at the end of the previous consolidated fiscal year.

Analysis of Cash Flows

Cash and cash equivalents at the end of the six months ended September 30, 2023 amounted to 9,114 million yen.

(Cash flows from operating activities)

Funds provided by operating activities amounted to 3,429 million yen (outflow of 110 million yen in the same period last year).

This was chiefly due to the factors to increase funds, such as 1,588 million yen recorded as profit before income taxes, 882 million yen recorded as depreciation and 1,539 million yen recorded as a decrease in notes and accounts receivable - trade and contract assets.

(Cash flows from investing activities)

Funds used in investing activities totaled 609 million yen (as compared to 693 million yen in the same period last year).

This was chiefly due to the factors to decrease funds, such as 589 million yen recorded as purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds used in financing activities totaled 849 million yen (as compared to 901 million yen in the same period last year).

This was chiefly because the factors to decrease funds, such as 1,114 million yen recorded as repayments of long-term borrowings, exceeded the factors to increase funds, such as 243 million yen recorded as net increase in short-term borrowings.

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

In view of the recent business trends, the Company revised its full-year consolidated financial results forecast announced on May 19, 2023. For details, please refer to the "Notice regarding Revision of the Financial Results Forecast for the Six Months Ended September 30, 2023 and the Fiscal Year Ending March 31, 2024" released on January 11, 2024.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	7,136,254	9,114,533
Notes and accounts receivable - trade, and contract assets	13,835,737	11,725,210
Electronically recorded monetary claims - operating	2,851,162	3,421,814
Merchandise and finished goods	6,662,602	7,534,726
Work in process	616,733	719,225
Raw materials and supplies	1,851,977	2,001,177
Costs on construction contracts in progress	548,749	279,211
Other	1,080,338	881,136
Allowance for doubtful accounts	(24,300)	(4,800)
Total current assets	34,559,255	35,672,235
Non-current assets		
Property, plant and equipment		
Land	17,237,062	17,237,062
Other, net	9,215,411	9,041,402
Total property, plant and equipment	26,452,474	26,278,465
Intangible assets	596,533	841,176
Investments and other assets		
Investment securities	12,235,905	14,439,241
Other	3,356,033	3,289,547
Allowance for doubtful accounts	(136,987)	(141,941)
Total investments and other assets	15,454,951	17,586,846
Total non-current assets	42,503,959	44,706,489
Total assets	77,063,214	80,378,724

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,345,374	5,607,797
Electronically recorded obligations - operating	10,094,953	10,167,522
Short-term borrowings	4,049,600	4,293,200
Current portion of long-term borrowings	2,121,682	1,997,536
Income taxes payable	308,412	669,202
Provisions	605,124	623,333
Other	2,941,088	3,258,261
Total current liabilities	25,466,236	26,616,852
Non-current liabilities		
Bonds payable	140,000	120,000
Long-term borrowings	6,697,588	5,807,133
Retirement benefit liability	1,242,252	1,267,779
Other	5,858,211	6,486,557
Total non-current liabilities	13,938,051	13,681,469
Total liabilities	39,404,287	40,298,322
Net assets		
Shareholders' equity		
Share capital	5,111,583	5,111,583
Capital surplus	3,857,548	3,858,541
Retained earnings	18,493,031	19,301,628
Treasury shares	(1,010,996)	(1,009,766)
Total shareholders' equity	26,451,166	27,261,987
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,452,402	4,921,578
Revaluation reserve for land	5,312,368	5,312,368
Foreign currency translation adjustment	(178,438)	(142,029)
Remeasurements of defined benefit plans	(88,161)	(99,092)
Total accumulated other comprehensive income	8,498,170	9,992,824
Non-controlling interests	2,709,590	2,825,589
Total net assets	37,658,927	40,080,402
Total liabilities and net assets	77,063,214	80,378,724

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	24,608,243	26,433,569
Cost of sales	21,283,850	21,765,974
Gross profit	3,324,393	4,667,594
Selling, general and administrative expenses	3,283,771	3,394,283
Operating profit	40,621	1,273,310
Non-operating income		
Interest income	2,697	4,157
Dividend income	167,019	180,258
Share of profit of entities accounted for using equity method	76,256	120,954
Other	163,580	78,493
Total non-operating income	409,555	383,863
Non-operating expenses		
Interest expenses	30,820	33,681
Loss on claims	-	13,964
Loss from suspension of plantoperations assets	7,168	26,961
Other	48,288	52,638
Total non-operating expenses	86,276	127,246
Ordinary profit	363,899	1,529,928
Extraordinary income		
Gain on sale of non-current assets	16,515	1,754
Gain on sale of investment securities	-	93,732
Total extraordinary income	16,515	95,486
Extraordinary losses		
System failure response costs	-	28,223
Loss on retirement of non-current assets	24,360	8,596
Total extraordinary losses	24,360	36,819
Profit before income taxes	356,054	1,588,595
Income taxes - current	208,410	652,303
Income taxes - deferred	34,452	15,142
Total income taxes	242,863	667,445
Profit	113,191	921,149
Profit attributable to non-controlling interests	63,671	112,551
Profit attributable to owners of parent	49,519	808,597

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	113,191	921,149
Other comprehensive income		
Valuation difference on available-for-sale securities	316,172	1,466,028
Foreign currency translation adjustment	(1,215)	41,686
Remeasurements of defined benefit plans, net of tax	(39,338)	(7,676)
Share of other comprehensive income of entities accounted for using equity method	(4,404)	11,926
Total other comprehensive income	271,214	1,511,965
Comprehensive income	384,406	2,433,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	319,263	2,303,251
Comprehensive income attributable to non-controlling interests	65,142	129,862

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	356,054	1,588,595
Depreciation	918,476	882,277
Amortization of goodwill	28,464	-
Increase (decrease) in allowance for doubtful accounts	(115,455)	(14,545)
Increase (decrease) in provision for bonuses	(17,238)	8,346
Increase (decrease) in provision for bonuses for directors (and other officers)	(11,811)	21,221
Increase (decrease) in provision for loss on construction contracts	(81,070)	(12,590)
Increase (decrease) in retirement benefit liability	4,227	25,526
Decrease (increase) in retirement benefit asset	(76,394)	(15,596)
Share of loss (profit) of entities accounted for using equity method	(76,256)	(120,954)
Interest and dividend income	(169,717)	(184,415)
Interest expenses	30,820	33,681
Loss (gain) on sale of non-current assets	(16,515)	(1,754)
Loss on retirement of non-current assets	24,360	8,596
Loss (gain) on sale of investment securities	-	(93,732)
System failure response costs	-	28,223
Decrease (increase) in notes and accounts receivable - trade and contract assets	(1,506,184)	1,539,874
Decrease (increase) in inventories	(836,168)	(854,277)
Increase (decrease) in trade payables	1,002,988	334,991
Increase (decrease) in advance received and contract debt	60,746	235,950
Decrease (increase) in accounts receivable - other	159,909	334,248
Increase (decrease) in accounts payable - other	(82,676)	(95,655)
Increase (decrease) in accrued consumption taxes	(147,682)	(59,633)
Decrease (increase) in other investments	460,666	(3,231)
Other, net	(54,162)	(21,932)
Subtotal	(144,617)	3,563,213
Interest and dividends received	187,347	217,446
Interest paid	(33,306)	(36,378)
Income taxes paid	(178,997)	(329,255)
Income taxes refund	59,092	42,367
System failure response costs paid	-	(28,223)
Net cash provided by (used in) operating activities	(110,482)	3,429,170

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(662,709)	(589,110)
Proceeds from sale of property, plant and equipment	16,515	1,822
Purchase of intangible assets	(46,934)	(119,667)
Purchase of investment securities	(458)	(535)
Proceeds from sale of investment securities	-	99,510
Other, net	(250)	(1,059)
Net cash provided by (used in) investing activities	(693,836)	(609,041)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	455,000	243,600
Proceeds from long-term borrowings	400,000	100,000
Repayments of long-term borrowings	(1,187,052)	(1,114,601)
Redemption of bonds	(14,500)	(20,000)
Repayments of lease liabilities	(50,670)	(45,589)
Purchase of treasury shares	(299,364)	-
Dividends paid	(249,621)	-
Dividends paid to non-controlling interests	(13,555)	(12,827)
Proceeds from sales of shares of parent held by subsidiaries	60,200	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,714)	(35)
Net cash provided by (used in) financing activities	(901,277)	(849,452)
Effect of exchange rate change on cash and cash equivalents	(1,660)	7,602
Net increase (decrease) in cash and cash equivalents	(1,707,256)	1,978,278
Cash and cash equivalents at beginning of period	8,599,733	7,136,254
Cash and cash equivalents at end of period	6,892,476	9,114,533

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes in the Case of Significant Changes in the Amount of Shareholders' Equity)

For the six months ended September 30, 2022

1. Dividends paid

Resolution	Type of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
May 30, 2022 Board of Directors' Meeting	Common shares	250,588	4.50	March 31, 2022	June 14, 2022	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on May 30, 2022 includes dividend of 627 thousand yen for the Board Incentive Plan Trust (BIP) and dividend of 496 thousand yen for the Stock Granting Trust (J-ESOP).

2. Dividends with a record date in the six months ended September 30, 2022 but with an effective date after the end of the period

There is no relevant information.

3. Significant changes in shareholders' equity

There is no relevant information.

For the six months ended September 30, 2023

1. Dividends paid

There is no relevant information due to non-payment of dividends.

2. Dividends with a record date in the six months ended September 30, 2023 but with an effective date after the end of the period

Resolution	Type of shares	Total amount of dividends paid (Thousand yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
November 30, 2023 Board of Directors' Meeting	Common shares	355,280	6.50	September 30, 2023	December 29, 2023	Retained earnings

(Note) The total amount of dividends based on the resolution of the Board of Directors' Meeting held on November 30, 2023 includes dividend of 873 thousand yen for the Board Incentive Plan Trust (BIP) and dividend of 692 thousand yen for the Stock Granting Trust (J-ESOP).

3. Significant changes in shareholders' equity

There is no relevant information.

(Changes in Accounting Policies)

(Application of Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

Effective from the beginning of the first quarter of the fiscal year under review, the Company has applied the “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ PITF No.43, August 26, 2022).

There has been no impact on quarterly consolidated financial statements.

(Additional Information)

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

(1) Summary of the transaction

As for the Board Incentive Plan Trust (hereinafter referred to as the “BIP Trust”) and the Stock Granting Trust (J-ESOP) (hereinafter referred to as the “J-ESOP Trust”) introduced in August 2015, the Company resolved at the Board of Directors’ Meeting held on August 11, 2021 to continue the BIP Trust and the J-ESOP Trust for a new three-year period (from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024) and reintroduced them by entering into an agreement to extend their terms, for the purpose of increasing motivation to improve the Company’s medium- to long-term performance and raising awareness toward the contribution to an increase in shareholder value.

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

The Company’s shares remaining in the trust are recorded as treasury shares in net assets at their book value (excluding incidental expenses) in the trust. The book value and the number of shares of the treasury shares at the end of the second quarter of the fiscal year under review are 42,973 thousand yen and 134,359 shares for the BIP Trust, and 34,730 thousand yen and 106,597 shares for the J-ESOP Trust.

(Segment Information, etc.)

[Segment Information]

I. For the six months ended September 30, 2022

1. Information on net sales and income by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statements of income (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	12,748,582	11,709,865	149,795	24,608,243	–	24,608,243
Inter-segment net sales or transfers	1,157	–	–	1,157	(1,157)	–
Total	12,749,739	11,709,865	149,795	24,609,401	(1,157)	24,608,243
Segment income	200,141	525,905	94,140	820,187	(779,566)	40,621

(Notes) 1. The adjustment for segment income mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.

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

2. Information on impairment losses of non-current assets and goodwill by reportable segment

There is no relevant information.

II. For the six months ended September 30, 2023

1. Information on net sales and income by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statements of income (Note 2)
	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total		
Net sales						
Net sales to outside customers	12,933,599	13,349,755	150,214	26,433,569	–	26,433,569
Inter-segment net sales or transfers	219	–	–	219	(219)	–
Total	12,933,819	13,349,755	150,214	26,433,788	(219)	26,433,569
Segment income	550,095	1,360,750	95,466	2,006,312	(733,001)	1,273,310

(Notes) 1. The adjustment for segment income mainly includes corporate expenses. Corporate expenses mainly include general and administrative expenses, not attributed to reportable segments.

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

2. Information on impairment losses of non-current assets and goodwill by reportable segment

There is no relevant information.

(Matters Related to Revenue Recognition)

Information on the breakdown of revenue arising from contracts with customers

For the six months ended September 30, 2022

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	2,794,784	9,992,932	–	12,787,716
Construction contract sales	9,944,007	1,710,051	–	11,654,059
Other sales	5,750	6,881	32,193	44,824
Revenue from contracts with customers	12,744,541	11,709,865	32,193	24,486,600
Other revenue (Note)	4,040	–	117,602	121,642
Net sales to outside customers	12,748,582	11,709,865	149,795	24,608,243

(Note) Other revenue includes revenue from real estate leasing.

For the six months ended September 30, 2023

(Thousand yen)

	Foundation Business	Concrete Secondary Product Business	Real Estate and Solar Power Generation Business	Total
Product sales	1,479,130	10,953,047	–	12,432,177
Construction contract sales	11,448,743	2,394,449	–	13,843,193
Other sales	4,840	2,258	31,465	38,563
Revenue from contracts with customers	12,932,714	13,349,755	31,465	26,313,934
Other revenue (Note)	885	–	118,749	119,634
Net sales to outside customers	12,933,599	13,349,755	150,214	26,433,569

(Note) Other revenue includes revenue from real estate leasing.

(Significant Events after Reporting Period)

There is no relevant information.

3. Other

Significant Events Relating to Going Concern Assumption, etc.

There is no relevant information.