

Connect to the Future with Protection Technology

2021 Annual Report



NITTOC

HEADQUARTERS

4F, 5F and 6F, Daiwa Higashi-Nihonbashi Bldg.,
3-10-6, Higashi-Nihonbashi, Chuo-ku, Tokyo 103-0004, Japan
TEL +81-3-5645-5050 FAX +81-3-5645-5051
The Corporate Strategy Division
TEL +81-3-5645-5080 FAX +81-3-5645-5083

JAKARTA Representative Office

GENERALI TOWER
GRAN RUBINA BUSINESS PARK 16th Floor Unit G
JI. HR Rasuna Said, Kuningan Jakarta 12940, Indonesia

NITTOC

NITTOC CONSTRUCTION CO., LTD.

Connect to the Future with Protection Technology

MISSION

With efficient management and comprehensive technical capabilities in foundation work, we are the company that provides safe and secure society and contributes to countries.

CONTENT

- 02 Corporate History
- 04 Advantage of NITTOC
- 06 Financial Highlights
- 08 Message from the President
- 10 Summary of the Medium-Term Management Plan
- 12 Disaster Prevention and Environmental Conservation
- 16 Urban Regeneration
- 20 Maintenance and Renovation
- 24 Domestic Construction Projects
- 26 Our Award-Winning History
- 27 Fiscal 2020 Construction Technology Exhibition Achievement
- 28 Overseas Deployment
- 32 SDGs Initiatives
- 34 Environmental Responsibility
- 35 Landscape Conservation Technology for Cultural Properties
- 36 Contribution to Society
- 38 Corporate Governance
- 40 Management Members
- 42 Consolidated Financial Statements
- 77 Corporate Overview and Major Construction Methods

Editorial Policy

Since the fiscal year ended March 31, 2014, NITTOC CONSTRUCTION CO., LTD. has published an Annual Report in order to share information on its management policy, business strategy, and value creation over the medium- to long-term with its shareholders, investors, and other stakeholders.

• Period Covered by This Report

This report covers the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021). However, times before or after this period are mentioned as necessary.

• Scope of This Report

This report covers NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries (as of March 31, 2021).

• Notes on Future Outlook

Statements in this report that are not historical facts are future forecasts based on the Company's future outlook and plans. As the future forecasts include elements of risk and uncertainty, actual results and performances may differ from the forecasts provided in this report.



Corporate History

In 1938, the construction of Uryu Dai-ichi Dam, a huge water reservoir with pondage of 240 million cubic meters, commenced at the foot of Mt. Taisetsu in Hokkaido. The dam was a gravity-type concrete structure of 45.5 m in height. To lead the project to a successful completion, extraordinary efforts were exercised for the disposal of the breccia-conglomerate at the site of the foundation. NITTOC's original technologies accumulated to date originated from this dam construction project.

Established in 1947, the Company took the initiative in leading the dam foundation works as the initial work type for its inaugural era during Japan's heyday of constructing dam power stations associated with the development of power sources. In particular, NITTOC's technology, which boasted the collective strength deriving from the united efforts of civil engineers and geologists, was highly appraised from various quarters. Consequently, the Company undertook most of the foundation works of domestic large-scale dams including Kansai Electric Power's Kurobe 4th Dam (the so-called Kuro-yon dam). Moreover, the Company proactively addressed various projects regarding the Shinkansen, expressways, building foundations and so on with the aim of becoming a comprehensive foundation company that appropriately adapts itself to eras of technological innovation.

With the change of the company name (to the current name) in 1972 fueling momentum, the Company endeavored to expand its operations over a variety of civil engineering fields such as dam, river, road, water supply, sewage and land development and has achieved outstanding results in these fields.

In 1983, the Company listed its stock on the Second Section of the Tokyo Stock Exchange, followed by the subsequent listing on the First Section in 1985.

We celebrated our 70th founding anniversary in December 2017. We intend to contribute to our society widely as a comprehensive construction company that features foundation technology.

1983 October

Acquired the License No. (1) 3193 for the building lots and buildings transaction business, issued by the Minister of Construction.

1983 December

Listed on the Second Section of the Tokyo Stock Exchange.

1985 April

Established NITTOC Real Estate Co., Ltd.

1985 June

Construction of the common-use building (Ginza Showa-dori Building) of the Headquarters was completed.

1985 September

Listed on the First Section of the Tokyo Stock Exchange.

1985 October

Established High-Tech Lease Co., Ltd. (consolidated subsidiary).

1986 March

Completed Tsukuba Laboratory.

1990 May

Established Dome Construction Industry Co., Ltd. (unconsolidated subsidiary)

1990 June

Completed Akashicho Suboffice Building.



Construction of Kawamata Dam (2017)



JR Kure Line, Saizaki Area External Disaster Restoration Work (Mihara-shi-Higashihiroshima-shi, Hiroshima Prefecture)



Ogitsu Work of Joban Expressway, Japan Highway Public Corp. (Ibaraki Prefecture)

2010~

2013 December

Established Yamaguchi Earth Engineering Co., Ltd. (currently a consolidated subsidiary)

2015 September

Sold the Akashi-cho Suboffice Building

2015 December

Headquarters relocated from Ginza, Chuo-ku, Tokyo, to Higashi-Nihonbashi, Chuo-ku, Tokyo.

2016 March

Established PT NITTOC CONSTRUCTION INDONESIA (consolidated subsidiary).

2017

Kumamoto Earthquakes Disaster Restoration Work

2017

Construction of Kawamata Dam (2017)

2018

JR Kure Line, Saizaki Area External Disaster Restoration Work (Mihara-shi-Higashihiroshima-shi, Hiroshima Prefecture)

2019 January

Established Ehime Earth Engineering Co., Ltd. (currently a consolidated subsidiary)

2000~

2001 March

Liquidated NITTOC Real Estate Co., Ltd.

2003 March

Registered for examination of ISO9000 approval for the whole corporation.

2003 November

Liquidated Japan Public K.K. (consolidated subsidiary).

2004 October

Established Shimane Earth Engineering Co., Ltd. (currently a consolidated subsidiary).

2008 March

Closed Tsukuba Laboratory.

2009 March

Liquidated High-Tech Lease Co., Ltd. (consolidated subsidiary).

1980~



Yoshino Area 2 (Zones 1 to 3) Disaster-related emergency forest conservation work (Atsuma Town, Yufutsu District, Hokkaido)



Kumamoto Earthquakes Disaster Restoration Work



National Route No. 28 Yasuhira Work of the Honshu-Shikoku Bridge Authority (Awaji Island, Hyogo Prefecture)



Otsuchi Town, Ando Area Reconstruction Work (Otsuchi Town, Kamihei District, Iwate Prefecture)



National Route No. 30 Mukaiyama-minami Work of the Honshu-Shikoku Bridge Authority (Kagawa Prefecture)

Bannosu Elevated Bridge Substructure Work of the Honshu-Shikoku Bridge Authority (Kagawa Prefecture)

1953~

1953 April

The Company was established in Sapporo, Hokkaido, as Yachiyo Chika Kogyo K.K., of which the major purposes were geological survey and foundation work.

1957 January

Headquarters relocated to Minato-ku, Tokyo.

1959 December

Trade name changed to Nippon Tokushu Doboku Kogyo K.K.

1961 December

Headquarters relocated to Chiyoda-ku, Tokyo.

1962 December

For the purpose of changing the par value of Nippon Tokushu Doboku Kogyo's shares, Nippon Tokushu Doboku Kogyo K.K. merged Hikari Shokai K.K., which was established in December 1947, by changing the latter's trade name and business.

1963 February

Established Japan Public K.K.

1965 March

Headquarters relocated to Chuo-ku, Tokyo.

1972 May

Trade name changed to NITTOC CONSTRUCTION CO., LTD.

1972 October

Acquired the License No. (Specified-47) 211, issued by the Minister of Construction.

1979 December

Established Midori Industries Co., Ltd. (currently a consolidated subsidiary)

Since the establishment of NittoC, we have cultivated our unique expertise through our construction experience for more than half century. NITTOC is a leading company in the field of foundation work in Japan. Nowadays, we have different field of technique to respond to the needs of society, “Disaster Prevention and Environmental Conservation”, “Urban Regeneration”, and “Maintenance and Renovation”. Our technology contributes safety and secure environment to the society.

3 Types of Business Field respond to Social Needs

We are holding **200** types of technology and construction method



Urban Regeneration

We must restructure in order to reborn a city under the strong disaster. It is not an easy project in the city which has so many compressed buildings. Even under the compress buildings situation, NITTOC have developed earthquake resistant, liquefaction prevention and existing pile removal method to contribute the society.



Maintenance and Renovation

NITTOC specializes in slope related technique which accumulates a brilliant achievement. Today, in this aging social infrastructure century, we developed our own diagnostic techniques as well as repair method for the existing slopes, we also established a control system that can be coordinates in maintenance work totally. In addition, we have developed special materials for long distance pumping, high strength and introduced in harsh environment, mountain area or long distance tunnel for headrace channel.



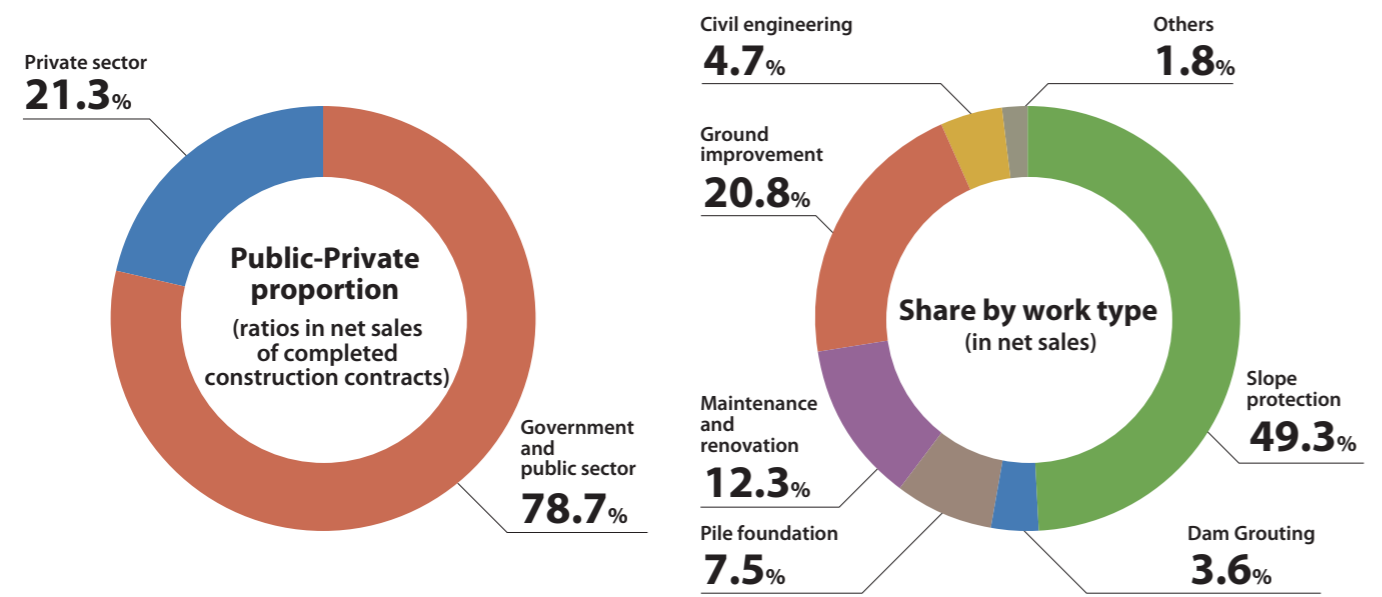
Disaster Prevention and Environmental Conservation

Since Japan has geographical conditions that make it prone to being affected by natural disasters, large scale disasters have become more frequent in recent years. For this reason, in order to build a friendly, trusty and safe society in Japan, we have developed our slope protection method does not use concrete, using a method for spraying vegetative material base, or greening method by using surplus soil left in the site, based on the consideration of the disaster prevention environment. In addition, NITTOC accumulates a brilliant achievement about Anchor Method, that is necessary to slope disaster prevention.

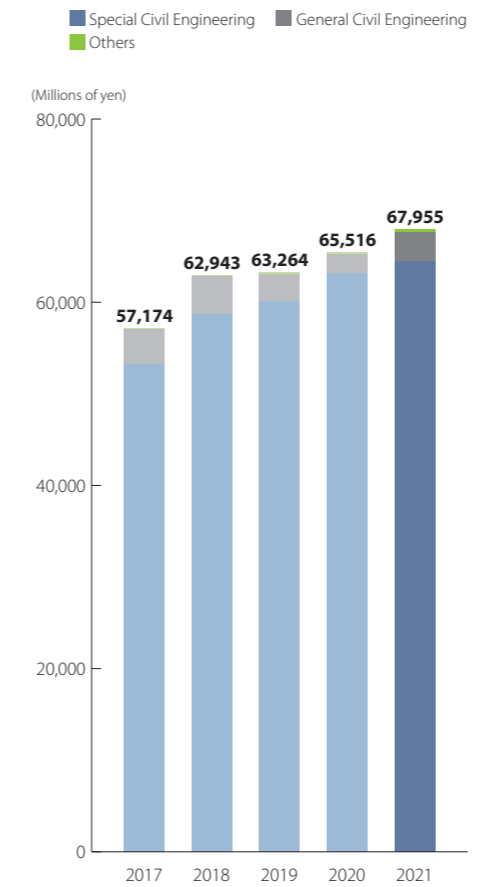
Financial Highlights

Financial Highlights

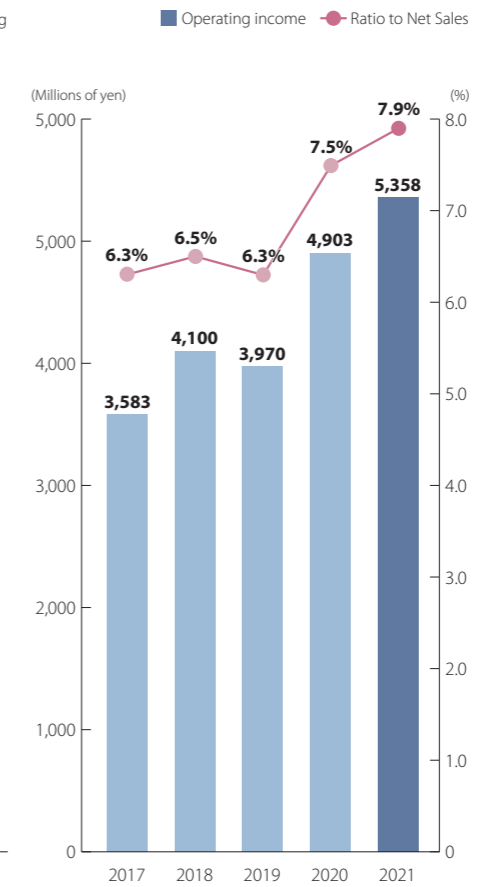
	Millions of yen					Thousands of U.S. dollars
	2017	2018	2019	2020	2021	2021
Net sales	¥57,174	¥62,943	¥63,264	¥65,516	¥67,955	\$613,818
Ordinary income	3,555	4,119	4,004	4,880	5,419	48,952
Profit attributable to owners of parent	2,342	2,688	2,721	3,258	3,500	31,618
Comprehensive income	2,458	2,668	2,755	3,209	3,752	33,892
Net assets	21,813	23,256	24,676	26,550	28,800	260,139
Total assets	44,225	48,142	49,048	50,159	51,971	469,440
Net cash provided by (used in) operating activities	2,501	(301)	3,108	7,357	1,426	12,883
Net cash provided by (used in) investing activities	(393)	(867)	(1,252)	(217)	(705)	(6,375)
Net cash provided by (used in) financing activities	(321)	(144)	(1,624)	(1,625)	(1,784)	(16,115)
Cash and cash equivalents at end of period	14,462	13,114	13,346	18,713	17,722	160,076



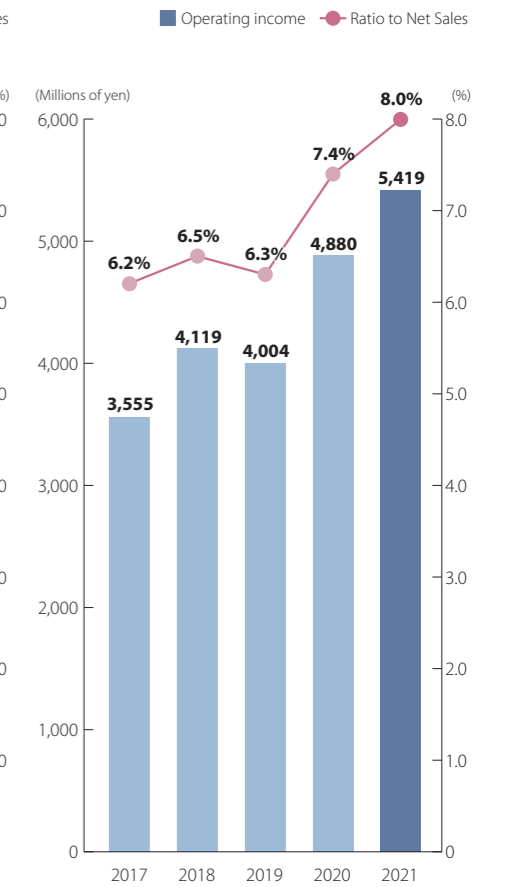
Net sales



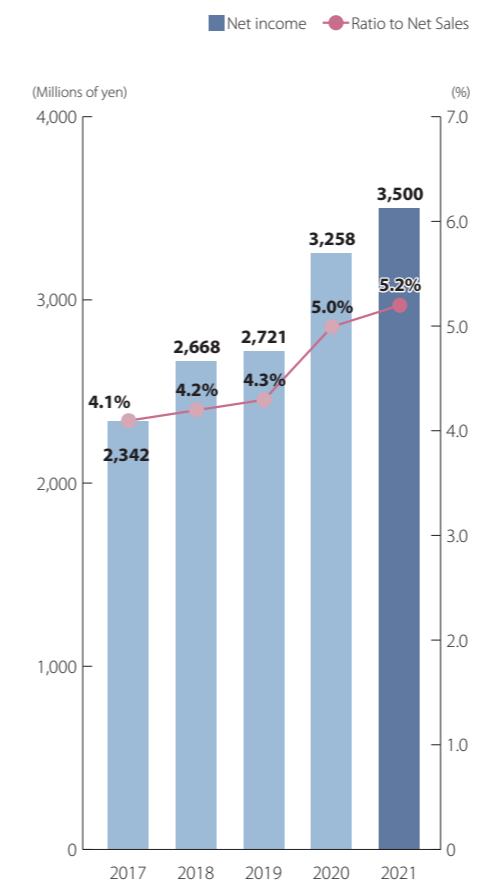
Operating income-Ratio to Net Sales



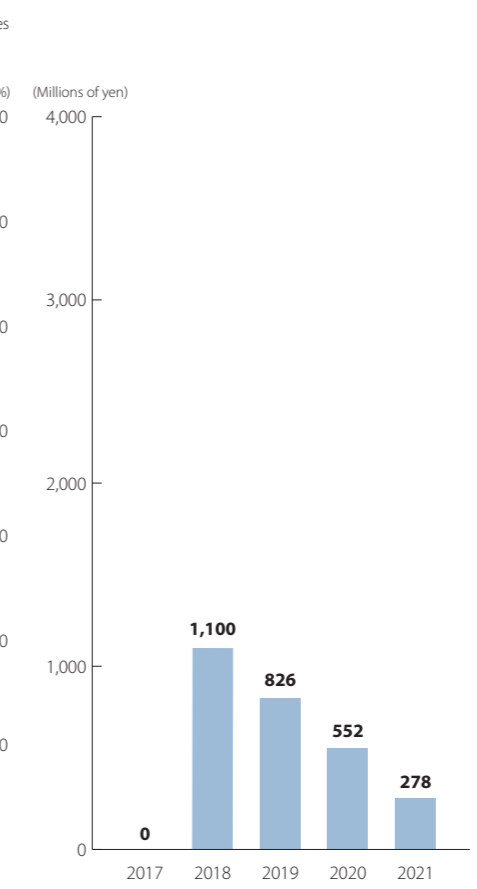
Ordinary income-Ratio to Net Sales



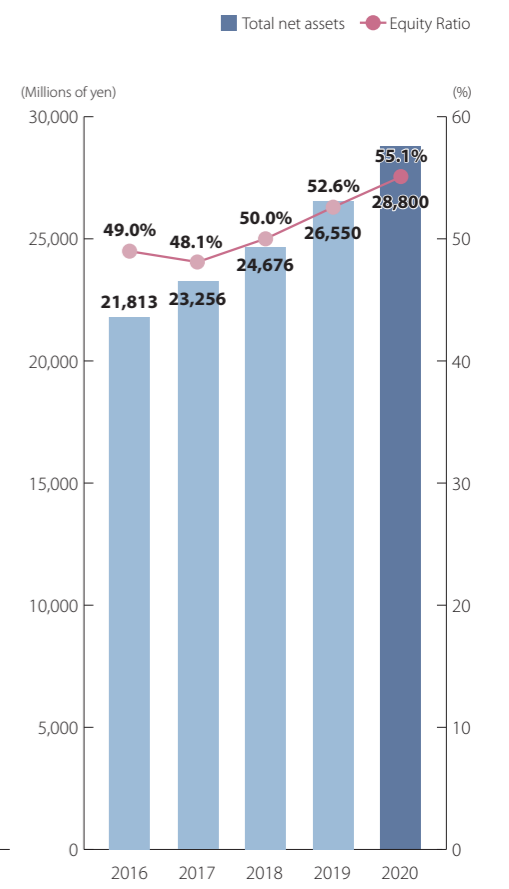
Net income-Ratio to Net Sales



Interest-bearing debt



Total net assets-Equity Ratio



Message from the President

Message from the President

NITTO CONSTRUCTION CO., LTD. ("NITTO" or the "Company") was established over 70 years ago in 1947. Since starting dam foundation works as its initial job, we have been garnering immense praises as a contractor specialized in the soil related works such as Disaster Prevention and Environmental Conservation, Maintenance and Renovation, Urban Regeneration.

Nowadays, natural disasters such as earthquakes, typhoons and heavy rains have occurred frequently in Japan, and therefore the construction industry is required to respond to strengthening the national land and reducing disasters in the country. Moreover, there are a number of other urgent issues the construction industry must address at a global scale, including switching to cleaner sources of energy in order to combat global warming, one of the presumed factors behind climate change, and reducing industrial waste and the use of plastic in order to reduce carbon emissions and counter environmental pollution.

Amid these circumstances, we have started a new medium-term management plan in fiscal 2020. To realize R&D and business expansion aiming at automation and labor saving in new technologies and construction to resolve these myriad issues, we will strive to secure and develop engineers, including at partner companies, improve productivity in order to advance work style reforms, and streamline operations using information and communication technology (ICT).

It is our sincere desire to fulfill our social responsibilities as a company engaged in the construction business, based on our management philosophy of "a company that provides a safe and secure society and contributes to countries" with its "efficient management and comprehensive technical capabilities in foundation work," and will further work to contribute to the realization of a sustainable society. We appreciate your further guidance and encouragement.

Yasuo Wada

President & Representative Director



Summary of the Medium-Term Management Plan

Medium-term Management Plan 2020

Next Challenge Stage II [fiscal 2020 through fiscal 2022]

NITTOC has resolved at the Board of Directors meeting held on May 8, 2020, the Medium-Term Management Plan (fiscal 2020 - fiscal 2022) with fiscal 2020 (ending March 31, 2021) as the first fiscal year.

In the past 12 years, the Company formulated four medium-term management plans and positioned them as follows: Medium-Term Management Plan [Step I] (fiscal 2008 - fiscal 2010) "Creation of a Newborn NITTOC," Medium-Term Management Plan [Step II] (fiscal 2011 - fiscal 2013) "Establishment of Stable Management Foundations," Medium-Term Management Plan [Step III] (fiscal 2014 - fiscal 2016) "Challenge for Growth," and Medium-Term Management Plan 2017 (fiscal 2017 - fiscal 2019) "Next Challenge." Specific measures were launched at each stage and results exceeded the planned figures for major indicators such as equity ratio and ratio of operating income to net sales.

While we believe the current robust construction market is expected to continue for the three years starting in fiscal 2020, we consider this period, which signals the contraction of public works and the start of the new era for the full-fledged maintenance and renewal, as a great opportunity to be a significant turning point for the Japanese construction market from a long-term perspective. The Company positions the business strategy over these three years as a period to "enhance its technical and sales strengths in the maintenance and renovation field, with an eye on the long-term changes in the construction market," and "increase its market share by developing competitive technologies, while striving to secure personnel and improve productivity led by the implementation of work style reforms," and "earning the trust of customers and expanding business to meet the expectations of the market." All of the Company's executives and employees will work together as one to achieve the following goals.

1. Business Strategy

The Company will strive to secure personnel and improve productivity led by the implementation of work style reforms, earn the trust of customers, and expand business to meet the expectations of the market. At the same time, the Company will enhance its technical and sales strengths in the maintenance and renovation field, with an eye on the long-term changes in the construction market, while increasing its market share by developing competitive technologies.

2. Challenges in Realizing Our Business Strategy

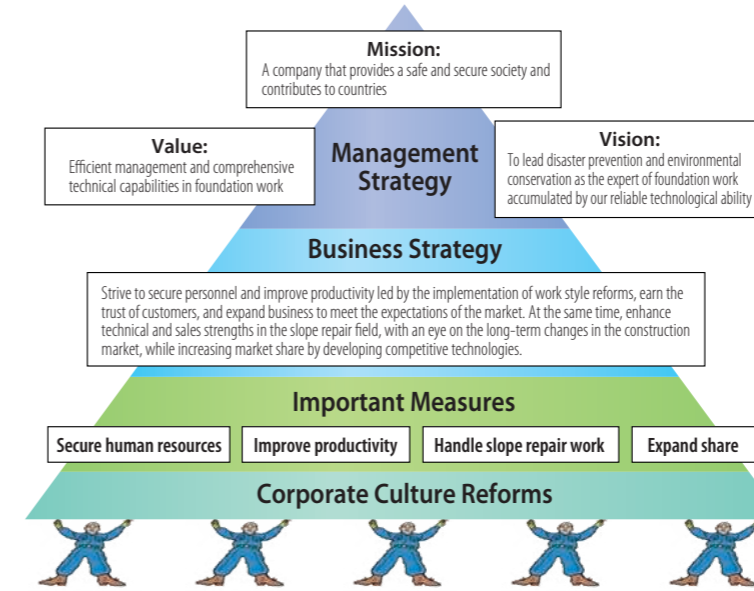
Issues	
Internal environment	Harsh employment environment High employee turnover rates Rising average age of subcontractors Inversion of ratios between onsite workers and back office employees
External environment	Ongoing quality and construction problems Preparation and improvement of maintenance and renovation technologies Fixed business fields

- 1. Secure and develop human resources**
 - Increase employment
 - Improve work environment and compensation
 - Control allocation of human resources
 - Nurture subcontractors
- 2. Improve productivity**
 - Increase number of high-productivity orders for foundation improvement
 - Mechanize construction
 - Normalize construction volume
- 3. Develop slope repair technologies**
- 4. Take up challenges in new fields**

3. Business Targets and Indicators

<p>1 Sales targets (fiscal 2022)</p> <p>1) Increase number of foundation improvement projects (net sales of completed construction contracts: 20 billion yen)</p> <p>2) Increase number of slope repair projects (net sales of completed construction contracts: 10 billion yen)</p>	<p>2 Business performance targets</p> <p>1) Operating income (3-year average): 4.4 billion yen or more</p> <p>2) Ratio of operating income to net sales (3-year average): 6.0% or more</p>
<p>3 Financial indicators (fiscal 2022)</p> <p>1) Equity ratio: 52% or more</p> <p>2) Cash flow: Positive figures</p>	<p>4 Target of return to shareholders</p> <p>1) Dividend payout ratio: 40% or more</p>

Management Philosophy, Management Policy, Business Strategy, and Issues



Management Philosophy	<p>Mission: A company that provides a safe and secure society and contributes to countries</p> <p>Value: Efficient management and comprehensive technical capabilities in foundation work</p> <p>Vision: To lead disaster prevention and environmental conservation as the expert of foundation work accumulated by our reliable technological ability</p>	Management Policies	<p>(1) Reinforce internal control (compliance and risk management)</p> <p>(2) Management emphasis on safety and a good workplace environment</p> <p>(3) Implement important measures</p> <p>(4) Maintain profitability and improve productivity</p> <p>(5) Cash flow-focused management</p> <p>(6) Secure and develop human resources</p>
------------------------------	---	----------------------------	---

4. Important Measures

Important Measures	Overview
Secure and develop human resources	Increase number of field workers (including mid-career hires) Lower employee turnover rates
Improve productivity	Increase amount of foundation improvement (increase project volume) Improve productivity by mechanization of spraying Promote construction volume in the first half of the year and normalize construction volume
Develop slope repair technologies	Create a slope repair market Develop slope repair and reinforcement technologies, and promote site deployment
Take up challenges in new fields	Expand business areas (increase volume of overseas business) Expand range of project types Meet regional requirements

5. Performance Plans

(Unit: Billion yen)

	Consolidated	Fiscal 2020		Fiscal 2021	Fiscal 2022	3-year total
		Mid-Term	Achivement			
Orders received		66.4	67.8	70.5	72.2	209.1
Net sales		64.4	67.9	69.4	71.5	205.3
Operating income		4.0	5.3	4.5	4.8	13.3
Ordinary income		4.0	5.4	4.5	4.8	13.3
Net income		2.6	3.5	2.9	3.2	8.8
Equity ratio		51.2%	55.1%	51.8%	52.4%	-
EBITDA (operating income + amortization)		4.4	5.7	4.9	5.3	14.7

Our Business field

Disaster Prevention and Environmental Conservation

Construction Performance, Method, and Technology

Since Japan has geographical conditions that make it prone to being affected by natural disasters, large scale disasters have become more frequent in recent years. For this reason, in order to build a friendly, trusty and safe society in Japan, we have developed our slope protection method does not use concrete, using a method for spraying vegetative material base or greening method by using surplus soil left in the site, based on the consideration of the disaster prevention environment. In addition, NITTOC accumulates a brilliant achievement about Anchor method, that is necessary for slope disaster prevention.

Chosen as a "Fiscal 2016 Runner-up Recommended Technology" (by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism)

NNTD No. 0370 Construction Technology Review and Certification

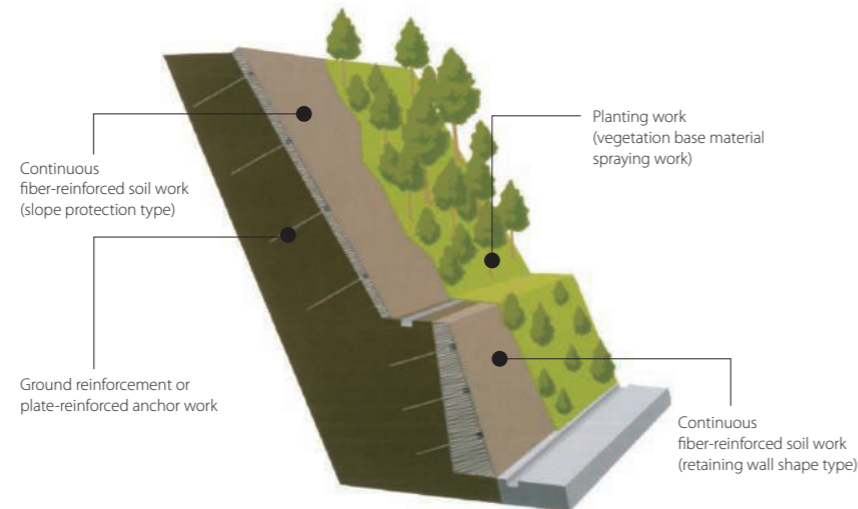
Environment-Friendly Slope Protection Method

Geofiber Method

- Serves to decrease CO2 emissions as a substitute method for sprayed slope frames.
- Forms forest on slopes by enabling full-space greening.
- Has an abundant record of slope greening (More than 3,500 projects in Japan and 150 overseas)



Sand from the left-side nozzle and polyester continuous fiber from the right-side nozzle are injected by jet water to form continuous fiber-reinforced soil.



Recycling of Surplus Soil and Natural Environment-Friendly Restoration of Vegetation

Effectively Using Surplus Soil

TSURU-KAME Soil Method

- Utilizes onsite surplus soil effectively.
- Excels in long-term durability (comparison with the greening foundation mainly consisting of bark compost).

Growth Foundation for Plants Mainly Consisting of Raw Chip Material

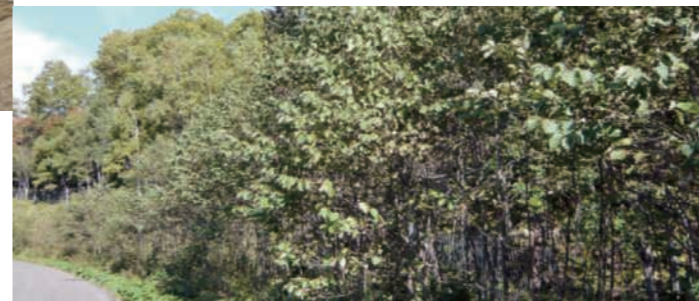
Plant-Leading Spraying Method

- Uses the chip material, which derives from the secondarily processed fragments of felled trees, as a foundation for greening work without being converted into compost.
- Enables greening via the natural intrusion of plants on the foundation that excels in erosion resistance.

Comparison of the Volume Utilized

Onsite Surplus Soil	Method	Raw Wood Chip
100m ³	TSURU-KAME Soil Method	
	Plant-Leading Spraying Method	100m ³
40m ³	NEKKO Chip Method	40m ³
50m ³	KAERUDO-Green Method	25m ³

*In case of a sprayed depth of 5 cm for an area of 1,000 m²
*Inclusive of loss



Status of greenery when using the NEKKO Chip Method

Vegetation Mat that Prevents Soil Erosion

N-Mat

- This mat containing seeds and fertilizer can be applied to ordinary embankments, as well as to cut slopes, which have appropriate grain size distribution and good physical and chemical characteristics.
- Natural landscape is early restored because its use allows seed design primarily with indigenous plants.
- The mat also can be applied without seeds to accelerate the natural intrusion of plants.

Nature Restoration Using Surface Soil of Forests with Consideration to the Ecosystem (for greening especially around natural parks such as national parks and quasi-national parks)

Using Surface Soil and Raw Chip Material

NEKKO Chip Method



- Uses primarily fragmented raw chip material.
- Constructs at high speeds using a specialized machine.
- Enables greening via the natural intrusion of plants on the foundation that excels in erosion resistance.

NNTD No. 0369

Surface Soil-Based Growth Foundation for Plants

KAERUDO-Green Method

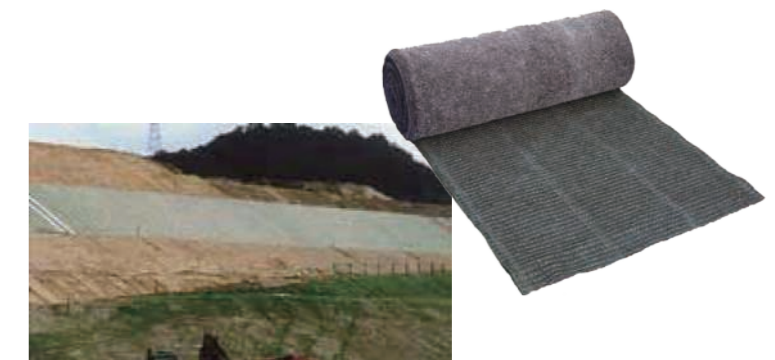


- Utilizes surface soil of forests economically.
- Recycles a wide variety of soils such as excavated soil, dredged soil and dehydrated cake.

NNTD No. 0374

Using Surface Soil Instead of Seeds

- Mixes the surface soil of forests containing buried seeds with the vegetation foundation material.
- Greening construction is possible using a general-purpose mortar spraying machine.



Just after the placement of N-Mats

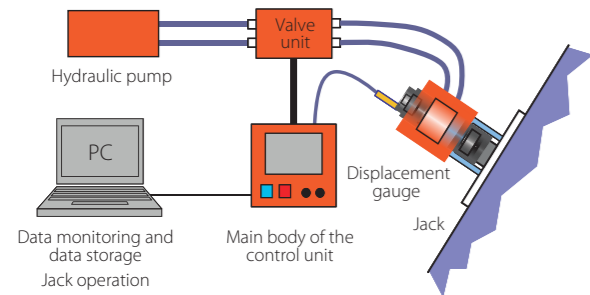
Our Business field

“Fiscal 2016 Runner-up Recommended Technology”
(by the New Technology Utilization System Review Meeting,
Ministry of Land, Infrastructure, Transport and Tourism)

Ground Anchor Testing and
Tension Control System

Licos

- Displays and automatically stores data on load and displacement magnitude in real-time.
- Tightens and firmly fixes several anchors simultaneously.
- Performs labor-saving via automatic control of jack operation.



Simultaneous tightening of multiple anchors

Slope Frame
and Ground Anchor



Slope frames



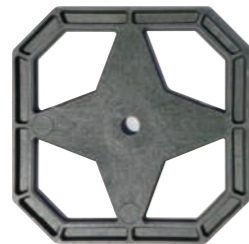
Ground anchors + Pressure receiving plates

NETIS No. TH-140015-VR

Plastic Pressure Receiving
Plate for Rock Bolts

NINJA Panel

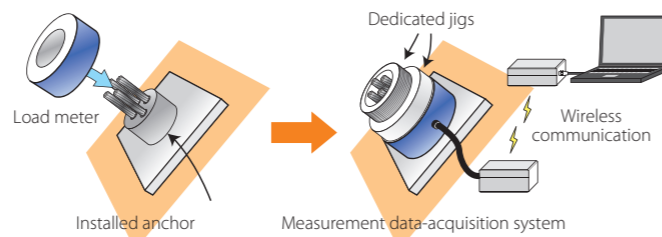
- Uses completely recycled plastic as material.
- Improves operating safety and construction efficiency on slopes due to light weight.
- Available for full-surface greening.
- Ø634 and Ø911 mm models are added to the lineup.



Tensile Strength Monitoring System
for Installed Anchors

Aki-Mos

- A load meter is attachable to an installed anchor.
- The attached load meter is exchangeable.



The technology was jointly developed by the Public Works Research Institute and eight private-sector companies.

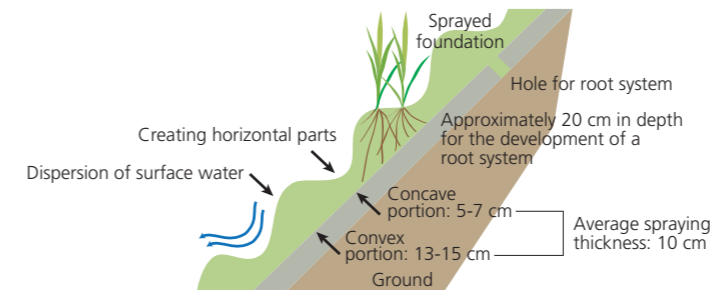
Nature Restoration at Places Where Greening is Difficult

NNTD No. 0373

Greening of Mortar Shotcrete
Surfaces and Bedrock

Fiber Soil Greening Step Method

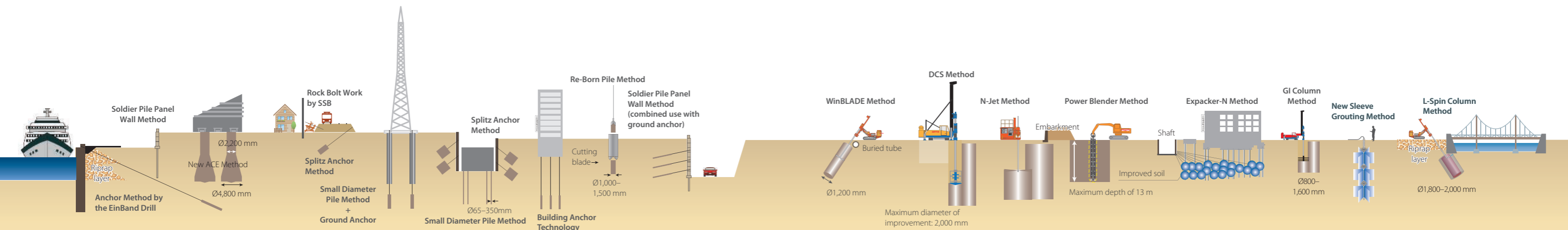
- Full-space greening by spraying the foundation materials for greening work on a slope without soil in the form of wave-shaped steps.



Recovering Greenery on Strongly
Acidic Soil Slopes

SANDER Green Method

- Employs a simple method that mixes “Sander Powder,” which has a neutralizing effect, with the foundation material for greening work.



Our Business field

Urban Regeneration

Construction Performance, Method, and Technology

We must promote restructuring in order to revive a city after a severe disaster. It is not an easy project in the city densely packed with buildings. NITTOC has developed earthquake resistant, liquefaction prevention and existing pile removal method that can be worked on densely packed areas, and contributes to society.

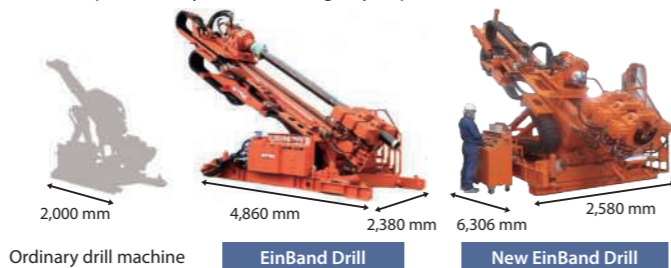
Large-Diameter Drill Machine with Twin Head Specification Hy Glanz Drill

- Equipped with rotary percussion head with excellent drilling capability and rotary head used for foundation improvement, enables efficient drilling and creation of jet grout in a single unit
- Equipped with well logging system using a drilling bore (DSS)
- High-precision drilling with large diameter (maximum drilling diameter Ø324 mm) and long casing (3.0 m)



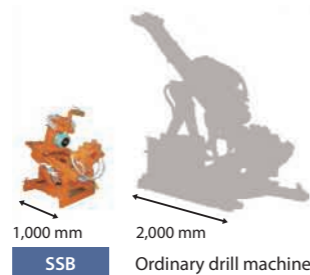
Japan's Largest-Class Double-Tube Drill Machine EinBand Drill

- Rotary percussion drill that enables deep drilling (130 m)
- Achieves high-precision drilling on hard rocks and boulders with large diameter (maximum drilling diameter Ø318 mm*) and long casing (3.0 m*) (*new models)
- Improved safety with wire emergency stop device



Japan's Smallest-Class Double-Tube Drill Machine SSB

- The ultra-compact double tube drill machine enables drilling at narrow spaces.
- Width for construction work (1.5 m) less than half of a conventional lightweight drill machine
- Drilling bores of Ø165 mm in diameter, which was impossible with lightweight drill machines



Forming Piles with High Bearing Power at Narrow Spaces Small Diameter Pile Method

- Offers a casting method for piles of Ø350 mm or less.
- Makes casting possible at narrow sites (e.g., mountainous places, slopes and indoor places).
- Features a lineup of the anchor combination type in addition to the pile type.



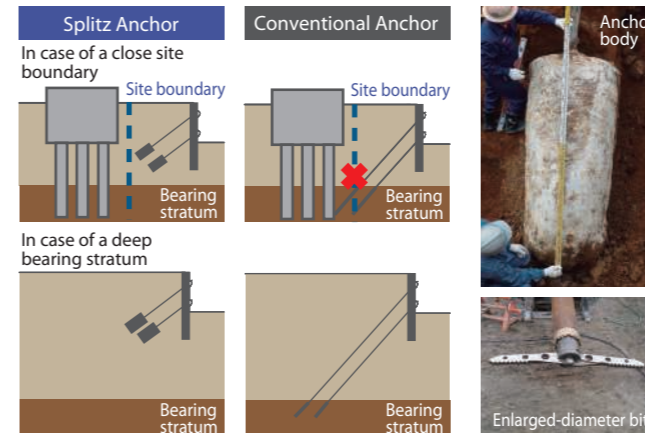
Received a Fiscal 2015 Confirmation Review and Evaluation as a Fishery & Public Related Private Technology

NNTD No.0371

Enlarged-Diameter-Type Anchor Firmly Fixable on Soft Ground

Splitz Anchor Method

- Achieves high pull-out resistance using a large-diameter anchor.
- Offers an adjustable anchor length via high fixation even on soft ground.
- Lines up enlarged-diameter-bit-recovery-type anchors.



NNTD No. 0375 Construction Technology Review and Certification

Earth Retaining Wall Method that Combines Soldier Piles with Concrete Panels

Soldier Pile Panel Wall Method

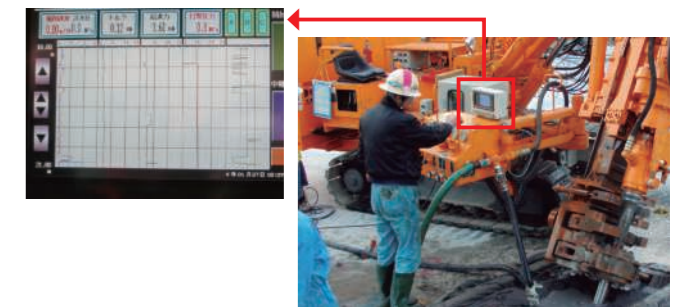
- Makes widening road width or recovery from a roadside collapse possible with small cutting volume.
- Provides optional self-supporting type (wall height up to 4 m) and combined use with shoring (wall height up to 10 m).



Well Logging System Using a Drilling Bore

DSS Ground Survey Technology

- Collects and records various data while bores are drilled and sectionalizes the ground on a real-time basis.
- Compatible with Wassara AB's water-powered down-the-hole hammers.



Building Anchor Technology

SHS Permanent Ground Anchor Method STK Permanent Anchor Method PTC Permanent Ground Anchor Method

- Prevents buildings lifting and/or falling of buildings

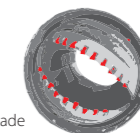


NNTD No.0365

Removal of Existing Piles

Re-Born Pile Method

- Cuts and removes existing piles and/or underground structures using two cutting blades.
- Uses a circumferential all-casing drill.
- Makes secure backfilling possible.

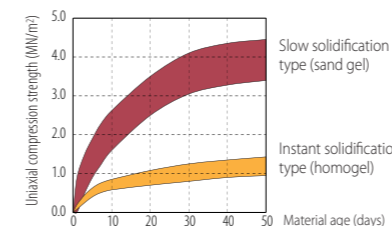


High-Penetration High-Strength Grouting Materials

Slag Turbid Ground-Grouting Material

MX Grout

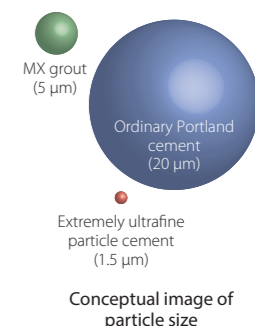
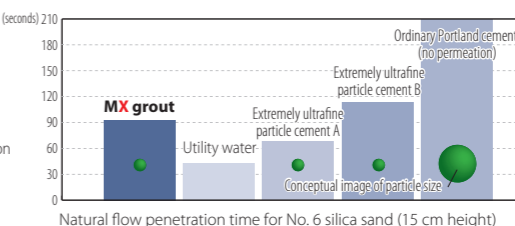
- Involves a turbid ground-grouting material of which a major ingredient is blast-furnace slag.
- Features excellent permeability and durability.
- Uniaxial compression strength: 1 MN/m² or more
- Available in "Instant solidification type" and "Slow solidification type"



Cement Grouting Material

Extremely Ultrafine Particle Cement

- Solution-like high level of penetration
- Applies to grouting for minor cracks
- Available for uses in diverse grouting methods



Our Business field

High-Pressure Injection Mixing Method

NETIS No. KT-200039-A NNTD No. 1275

High-Pressure Injection Mixing Method Using NJ Monitor

N-Jet Method

- Grout is sprayed from multiple nozzles using the newly developed NJ Monitor, increasing pulling pitch and shortening formation time.
- Reduces the amount of hardening agent used and the amount of slime produced by shortening formation time and enhancing construction efficiency.
- Forms columnar, improved soil of a maximum diameter of $\varnothing 3,500$ mm (depending on ground conditions).



Ultrahigh Pressure Injection Mixing Method for Large-Diameter Foundation Improvement

SUPERJET Method

- Forms columnar, improved soil of a maximum diameter of $\varnothing 5,000$ mm (depending on the ground conditions).
- Reduces the maximum slime volume substantially (compared with previous methods).
- Achieves foundation improvement at high speed and high quality.

NETIS No. KT-170026-A

Mechanical Mixing Method Combined with High-Pressure Injection Using an Enlarged Mixing Blade

L-Spin Column Method

- Injects a hardening agent from the nozzle at the leading edge of an enlarged-diameter type mixing blade.
- Enables the wrapping construction method or the diagonal construction method, which has been problematic for the existing method.
- Improves the properties of soft ground below hard ground by penetrating the hard ground.



Mechanical Mixing Method

Building Technology Performance Certification NNTD No. 1275

Mechanical Mixing Method Suitable at Narrow Spaces

GI Column Method

- Single-axis (max. 20 m) slurry mixing method with $\varnothing 800$ – $1,600$ mm is available (in case of GI-130C).
- Compact machine size that excels in maneuverability enables mixing of slurry at narrow places. (The weight is approximately 30% compared to large machines for foundation improvement.)
- Control unit that enables a real-time display, ensuring high-quality slurry mixing.
- Other certifications
- Low-emission construction machinery (3rd standard) designation program
- Regulations on designation of low-noise/low-vibration construction machinery





Fiscal 2011 Recommended Technology (by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism) NNTD No. 1279

Shallow and Middle-Depth Layer Mixing Method

Power Blender Method (slurry shooting method)

- Trencher-type mixing machine
- Makes improvement up to 13 m in depth available.
- Makes homogeneous, improved soil via vertical mixing.

Application scope Viscous soil: Standard N ≤ 10 , Sandy soil: Standard N ≤ 20
Improvement depth: Standard Z ≤ 10 m


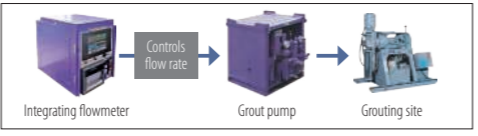



Control Units and Real-time Displays

Grouting Control and Monitoring Device

Grout Conductor

- Controls up to eight sets of flowmeters and grout pumps.
- 3D display of grouting results by color and size.
- Automatic control of grouting flow rate so as not to overrun designated pressure limit.

Integrating flowmeter → Controls flow rate → Grout pump → Grouting site × Up to eight sets


NETIS No. CBK-190001-A

$\varnothing 1,600$ mm × 2 Axes Large-Diameter Deep-Layer Mixing Method

CDM-EXCEED Method

- Large-diameter formation ensures considerable cost-cutting and a reduction in the construction period.
- Internal-pressure-relief blades are standard equipped for smooth aboveground discharge of underground internal pressure resulting from slurry discharge and air drilling

Application scope Viscous soil: Standard N ≤ 6 (Maximum N=8)
Sandy soil: Standard N ≤ 20 (Maximum N=30)
Improvement depth: Standard Z \leq roughly 25 m



Internal-pressure-relief blades

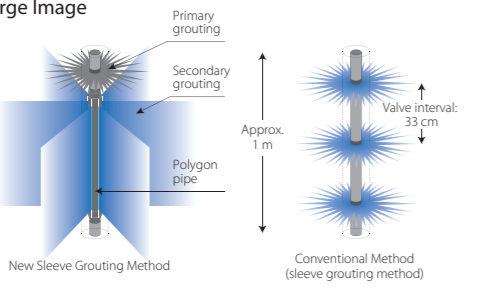
Chemical Grouting Method

NETIS No. KT-190012-A NNTD No. 1318

Foundation Improvement for Long Permeation/Grouting Intervals

New Sleeve Grouting Method

- Realizes long permeation/grouting intervals using a hexagonal "polygon pipe."
- Makes high-speed, high-quality improvement possible.
- Achieves low cost and a reduction in the construction period.



Discharge Image

Primary grouting, Secondary grouting, Polygon pipe, Valve interval: 33 cm, Approx. 1 m

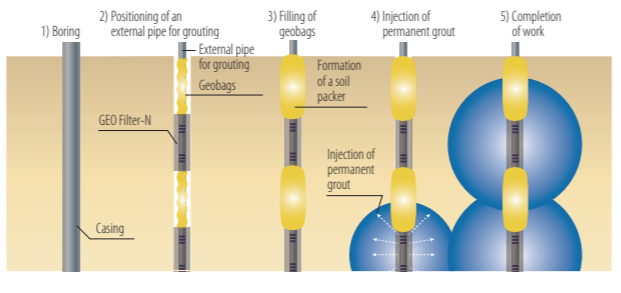
New Sleeve Grouting Method Conventional Method (sleeve grouting method)

NNTD No. 0368

High Capacity and Speedy Grouting Method as a Liquefaction Countermeasure

Expacker-N Method

- Ensures a reliable permeation point.
- Offers speedy permeation and grouting for an extensive ground area.
- Applicable to a narrow operating area.



- Boring
- Positioning of an external pipe for grouting
- Filling of geobags
- Injection of permanent grout
- Completion of work

External pipe for grouting, Geobags, Formation of a soil packer, Injection of permanent grout, Casing, GEO Filter-N

Underground Diameter Expanding Type Soil-Mixing Improvement Method

WinBLADE Method

- Achieves homogeneous soil improvement using a monitoring control system.
- Avoids underground objects.
- Enables vertical, horizontal and slanting operations.



Control unit Enlarged-diameter bit $\varnothing 1,200$ mm

Technology Evaluation Certificate, The Society of Materials Science, Japan

Opposite Direction Mixing-Type Deep-Layer Mixing Method Compatible with Hard Ground

DCS Method

- Attains a large columnar diameter of 2,000 mm (the Company's track record).
- Achieves excellent mixing power.
- Offers applicability for hard ground.



Mixing blade, Rotational direction of external blades, Rotational direction of internal blades, Discharge of cement milk



Our Business field

Maintenance and Renovation

Method and Technology

NITTOC specializes in slope related technique which accumulates a brilliant achievement. Today, in this aging social infrastructure century, we developed our own diagnostic techniques as well as repair method for the existing slopes. We also established a control system that can be coordinates in maintenance work totally. In addition, we have developed special materials for long distance pumping, high strength and introduced in heavy environment, mountain area or long distance tunnel for headrace channel.

Evaluation of Soundness and Countermeasures for Slope Structures

Large numbers of slope structures constructed during the high economic growth period are aging, and from now on, the long-life slope method will be called for. We propose appropriate countermeasure works depending on the degree of deterioration of the respective slope structures.

Refer to the Draft of the Overall Inspection Manual [Part: Road slope work, earth work structures] (Reference Material) Issued in February 2013 by the Road Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

Example of Countermeasure Work

In addition, For the Life Elongation of Structures

Preventive Maintenance of Concrete Structures

Frame Doctor Method

- Takes countermeasures for concrete structures such as sprayed slope frames and pressure receiving plates depending on the degree of deterioration.
- Takes preventive maintenance countermeasures via surface coating to restrict salt or freezing damage.



Work Flow

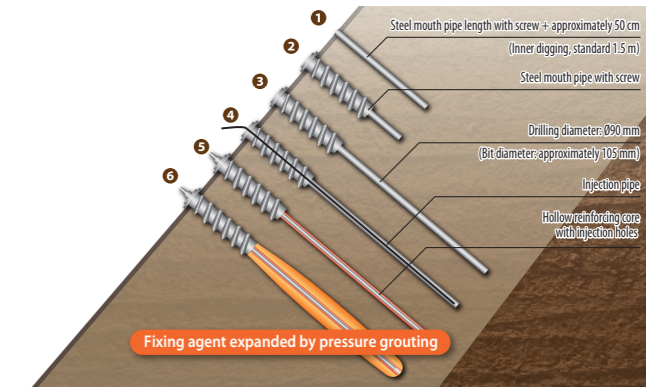
- Shaving off deteriorated portions
- Washing
- Grinding and rustproofing of reinforcing bars
- Renovation of the cross-section
- Surface coating

Ground Reinforcement Method Suited for Embankment Ground

EGN Anchor Method **NEW!**

This is a ground reinforcement method that expands the fixing agent using pressure grouting, achieving more than twice the pull-out resistance in sandy soil ground and more than 1.5 times the pull-out resistance in viscous soil ground compared to the conventional reinforcing bar insertion method.

- Expansion of the fixing agent and pressure dehydration effects using pressure grouting provide high pull-out resistance
- Dedicated grouting materials with a pressure dehydration resistance function maintains fluidity and allows expansion of the fixing agent
- Reduces construction period by reducing the number of castings and shortening the length of reinforcing materials



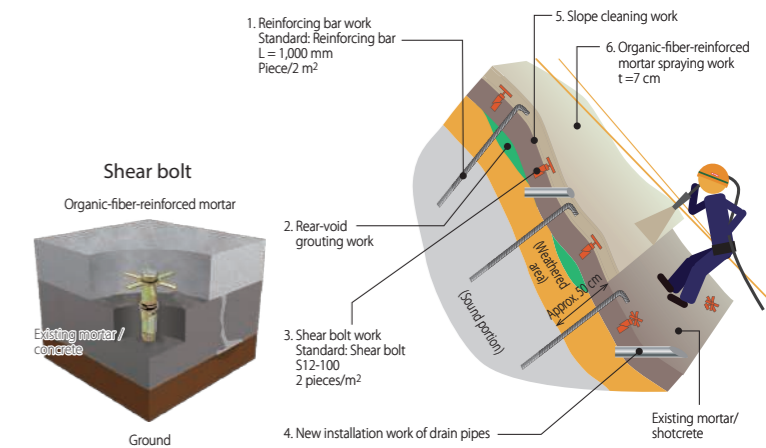
Received the Inventive Idea & Development Technology Award at the 18th National Land Technology Development Award

NETIS No. QS-110014-VE Technology Promoted for Utilization NNTD No. 1084

Repair/Reinforcement of Aged Shotcrete Slopes

New ReSP Method

- Keeps existing mortar shotcrete without shaving off existing shotcrete, contributing to reducing the volume of industrial waste, the construction period and the size of the safety equipment.
- Sprays organic-fiber-reinforced mortar shotcrete that excels in tenacity.
- Adheres the former and new shotcrete surfaces with shear bolts.

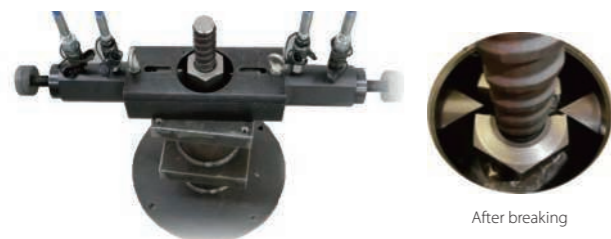


NETIS No. KT-200007-A

Safe removal of loads on installed nut anchors

Load releaser

- Hydraulic cylinders are used to break nuts using a cutter and safely remove loads from installed nut anchors, even for anchors without excess length or anchors which had suffered extensive corrosion.



* This technology was jointly developed with Daia Consulting Co., Ltd., Dainichi Consultant, Inc., and Nippon Insiek Co., Ltd.

NNTD No. 0366

Aged Shotcrete Slope Diagnosis System

Slope Doctor

- Precisely diagnoses the soundness of aged shotcrete slopes through the combination of several relevant surveys.
- Proposes optimum slope designs by reflecting social needs in the results of the diagnosis of aged shotcrete slopes.



Analysis method: thermal infrared radiation imaging method, flexural oscillation method and coring method (combined use depending on the site conditions)

Our Business field

NETIS No. KT-200077-A

Reinforcing Slopes with Shotcrete Pressure Receiving Plates and Rock Bolts

Shotcrete Pressure Receiving Plate Method (FSC Panel)

- Pressure receiving plates are formed by combining the fiber-reinforced mortar shotcrete and the reinforcing material.
- As the pressure receiving plates are formed by shotcrete spraying, unevenness adjustment is no longer necessary.
- The layout space in between rock bolts is extendable up to 2 m.



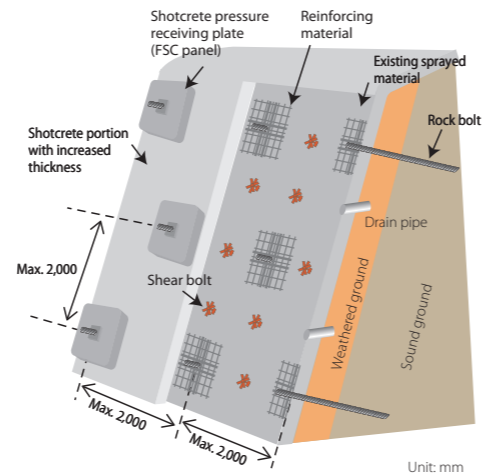
Installation of reinforcing material



Spraying of fiber-reinforced mortar



Completion of work



Unit: mm

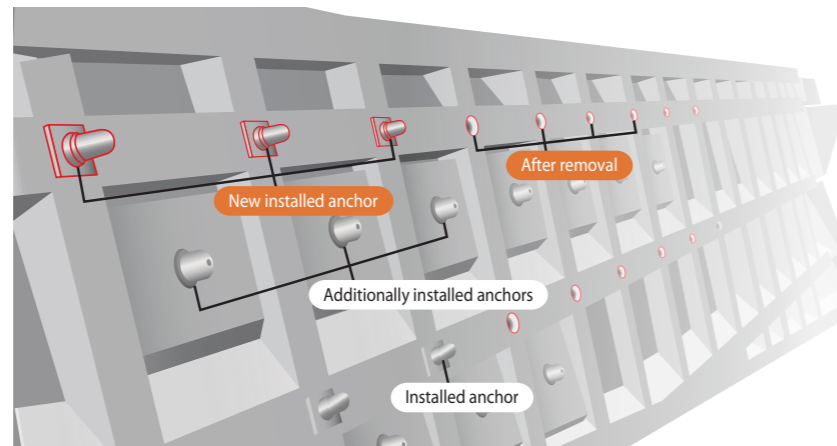
*The technology was jointly developed with the Railway Technical Research Institute.

Japan's First Steel Wire Cutting & Removal Method for Installed Anchors

Bite Off Method

Method to cut and remove installed anchors using proprietary bits

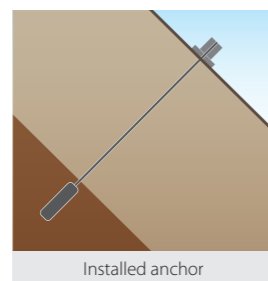
- Japan's first dedicated system for cutting ground anchors
- Cuts off steel wires of anchors using exclusive cutting tools and a general-purpose drill machine.
- Enables removing installed anchors and installing new anchors (possible to use existing pressure receiving structures as well).



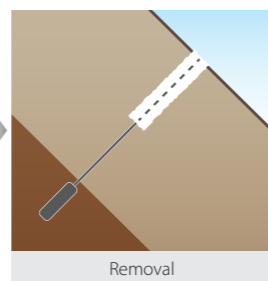
CD Type bit (for covered drilling)



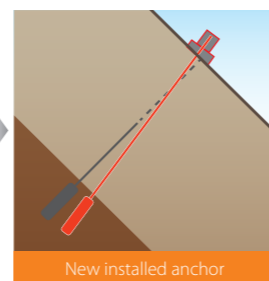
SH Type bit (for steel wire cutting)



Installed anchor



Removal



New installed anchor

NNTD No. 0372

Filling Voids with High-Quality Plastic Grout

Parfait Grout Method

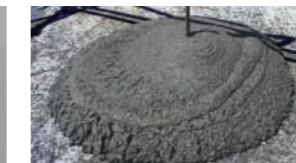
- Underwater-inseparable and plastic grout excels in pressure feeding.
- Features automatic control of the flow volume of the base and plastic materials by the COGMA system.
- Offers four basic mixture variations and special mixtures depending on the pumping distance, desired strength and specific gravity.



Before hardening



After hardening



Non-contractility

COGMA System



NITTOC's original system to control the flow volume of base and plastic materials based on the planned mixture.

Pumping distance: Approximately up to 2,000 m (differs depending on the mixture variation)
Design strength: 1.5–24 N/mm²

Mortar Shotcrete Possible to 1 km Destination

Kiro Fukeru Method

- Mortar shotcrete is possible at a rate of 18 N/mm² or more to a destination 1 km distant, using special materials.
- Stabilizes mortar quality via the automatic control of the flow rate of mortar and hardening accelerator by the COGMA system.

Pumping distance: 1,000 m (with a hose extension)
Design strength: 18 N/mm² or more



NNTD No. 0364

Mortar Shotcrete for a Long Distance and at Elevated Places

HiSP Method

- Makes shotcrete possible for a long distance and at elevated places using the pumping shotcrete system (combined with air pumping).
- Ensures stable quality and high strength due to a low level of separation of materials.

Pumping distance: 700 m in case of the horizontal feed only, and 300 m in case the difference in elevation between the hose and the pump is 160 m.
Design strength: 18 N/mm² or more



Domestic Construction Projects (earthquake-proof works and others)

Domestic Construction Projects

(earthquake-proof works and others)

NITTOC endeavors to contribute to establishing a safe, secure and affluent society by creating new technologies that meet social needs in the fields of "Disaster Prevention and Environmental Conservation," "Maintenance and Renovation," and "Urban Regeneration." We are confident that steady achievement of what we can do will contribute to reconstruction from earthquake disasters, as well as to disaster-proof and disaster-reducing activities.

Initiatives for the Restoration and Reconstruction from the Hokkaido Eastern Iburi Earthquake

// Takaoka Area B Special Emergency Serious Disaster Recovery Forest Conservation Work (Atsuma Town, Yufutsu District, Hokkaido)

The Hokkaido Eastern Iburi Earthquake struck on September 6, 2018, recording a maximum intensity of 7 on the shindo (seismic intensity) scale. The earthquake triggered landslides over a wide area of Atsuma Town. This project was conducted to protect the slopes in the Takaoka Area of Atsuma Town, which had collapsed due to the earthquake. Specifically, we employed on-site spray slope frame and planting sheet installation methods in the Takaoka Area, which was one of the areas that suffered severe damage.

Orderer: Hokkaido Iburi General Subprefectural Bureau
 Owner: Kusashio, Nakatsuka, and Nishie Earthquake Disaster Recovery Construction Special Joint Corporate Association
 Project Overview: On-site spray slope frame work (F200), planting base material spray work, and planting sheet installation

Before construction



During construction



Before construction



After completion



Initiatives for the Restoration and Reconstruction from the Tohoku Earthquake & Tsunami

// Kesenuma Area Reconstruction Project (Kesenuma City, Miyagi Prefecture)

The Tohoku Earthquake & Tsunami that struck on March 11, 2011 caused massive tsunamis and huge fires in Kesenuma City. We participated in a reconstruction project from 2014 to 2020 in the areas of Minami-Kesenuma and Shishiori, which were especially hit hard by the disaster. To help rebuild the city, which was once one of Japan's leading port towns, we removed the foundation piles of damaged buildings, installed new sewer pipes and rainwater boxes, removed old bridges, and improved river banks and streetscapes.

Orderer: Urban Renaissance Agency
 Owner: Shimizu, Nishimatsu, Okumura, Pasco, and Asia Air Survey JV
 Project Overview: Pipe jacking work, sewer work, river revetment

Initiatives for Restoration and Reconstruction

// 2020 City Level Civil Engineering Facility Disaster Recovery Project (National) Highway 152 Disaster Recovery Project (Sejiri) (Hamamatsu City, Shizuoka Prefecture)

In July 2020, torrential rains from a seasonal rain front caused landslides in the mountains along highways in Hamamatsu City and massive boulders fell near the roads. National Highway 152, which is one of the main roads used by Hamamatsu residents, ran below the site of the landslide and was fully closed due to the landslide. In accordance with a disaster agreement, we were put in charge of work ordered by Hamamatsu City to remediate the landslide. In this project, we broke up unstable boulders with the danger of falling using Gansizer. The highway was reopened on December 21 after the work was completed.

Orderer: Hamamatsu City Tenryu Civil Engineering Office
 Project Overview: Rock blasting (crushing)

Before construction



After completion



Before construction



After completion (after emergency response)



Characteristic Project

// Joyama Cave Tombs Historical Site Preservation and Maintenance Work (Fukuchi Town, Tagawa District, Fukuoka Prefecture)

The Joyama Cave Tombs are located in Fukuchi Town, Tagawa District, Fukuoka Prefecture. The cave tombs are said to have been built between the first half of the sixth century and the second half of the seventh century and were designated as a historical site by the Japanese government in 2014. In this project, we protected the cave slope using the Geofiber method, as part of a maintenance project in the area of the tombs. After completion, we restored the slope to its original state, and the site was opened to the general public as a historic park.

Orderer: Fukuchi Town, Fukuoka Prefecture
 Project Overview: Continuous fiber-reinforcement soil reinforcement work (Geofiber method), pigmented mortar spraying work

Our Award-Winning History

Innovative Technique Award in 2020 Japan Society of Civil Engineers (JSCE) Awards

The "In-situ Ground Solidifying Method Using Mechanical Mixing Blades to Realize Construction with Obstacle Avoidance and Diagonal Execution (WinBLADE Method)," which we developed jointly with Taisei Corporation, won the Innovative Technique Award in the 2020 Japan Society of Civil Engineers (JSCE) Awards.

The JSCE Innovative Technique Award recognizes contributions to society through the development of civil engineering technology by developing and commercializing technologies recognized to be highly innovative in such areas as planning, design, construction, and maintenance and administration.

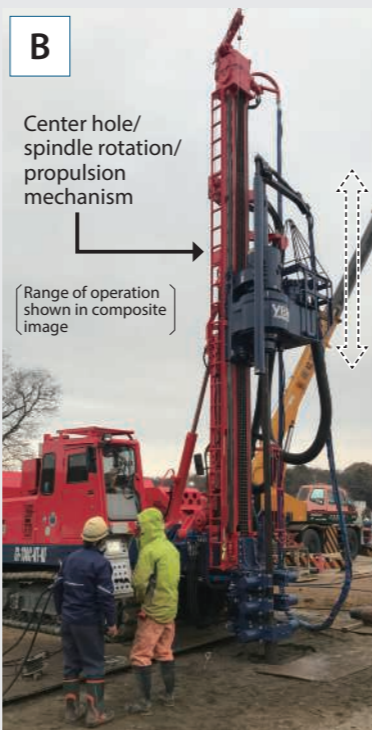
The WinBLADE method is a mechanical mixing method that uses a mixing blade that can be opened and closed underground to mix soil in situ and cement slurry, forming a cement column. Development began in 2010, and the method was first used in construction in 2013. Subsequent improvements and extended features have positioned this method as a disaster-prevention technology, and it has also been recognized as technology development that contributes to the realization of social sustainability, including the use of existing stock and environmental conservation. The award was given in recognition of these accomplishments.

WinBLADE Method: In-situ Ground Solidifying Method Using Mechanical Mixing Blades to Realize Construction with Obstacle Avoidance and Diagonal Execution

Jointly developed with Taisei Corporation



Mixing system with blades that can be expanded and retracted



C: Vertical/outdoor construction type

- Marketed in specialized fields such as obstacle avoidance and diagonal construction
- Autonomous-drilling WinBLADE method in development



A: Diagonal construction type

Top drive rotation/propulsion mechanism

Fairs Where We Plan to Exhibit

Fiscal 2020 Construction Technology Exhibition Achievement

We exhibit our technologies at various technology fairs sponsored by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), relevant academic societies, and other organizations. In fiscal 2020, we exhibited our technologies at the following various technology fairs sponsored by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), relevant academic societies and other organizations. 2020 NITTOC considers various technology fairs and exhibitions as ideal venues to showcase its original technology. At such events, the Company can pitch directly to potential orderers, consultants and other interested parties and provide an opportunity for its engineering sales team to promote the adoption of its new construction methods and/or technologies.

We invite you to visit these technology fairs to learn about the latest technological trends and other companies' technologies from the diverse exhibits presented in line with the respective fair themes.

Fiscal 2020 Construction Technology Fair Exhibitions

No.	Period	Name of Construction Technology Fair	Organizer	Venue
1	Oct. 14 to Oct. 15	Construction Technology Fair 2020 in Chubu	Chubu Regional Development Bureau	Fukiage Hall
2	Oct. 21 (Wed.) to Oct. 22 (Thurs.)	Construction Technology Expo 2020 Kinki	The Nikkan Kensetsu Kogyo Shimbun and Kinki Construction Association	MyDome Osaka
3	Oct. 19 (Mon.) to Apr. 30 (Fri.)	Fukui Construction Technology Online Fair 2020	Fukui Prefectural Public Corporation of Construction Technology	Online (https://www.fk-kosha.or.jp)
4	Feb. 16 (Tue.) to Feb. 17 (Wed.)	Construction Xross 2020 Kanto	The Nikkan Kensetsu Kogyo Shimbun	Exhibition Hall, Sunshine City
5	All year (permanent)	Agriculture and Civil Engineering Showroom	Kanto Regional Agricultural Administration Office, Ministry of Agriculture, Forestry and Fisheries (MAFF)	Kanto Regional Agricultural Administration Office + WEB
6	All year (permanent)	Construction Technology Pavilion	Kanto Regional Development Bureau, MLIT	Kanto Technology Office, Kanto Regional Development Bureau, MLIT Construction Technology Pavilion + WEB

Overseas Deployment

Overseas Deployment

Development of Overseas Business

The Republic of Indonesia has a population of approximately 270 million and continues to record high economic growth. However, the social infrastructure is not yet sufficiently maintained or improved as presented by the everyday traffic congestion. As part of its growth strategy, the Company intends to acquire orders for infrastructure works in Indonesia because of its high economic growth. Our overseas deployment will not be limited to Indonesia but will be extended to infrastructure works in the growing Southeast Asian region.



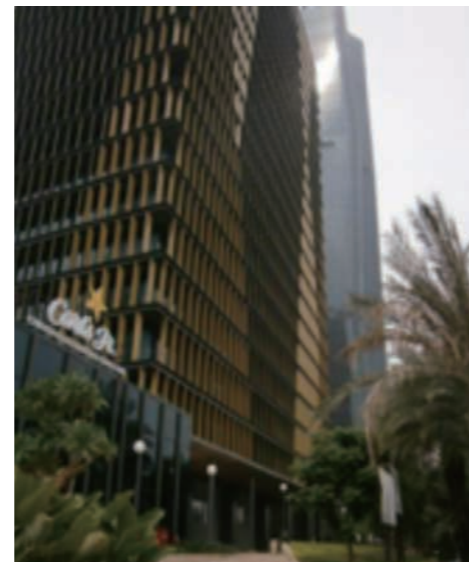
PT NITTOC CONSTRUCTION INDONESIA, a Subsidiary in Indonesia

Since the Jakarta Representative Office was established in September 2012, we conducted surveys and made preparations to establish a locally incorporated company. Finally, the Company resolved to establish a joint venture with PT PANCA DUTA PRAKARSA, which will undertake the construction business in Indonesia, and both companies entered into a joint venture agreement in October 2015. PT NITTOC CONSTRUCTION INDONESIA was subsequently established and started operation in April 2016, and four years have passed since then. The Company will conduct order-receiving activities through PT NITTOC CONSTRUCTION INDONESIA, the established consolidated subsidiary, to obtain orders for specialized works such as slope and ground improvement related to infrastructure in Indonesia.

Outline of the Joint Venture

Trade name	PT NITTOC CONSTRUCTION INDONESIA
Representative	Yasunobu Okumiya
Location	Jakarta Selatan (South Jakarta), Indonesia
Date of operational start	April 2016
Description of business	Construction business in Indonesia
Fiscal year-end	March 31
Capital	Indonesian Rupiah (IDR) 51,000 million (Approximately JPY 388 million) Note: Calculated at an exchange rate of 1 rupiah = 0.0076 yen
Composition of shareholders	NITTOC CONSTRUCTION CO., LTD.: 65% PT PANCA DUTA PRAKARSA: 35%
Address	GENERALI TOWER GRAN RUBINA BUSINESS PARK 16th Floor Unit G Jl. HR Rasuna Said, Kuningan Jakarta 12940, Indonesia Tel. (021) 2994 1582 Fax. (021) 2994 1991

PT NITTOC CONSTRUCTION INDONESIA's Web site
<https://www.nittoc-id.co.id/>



GENERALI TOWER: Office is on the 16/F of the building

Feedback from Local Employees

NITTOC is working to develop international human resources through measures such as vocational training overseas, language training, temporary transfer of employees to overseas construction sites and education of foreign engineers, mainly persons from Indonesia. We would like to introduce some of the employees working globally at NITTOC.

I joined NITTOC after obtaining a master's degree at a university in Japan. My first assignment was a slope protection project in Hokkaido, where I learned not only necessary technical skills, but also various other things, including administration on a construction site, technical Japanese vocabulary, and the etiquette necessary for working in Japanese society. Since then, I have been involved in many different projects related to slope protection, ground reinforcement, and caisson pile. I am very grateful to NITTOC and all of my colleagues for creating a friendly work environment that is kind, even to employees from overseas such as myself. I am most happy and proud to be a NITTOC member, capable of contributing to the creation of a safer and more secure society.



MARTINEZ BRAVO Delvin Abdiel

Construction Section, Construction Department, Overseas Business Division
 Nationality: Nicaragua

I worked in Myanmar for several years after graduating from the Civil Engineering Department of Pyay Technological University in Myanmar. Since November 2019, I have been involved in construction management at NITTOC's Tokyo and Nagoya Branches. So far, I have learned various types of technology through experience with ground reinforcement works, including the power blender method, column jet grouting method, and Super Jet, as well as slope works, including mortar spraying, slope frame spraying, and lock bolts. My goal is to become even better at Japanese, get used to life in Japan, and manage construction in cooperation with my colleagues, so that I can be an engineer capable of creating a safe and secure society and contributing to countries.



ZWE ZANI

Construction Section, Construction Department, Overseas Business Division
 Nationality: Myanmar

I graduated from the Civil Engineering Department of Technological University, Mawlamyine, in Myanmar in 2016. Since November 2019, I have worked in construction management at the Tokyo Branch of NITTOC. At construction sites in Japan, I gained experience on ground reinforcement works, including the boring hole method, soil mixing wall method, N-Jet method, and power blender method. I am willing to learn more Japanese, get used to life in Japan, and study a variety of specialized technologies, including slope protection, pipe jacking, and more. I am happy to work for NITTOC because I can learn various specialized technologies and get the opportunity to work in Japan and also abroad.



NAING THUN

Construction Section, Construction Department, Overseas Business Division
 Nationality: Myanmar

International Business

International Business

Safety Conference – PT.NCI 5th Anniversary Party

Once a year, the Company holds a safety conference by gathering all employees and relevant workers aimed at improving their safety awareness. On November 17, 2020, PT. NITTOC CONSTRUCTION INDONESIA (PTNCI) held the 5th Anniversary Party and a safety conference. In light of the COVID-19 pandemic, we held a rally this year that allowed employees who work from home and employees at various sites to participate remotely using Zoom. Next, PTNCI introduced examples of workplace accidents in Japan and Indonesia that occurred in fiscal 2019. We continued with disaster case studies for construction projects that PTNCI is engaged in now, or will start in the near future, introducing disaster cases involving jet grout, pipe jacking, power blenders, slope protection, and electrical issues. In addition, it raised the awareness of staff regarding the importance of safety work. PTNCI also awarded staff and workers who have continuously served for 5 years.



Safety conference (online)



5th Anniversary Award



From left: Faisal (Best Staff), Yano (5th Anniversary), Wawan (5th Anniversary)

Employee Education



Staff training

Every year, our safety and technology staff are dispatched to Japan to learn about NITTOC's safety management, project management, and construction technologies. Last fiscal year, although trainees could not come to Japan for their training because of the COVID-19 pandemic, we conducted training through online means.

Project site visit by administrative staff

Employees working at the PTNCI Jakarta Office are visiting project sites outside Jakarta. The goal of these visits is to foster communication between administrative personnel and worksite personnel. These visits enable administrative staff that work in the office to get an immediate feel of worksite conditions and situations.



Recreation Event for Employees and Their Family Members

To mark the anniversary of the establishment of PT. NITTOC CONSTRUCTION INDONESIA in November, NITTOC holds recreational activities with the participation of employees and their family members. We were not able to hold these activities last fiscal year due to the COVID-19 pandemic, but we are working to conduct them on a regular basis to facilitate communication among employees. In 2018, a total of 86 Japanese and Indonesian staff and family members participated in such activities in the Ancol district of northern Jakarta. A total of 91 Japanese and Indonesian staff and family members participated in the event at Ancol Ocean Dream Sumudra (SCORPION PIRATES). NITTOC will continue these recreational activities with the participation of employees and their families every year.



Introduction of Overseas Construction Projects

In the Republic of Indonesia, we have accumulated a steady record of undertaking construction projects through the establishment of a representative office and a subsidiary. We would like to introduce some of the projects we have undertaken in Indonesia.



Asahan No.3 Hydroelectric Power Plant

This hydroelectric power plant in North Sumatra was built to relieve the tight supply-demand balance of electricity and make the supply of electricity more stable. The Company performed the slope protection work.

Work site:	Asahan Regency, North Sumatra
Orderer:	PT PLN
Owner:	Shimizu - Adhi Karya JO
Description of the work:	Free frame work, mortar spraying
Construction period:	September 2019 – Ongoing

JAKARTA MASS RAPID TRANSIT PROJECT

Jakarta has made tremendous progress as a center of economic activity. However, since the city suffers from chronic traffic congestion, it decided to build a new subway to alleviate the problem. The Company performed base slab reinforcement work and pithead protection work. This base slab reinforcement work and pithead protection work are associated with the construction of the new subway line.

Work site:	Special Capital Region of Jakarta
Orderer:	PT. MRT JAKARTA
Owner:	Shimizu - Adhi Karya JO
Description of the work:	Jet grouting work, chemical grouting work
Construction period:	October 2020 – Ongoing



Cement Soil Mixing Demonstration Work Development of Makassar City Northwest Zone

The infrastructure development in Makassar, the largest city in eastern Indonesia, has not been able to keep up with rapid population growth driven by economic growth. The Company is constructing a new sewage system in the city.

Work site:	Makassar, South Sulawesi
Orderer:	PU
Owner:	PT. ADHI KARYA (Persero) Tbk
Description of the work:	Pipe jacking work
Construction period:	August 2020 – Ongoing

SDGs Initiatives

SDGs

NITTOC is implementing initiatives for achieving the SDGs.



NITTOC conducts its business under its mission and one of its management philosophies of fulfilling its role as a company that provides a safe and secure society and contributes to countries. Through initiatives related to social issues such as the SDGs, we will work to realize our management philosophies, as well as contribute to the realization of a sustainable society.

Initiatives for the Restoration and Reconstruction from the Hokkaido Eastern Iburi Earthquake ~ Yoshino Area 2 (Zones 1 to 3) Disaster-related emergency forest conservation work (Atsuma Town, Yufutsu District, Hokkaido)



		Provide a safe and secure society and contribute to countries Protect countries from natural disasters such as earthquakes, typhoons, and heavy rain Build foundations for disaster-resistant infrastructure and urban development Disaster prevention measures on slopes around cultural properties Develop technologies for disaster prevention of slopes of cultural properties in collaboration with universities	
			Realize an environment-friendly, sustainable society Incorporate environmentally conscious construction methods
			Promote work style reforms Cultivation and development of human resources Health and safety education and maintenance of safe environments
	Increase recruitment of female engineers Establish a workplace environment in which women can work comfortably		
	Thorough compliance Build a risk management system and strengthen process management		

From these, we will introduce our environmental initiatives.

SDGs - Environmental Initiatives -

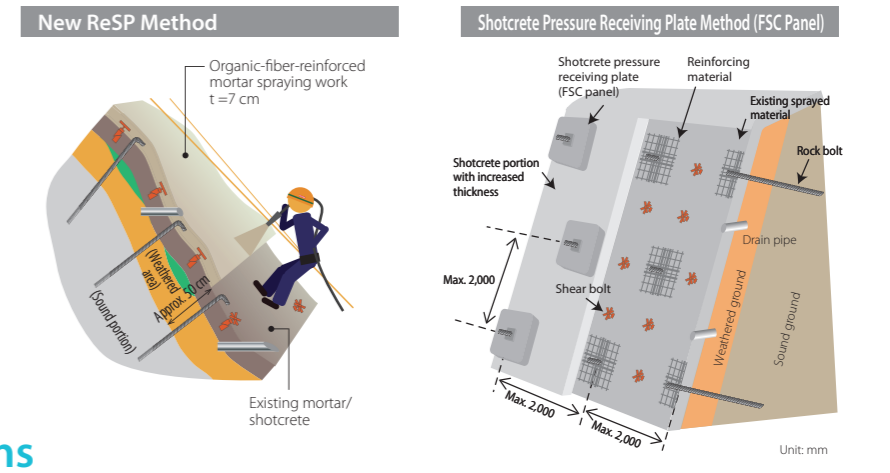
Recycling of Disaster Waste (scrap wood, sludge)

The Company uses various recycling and greening methods to enable recycling of onsite surplus soil and wood chips in line with local needs. The Company uses its recycling and greening knowledge developed over many years of experience, to recycle waste materials produced by disasters (sludge, scrap wood such as felled trees, roots, and flood wood, and other waste) for use in slope greening, with the aim to reduce the amount of waste.



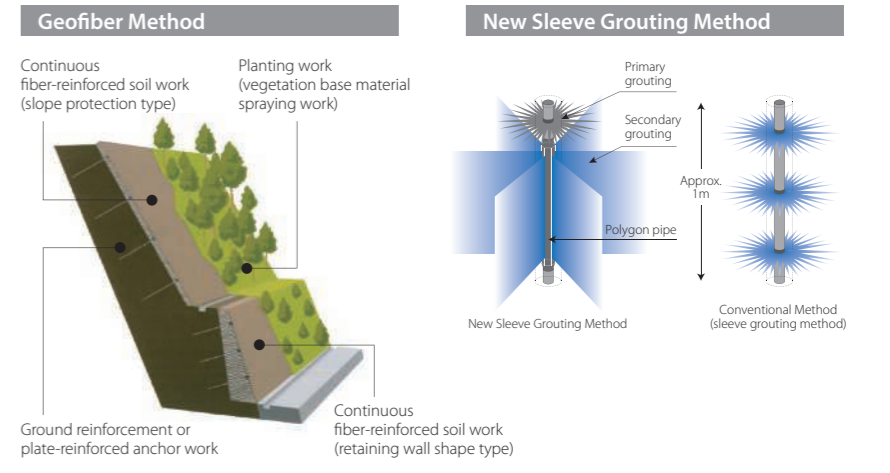
Reduction of Industrial Waste

Aged shotcrete slopes were conventionally renovated by first removing the existing mortar/concrete and then spraying on new mortar. The removed concrete grounds then became industrial waste. The New ReSP method and the shotcrete pressure receiving plate method (FSC panel) enables repair and reinforcement without removing the existing mortar and concrete, reducing the amount of industrial waste produced.



Reduction of CO2 Emissions

The cement creation process produces a large amount of CO₂. The geofiber method, which does not use cement, cuts the CO₂ emissions involved in the production process to less than one third of those emitted when using the slope frame method. The new sleeve grouting method uses a longer grouting span and has superior penetration performance compared to conventional methods, making it possible to space grouting further apart and cutting the number of grouting holes to as little as one fourth of conventional methods. This shortens construction period and reduces the amount of CO₂ emitted by construction equipment.



Environmental Responsibility

Environmental Responsibility

Environmental Policy

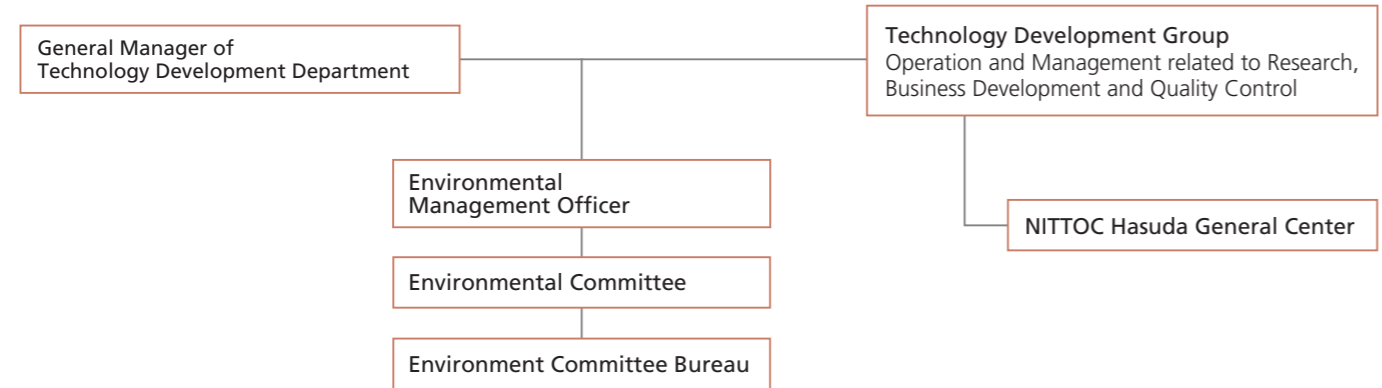
NITTOC has general power with that specializes in <Disaster Prevention and Environmental Conservation>, <Urban Regeneration> and <Maintenance and Renovation>, listed in one of the management philosophy of contributing to the society. Technology Development Department establishes the followings issue as our environmental policy based on our management philosophy.

- Technology Development Department recognizes global environment conservation as one of the business activities. We are aim to reduce the load of global environment by improving the environmental management system.
- Effective utilization of limited resources and reduce the load of environment to be a resource recycling society. We promote

the research, development, design and study to construct an environmental symbiosis society for earth biological including humans.

- Promote all activities about waste reduction, increase recycling rate, resources saving, energy saving, ecosystem conservation, landscape conservation and environmental friendly products utilization.
- Comply with environment related laws and regulations, agreements, customer and industry requirements, actively fulfill social responsibility for environmental protection.
- Education for personnel of Technology Development Department to improve environmental conservation awareness.
- Expose the implementation of environmental policy and environmental conservation activities as needed in order to cooperate with customers and the community.

Operational Organization Diagram of the Technology Development Department Environment Management System



Landscape Conservation Technology of Cultural Property

Landscape Conservation Technology for Cultural Properties

Our landscape conservation technology helps to restore the landscape while protecting the security of valuable cultural properties and historical sites.

Kiyomizu-dera Temple (Kyoto)

The slope of the Kiyomizu-dera, a World Heritage site, collapsed due to the heavy rain caused by Typhoon Man-yi in September 2013. In 2014 through 2015, the collapsed slope was reinforced by ground reinforcement work and ground anchor work, and covered with reinforced soil using the Geofiber Method. Plants will grow at the site and the beautiful landscape full of greenery will return soon.



Slope seen from the stage of Kiyomizu-dera Temple



Slope under the Koyasu-no-tou, a National Important Cultural Property

Utsunomiya Castle Site Park (Tochigi)

Utsunomiya Castle Site Park is maintained as an important basis for the revitalization of central downtown areas of the city and urban disaster prevention, with partial restoration of the former Utsunomiya Castle, which is faithful to historical facts, as a main feature.

The Geofiber Method was adopted for the restoration of the earthworks, and the beautiful green earthworks now have been maintained for 10 years since the restoration work was completed.



After the work

Kashima Jingu Shrine (Ibaraki)

The slope of Kashima Jingu Shrine located in Kashima-shi, Ibaraki, collapsed due to the mudslides caused by Typhoon Wipha in October 2013. The Geofiber Method was adopted for the restoration work of the collapsed slope.

The restoration work was completed without fouling the Mitarashi Pond, located at the side of the slope, because no cement was used.



Before the work

After the work

Contribution to Society

Aiming to be a company trusted by society, NITTOC is promoting various social contribution activities, of which the major activities are outlined below.

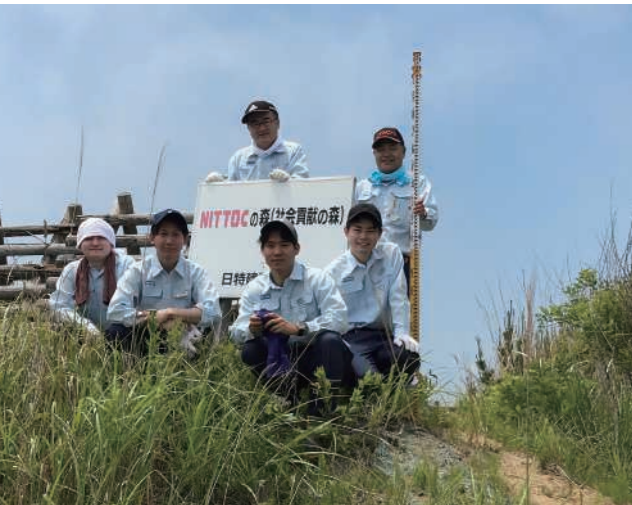
Tokyo Branch: Removal of Trees Knocked Down by Typhoon (Gunma Prefecture, September 2020)

Typhoon Dolphin, which occurred in September, caused damage on roads near a dam site in Gunma Prefecture, knocking down trees. Once the typhoon passed, the Company worked to remove the fallen trees. Employees of NITTOC and partner companies, who were working as field representatives on a nearby site, removed the trees and then broken branches and other debris from the road, which was finally reopened.



Osaka Branch: Thinning and Mowing in the Area Adjacent to Construction Site (Kyoto Prefecture, November 2020)

The work of thinning and mowing in the mountain areas surrounding cultivated land adjacent to a construction site of Kasuga Interchange had become a burden to residents of the area. Therefore, employees of NITTOC and partner companies performed the work in the mountain areas surrounding cultivated land during the construction period. They also mowed grass around the cultivated land. The residents of the area were pleased with our activity as it reduced their burden of grass mowing and other work.



Tohoku Branch: Regeneration and Maintenance Activities for a Seaside Forest Reserve to Prevent Disasters (Miyagi Prefecture, June 2020)

We participate in a reforestation activity for seaside disaster-prevention forests that were washed away in the Tohoku Earthquake & Tsunami. Much time has passed since new trees were planted in 2014, and trees have grown differently from one place to another. They have grown to heights ranging from 1.5 m to 4 m, depending on the location. On the day of this activity, seven employees of the Tohoku Branch, including the branch manager, performed maintenance work. Their duties included spreading fertilizer and cutting bottom weeds. We plan to continue this activity going forward by doing regular maintenance work.



Hiroshima Branch: Cleanup Volunteer Support Project (Hiroshima Prefecture: April 2020 – February 2021)

We have conducted cleanup work on a riverside promenade near the Company once every three months since April 2020. This activity is mainly done by in-house employees from the Hiroshima Branch, and about 20 staff start cleaning in the evenings. Usually, there is a great amount of plastic bottles, paper waste, and other garbage from the city. When the employees conducted this work in the fall, most of the waste was fallen leaves and in just one cleaning operation, they collected about 20 large transparent plastic bags full of waste. The Hiroshima Branch will continue regular cleanup work in the neighborhood.

Hokuriku Branch: Echigo Rice Terrace Supporters (Niigata Prefecture, June 2020)

Echigo Rice Terrace Supporters is a group consisting mainly of staff from the Agricultural Land Department of the Niigata Prefectural Government. It was formed to show their love for rice terraces and to work with members of the community to protect them. Volunteers from the Hokuriku Branch who support the group's objectives cooperated by mowing grass and cleaning rice terraces in various parts of Niigata Prefecture this year as well. In fiscal 2020, five branch employees participated in this project in June.

Activity Details

Iwanezawa Area, Sado City
Mowing grass on irrigation and drainage canals of rice terraces, cleaning mud from canals, and maintenance around ponds



Installation of a Donation Box for the Children's Cafeteria "Ohisama Kitchen, Ohisama Food Pantry" (Tokyo, September 2020 – Ongoing)

We have set up a donation box for the children's cafeteria "Ohisama Kitchen, Ohisama Food Pantry" in our Head Office building. The children's cafeteria "Ohisama Kitchen, Ohisama Food Pantry" was launched with the goal of providing as much relief as possible for difficult environments, including households where children are hungry and have nothing to eat, or where the parents work while the children are at home alone with nobody to talk to while having meals. We support this goal and have set up a donation box to assist them.



Corporate Governance

I. Basic Policy on Corporate Governance

The Company attaches great importance to the interests of all stakeholders supporting its corporate activities and recognizes the importance of corporate ethics that comply not only with various legal norms but also with decency and common sense. At the same time, the Company's basic policy on corporate governance is determined to be the establishment of a corporate organization that can contribute to the development of social infrastructure by raising transparency and the soundness of management through efforts such as sustainable, corporate development; the acquisition of social credibility; and the elimination of illegal payoffs to antisocial groups.

Reason for Adopting the Corporate Governance System

Based on the aforementioned basic policy on corporate governance, we have adopted the corporate governance system described below with the aim of thorough risk management and compliance and improved internal control with regard to swift responses to changes in the business environment, as well as to the decision making, execution and supervision of business operations.

II. Status of Development of the Internal Control System

To raise the confidence of society and its corporate value, the Company addresses the "reinforcement of internal control (compliance and risk management)" as the most important management task. The Company considers the management are responsible for establishment of the system for ensuring appropriate business operations, and has stipulated the "Basic Policy on an Internal Control System."

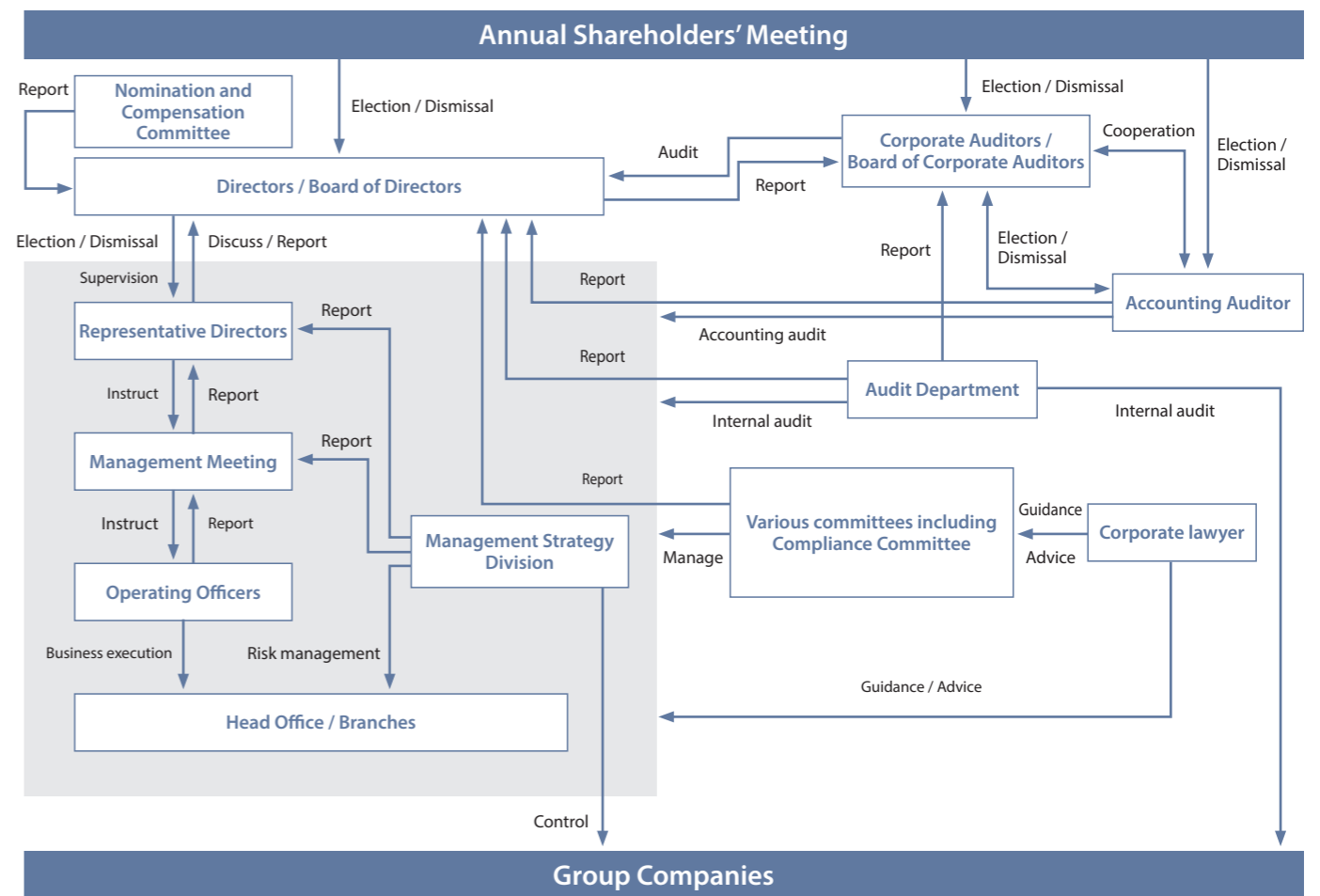
The "Basic Policy for Establishing an Internal Control System" refers to the overall commitment regarding such establishment of an internal control system by the Management Strategy Division, whereas the Audit Department is in charge of monitoring the status of the development and operational status of internal controls.

To establish the system for ensuring appropriate financial reporting and monitor such financial reporting, the Internal Control Department is formed under the Management Strategy Division.

The "Basic Policy on an Internal Control System" is regularly reviewed by the Corporate Planning Department, Management Strategy Division, and revised by resolution of the Board of Directors, as required.

Summary of Our Corporate Governance System

NITTOC's corporate governance system



Management Members



DIRECTORS

1 Representative Director and Chairperson
Norihisa Nagai

2 President and Representative Director
Yasuo Wada

3 Director
Hiroshi Yamada

4 Director
Toshikazu Kawaguchi

5 Director
Masashi Ootsuka

6 Director
Naoto Kami

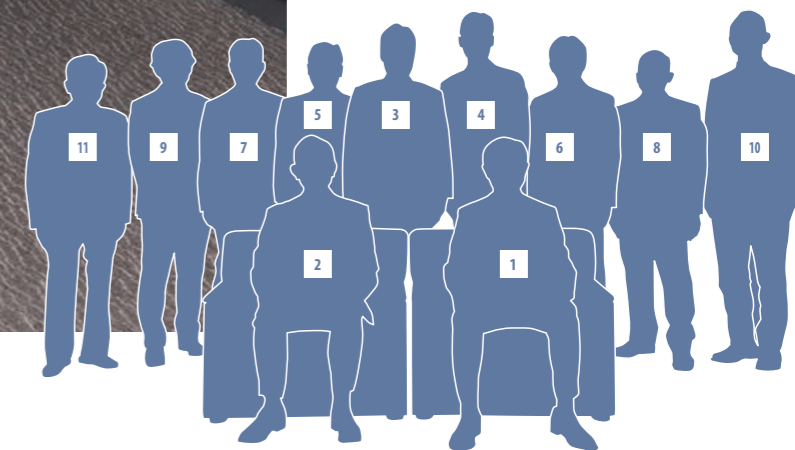
7 Director
Katsuhiro Yorozu

8 Director
Yasunobu Okumiya

9 Director
Iwao Aso

10 Director
Masayuki Watanabe
(Outside Director)

11 Director
Katsuo Nakamura
(Outside Director)



Management Members

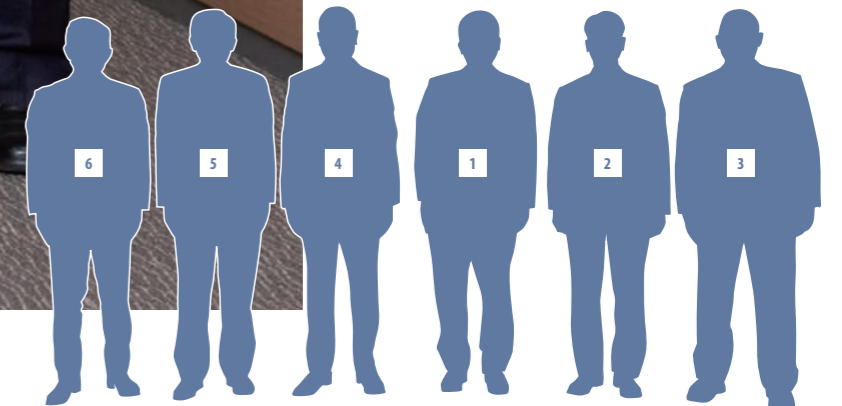


CORPORATE AUDITORS

- 1 Standing Corporate Auditor
Yoshihiro Abe
- 2 Standing Corporate Auditor
Makoto Kaai
(Outside Corporate Auditor)
- 3 Corporate Auditor
Atsushi Ono
(Outside Corporate Auditor)

MANAGING EXECUTIVE OFFICERS

- 4 Managing Executive Officer
Yasushi Sunoda
- 5 Managing Executive Officer
Masaru Asai
- 6 Managing Executive Officer
Koichi Suga



Consolidated Financial Statements

Consolidated Financial Statements, etc.

1. Consolidated Financial Statements

1) Consolidated Balance Sheets
March 31, 2020 and 2021

	Millions of yen		Thousands of U.S.Dollars(*)
	2020	2021	2021
Assets			
Current assets			
Cash and deposits	18,713	17,722	160,076
Notes receivable, accounts receivable from completed construction contracts and other	17,317	19,666	177,644
Electronically recorded monetary claims — operating	2,435	2,921	26,392
Merchandise and finished goods	14	9	89
Real estate for sale	0	0	0
Costs on construction contracts in progress	*4 1,850	*4 1,359	12,280
Raw materials and supplies	161	243	2,200
Other	512	360	3,254
Allowance for doubtful accounts	(1)	(2)	(18)
Total current assets	41,003	42,282	381,920
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	*1 1,769	*1 1,645	14,864
Machinery, vehicles, tools, furniture and fixtures, net	*1 897	*1 1,133	10,234
Land	2,652	2,638	23,828
Leased assets, net	*1 24	*1 13	119
Construction in progress	52	166	1,506
Other, net	*3 2	*3 2	18
Total property, plant and equipment	5,398	5,598	50,571
Intangible assets	440	445	4,025
Investments and other assets			
Investment securities	791	974	8,803
Deferred tax assets	1,966	2,127	19,215
Other	622	602	5,443
Allowance for doubtful accounts	(63)	(59)	(538)
Total investments and other assets	3,316	3,644	32,923
Total non-current assets	9,155	9,689	87,519
Total assets	50,159	51,971	469,440

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

	Millions of yen		Thousands of U.S.Dollars(*)
	2020	2021	2021
Liabilities			
Current liabilities			
Notes payable, accounts payable for construction contracts and other	11,365	11,339	102,421
Short-term borrowings	274	278	2,511
Advances received on construction contracts in progress	2,087	2,032	18,358
Lease obligations	12	3	34
Income taxes payable	1,189	1,274	11,509
Provision for warranties for completed construction	41	24	216
Provision for loss on construction contracts	*4 1	*4 286	2,584
Provision for bonuses	1,370	1,501	13,558
Provision for bonuses for directors (and other officers)	43	36	331
Other	2,830	2,156	19,478
Total current liabilities	19,214	18,931	171,003
Non-current liabilities			
Long-term borrowings	278	—	—
Lease obligations	9	5	51
Retirement benefit liability	4,069	4,162	37,602
Other	37	71	643
Total non-current liabilities	4,394	4,239	38,297
Total liabilities	23,608	23,171	209,301
Net assets			
Shareholders' equity			
Share capital	6,052	6,052	54,669
Capital surplus	2,022	2,022	18,266
Retained earnings	19,420	21,419	193,469
Treasury shares	(1,056)	(1,057)	(9,549)
Total shareholders' equity	26,438	28,436	256,855
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	188	312	2,823
Foreign currency translation adjustment	(79)	(34)	(310)
Remeasurements of defined benefit plans	(158)	(95)	(858)
Total accumulated other comprehensive income	(49)	183	1,654
Non-controlling interests	161	180	1,628
Total net assets	26,550	28,800	260,139
Total liabilities and net assets	50,159	51,971	469,440

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

Consolidated Financial Statements

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income
Fiscal Years Ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S.Dollars(*)
	2020	2021	2021
Net sales			
Net sales of completed construction contracts	65,361	67,718	611,674
Sales in other businesses	155	237	2,143
Total net sales	65,516	67,955	613,818
Cost of sales			
Cost of sales of completed construction contracts	*1 53,161	*1 54,959	496,425
Cost of sales in other businesses	59	142	1,289
Total cost of sales	53,221	55,102	497,715
Gross profit			
Gross profit on completed construction contracts	12,199	12,759	115,249
Gross profit - other business	95	94	853
Total gross profit	12,295	12,853	116,103
Selling, general and administrative expenses	*2,3 7,392	*2,3 7,495	67,702
Operating profit	4,903	5,358	48,400
Non-operating income			
Interest income	17	16	152
Dividend income	33	34	309
Patent income	18	13	124
Foreign exchange gains	-	32	293
Other	14	9	86
Total non-operating income	83	107	967
Non-operating expenses			
Interest expenses	9	6	59
Guarantee commission	27	30	276
Foreign exchange losses	63	-	-
Commission for syndicated loans	5	5	48
Other	0	3	30
Total non-operating expenses	106	46	415
Ordinary profit	4,880	5,419	48,952
Extraordinary income			
Gain on sale of non-current assets	*4 20	*4 15	141
Total extraordinary income	20	15	141
Extraordinary losses			
Loss on retirement of non-current assets	*5 23	*5 3	33
Impairment losses	-	*6 211	1,911
Other	-	1	16
Total extraordinary losses	23	217	1,961
Profit before income taxes	4,876	5,218	47,132
Income taxes - current	1,750	1,965	17,755
Income taxes - deferred	(185)	(243)	(2,196)
Total income taxes	1,564	1,722	31,572
Profit	3,311	3,495	15,559
Profit attributable to non-controlling interests	53	(5)	(45)
Profit attributable to owners of parent	3,258	3,500	31,618

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

Consolidated Statements of Comprehensive Income
Fiscal Years Ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S.Dollars(*)
	2020	2021	2021
Profit	3,311	3,495	31,572
Other comprehensive income			
Valuation difference on available-for-sale securities	(88)	124	1,120
Foreign currency translation adjustment	(81)	69	627
Remeasurements of defined benefit plans, net of tax	68	63	571
Total other comprehensive income	*1 (102)	*1 256	2,320
Comprehensive income	3,209	3,752	33,892
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	3,184	3,733	33,722
Comprehensive income attributable to non-controlling interests	24	18	170

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

Consolidated Financial Statements

3. Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,052	2,022	17,496	(1,055)	24,515
Changes during period					
Dividends of surplus			(1,334)		(1,334)
Profit attributable to owners of parent			3,258		3,258
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,923	(0)	1,922
Balance at end of period	6,052	2,022	19,420	(1,056)	26,438

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	277	(26)	(226)	24	137	24,676
Changes during period						
Dividends of surplus						(1,334)
Profit attributable to owners of parent						3,258
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(88)	(53)	68	(73)	24	(49)
Total changes during period	(88)	(53)	68	(73)	24	1,873
Balance at end of period	188	(79)	(158)	(49)	161	26,550

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,052	2,022	19,420	(1,056)	26,438
Changes during period					
Dividends of surplus			(1,501)		(1,501)
Profit attributable to owners of parent			3,500		3,500
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	1,998	(1)	1,997
Balance at end of period	6,052	2,022	21,419	(1,057)	28,436

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	188	(79)	(158)	(49)	161	26,550
Changes during period						
Dividends of surplus						(1,501)
Profit attributable to owners of parent						3,500
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	124	45	63	232	18	251
Total changes during period	124	45	63	232	18	2,249
Balance at end of period	312	(34)	(95)	183	180	28,800

Consolidated Financial Statements

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Thousands of U.S.Dollars)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	54,669	18,266	175,414	(9,539)	238,810
Changes during period					
Dividends of surplus			(13,562)		(13,562)
Profit attributable to owners of parent			31,618		31,618
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	18,055	(10)	18,045
Balance at end of period	54,669	18,266	193,469	(9,549)	256,855

(Thousands of U.S.Dollars)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,703	(718)	(1,433)	(449)	1,458	239,819
Changes during period						
Dividends of surplus						(13,562)
Profit attributable to owners of parent						31,618
Purchase of treasury shares						(10)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	1,120	408	575	2,104	170	2,274
Total changes during period	1,120	408	575	2,104	170	20,320
Balance at end of period	2,823	(310)	(858)	1,654	1,628	260,139

4. Consolidated Statements of Cash Flows

Fiscal Years Ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S.Dollars(*)
	2020	2021	2021
Cash flows from operating activities			
Profit before income taxes	4,876	5,218	47,132
Depreciation	380	402	3,631
Increase (decrease) in allowance for doubtful accounts	(1)	(8)	(80)
Increase (decrease) in provision for warranties for completed construction	3	(17)	(153)
Increase (decrease) in provision for loss on construction contracts	(110)	284	2,573
Increase (decrease) in provision for bonuses	396	130	1,178
Increase (decrease) in provision for bonuses for directors (and other officers)	19	(6)	(62)
Increase (decrease) in retirement benefit liability	41	185	1,674
Loss (gain) on sale of property, plant and equipment	(20)	(15)	(141)
Loss on retirement of non-current assets	23	3	33
Interest and dividend income	(51)	(51)	(461)
Interest expenses	9	6	59
Foreign exchange losses (gains)	76	(16)	(150)
Impairment losses	-	211	1,911
Decrease (increase) in trade receivables	4,140	(2,828)	(25,552)
Decrease (increase) in costs on construction contracts in progress	149	492	4,448
Decrease (increase) in other assets	(11)	70	632
Increase (decrease) in trade payables	(1,328)	(76)	(694)
Increase (decrease) in advances received on construction contracts in progress	419	(62)	(566)
Increase (decrease) in accrued consumption taxes	661	(704)	(6,360)
Increase (decrease) in other liabilities	(725)	240	2,168
Subtotal	8,949	3,456	31,220
Interest and dividends received	48	53	485
Interest paid	(9)	(6)	(61)
Income taxes paid	(1,631)	(2,077)	(18,761)
Net cash provided by (used in) operating activities	7,357	1,426	12,883
Cash flows from investing activities			
Purchase of investment securities	(4)	(4)	(40)
Purchase of property, plant and equipment	(251)	(702)	(6,344)
Proceeds from sale of property, plant and equipment	24	16	147
Payments for retirement of property, plant and equipment	(5)	-	-
Purchase of intangible assets	(14)	(29)	(268)
Proceeds from collection of loans receivable	34	46	423
Payments of guarantee deposits	(17)	(8)	(76)
Proceeds from refund of guarantee deposits	6	6	58
Other payments	(3)	(41)	(371)
Other proceeds	13	10	96
Net cash provided by (used in) investing activities	(217)	(705)	(6,375)

Consolidated Financial Statements

	Millions of yen		Thousands of U.S. Dollars(*)
	2020	2021	2021
Cash flows from financing activities			
Repayments of long-term borrowings	(274)	(274)	(2,474)
Repayments of lease obligations	(15)	(12)	(109)
Proceeds from disposal of treasury shares	–	0	0
Purchase of treasury shares	(0)	(1)	(10)
Dividends paid	(1,334)	(1,496)	(13,520)
Net cash provided by (used in) financing activities	(1,625)	(1,784)	(16,115)
Effect of exchange rate change on cash and cash equivalents	(148)	71	649
Net increase (decrease) in cash and cash equivalents	5,367	(991)	(8,957)
Cash and cash equivalents at beginning of period	13,346	18,713	169,034
Cash and cash equivalents at end of period	*1 18,713	*1 17,722	160,076

Notes

(Basis of Presenting Consolidated Financial Statements)

The accompanying consolidated financial statements have been prepared from the accounts maintained by NITTOCONSTRUCTION CO., LTD. (the "Company") and its consolidated subsidiaries (collectively, the "Group") in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥110.71 to US\$1.00, the approximate rate of exchange on March 31, 2021. Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(Going-Concern Assumption)

Not applicable

(Significant Items on Basis for Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

Number of consolidated subsidiaries: 5
 Midori Industries Co., Ltd.
 Yamaguchi Earth Engineering Co., Ltd.
 Shimane Earth Engineering Co., Ltd.
 Ehime Earth Engineering Co., Ltd.
 PT NITTOCONSTRUCTION INDONESIA

2. Application of the Equity Method

Not applicable

3. Fiscal Years, etc. of Consolidated Subsidiaries

The year-end date of the fiscal year of the consolidated subsidiaries is March 31, which is the same as the consolidated balance sheet date.

4. Accounting Policies

(1) Valuation standard and valuation method for significant assets

- 1) Securities
 - Held-to-maturity debt securities
Amortized cost method (by the straight-line method)
 - Available-for-sale securities
Securities with market quotations:
Valued at fair market value as of the consolidated fiscal year-end date (All changes in valuation difference are included directly in net assets. Cost of securities sold is determined by the moving-average method).
 - Securities without market quotations:
Valued at cost based on the moving-average method.
- 2) Inventories
 - Merchandise
Stated at cost using the first-in first-out method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)
 - Real estate for sale
Stated at cost using the specific identification method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)
 - Costs on construction contracts in progress
Stated at cost using the specific identification method
 - Raw materials and supplies
Stated at cost using the first-in first-out method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)

(2) Depreciation methods of major depreciable assets

- 1) Property, plant and equipment (excluding leased assets): The declining-balance method is applied.
However, the straight-line method is adopted for buildings acquired on or after April 1, 1998, as well as facilities attached to buildings and structures acquired on or after April 1, 2016, and for machinery equipment. The useful lives and the residual value are based on standards in accordance with methods stipulated in the Corporation Tax Act.
- 2) Intangible assets (excluding leased assets): The straight-line method is applied.
The useful lives are based on standards in accordance with methods stipulated in the Corporation Tax Act. Computer software for internal use is amortized by the straight-line method over the estimated internal useful life (five years).

Consolidated Financial Statements

3) Leased assets

The same depreciation method as that applied to non-current assets owned by the Company is adopted for leased assets of finance lease transactions where ownership of leased assets is transferred to the lessee.
The straight-line method, in which the lease period is utilized as the useful life assuming the residual value is zero, is adopted for the leased assets of finance lease transactions without transfer of ownership.

(3) Accounting procedure for deferred assets

Deferred organization expenses and business commencement expenses are fully charged to income as incurred.

(4) Recognition standards for significant reserves

1) Allowance for doubtful accounts

The allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables based on past bad debt experience for general receivables, and by individually considering the collectibility for certain doubtful receivables including loans with potential default to prepare for possible loan losses including trade receivables and loans receivable.

2) Provision for warranties for completed construction

The provision for warranties for completed construction is recorded at an amount based on the estimated compensation amount regarding the completed construction contracts for the consolidated fiscal year under review to prepare for expenses such as warranty against defects relative to completed construction works.

3) Provision for loss on construction contracts

The provision for loss on construction contracts is recorded at an estimated loss amount regarding construction works on hand at the end of the consolidated fiscal year under review for which loss is expected, and for which the amount can be reasonably estimated, to prepare for possible losses from construction contracts that the Group has received orders thereof.

4) Provision for bonuses

The provision for bonuses is recorded at an amount of possible disbursement corresponding to the consolidated fiscal year under review based on the estimated amount to provide for bonuses to employees.

5) Provision for bonuses for directors

The provision for bonuses for directors is recorded at an amount of possible disbursement corresponding to the consolidated fiscal year under review based on the estimated amount to provide for bonuses to eligible directors.

(5) Accounting procedure for retirement benefits

1) Method of allocating the projected retirement benefits to periods

In calculating the projected benefit obligation, the benefit formula basis is used to allocate the projected retirement benefits to periods up to the end of the consolidated fiscal year under review.

2) Amortization method for actuarial gains/losses and prior service cost

Actuarial gains or losses are amortized for the pro-rata amount computed by the straight-line method over a certain period (10 years) within the average remaining service period of employees at the time of recognition, commencing from the consolidated fiscal year following the recognition.

The prior service cost is amortized by the straight-line method over a certain period (10 years) within the average remaining service period of employees at the time of recognition, commencing from the consolidated fiscal year following the recognition.

3) Adoption of the simplified method for small and medium-sized entities

For the calculation of retirement benefit liability and retirement benefit expenses, the consolidated subsidiaries of the Company have adopted the simplified method, according to which the amount of payables for voluntary retirement of all employees at the end of the period is treated as projected benefit obligation.

(6) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates on the consolidated fiscal year-end date, and differences arising from such translation are charged to income.

The asset and liability accounts of the overseas subsidiaries are translated into Japanese yen at the spot exchange rates as of the consolidated fiscal year-end date. The revenue and expense accounts of the overseas subsidiaries are translated into Japanese yen based on the average exchange rate during the consolidated fiscal year under review, and differences arising from such translation are included in "Foreign currency translation adjustment" and "Non-controlling interests" as separate components of "Net assets."

(7) Recognition standards for significant revenues and expenses

Recognition standards for net sales of completed construction contracts and cost of sales of completed construction contracts

1) Works for which the outcome of the construction activity is deemed certain with regard to the portion of construction in progress by the end of the consolidated fiscal year under review

The percentage-of-completion method has been applied to such works (the degree of completion of construction is estimated by the cost-to-cost method).

2) Other works

The completed-contract method has been applied.

Net sales of completed construction contracts, to which the percentage-of-completion method was applied, were ¥48,607 million (\$439,048 thousand) for the consolidated fiscal year under review.

(8) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, bank deposits available for withdrawal on demand and readily convertible short-term investments with maturities of three months or less, which are exposed to minor risk of fluctuation in value.

(9) Other items of significance concerning the preparation of consolidated financial statements

1) Accounting procedure for consumption taxes and others

Transactions subject to consumption tax and local consumption tax are recorded at amounts exclusive of the consumption taxes.

2) Application of consolidated tax return system

The consolidated tax return system is applied.

3) Application of tax effect accounting relating to the transition from the consolidated tax return system to the group tax sharing system

As for the items subject to the transition to the group tax sharing system established under the Act for Partial Amendment to the Income Tax Act, etc., (Act No. 8 of 2020), as well as to the review of the non-consolidated tax return system in association therewith, the Company and its domestic consolidated subsidiaries have not applied the provisions of Section 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued on February 16, 2018), but applied the provisions of the Income Tax Act before the amendment to the amounts of deferred tax assets and deferred tax liabilities, by virtue of Section 3 of the Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued on March 31, 2020).

(Significant Accounting Estimates)

Estimates of total construction revenue and total cost of construction work, to which the percentage-of-completion method is applied

1. Amounts stated in the consolidated financial statements for the consolidated fiscal year under review

Net sales of completed construction contracts based on the percentage-of-completion-method is as described in "Net sales of completed construction contracts, to which the percentage-of-completion method is applied for the consolidated fiscal year under review" in "I. Significant Items on Basis for Preparation of Consolidated Financial Statements 4. Accounting Standards (7) Recognition standards for significant revenues and expenses."

2. Information that facilitates the understanding of details of accounting estimates

(1) Calculation method

Revenues based on the percentage-of-completion method are measured based on the degree of completion of construction, which are calculated based on the proportion of the actual cost incurred by the end of the consolidated fiscal year under review against the estimated total cost of construction. Estimates of total construction revenue and total cost of construction work are based on the statement of working budget prepared for each construction.

In the Group, construction work managers identify changes in situation after commencement of the construction appropriately and on a timely basis through interviews as well as inspections of construction-related documents including the statement of the working budget, which are reflected in the calculation of the percentage-of-completion method. Constructions believed to have significant impact on the business performance are under intensive management involving executives both at branches and headquarters. Through these management initiatives, the Group makes an effort to reduce events with potential significant impact on the consolidated financial statements for the following consolidated fiscal year.

(2) Major assumptions

Estimates of total construction revenue and total cost of construction work, to which the percentage-of-completion method is applied, involve certain assumptions and determination by the construction site supervisors with construction expertise as well as experience in executing construction works. In addition, since construction works generally tend to extend over a long period of time, they may involve situations such as design changes or revisions during the works, extension of the work period due mainly to adverse weather, and fluctuations in material or labor costs.

While major assumptions are likely to be affected in the event of lengthy interruption of construction works due to COVID-19, impact from this factor is believed to be insignificant at present.

(3) The impact on the consolidated financial statements for the following consolidated fiscal year

Estimates of total construction revenue and total cost of construction work stated in the (2) Major assumptions may, depending on the revision in accordance with the progress of construction, have impact on the consolidated financial statements for the following consolidated fiscal year.

(Unapplied Accounting Standards, etc.)

• Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 30, 2018)

• Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 issued on March 30, 2018)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed comprehensive accounting standards for revenue recognition and publicly released "Revenue from Contracts with Customers" (IFRS No. 15 for IASB; Topic 606 for FASB) in May 2014. Taking into account the circumstances in which IFRS No. 15 became applicable from the fiscal year beginning on January 1, 2018, or later, and Topic 606 became applicable from the fiscal year beginning after December 15, 2017, the Accounting Standards Board of Japan (ASBJ) has developed comprehensive accounting standards for revenue recognition and announced them together with the implementation guidance.

Consolidated Financial Statements

As a basic guideline for developing accounting standards for revenue recognition, the ASBJ's starting point in prescribing accounting standards was to adopt the basic principles under IFRS No. 15, from the perspective of comparability among financial statements, which is one of the benefits in ensuring consistency with IFRS No. 15. In addition, it was determined that an alternative treatment shall be added within the scope of not impairing such comparability in case there are any items to which attention should be paid to practices, etc., previously implemented in Japan.

(2) Scheduled date of application

To be applied from the beginning of the consolidated fiscal year ending March 31, 2022.

(3) Impact of applying the said accounting standards, etc.

The impact of applying the "Accounting Standard for Revenue Recognition," etc., on the consolidated financial statements is currently being evaluated.

(Accounting Standards for Fair Value Measurement, etc.)

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019)
- Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 issued on July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have developed detailed guidance with practically the same contents for fair value measurement (IFRS No. 13 "Fair Value Measurement" under the International Financial Reporting Standards, and Accounting Standards Codification Topic 820 "Fair Value Measurement" under US GAAP, respectively). Given these circumstances, the Accounting Standards Board of Japan (ASBJ) issued the "Accounting Standard for Fair Value Measurement," etc. in order to ensure the consistency with international accounting standards with regard to the guidance and disclosures of fair value of financial instruments. The fundamental policy for developing these accounting standards by the ASBJ was that these accounting standards would basically incorporate all provisions of IFRS No. 13 from the perspective of improving the domestic and international comparability of financial statements between companies, through the use of a unified calculation method. On the other hand, by taking into consideration the Japanese accounting practice, the ASBJ determined that separate accounting treatment for specific items would be adopted within a range that would not impair the comparability of financial statements.

(2) Scheduled date of application

To be applied from the beginning of the consolidated fiscal year ending March 31, 2022.

(3) Impact of applying the said accounting standards, etc.

The impact of applying the "Accounting Standard for Fair Value Measurement," etc. on the consolidated financial statements is currently being evaluated.

(Changes in Presentation)

Application of the "Accounting Standard for Disclosure of Accounting Estimates"

The Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31 issued on March 31, 2020) from the consolidated financial statements as at the end of the consolidated fiscal year under review, with notes on the significant accounting estimates.

However, such notes do not provide details for the previous fiscal year, in accordance with the transitional treatment prescribed in the proviso of Paragraph 11 of the said accounting standard.

(Consolidated Balance Sheets)

*1 Accumulated depreciation of property, plant and equipment

As of March 31			2021		
	2020		2021		2021
	¥6,984 million		¥7,164 million		\$64,710 thousand

2 Contingent liabilities

(1) The Company guarantees loans payable for the purchase of its properties for sale.

As of March 31			2021		
	2020		2021		2021
2 properties	¥1 million	1 property	¥0 million		\$4 thousand

(2) The Company guarantees housing funds, the loans payable of its employees borrowed from banks, in accordance with the Housing Loan Financing Rules.

As of March 31			2021		
	2020		2021		2021
	¥1 million		¥1 million		\$9 thousand

(3) The Company guarantees the contractual obligations of the subsidiaries' and affiliates' construction contracts.

As of March 31			2021		
	2020		2021		2021
Contractual obligations (PT NITTO CONSTRUCTION INDONESIA)	¥-- million		¥142 million (IDR 18,812 million)		\$1,291 thousand

*3 Reduction entry

The amount of reduction entry, which is subtracted from the acquisition prices of property, plant and equipment due to acceptance of a state subsidy, and the breakdown thereof were as follows:

As of March 31			2021		
	2020		2021		2021
Other	¥2 million		¥2 million		\$18 thousand

*4 Presentation of inventories and provision for loss on construction contracts

Fiscal year ended March 31, 2020 (As of March 31, 2020)

Both the costs on construction contracts in progress and the provision for loss on construction contracts, which are related to construction contracts that are expected to generate losses, are presented without offsetting each other.

Of the costs on construction contracts in progress relating to construction contracts that are expected to generate losses, the amount corresponding to the provision for loss on construction contracts is ¥1 million.

Fiscal year ended March 31, 2021 (As of March 31, 2021)

Both the costs on construction contracts in progress and the provision for loss on construction contracts, which are related to construction contracts that are expected to generate losses, are presented without offsetting each other.

Of the costs on construction contracts in progress relating to construction contracts that are expected to generate losses, the amount corresponding to the provision for loss on construction contracts is ¥78 million (\$707 thousand).

Consolidated Financial Statements

5 Commitment line agreements

The Company has entered into commitment line agreements with our four banks to facilitate efficient fund procurement of working capital. The unused balance of the borrowings relative to the commitment line agreements as of March 31 was as follows:

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Total amount of the commitment line	2,200	2,200	19,871
Balance of executed loans	–	–	
Unused balance	2,200	2,200	19,871

(Consolidated Statements of Income)

*1 Provision for loss on construction contracts included in the cost of sales of completed construction contracts

Fiscal year ended March 31	2020	2021	2021
	¥ (48) million	¥285 million	\$2,575 thousand

*2 Major expense items of selling, general and administrative expenses and their amounts were as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Provision for bonuses for directors	43	35	320
Employees' salaries and allowances	2,873	3,064	27,677
Provision for bonuses	538	574	5,189
Retirement benefit expenses	256	257	2,322
Provision of allowance for doubtful accounts	(0)	(10)	(90)

*3 Research and development expenses included in general and administrative expenses

Fiscal year ended March 31	2020	2021	2021
	¥372 million	¥336 million	\$3,034 thousand

*4 The breakdown of gain on sale of non-current assets was as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Machinery, vehicles, tools, furniture and fixtures	20	15	141
Total	20	15	141

*5 The breakdown of loss on retirement of non-current assets was as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Buildings and structures	19	0	3
Machinery, vehicles, tools, furniture and fixtures	0	3	30
Intangible assets (software)	3	–	–
Total	23	3	33

*6 Impairment losses

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

For the fiscal year ended March 31, 2021, the Company reported impairment losses for the following asset group.

Use	Type	Location	Impairment losses	
			Millions of yen	Thousands of U.S.Dollars
Assets planned to be sold	Buildings and structures, and land	Sendai-shi, Miyagi	41	373
Idle assets	Buildings and structures, and fixtures	Futaba-gun, Fukushima	38	351
Idle assets	Buildings and structures, fixtures, and intangible assets (leasehold interests in land)	Setagaya-ku, Tokyo	131	1,186

(Grouping method)

The Company has, in principle, grouped business-use assets by department/branch which are the minimum profit-reporting unit and grouped shared assets such as the head office by the entire business as a profit-reporting unit. Meanwhile, the Company has separately grouped individual assets such as assets planned to be sold and idle assets.

(Breakdown of impairment losses recognized)

	Millions of yen	Thousands of U.S.Dollars
Buildings and structures	142	1,288
Fixtures	0	4
Land	23	216
Intangible assets (leasehold interests in land)	44	402
Total	211	1,911

(Background)

The Company, at its Board of Directors meeting, resolved to sell and eliminate said non-current assets. Consequently, the Company reported an impairment loss because the value of said assets became lower than their recoverable amounts.

(Calculation method of recoverable amounts)

Recoverable amounts for assets planned to be sold are measured by using the net selling price, and the net selling prices are determined based on their appraisal value assessed by real estate appraisers. Idle assets are valued at their memorandum value, by taking into consideration their effective disposal value.

Consolidated Financial Statements

(Consolidated Statements of Comprehensive Income)

*1 Amounts of reclassification and the tax-effect equivalent in relation to "Other comprehensive income"

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Valuation difference on available-for-sale securities			
Accrued in the fiscal year	(127)	178	1,615
Amount of reclassification	–	–	–
Before tax-effect adjustment	(127)	178	1,615
Amount of tax-effect equivalent	39	(54)	(494)
Valuation difference on available-for-sale securities	(88)	124	1,120
Foreign currency translation adjustment			
Accrued in the fiscal year	(81)	69	627
Foreign currency translation adjustment	(81)	69	627
Remeasurements of defined benefit plans			
Accrued in the fiscal year	31	32	296
Amount of reclassification	66	59	532
Before tax-effect adjustment	98	91	829
Amount of tax-effect equivalent	(30)	(28)	(253)
Remeasurements of defined benefit plans, net of tax	68	63	575
Total other comprehensive income	(102)	257	2,323

(Consolidated Statements of Changes in Net Assets)

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

1. Class and total number of issued shares and of treasury shares

Fiscal year ended March 31, 2020	Number of shares at the beginning	Increase in number of shares	Decrease in number of shares	Number of shares at the end
Issued shares				
Common shares	43,919,291	–	–	43,919,291
Total	43,919,291	–	–	43,919,291
Treasury shares				
Common shares	2,208,256	1,255	–	2,209,511
Total	2,208,256	1,255	–	2,209,511

Note: The increase in number of treasury shares represents the increase from the purchase of less-than-one-unit shares.

2. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 21, 2019	Common shares	¥917 million	Retained earnings	¥22.00	March 31, 2019	June 24, 2019
Board of Directors meeting held on November 8, 2019	Common shares	¥417 million	Retained earnings	¥10.00	September 30, 2019	November 29, 2019

(2) Dividends for which the record date is during the consolidated fiscal year under review but for which the effective date is after the end of the consolidated fiscal year under review

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 25, 2020	Common shares	¥1,167 million	Retained earnings	¥28.00	March 31, 2020	June 26, 2020

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

1. Class and total number of issued shares and of treasury shares

Fiscal year ended March 31, 2021	Number of shares at the beginning	Increase in number of shares	Decrease in number of shares	Number of shares at the end
Issued shares				
Common shares	43,919,291	–	–	43,919,291
Total	43,919,291	–	–	43,919,291
Treasury shares				
Common shares	2,209,511	1,463	50	2,210,924
Total	2,209,511	1,463	50	2,210,924

Notes:

- The increase in number of treasury shares represents the increase from the purchase of less-than-one-unit shares.
- The decrease in number of treasury shares represents the decrease due to sales of the Company's own shares in response to the request for additional purchase of less-than-one-unit shares by shareholders.

2. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 25, 2020	Common shares	¥1,167 million (\$10,548 thousand)	Retained earnings	¥28.00	March 31, 2020	June 26, 2020
Board of Directors meeting held on November 6, 2020	Common shares	¥333 million (\$3,013 thousand)	Retained earnings	¥8.00	September 30, 2020	November 30, 2020

(2) Dividends for which the record date is during the consolidated fiscal year under review but for which the effective date is after the end of the consolidated fiscal year under review

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 25, 2021	Common shares	¥1,167 million (\$10,548 thousand)	Retained earnings	¥28.00	March 31, 2021	June 28, 2021

Consolidated Financial Statements

(Consolidated Statements of Cash Flows)

*1 A reconciliation of the balance of cash and cash equivalents in the consolidated statements of cash flows to cash and deposits included in the consolidated balance sheets

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Cash and deposits	18,713	17,722	160,076
Cash and cash equivalents	18,713	17,722	160,076

(Lease Transactions)

(Lessee)

Finance lease transactions that transfer ownership

1. Details of leased assets

Property, plant and equipment

Consist of machinery and equipment.

2. Depreciation method of leased assets

As described in the "(Significant Items on Basis for Preparation of Consolidated Financial Statements)

4. Accounting Policies (2) Depreciation methods of major depreciable assets."

Finance lease transactions that do not transfer ownership

1. Details of leased assets

Property, plant and equipment

Consist mainly of machinery and equipment.

2. Depreciation method of leased assets

As described in the "(Significant Items on Basis for Preparation of Consolidated Financial Statements)

4. Accounting Policies (2) Depreciation methods of major depreciable assets."

(Financial Instruments)

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

1. Status of Financial Instruments

(1) Policies on financial instruments

The Group holds a policy to procure working capital, which is necessary to pursue business purposes, in the form of borrowings from banks and invests temporary surplus funds in short-term deposits, etc. The Group utilizes derivatives within the limit of actual demand and not for speculative purposes. In the consolidated fiscal year under review, no derivative transactions were utilized.

(2) Description of financial instruments and related risks

Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating, which are trade receivables, are exposed to the credit risk of the respective counterparties. Investment securities are mainly stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk.

Notes payable, accounts payable for construction contracts and other, which are trade payables, generally entail the concentrated due date for payments and are exposed to liquidity risk. Borrowings as funds for capital investments are exposed to market price fluctuation risk (interest rate risk) and liquidity risk.

(3) Risk management system for financial instruments

1) Management of credit risk (default risk of the counterparties)

The Group regularly monitors notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating regarding main counterparties at the relevant departments/sections in accordance with the Credit Exposure Management Rules and the Credit Management Manual. In addition to the management of credit balances by counterparty, the Group works to early grasp and reduce recovery concerns due to the aggravation of financial positions at the counterparties.

2) Management of market risk (market price fluctuation risk)

The Group regularly checks the current market value of shares included in the category of investment securities and makes efforts to comprehend the financial positions of the issuers (counterparties) and continuously reviews the holding status of such investment securities by taking into account market conditions and the relationship with the respective counterparties.

3) Management of liquidity risk (the risk of non-repayment on the due date) relating to fund procurement

At the Group, the Accounting Department prepares and renews the cash-flow plan based on the reports from the respective departments/sections. The department also manages liquidity risk with measures such as the maintenance of liquidity on hand and entering into commitment line agreements with our banks.

2. Market Values of Financial Instruments

The carrying value in the consolidated balance sheets, the market value and the difference thereof as of March 31, 2020, were as follows.

Financial instruments for which it is deemed extremely difficult to measure the market value are not included in the table below. (Refer to Note 2.)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	18,713	18,713	-
(2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	19,752	19,752	-
(3) Investment securities Available-for-sale securities	645	645	-
Total assets	39,112	39,112	
(1) Notes payable, accounts payable for construction contracts and other	11,365	11,365	-
(2) Short-term borrowings	274	274	-
(3) Long-term borrowings	278	278	-
Total liabilities	11,917	11,917	-
Derivative transactions	-	-	-

Notes:

1. Calculation method of the market value of financial instruments, as well as securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Investment securities

The market value of investment securities is based on the prices listed at stock exchanges.

For details of securities by holding purpose, please refer to the notes titled "Securities."

Liabilities

(1) Notes payable, accounts payable for construction contracts and other

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(2) Short-term borrowings

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Long-term borrowings

As these instruments were determined with reference to fixed interest rates and the credit standing of the Company has not changed much following similar new borrowings. Accordingly, as their market values and book values are considered to be similar, their book values are assumed as their market values.

Derivative transactions

The Group conducts no derivative transactions.

2. Financial instruments for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets (Millions of yen)
Available-for-sale securities (unlisted stocks)	145

The above securities are not included in "(3) Investment securities" because they have no market prices and it is deemed extremely difficult to measure their market values.

Consolidated Financial Statements

3. Redemption schedules for monetary receivables and securities with maturity dates after the consolidated balance sheet date (March 31, 2020)

(Millions of yen)

	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	18,713	–	–	–
Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	19,752	–	–	–
Investment securities				
Available-for-sale securities with maturity dates	–	–	–	–
Total	38,466	–	–	–

4. The repayment schedules for borrowings and lease obligations after the consolidated balance sheet date (March 31, 2020) are shown in the "Schedule of Borrowings," a consolidated supplementary statement.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

1. Status of Financial Instruments

(1) Policies on financial instruments

The Group holds a policy to procure working capital, which is necessary to pursue business purposes, in the form of borrowings from banks and invests temporary surplus funds in short-term deposits, etc. The Group utilizes derivatives within the limit of actual demand and not for speculative purposes. In the consolidated fiscal year under review, no derivative transactions were utilized.

(2) Description of financial instruments and related risks

Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating, which are trade receivables, are exposed to the credit risk of the respective counterparties. Investment securities are mainly stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk.

Notes payable, accounts payable for construction contracts and other, which are trade payables, generally entail the concentrated due date for payments and are exposed to liquidity risk. Borrowings as funds for capital investments are exposed to market price fluctuation risk (interest rate risk) and liquidity risk.

(3) Risk management system for financial instruments

1) Management of credit risk (default risk of the counterparties)

The Group regularly monitors notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating regarding main counterparties at the relevant departments/sections in accordance with the Credit Exposure Management Rules and the Credit Management Manual. In addition to the management of credit balances by counterparty, the Group works to early grasp and reduce recovery concerns due to the aggravation of financial positions at the counterparties.

2) Management of market risk (market price fluctuation risk)

The Group regularly checks the current market value of shares included in the category of investment securities and makes efforts to comprehend the financial positions of the issuers (counterparties) and continuously reviews the holding status of such investment securities by taking into account market conditions and the relationship with the respective counterparties.

3) Management of liquidity risk (the risk of non-repayment on the due date) relating to fund procurement

At the Group, the Accounting Department prepares and renews the cash-flow plan based on the reports from the respective departments/sections. The department also manages liquidity risk with measures such as the maintenance of liquidity on hand and entering into commitment line agreements with our banks.

2. Market Values of Financial Instruments

The carrying value in the consolidated balance sheets, the market value and the difference thereof as of March 31, 2021, were as follows.

Financial instruments for which it is deemed extremely difficult to measure the market value are not included in the table below. (Refer to Note 2.)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	17,722	17,722	–
(2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	22,588	22,588	–
(3) Investment securities			
Available-for-sale securities	828	828	–
Total assets	41,139	41,139	–
(1) Notes payable, accounts payable for construction contracts and other	11,339	11,339	–
(2) Short-term borrowings	278	278	–
Total liabilities	11,617	11,617	–
Derivative transactions	–	–	–

(Thousands of U.S.Dollars)

	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	160,076	160,076	–
(2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	204,036	204,036	–
(3) Investment securities			
Available-for-sale securities	7,487	7,487	–
Total assets	371,600	371,600	–
(1) Notes payable, accounts payable for construction contracts and other	102,421	102,421	–
(2) Short-term borrowings	2,511	2,511	–
Total liabilities	104,932	104,932	–
Derivative transactions	–	–	–

Notes:

1. Calculation method of the market value of financial instruments, as well as securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Investment securities

The market value of investment securities is based on the prices listed at stock exchanges.

For details of securities by holding purpose, please refer to the notes titled "Securities."

Consolidated Financial Statements

Liabilities

(1) Notes payable, accounts payable for construction contracts and other

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(2) Short-term borrowings

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

Derivative transactions

The Group conducts no derivative transactions.

2. Financial instruments for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets	
Available-for-sale securities (unlisted stocks)	¥145 million	\$1,316 thousand

The above securities are not included in "(3) Investment securities" because they have no market prices and it is deemed extremely difficult to measure their market values.

3. Redemption schedules for monetary receivables and securities with maturity dates after the consolidated balance sheet date (March 31, 2021)

(Millions of yen)

	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	17,722	-	-	-
Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	22,588	-	-	-
Investment securities				
Available-for-sale securities with maturity dates	-	-	-	-
Total	40,310	-	-	-

(Thousands of U.S.Dollars)

	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	160,076	-	-	-
Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims - operating	204,036	-	-	-
Investment securities				
Available-for-sale securities with maturity dates	-	-	-	-
Total	364,113	-	-	-

4. The repayment schedules for borrowings and lease obligations after the consolidated balance sheet date (March 31, 2021) are shown in the "Schedule of Borrowings," a consolidated supplementary statement.

(Securities)

Fiscal year ended March 31, 2020 (As of March 31, 2020)

1. Held-to-maturity debt securities (As of March 31, 2020)

Not applicable

2. Available-for-sale securities (As of March 31, 2020)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	544	258	286
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	544	258	286
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	100	115	(14)
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	100	115	(14)
Total	645	373	271

Note: Shares for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets (Millions of yen)
Available-for-sale securities (unlisted stocks)	145

3. Available-for-sale securities sold during the consolidated fiscal year under review (From April 1, 2019 to March 31, 2020)

Not applicable

Consolidated Financial Statements

Fiscal year ended March 31, 2021 (As of March 31, 2021)

1. Held-to-maturity debt securities (As of March 31, 2021)
Not applicable

2. Available-for-sale securities (As of March 31, 2021)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	812	358	453
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	812	358	453
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	16	20	(3)
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	16	20	(3)
Total	828	378	450

Note: Shares for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets	
Available-for-sale securities (unlisted stocks)	¥145 million	\$1,316 thousand

(Thousands of U.S.Dollars)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	7,336	3,236	4,100
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	7,336	3,236	4,100
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	150	180	(29)
Bonds			
National government bonds, local government bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	150	180	(29)
Total	7,487	3,417	4,070

3. Available-for-sale securities sold during the consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)
Not applicable

(Derivative Transactions)

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

1. Derivatives for which hedge accounting is not applied
Not applicable as no derivative transactions are utilized.

2. Derivatives for which hedge accounting is applied
Not applicable as no derivative transactions are utilized.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

1. Derivatives for which hedge accounting is not applied
Not applicable as no derivative transactions are utilized.

2. Derivatives for which hedge accounting is applied
Not applicable as no derivative transactions are utilized.

Consolidated Financial Statements

(Retirement Benefits)

1. Outline of adopted employee retirement benefit plans

The Company and its consolidated subsidiaries have adopted unfunded retirement benefit plans to provide for retirement benefits for their employees. Half of the retirement benefit plans are defined benefit plans and the remaining portion are defined contribution plans.

The defined benefit plans are lump-sum severance payment plans to provide retirement benefits by means of a point scheme based on service period.

In the defined contribution plans, the contribution is clearly sectionalized by individual and the pension benefit amount is determined based on the total of the contributions and the return on plan assets thereof.

In addition to the above, the Company and its consolidated subsidiaries are affiliated with the multiemployer plans of the Japan SOGO Employees' Pension Fund (former Japan Geotechnical Consultants Employees' Pension Fund). As the rational computation of plan assets cannot be ensured for the multiemployer pension plans, accounting is processed in a similar manner as that for the defined contribution plans.

At the consolidated subsidiaries, retirement benefit liability and retirement benefit expenses are calculated by the simplified method. They are included in the following relevant items because of their immateriality in the consolidated financial statements.

2. Defined benefit plans

(1) Reconciliation of the beginning/ending balance of projected benefit obligations

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Beginning balance of projected benefit obligations	4,125	4,069	36,757
Service cost	242	232	2,101
Interest cost	14	18	169
Accrued amount of actuarial differences	(31)	5	45
Accrued amount of prior service cost	–	(37)	(342)
Retirement benefits paid	(281)	(125)	(1,130)
Ending balance of projected benefit obligations	4,069	4,162	37,602

(2) Reconciliation of the beginning/ending balance of plan assets

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)
Not applicable

(3) Reconciliation of the ending balance of projected benefit obligations and plan assets, and the retirement benefit liability and the net defined benefit asset in the consolidated balance sheets

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Projected benefit obligations under unfunded plans	4,069	4,162	37,602
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,069	4,162	37,602
Retirement benefit liability	4,069	4,162	37,602
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,069	4,162	37,602

(4) Retirement benefit expenses and the breakdown of the amounts thereof

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Service cost	242	232	2,101
Interest cost	14	18	169
Amortization of actuarial differences	73	70	640
Amortization of prior service cost	(7)	(10)	(98)
Retirement benefit expenses relative to the defined benefit plans	322	311	2,814

(5) Remeasurements of defined benefit plans

The breakdown of items (before deducting tax-effect amounts) reported under remeasurements of defined benefit plans is as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Prior service cost	(7)	27	244
Actuarial differences	105	65	595
Total	98	92	839

(6) Remeasurements of defined benefit plans (accumulated)

The breakdown of items (before deducting tax-effect amounts) reported under remeasurements of defined benefit plans (accumulated) is as follows:

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Unrecognized prior service cost	16	43	397
Unrecognized actuarial differences	(245)	(179)	(1,624)
Total	(228)	(135)	(1,227)

(7) Matters regarding plan assets

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)
Not applicable

(8) Matters regarding the basis for actuarial calculations

Major basis for actuarial calculations (presented in weighted average figures)

As of March 31	2020	2021
Discount rate	0.47%	0.50%

3. Defined contribution plans

The amount to be contributed by the Company and its consolidated subsidiaries under the defined contribution plans was ¥149 million for the fiscal year ended March 31, 2020, and ¥145 million (\$1,312 thousand) for the fiscal year ended March 31, 2021.

Consolidated Financial Statements

4. Multiemployer plans

The amount to be contributed under the multiemployer plans of the Japan SOGO Employees' Pension Fund (former Japan Geotechnical Consultants Employees' Pension Fund), of which the accounting is processed in the same manner as that for the defined contribution plans, was ¥144 million for the fiscal year ended March 31, 2020, and ¥148 million (\$1,337thousand) for the fiscal year ended March 31, 2021.

(1) Most recent plan assets reserved under the multiemployer plans

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Plan assets	19,544	20,345	183,768
Total of the actuarial liability based on the pension financing calculation and the minimum liability reserves	15,731	16,160	145,967
Net amount	3,813	4,185	37,801

(2) Ratio of the Group's contribution to the multiemployer plans relative to the contributions to the overall retirement benefit plans

Fiscal year ended March 31, 2020: 16.49% (As of March 31, 2019)

Fiscal year ended March 31, 2021: 16.17% (As of March 31, 2020)

(3) Supplementary explanation

The major factor of the net amount in Item (1) above was the general reserve (¥3,813 million for the fiscal year ended March 31, 2020, and ¥4,185 million (\$37,801 thousand) for the fiscal year ended March 31, 2021).

The ratios in Item (2) above do not agree with the Group's actual ratios of contributions.

(Stock Options)

Not applicable

(Tax-Effect Accounting)

1. Breakdown of significant components that caused deferred tax assets and liabilities

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Deferred tax assets			
Loss carried forward	0	-	-
Real estate for sale	4	4	41
Accrued enterprise tax	76	77	696
Provision for bonuses	418	460	4,161
Allowance for doubtful accounts	9	9	86
Provision for warranties for completed construction	12	7	66
Provision for loss on construction contracts	0	86	780
Non-current assets (Impairment losses)	20	87	788
Defined contribution pension benefits payable	3	3	32
Retirement benefit liability	1,244	1,275	11,520
Unrealized gains	35	33	302
Asset retirement obligation	17	18	170
Other	272	266	2,410
Subtotal of deferred tax assets	2,114	2,331	21,057
Valuation reserve	(65)	(66)	(596)
Total of deferred tax assets	2,049	2,265	20,461
Deferred tax liabilities			
Valuation difference on available-for-sale securities	(83)	137	1,246
Total of deferred tax liabilities	(83)	137	1,246
Net deferred tax assets	1,966	2,127	19,215

2. The breakdown of items causing the difference between the effective statutory tax rate and the effective income tax rate after the adoption of tax-effect accounting

Fiscal year ended March 31	2020	2021
	(%)	(%)
Effective statutory tax rate	30.6	30.6
(Reconciliation)		
Non-deductible expenses such as entertainment expenses	0.8	0.2
Per capita inhabitant tax	2.5	2.3
Exclusion from revenues such as dividend income	(0.0)	(0.0)
Valuation reserve	(0.0)	(0.0)
Special deduction of income tax	(0.9)	(1.7)
Accumulated earnings tax	-	1.1
Tax difference from overseas subsidiary	(0.9)	0.1
Other	0.0	0.4
Effective income tax rate after the adoption of tax-effect accounting	32.1	33.1

(Asset Retirement Obligation)

End of fiscal year ended March 31, 2020 (As of March 31, 2020)

This information is omitted due to its immateriality.

End of fiscal year ended March 31, 2021 (As of March 31, 2021)

This information is omitted due to its immateriality.

(Segment Information, etc.)

[Segment Information]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

The reportable segments of the Group are the components of the Company and its consolidated subsidiaries, for which separate financial information is available, and which are subject to regular reviews and evaluation by the Board of Directors in deciding the allocation of management resources and in assessing business performance.

The Group's operations consist of the construction business as well as several other business activities such as sales of merchandise and materials, and insurance agency. As these businesses are insignificant in terms of information for disclosure and the sole reportable segment of the Group is the "Construction business," segment information for these businesses is omitted.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

The reportable segments of the Group are the components of the Company and its consolidated subsidiaries, for which separate financial information is available, and which are subject to regular reviews and evaluation by the Board of Directors in deciding the allocation of management resources and in assessing business performance.

The Group's operations consist of the construction business as well as several other business activities such as sales of merchandise and materials, and insurance agency. As these businesses are insignificant in terms of information for disclosure and the sole reportable segment of the Group is the "Construction business," segment information for these businesses is omitted.

Consolidated Financial Statements

[Related Information]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

1. Information by product and service

This information is omitted as net sales to outside customers in the classification of sole product/service exceed 90% of the net sales on the consolidated statements of income.

2. Information by geographic region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales on the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

1. Information by product and service

This information is omitted as net sales to outside customers in the classification of sole product/service exceed 90% of the net sales on the consolidated statements of income.

2. Information by geographic region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales on the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

[Information on Impairment Losses of Non-Current Assets by Reportable Segment]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

The information is omitted as the reportable segment is solely the construction business.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

The information is omitted as the reportable segment is solely the construction business.

[Information on Amortized Amount and Unamortized Balance of Goodwill by Reportable Segment]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable

[Information on Gain on Bargain Purchase by Reportable Segment]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable

[Related Party Information]

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Parent company information

AN Holdings Corp.

AN Holdings is a wholly-owned subsidiary of ASO CORPORATION.

(2) Condensed financial information of significant affiliated companies

Not applicable

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Parent company information

AN Holdings Corp.

AN Holdings is a wholly-owned subsidiary of ASO CORPORATION.

(2) Condensed financial information of significant affiliated companies

Not applicable

(Per-Share Information)

Fiscal year ended March 31	2020	2021	
Net assets per share	¥632.68	¥686.19	\$6.20
Basic earnings per share	¥78.12	¥83.93	\$0.76
Diluted earnings per share	Diluted earnings per share is not disclosed as no potential shares exist.	Diluted earnings per share is not disclosed as no potential shares exist.	

Note: The basis for calculation of "Basic earnings per share" is as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2020	2021	2021
Basic earnings per share			
Profit attributable to owners of parent	3,258	3,500	31,618
Amounts not attributable to common shareholders	-	-	-
Profit attributable to owners of parent regarding common shares	3,258	3,500	31,618
Average number of common shares during the fiscal year (Thousands of shares)	41,710	41,709	

(Significant Subsequent Events)

The Company, at its Board of Directors meeting held on May 7, 2021, resolved to cancel its treasury shares as follows, pursuant to the provisions of Article 178 of the Companies Act.

1. Reason for cancellation of treasury shares

The Company had held a certain number of treasury shares with a view to enhancing flexibility in its capital policy. However, due to the absence of specific use of the treasury shares at the moment, along with our belief that it is desirable to increase ratio of tradable shares in the stock market, the Company decided to cancel its treasury shares as follows.

2. Details of the cancellation of treasury shares

(1) Class of shares to be cancelled: Common shares of the Company

(2) Number of shares to be cancelled: 2,210,924 shares

(The ratio against the total number of shares outstanding before the cancellation: 5.03%*)

(3) Scheduled date of cancellation: May 31, 2021

* The aforementioned ratio is calculated based on the number of shares held by all shareholders as of March 31, 2021.

Consolidated Financial Statements

5) [Consolidated Supplementary Statements]
[Schedule of Bonds Payable]
Not applicable

[Schedule of Borrowings]

Classification	Beginning balance of the fiscal year ended March 31, 2021		Ending balance of the fiscal year ended March 31, 2021		Average interest rate (%)	Repayment deadline
	Millions of yen	Thousands of U.S.Dollars	Millions of yen	Thousands of U.S.Dollars		
Short-term borrowings	-	-	-	-	-	-
Current portion of long-term borrowings	274	2,474	278	2,511	0.25	-
Current portion of lease obligations	12	109	3	34	-	-
Long-term borrowings (excluding the current portion of long-term borrowings)	278	2,511	-	-	-	-
Lease obligations (excluding the current portion of lease obligations)	9	86	5	51	-	-
Other interest-bearing debt	-	-	-	-	-	-
Total	573	5,181	287	2,597	-	-

Notes:

- The "Average interest rate" for lease obligations is not stated because the amount of lease obligations before subtracting the amount equivalent to interest, which is included in the total lease payment, is reported on the consolidated balance sheets.
- The repayment schedules within five years after the consolidated balance sheet date for lease obligations (excluding the current portion of lease obligations) are as follows:

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Lease obligations (Millions of yen)	5	-	-	-

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Lease obligations (Thousands of U.S.Dollars)	51	-	-	-

[Schedule of Asset Retirement Obligation]
This information is omitted due to its immateriality.

(2) [Other]

Quarterly data for the fiscal year ended March 31, 2021

Cumulative periods	Three months (From April 1, 2020 to June 30, 2020)	Six months (From April 1, 2020 to September 30, 2020)	Nine months (From April 1, 2020 to December 31, 2020)	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)
Net sales (Millions of yen)	13,725	30,767	49,485	67,955
Profit before income taxes (Millions of yen)	760	2,078	4,135	5,218
Profit attributable to owners of parent (Millions of yen)	487	1,358	2,751	3,500
Basic earnings per share (Yen)	11.68	32.57	65.97	83.93

Accounting periods	First quarter (From April 1, 2020 to June 30, 2020)	Second quarter (From July 1, 2020 to September 30, 2020)	Third quarter (From October 1, 2020 to December 31, 2020)	Fourth quarter (From January 1, 2021 to March 31, 2021)
Quarterly basic earnings per share (Yen)	11.68	20.90	33.40	17.96

Independent Auditor's Report

The Board of Directors
NITTO CONSTRUCTION CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of NITTO CONSTRUCTION CO., LTD. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NITTO CONSTRUCTION CO., LTD. and its consolidated subsidiaries as at March 31, 2021, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of NITTO CONSTRUCTION CO., LTD. and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements for the consolidated fiscal year under review. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

(Estimates of total construction revenue and total cost of construction work, to which the percentage-of-completion method is applied)	
Description of key audit matters and reasons for determination	How key audit matters were Addressed in the audit
<p>Net sales of completed construction contracts recorded in the consolidated statements of income for the fiscal year ended March 31, 2021 was ¥67,718 million, of which ¥48,607 million was recognized based on the percentage-of-completion method. The progress of construction is estimated by the cost-to-cost method.</p> <p>(Reasons why the above was determined to be a key audit matter) The percentage-of-completion method is applied to the construction contracts for which the outcome of the construction activity is deemed certain with regard to the portion of construction in progress. For applying the method, total construction revenue and total cost of construction work must be reasonably estimated. NITTO CONSTRUCTION CO., LTD. and its consolidated subsidiaries are engaged in the type of business in which it is difficult to completely grasp in advance the conditions of construction such as geological factors. Depending on the facts discovered only after commencement of the construction, or the changes in the situation at sites, materials and machinery required, the scheduled period to completion and other matters often become subject to change. As a result, estimates of total construction revenue and total</p>	<p>We implemented primarily the following audit procedures for the purpose of evaluating the reasonableness of the estimates of total construction revenue and total cost of construction work.</p> <p>(1) Evaluation of internal controls For estimates of total construction revenue and total cost of construction work, we evaluated the status of designing and operating internal controls for reflecting changes in the situation after commencement of the construction in the calculation of the percentage-of-completion method appropriately and on a timely basis.</p> <p>(2) Evaluation of the reasonableness of the estimates of total construction revenue and total cost of construction work With regard to the estimates of total construction revenue, we inspected the contracts concerned while interviewing construction contract supervisors as needed. Meanwhile, for the portion of total construction revenue that is calculated by estimates since contracts are not yet concluded, we inspected instructions given by customers as well as the record of business negotiations as needed, thereby confirming the reasonableness of the final estimates of total construction revenue.</p>

<p>cost of construction work may be changed. Thus, estimating total construction revenue and total cost of construction work inevitably involves uncertainty due to discovery of facts after the commencement of the construction or changes in the situation at sites, while further involving personal judgment by management. As such, we determined the above to be a key audit matter.</p>	<p>With regard to the estimates of total cost of construction work, we inspected the updated execution budget and reports from the sites to grasp changes in the situation of construction works, while conducting voucher matching regarding outsourcing costs, etc. and interviewing construction contract supervisors as needed. Furthermore, we subsequently compared and examined estimates and actual results for the completed constructions.</p>
---	--

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The procedures selected depend on the auditor's judgment. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used by management and the method of their application, the reasonableness of accounting estimates made by management, as well as the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of NITTO CONSTRUCTION CO., LTD. and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and

implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Among the matters discussed in consultation with Corporate Auditors and the Board of Corporate Auditors, the auditor determines those matters that, in his/her professional judgement, were of most significance in the audit of the consolidated financial statements for the consolidated fiscal year under review to be key audit matters, which are then stated in the audit report. However, when laws or regulations preclude public disclosure about a key audit matter, or when, in extremely rare circumstances, the auditor determines that the matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication, such matter shall not be stated in the report.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note "Basis of Presenting Consolidated Financial Statements".

June 30, 2021

Yasumori Audit Corporation
Yasumori audit corporation
Tokyo, Japan

Corporate Overview and Major Construction Methods

Trade Name	NITTO CORPORATION CO., LTD.	
Headquarters	4F, 5F and 6F, Daiwa Higashi-Nihonbashi Bldg., 3-10-6, Higashi-Nihonbashi, Chuo-ku, Tokyo 103-0004, Japan	
Established on	December 17, 1947	
Capital	Total number of issued shares:41,708,367 Paid-in capital: ¥6,052 million Tokyo Stock Exchange: Listed on the First Section	
Number of Employees (Consolidated)	Construction business: 1,245 persons Other business: 12 persons Total: 1,257 persons Note: The total number of employee is including the 262 temporary employee which is an annual average number.	
Description of Business	Comprehensive construction business · Civil engineering and foundation · Environmental and geological consulting	
License	Specified Construction Business—License No. (Specified-28) 211, issued by the Minister of Land, Infrastructure, Transport and Tourism	
Business Lines	Civil engineering works, Slope protection works, Landslide protection works, Revegetation works, Ground improvement works, Grouting, Piling, Sewage maintenance and renovation, Construction consulting and other	
Sales Offices	Asahikawa / Hakodate / Doto / Aomori / Morioka / Sanriku / Akita / Yamagata / Fukushima / Gunma / Utsunomiya / Mito / Chiba / Saitama / Yokohama / Nagano / Sado / Joetsu / Kanazawa / Fukui / Toyama / Gifu / Mie / Shizuoka / Keiji / Kobe / Nawa / Takamatsu / Matsuyama / Kochi / Tottori / Matsue / Okayama / Yamaguchi / Nagasaki / Saga / Oita / Kumamoto / Miyazaki / Kagoshima / Okinawa	
Subsidiaries	Midori Industries Co.,Ltd 3-10-6, Higashi-Nihonbashi,Chuo-ku, Tokyo 103-0004 Japan Shimane Earth Engineering Co.,Ltd 310-1, Tsuda-cho, Matsue-Shi, Shimane 690-0055 Japan Yamaguchi Earth Engineering Co.,Ltd 2-3-13, Hirano,Yamaguchi-Shi,Yamaguchi 753-0015 Japan Ehime Earth Engineering Co., Ltd. 2-6-12 Amayama ,Matsuyama-shi, Ehime 790-0951 Japan PT NITTO CONSTRUCTION INDONESIA GENERALI TOWER GRAN RUBINA BUSINESS PARK 16th Floor Unit G Jl. HR Rasuna Said, Kuningan Jakarta 12940, Indonesia	
Staffing (Qualification Holders) (Persons)	Number of employees	Total 1,257
	Professional Engineer	50
	Registered 1st Class Civil Engineer	648
	Registered 2nd Class Civil Engineer	718
	Registered 1st and 2nd Class Architect	7
	Registered Surveyor and Assistant-Surveyor	312

Major Construction Methods

Urban Regeneration Field	
WinBLADE Method	Underground diameter expanding type soil-mixing improvement method that enables horizontal and slanting operations
Expacker-N Method	Liquefaction countermeasure method that enables high capacity and speedy grouting
Power Blender Method	Mixing method for shallow- and middle-depth layers using a trencher-type mixing machine
EinBand Drill	Japan's largest-class double-tube drill machine capable of drilling a depth of 130 m.
N-Jet Method	High-Pressure Injection Mixing Method to Form Columnar or Fan-Like Improved Soil
Maintenance and Renovation Field	
New ReSP Method	Repair and/or reinforce aged, shotcrete slopes without shaving off existing shotcrete
Slope Doctor	Technology to diagnose the soundness of aged shotcrete slopes
Kiro Fukeru Method	Mortar shotcrete at a rate of 18 N/mm ² for long-distance (1 km) pressure feeding
Bite Off Method	Japan's First Steel Wire Cutting & Removal Method for Installed Anchors
HISP Method	Pumping shotcrete system combined with air to ensure mortar shotcrete at elevated places via feeding for a long distance
Disaster Prevention and Environmental Conservation Field	
Geofiber Method	Protection of slopes and the environment by forming the reinforced soil using sand and fibers
Nekko Chip Method	Surplus soil and raw chip material from felled trees are processed as foundation materials for greening work
Kaerudo-Green Method	Recycled use of a wide variety of soils such as the surface soil of forests and dehydrated cake for the greening of slopes
Plant-Leading Spraying Method	The undecomposed chip material, which derives from the secondarily processed fragments of felled trees, is used as a foundation material for greening work
Fiber Soil Greening Step Method	Fiber soil is sprayed on the slope without soil in the form of steps