



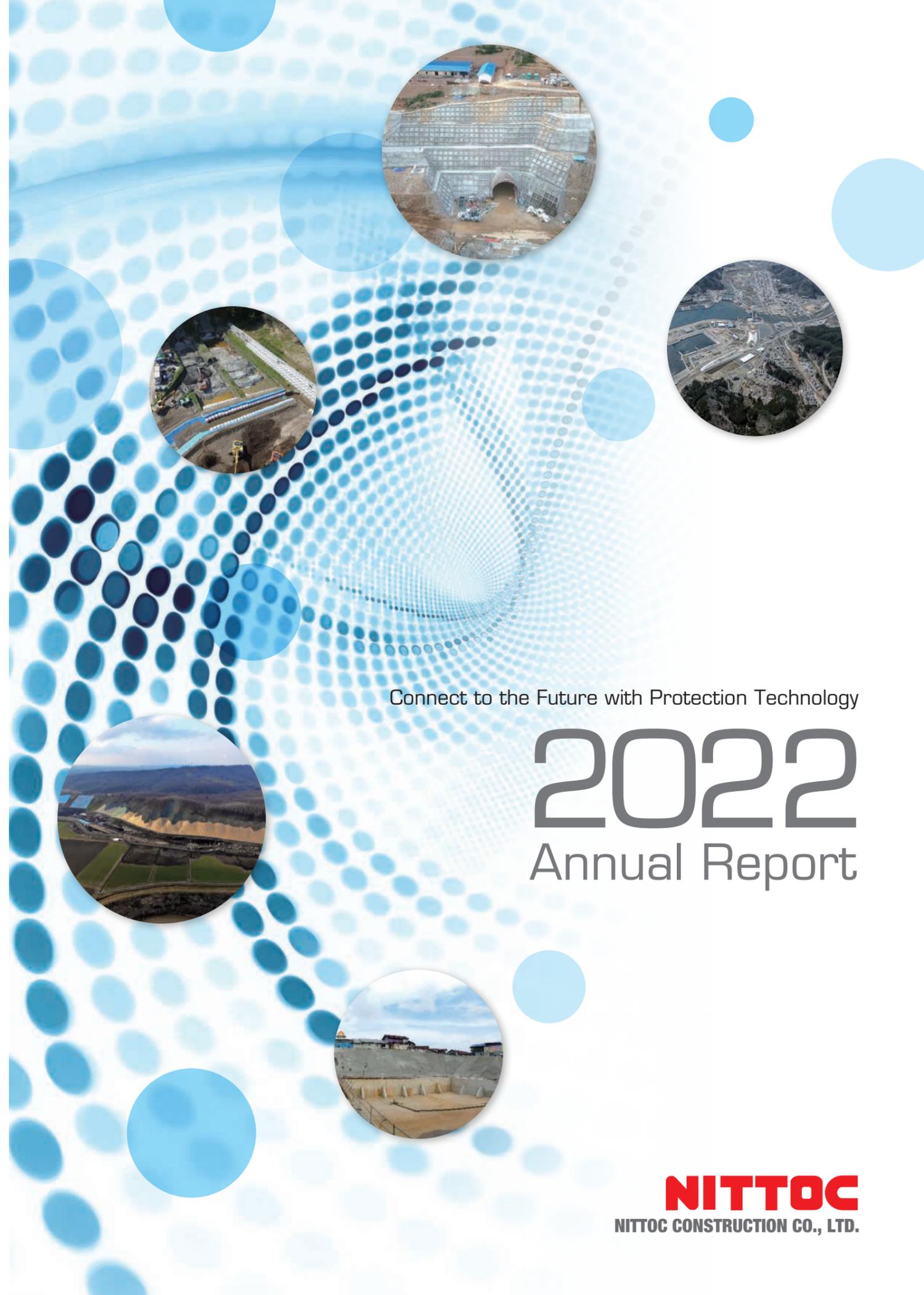
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Connect to the Future with Protection Technology

**2022**  
Annual Report

**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.

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## 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

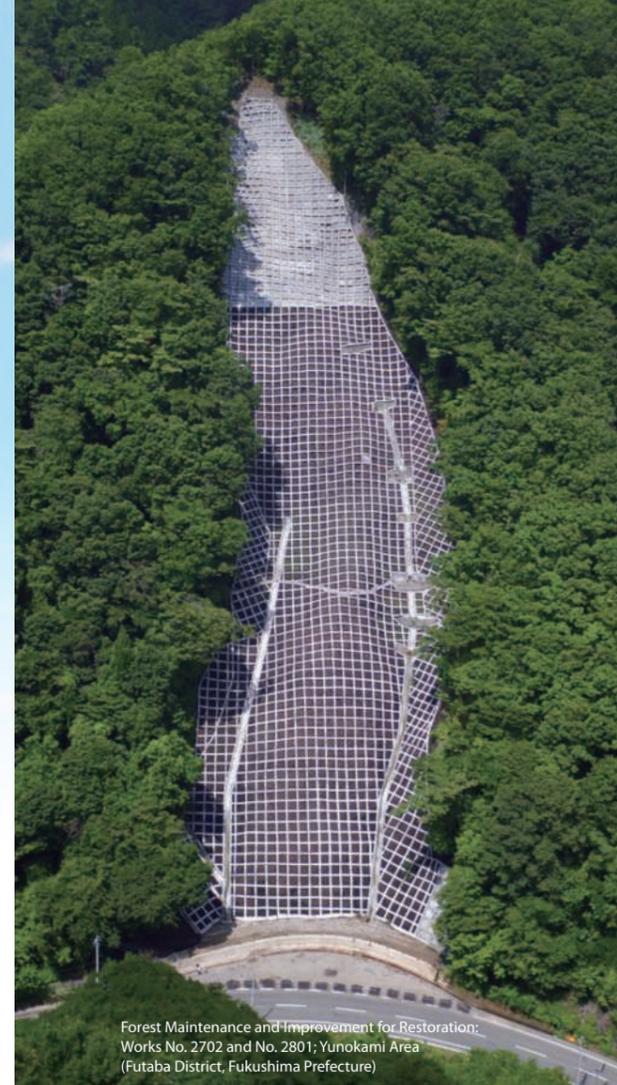
This report covers the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022). However, times before or after this period are mentioned as necessary.

### • Scope of This Report

This report covers NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries (as of March 31, 2022).

### • 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. Listed on the Prime Market in 2022

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)

## 2000 ~

### 2001 March

Liquidated NITTOC Real Estate Co., Ltd. (consolidated subsidiary).

### 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).



Kumamoto Earthquakes Disaster Restoration Work



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



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

## 2010 ~

### 2010 September

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

### 2013 December

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

### 2021 October

Fukui Earth Engineering Co., Ltd. (consolidated subsidiary).

### 2022 April

Tokyo Stock Exchange Listed on the Prime Market



Kesennuma Area Reconstruction Project (Kesennuma City, Miyagi Prefecture)



2018 Yoshino Area (No.3) Disaster Prevention Work (Sagamihara City, Kanagawa 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)

## Advantage of **NITTOC**

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.



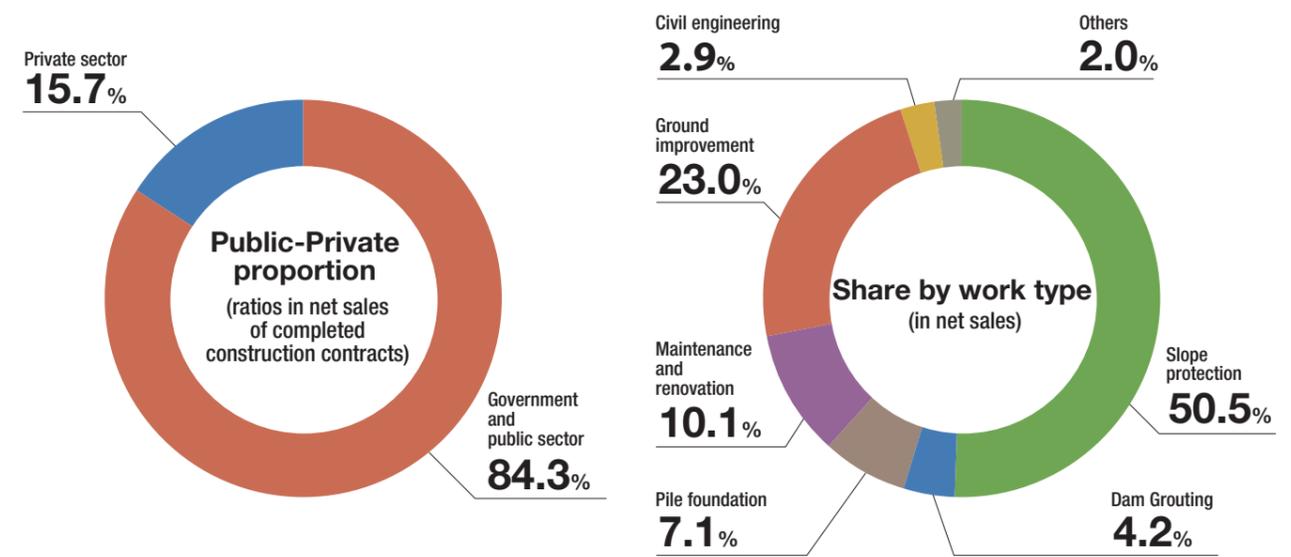
### Disaster Prevention and Environmental Conservation

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.

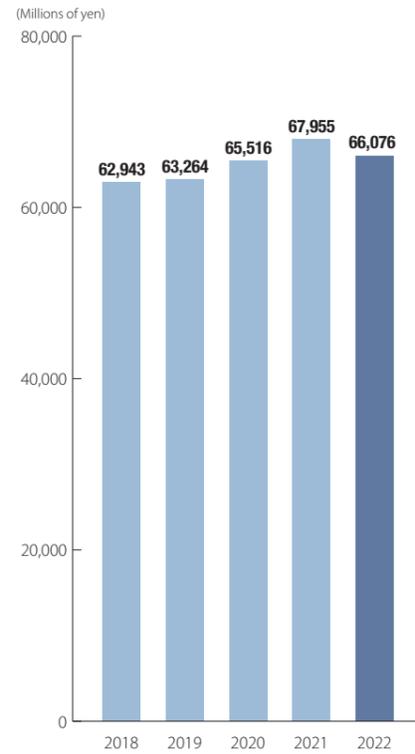
Financial Highlights

# Financial Highlights

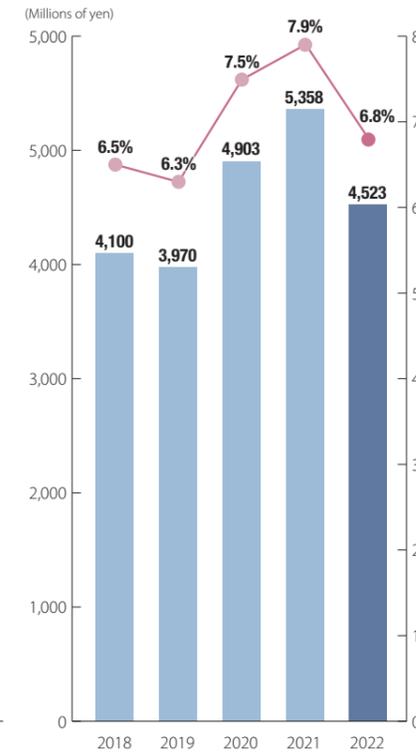
	Millions of yen					Thousands of U.S. dollars
	2018	2019	2020	2021	2022	2022
Net sales	¥62,943	¥63,264	¥65,516	¥67,955	¥66,076	539,884
Ordinary income	4,119	4,004	4,880	5,419	4,626	37,799
Profit attributable to owners of parent	2,688	2,721	3,258	3,500	3,329	27,205
Comprehensive income	2,668	2,755	3,209	3,752	3,211	26,239
Net assets	23,256	24,676	26,550	28,800	30,610	250,108
Total assets	48,142	49,048	50,159	51,971	51,712	422,520
Net cash provided by (used in) operating activities	(301)	3,108	7,357	1,426	4,750	38,816
Net cash provided by (used in) investing activities	(867)	(1,252)	(217)	(705)	(23)	(193)
Net cash provided by (used in) financing activities	(144)	(1,624)	(1,625)	(1,784)	(1,785)	(14,592)
Cash and cash equivalents at end of period	13,114	13,346	18,713	17,722	20,723	169,321



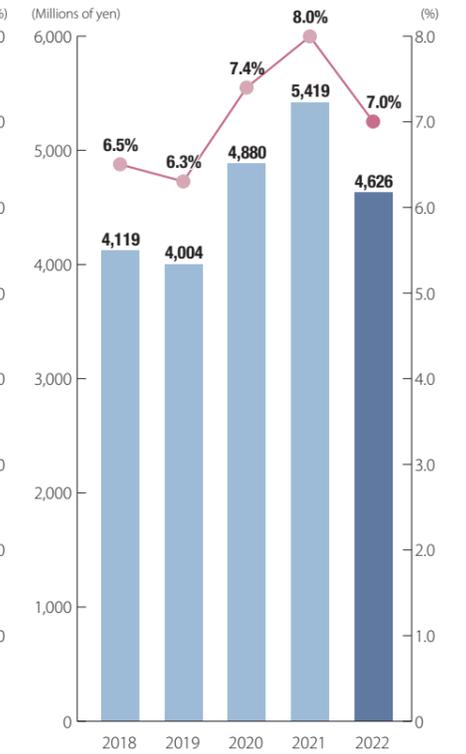
## Net sales



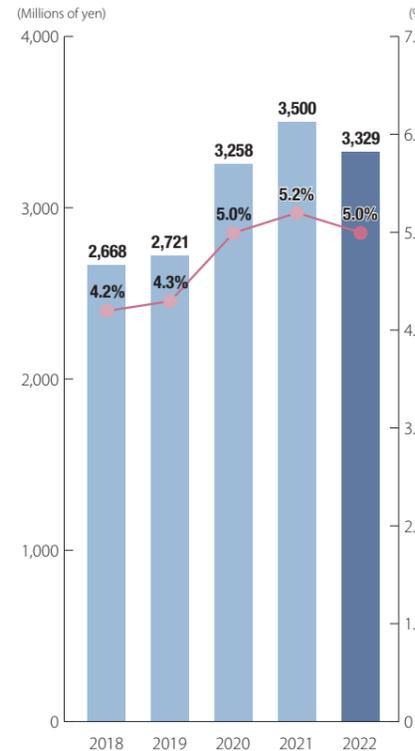
## Operating income-Ratio to Net Sales



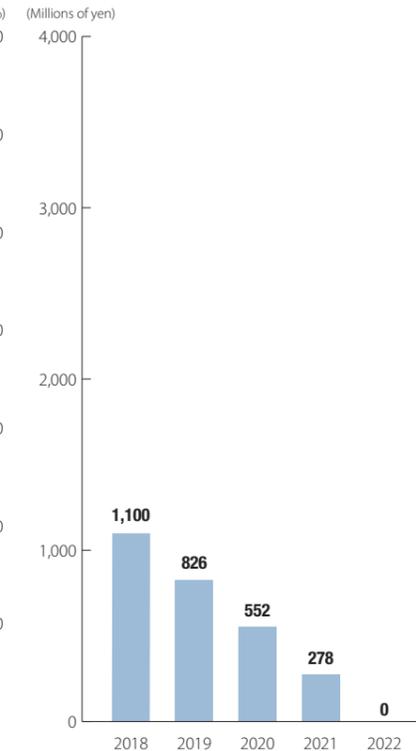
## Ordinary income-Ratio to Net Sales



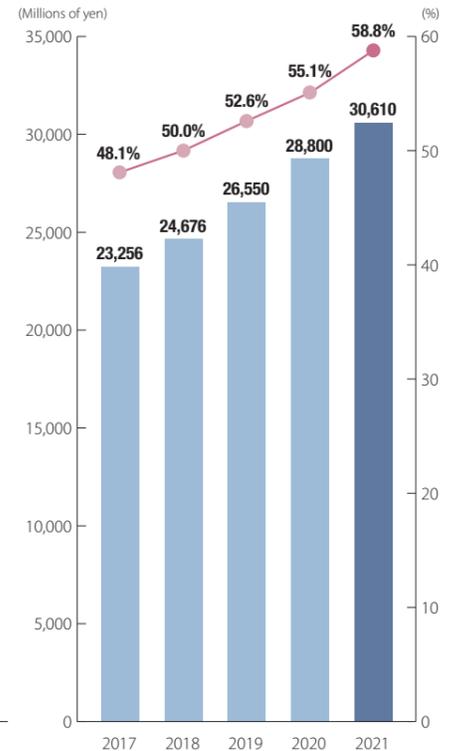
## Net income-Ratio to Net Sales



## 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.

In this business environment, the Group has established a business strategy centered on work style reforms in its Medium-term Management Plan 2020 (fiscal 2020 through fiscal 2022), which began in fiscal 2020, and is taking up challenges in new fields, including securing and developing human resources, improving productivity, developing slope repair technologies, and strengthening overseas operations as key measures. Against this backdrop, to realize R&D and business expansion aiming at automation and labor saving in new technologies and construction, 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).

The Company’s main business is construction work related to the safe and secure society and countries, such as infrastructure development work, disaster prevention work, and environmental conservation work. Our mission also includes compliance, contribution to society, environmental activities, and improvement of customer, investor, and employee satisfaction, among many other things. Responding to these various demands and expectations of society is, in other words, predicated on fulfilling our CSR (corporate social responsibility). The mission of a company and its target are not limited to the quality and safety management of construction works and the customers it serves. It also includes a wide variety of people such as those who live near the construction site and those who use the infrastructure we constructed. Furthermore, it also extends to people around the world and in the future from the perspective of the SDGs (Sustainable Development Goals).

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

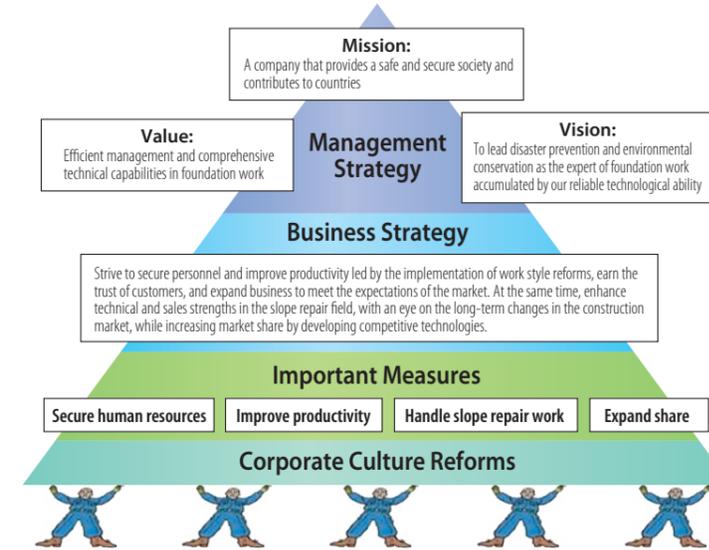
Issues	
<b>Internal environment</b>	Harsh employment environment High employee turnover rates Rising average age of subcontractors Inversion of ratios between onsite workers and back office employees
<b>External environment</b>	Ongoing quality and construction problems Preparation and improvement of 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

<b>1 Sales targets (fiscal 2022)</b> <ol style="list-style-type: none"> <li>Increase number of foundation improvement projects (net sales of completed construction contracts: <b>20</b> billion yen)</li> <li>Increase number of slope repair projects (net sales of completed construction contracts: <b>10</b> billion yen)</li> </ol>	<b>2 Business performance targets</b> <ol style="list-style-type: none"> <li>Operating income (3-year average): <b>4.4</b> billion yen or more</li> <li>Ratio of operating income to net sales (3-year average): <b>6.0%</b> or more</li> </ol>
<b>3 Financial indicators (fiscal 2022)</b> <ol style="list-style-type: none"> <li>Equity ratio: <b>52%</b> or more</li> <li>Cash flow: Positive figures</li> </ol>	<b>4 Target of return to shareholders</b> <ol style="list-style-type: none"> <li>Dividend payout ratio: <b>40%</b> or more</li> </ol>

### Management Philosophy, Management Policy, Business Strategy, and Issues



**Achieve Medium-term Management Plan 2020 managerial goals and targets**

Realize business strategy

Work on important measures

**Issues**

- Secure and develop human resources
- Improve productivity

**Key medium-term points**

It is vital that the Company secures human resources in order to expand business in the favorable market environment and amidst the increasing demand in disaster prevention and mitigation. The Company will improve productivity through the improvement of working environments, as well as increase the number of personnel.

- Develop slope repair technologies
- Take up challenges in new fields

**Key long-term points**

In preparation for the era of full-fledged repair and reinforcement, it is urgent to accelerate the development of repair technologies in the slope field, which is the strengths of the Company. It is also essential for the Company to search for more diverse revenue sources by taking on challenges in new fields besides its core revenue pillars of slope and foundation improvement works.

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

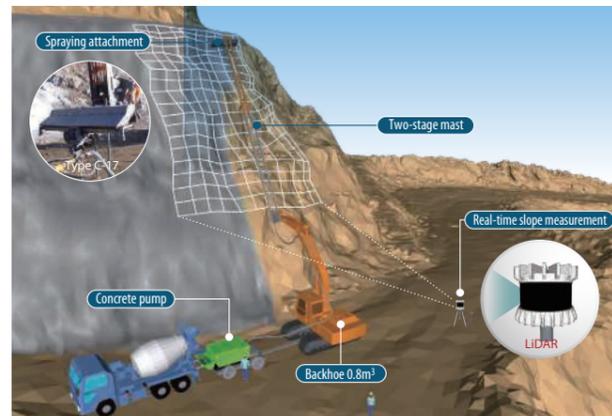
Consolidated	Fiscal 2020		Fiscal 2021		Fiscal 2022	3-year total
	Mid-Term	Achivement	Mid-Term	Achivement		
Orders received	66.4	67.8	70.5	71.6	72.2	209.1
Net sales	64.4	67.9	69.4	66.0	71.5	205.3
Operating income	4.0	5.3	4.5	4.5	4.8	13.3
Ordinary income	4.0	5.4	4.5	4.6	4.8	13.3
Net income	2.6	3.5	2.9	3.3	3.2	8.8
Equity ratio	51.2%	55.1%	51.8%	58.8%	52.4%	-
EBITDA (operating income + amortization)	4.4	5.7	4.9	5.0	5.3	14.7

Our Business field

# Improving Work Efficiency Through the Use of ICT and Mechanization

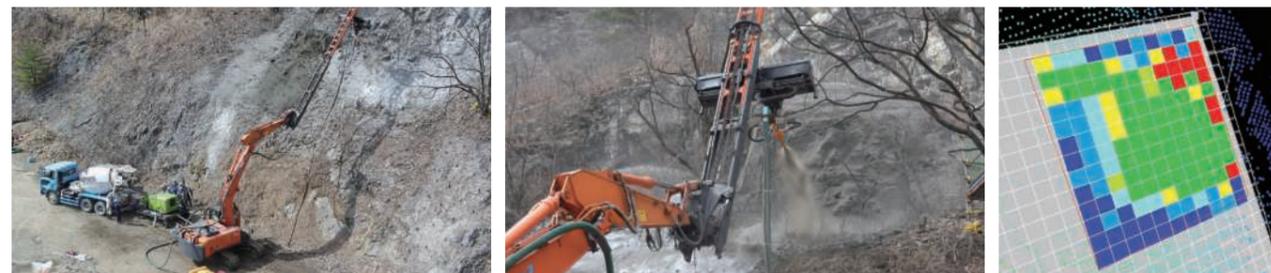
## Labor-Saving Technology for Shotcrete Slopes - Slope Saver

Slope Saver is a mortar spraying method that is expected to significantly improve productivity through robot construction using a spraying attachment and backhoe. Compared to conventional manual spraying work, this system significantly shortens the construction period and saves labor and manpower. In addition, it is possible to measure the thickness of the sprayed mortar in real time using LiDAR.



- **No need for manual slope work**  
Because the spraying work is mechanized, there is no need for slope work that may cause accidents due to falls and tumbles.
- **Reduction in the construction period by 40% to 70%\***  
By using a large-capacity concrete pump, the spraying capacity is about three to five times that of manual labor, resulting in a significant reduction in the construction period.
- **50% to 80% labor savings\***  
By centralizing operation using mechanization and ICT, only three to four workers are needed during spraying. This, combined with the effect of shortening the construction period, enables a significant reduction in the number of workers.
- **Automatic creation of construction management documents (under development)**  
The system is currently under development to automatically generate construction management documents based on real-time measurement results.

\*Results may vary greatly depending on site conditions



Spraying conditions    Spraying attachment    Example of spray thickness measurement by LiDAR

## Investigation of Slope Cracks Using AI

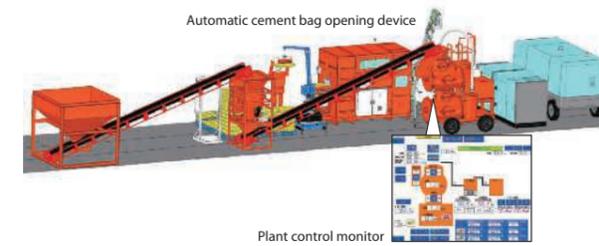
If large cracks can be automatically detected by visualizing the slope with a drone or other means, it will be much easier to check the safety of the slope. It is now possible to detect cracks using AI from photographs for flat concrete structures such as bridges and walls. NITTOC is developing a system that can automatically detect cracks even on slopes that are uneven or vegetated.



Example of automatic crack detection by AI

## Automation and Labor-Saving Technology for Spraying Plants - Shot Saver

Shot Saver is a technology that automates and saves labor in spraying plants. In the past, the operation of spraying machines in spraying works often relied on the senses of skilled workers, and it was considered difficult to automate the operation of spraying machines. This system enables control and management of the entire plant by combining a dedicated program and electronic control of air valves, and allows start and stop of material production and pumping to be operated from a touch panel.



- **Development of a control program that enables automatic operation of the spraying machine**  
- The control program enables continuous and stable spraying regardless of the skill level of the operator, ensuring the quality of the sprayed material.
- **Development of an automatic cement bag opening device**  
- Reduces the heavy labor required for cement bagging

### Automatic cement bag opening device Rakuttman

Rakuttman is a device that automates opening and feeding of cement bags, which used to be done manually in the mortar spraying process.

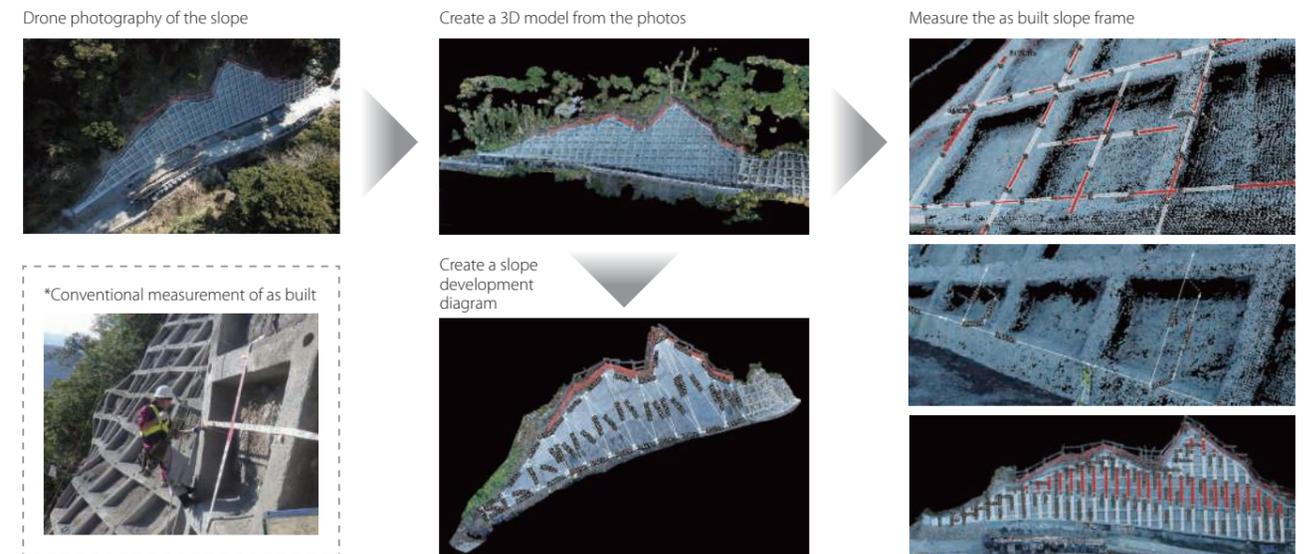
- All operations are automated after the cement is placed on the carrier
- The opened cement is automatically fed into the spraying machine by a powder conveyor
- Empty cement bags are pushed out by a plate and automatically discharged outside the machine
- Cement bag handling machine saves labor for storing cement



Cement storage    Automatic opening    Feed into the spraying machine    Carrying out empty bags

## Utilization of 3D Model of Slopes

3D data of a slope is created from the photos taken by a drone. By manipulating this data with PC software, it is possible to check the site conditions and the as built without having to climb up the slope, and to create arbitrary cross-sectional lines and development drawings of the slope.



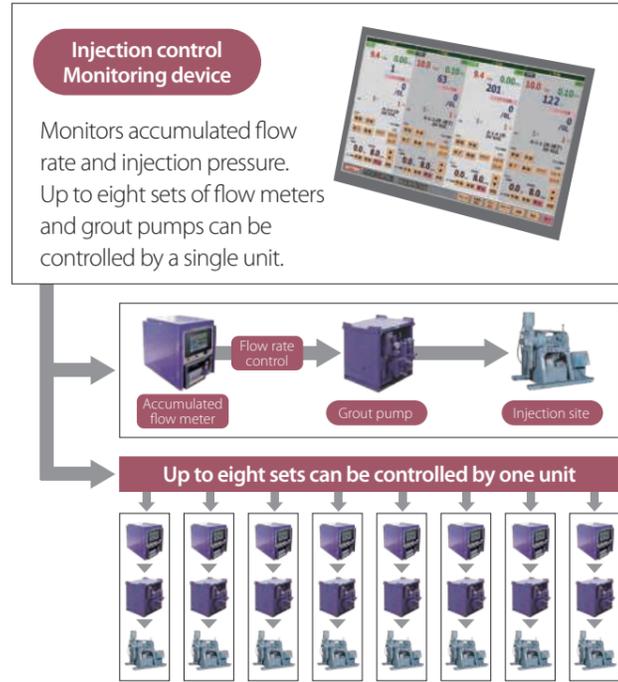
**Our Business field**

**Visualization of Ground Improvement Using 3D models**

We have built a system to improve the efficiency of construction and as built management by utilizing the construction history of ground improvement work, and are applying this system to sites.

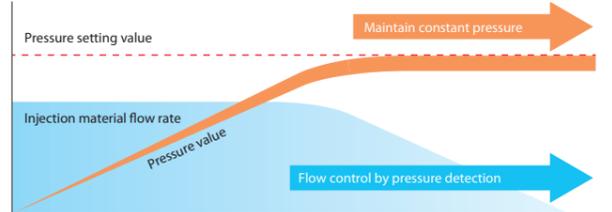
Grout Conductor, a chemical injection control and monitoring system, automatically controls up to eight sets of flow meters and grout pumps with a single unit. By reading the flow rate and injection pressure data output from the Grout Conductor into the Chemical Injection Data Management System, flow rates and pressures can be displayed in 3D. In addition, daily reports and charts can be output to save labor for daily management work.

**Automatic control with the Grout Conductor**

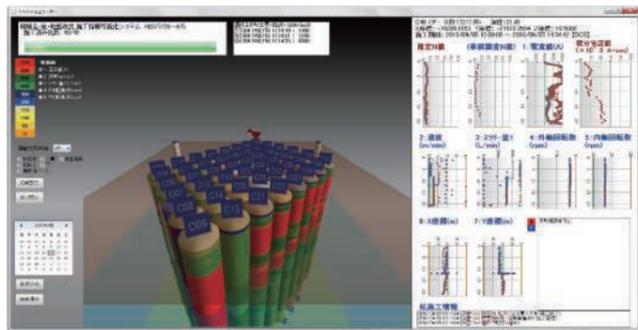
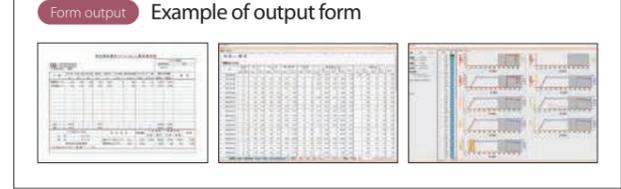
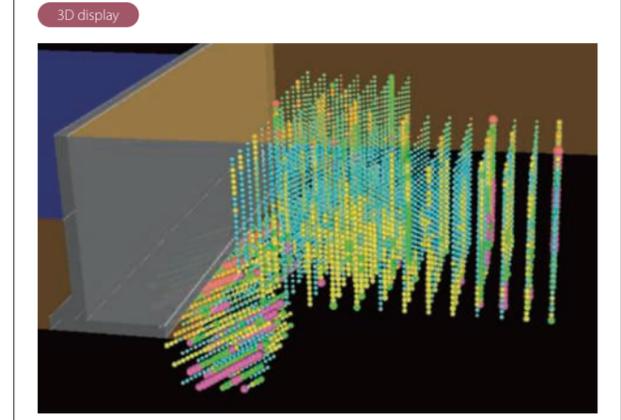
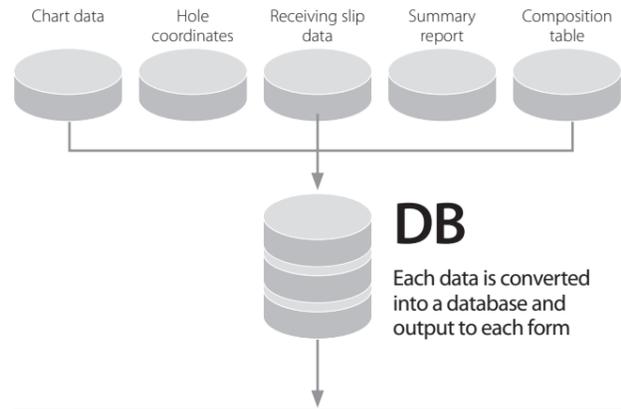


**Injection control**  
Detects pressure and automatically controls the injection material flow rate so as not to exceed the upper limit of the set injection pressure.\*

\* Pressure control injection method based on experience of dam grouting construction



**Accumulate and output data**



Construction information can be displayed real time in 3D, even with jet grouting and mechanical mixing methods.

**ICT Ground Improvement Work**

An ICT management system compliant with the Ministry of Land, Infrastructure, Transport and Tourism's guidelines for the management of completed construction for ground improvement methods using ICT is applied to the site. Construction management such as positioning of improved piles and report preparation using construction data can be performed centrally, and information can be checked in real-time even in remote areas by establishing a network. ICT ground improvement work is carried out using the CDM-EXCEED method, the power blender method, and the GI column method.

**Grout Management System - ISD Grouting**

This system is used for dam grouting, and makes it possible to check the grout injection schedule, injection status, construction status map, and daily grout management report in real-time from a remote location. On-site status can also be checked via a webcam. In addition, injection information is displayed and visualized on a 3D model that includes geological information.

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.

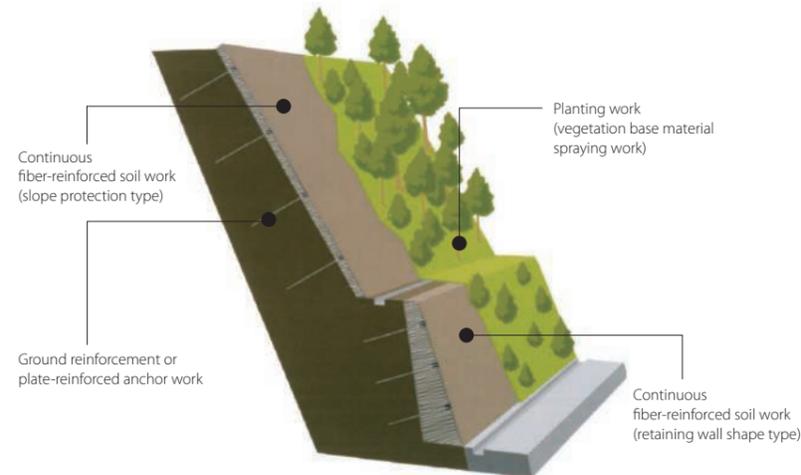
- Chosen as a "Fiscal 2016 Runner-up Recommended Technology" (by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism)
- NNTD No. 0370
- Construction Technology Review and Certification

### 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).

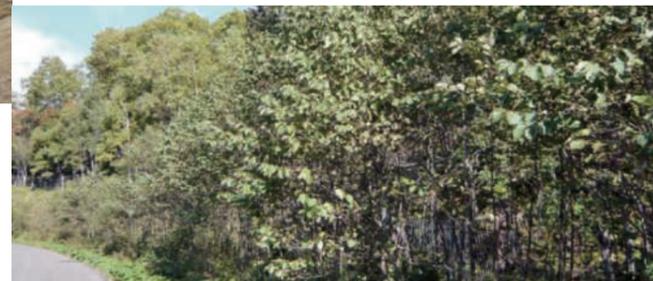
### Growth Foundation for Plants Mainly Consisting of Raw Chip Material Plant-Leading Spraying Method

- Uses the chip material, which derives from the secondarily processed fragments of felled trees, as a foundation material 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		Raw Wood Chip
100m <sup>3</sup>	TSURU-KAME Soil Method	
	Plant-Leading Spraying Method	100m <sup>3</sup>
40m <sup>3</sup>	NEKKO Chip Method	40m <sup>3</sup>
50m <sup>3</sup>	KAERUDO-Green Method	25m <sup>3</sup>

\*In case of a sprayed depth of 5 cm for an area of 1,000 m<sup>2</sup>  
\*Inclusive of loss



Status of greenery when using the NEKKO Chip Method

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.

### 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.

### Using Surface Soil Instead of Seeds Native Recovery Greening Method

- 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.

### 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.



Just after the placement of N-Mats

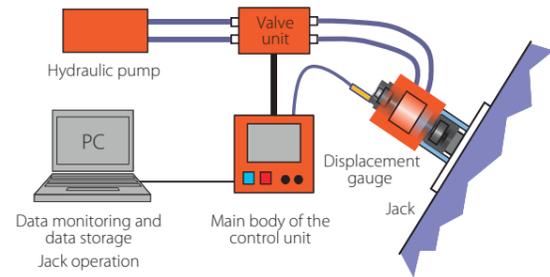
**Our Business field**

● “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**

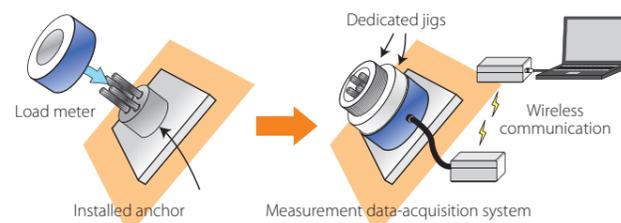
- Uses completely recycled plastic as material.
- Improves operating safety and construction efficiency on slopes due to light weight.
- Available for full-surface greening.
- Ø634 and Ø911 mm models are added to the lineup.



**Tensile Strength Monitoring System for Installed Anchors**

**Aki-Mos**

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



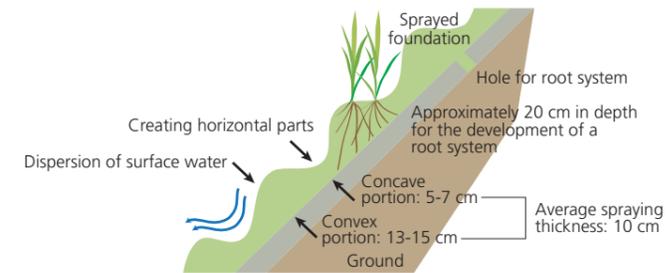
The technology was jointly developed by the Public Works Research Institute and eight private-sector companies.

● NNTD No. 0373

**Greening of Mortar Shotcrete Surfaces and Bedrock**

**Fiber Soil Greening Step Method**

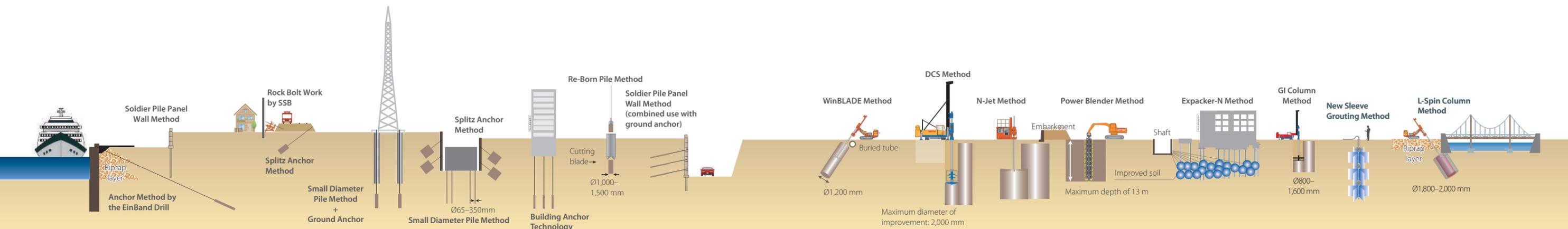
- Full-space greening by spraying the foundation materials for greening work on a slope without soil in the form of wave-shaped steps.



**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)



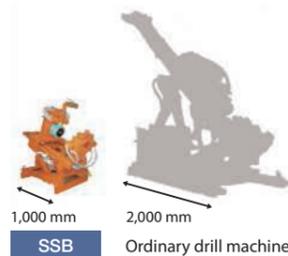
### Japan's Largest-Class Double-Tube Drill Machine EinBand Drill

- 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



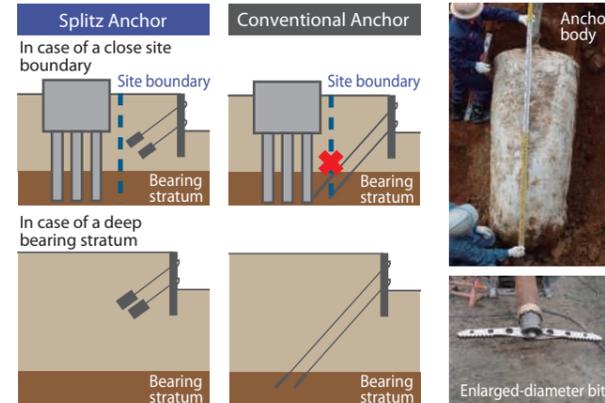
### Forming Piles with High Bearing Power at Narrow Spaces Small Diameter Pile Method

- 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.



### 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.



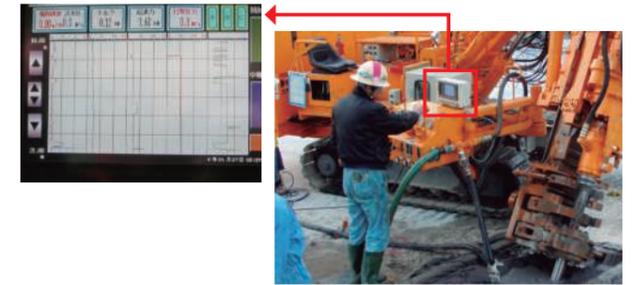
### NNTD No. 0375 Construction Technology Review and Certification Earth Retaining Wall Method that Combines Soldier Piles with Concrete Panels Soldier Pile Panel Wall Method

- 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 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

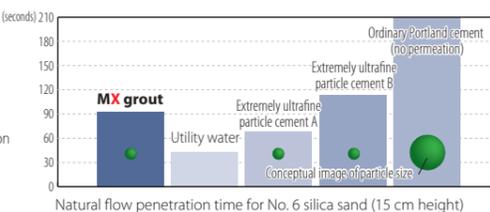
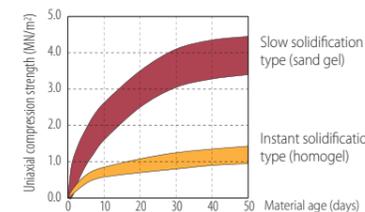
- Cuts and removes existing piles and/or underground structures using two cutting blades.
- Uses a circumferential all-casing drill.
- Makes secure backfilling possible.



### High-Penetration High-Strength Grouting Materials

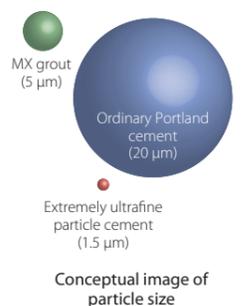
#### Slag Turbid Ground-Grouting Material MX Grout

- 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/m<sup>2</sup> 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



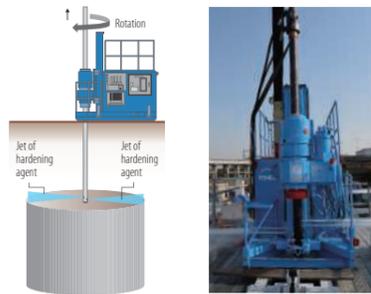
**Our Business field**

**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

**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.

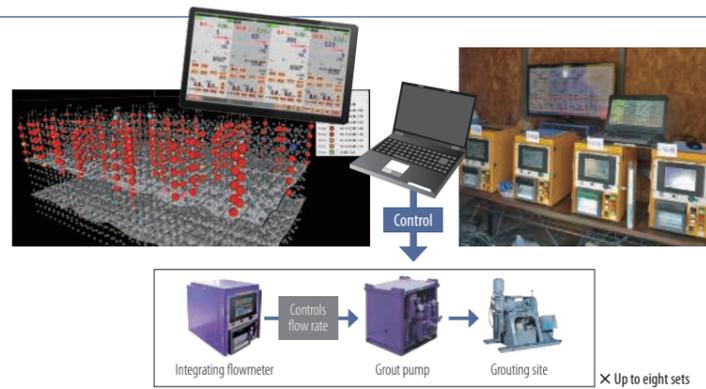
Application scope   Viscous soil: Standard N  $\leq 10$ , Sandy soil: Standard N  $\leq 20$   
Improvement depth: Standard Z  $\leq 10$  m



**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.



● NETIS No. CBK-190001-A

**$\varnothing 1,600$  mm  $\times$  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  $\leq 6$  (Maximum N=8)  
Sandy soil: Standard N  $\leq 20$  (Maximum N=30)  
Improvement depth: Standard Z  $\leq$  roughly 25 m



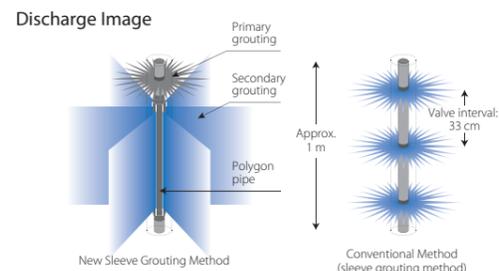
\*Extension work required when depths exceed 25 m.

**Chemical Grouting Method**

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

**Foundation Improvement for Long Permeation/Grouting Intervals**  
**New Sleeve Grouting Method**

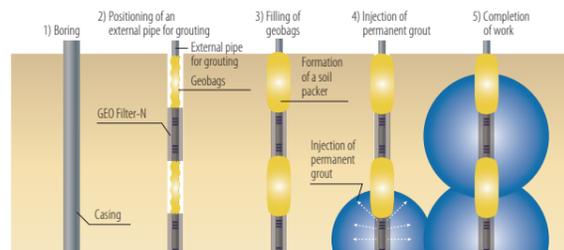
- Realizes long permeation/grouting intervals using a hexagonal "polygon pipe."
- Makes high-speed, high-quality improvement possible.
- Achieves low cost and a reduction in the construction period.



● 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.



**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.

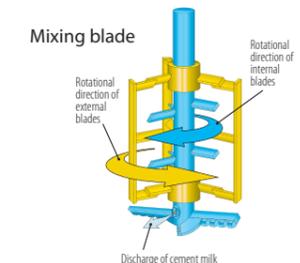


\* This technology is developed jointly with Taisei Corporation

● 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.



Our Business field

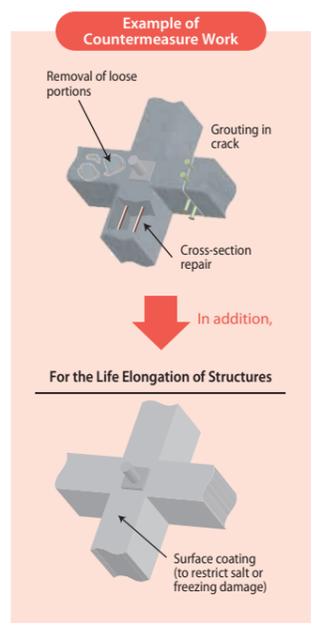
# Maintenance and Renovation

## 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.



## Preventive Maintenance of Sprayed Slope Frames Frame Doctor Method

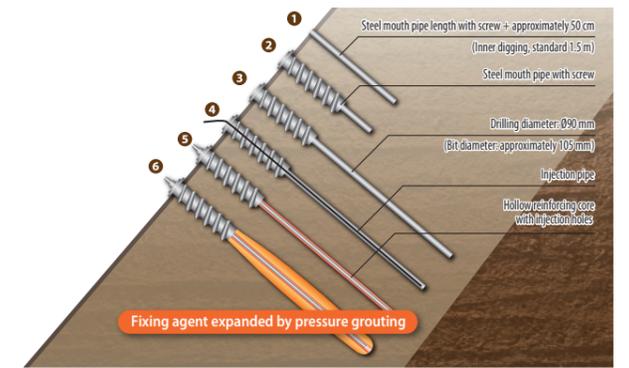
- Takes countermeasures for concrete structures such as sprayed slope frames and bearing plates depending on the degree of deterioration.
- Takes preventive maintenance countermeasures via surface coating to restrict salt or freezing damage.



## Ground Reinforcement Method Suited for Embankment Ground EGN Anchor Method

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

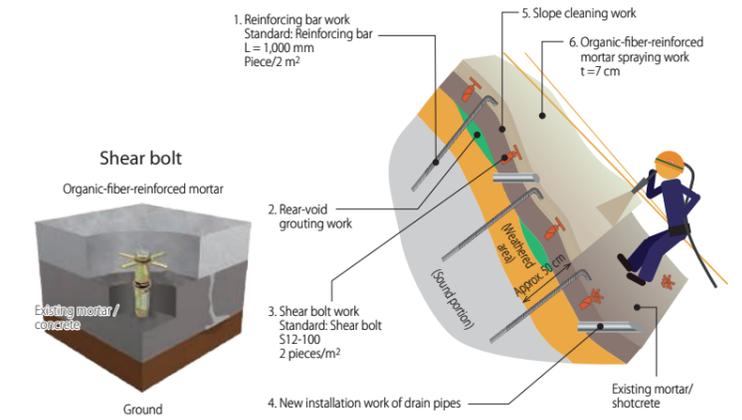


Received the Inventive Idea & Development Technology Award at the 18th National Land Technology Development Award

- 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.



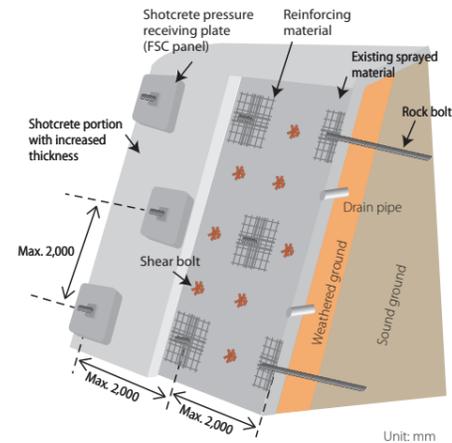
Installation of reinforcing material



Spraying of fiber-reinforced mortar



Completion of work



Unit: mm

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

● 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.

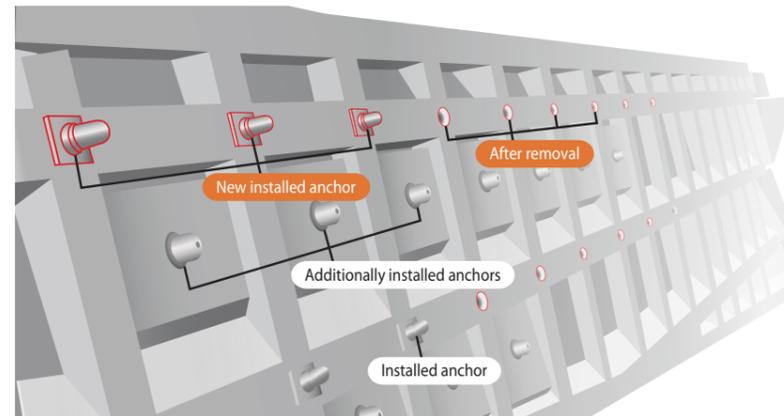
Pumping distance: Approximately up to 2,000 m (differs depending on the mixture variation)  
Design strength: 1.5–24 N/mm<sup>2</sup>

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

### Bite Off Method

Method to cut and remove installed anchors using proprietary bits

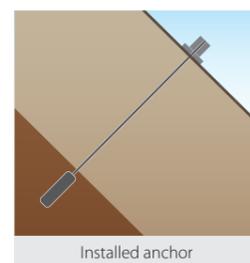
- Japan's first dedicated system for cutting ground anchors
- Cuts off steel wires of anchors using exclusive cutting tools and a general-purpose drill machine.
- Enables removing installed anchors and installing new anchors (possible to use existing pressure receiving structures as well).



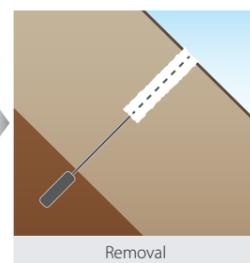
CD Type bit (for covered drilling)



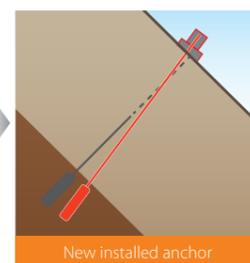
SH Type bit (for steel wire cutting)



Installed anchor



Removal



New installed anchor

## Mortar Shotcrete Possible to 1 km Destination

### Kiro Fukeru Method

- Mortar shotcrete is possible at a rate of 18 N/mm<sup>2</sup> 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/mm<sup>2</sup> 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/mm<sup>2</sup> or more



Domestic Construction Projects (earthquake-proof works and others)

# Domestic Construction Projects (earthquake-proof works and others)

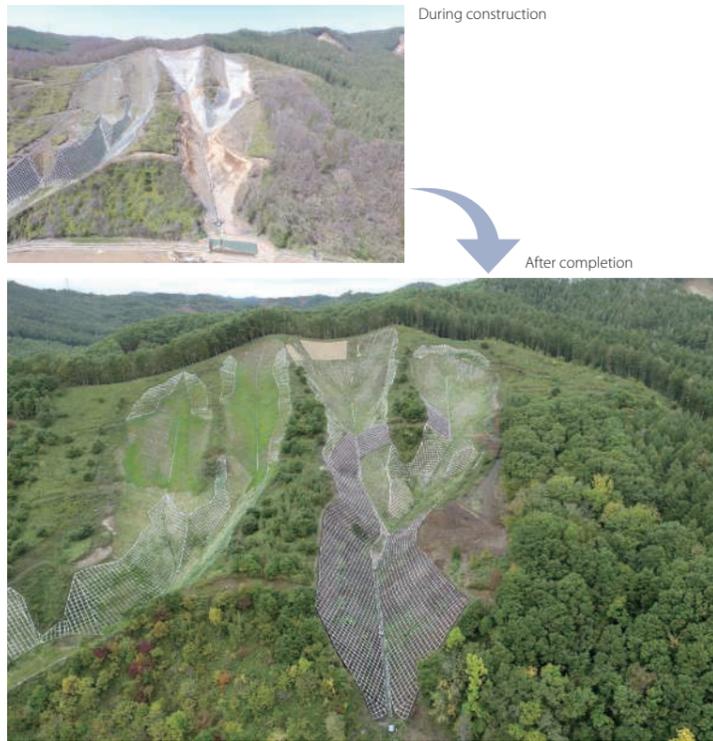
NITTOC endeavors to contribute to establishing a safe, secure and affluent society by creating new technologies that meet social needs in the fields of "Disaster Prevention and Environmental Conservation," "Maintenance and Renovation," and "Urban Regeneration." We are confident that steady achievement 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

### ● Horonai Area T Restoration and Forest Conservation Work and 1 Other 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. The slope was relatively gentle, but for safety reasons, we employed on-site spraying slope frame method in many places.

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



## Initiatives for Restoration and Reconstruction

### ● Kuki Area Disaster-Related Emergency Forest Conservation Work (Kuji City, Iwate Prefecture)

The slope collapsed due to Typhoon No. 19 in October 2019, and sediments spilled onto the road directly below. This is an emergency forest conservation work on that slope. First, we removed excavated rock and sedimentary soil, and then installed a 1-ton cable crane and monorail to transport materials and equipment. For the frame of the upper part of the slope, we employed the HiSP method and inserted rock bolts using the SD method. For those of the middle and lower parts of the slope, we employed the HiSP method.

Orderer: Sanriku Northern Forest Office Kuji Branch, TOHOKU National Regional Forest Office  
 Owner: Yamaguchi Construction  
 Project Overview: Slope frame work, bar insertion work



## Initiatives for Restoration and Reconstruction

### ● FY2020 Disaster Recovery-related Emergency Forest Conservation Project Design No. 1 (Kyoto City, Kyoto Prefecture)

Due to the torrential rainfall that occurred on July 8, 2020, the slope beside the railway track near Kibuneguchi Station of Eizan Electric Railway collapsed, causing fallen trees and accumulated sediment on the railway track. This work involved the protection work of the collapsed slope. In order to operate trains as soon as possible, we started from the lower part of the slope, which was different from usual. After the protection work for the lower part of the slope was completed and trains resumed operation, we conducted the work for the upper part of the slope, using single pipes and curing sheets, etc. to prevent falling objects, as it was near railway tracks.

Orderer: Kyoto Forestry Office, Kyoto Prefecture  
 Project Overview: Spraying slope frame work (F300,200), bar insertion work, planting base material spray work, vegetation matting, etc.



### ● FY2021 Taki Town Disaster Recovery Work No. 3 (Taki Town, Izumo City, Shimane Prefecture - Asayama Town, Oda City, Shimane Prefecture)

Heavy rains in mid-August 2021 caused landslides in various parts of the San'in region, partially collapsing a top of slope of National Route No. 9, a major road in the San'in region, and closing the road to all traffic. In addition, the JR San'in Main Line, which runs alongside National Route No. 9 on the ocean side, was also closed. This project involved restoration work. We were in charge of drainage boring work, mortar shotcrete work, and other work. After the temporary restoration work, the JR San'in Main Line was opened to traffic on October 2, and National Route No. 9 was opened to traffic on October 18 with alternating one-way traffic.

Orderer: Ministry of Land, Infrastructure, Transport and Tourism, Chugoku Regional Development Bureau, Matsue National Highway Office  
 Project Overview: Water collecting boring work, mortar shotcrete work, rock bolt work, etc.

Our Award-Winning History

# Japan Federation of Construction Contractors Awards 2021 The second Construction

**Excellence Prize: Awarded to Hokusatsu Tunnel (Izumi construction area) of Hokusatsu Odan Road**

On December 9 (Thursday), the Japan Federation of Construction Contractors held the Japan Federation of Construction Contractors Awards 2021 ceremony at The Okura Tokyo in Minato Ward, Tokyo. The 62nd BCS Prizes were presented to 15 outstanding buildings constructed in Japan, and the second Construction Excellence Prizes were presented to 11 outstanding projects and structures in the field of civil engineering. Among the projects awarded, the Hokusatsu Tunnel (Izumi construction area) of the Hokusatsu Odan Road received the Construction Excellence Prize, and the Company received the prize as a partner (construction by the Directly-Controlled Grout Division). Among the 11 winning works of Construction Excellence Prize, we were also in charge of a part of the following three construction projects.

- Construction of Oitagawa Dam: grouting (construction by the Directly-Controlled Grout Division), slope (construction by Kyushu Branch)
- Construction of Kanogawa Dam Tunnel Spillway: grouting (Directly-Controlled Grout Division)
- Renewal Project of Rt. 1 Haneda Line of Tokyo Metropolitan Expressway (Phase I) : Splitz Anchor (Tokyo Branch)

## Hokusatsu Tunnel (Izumi construction area) of Hokusatsu Odan Road

Development of the RPG (ring-post-grouting) method for reducing a large amount of spring water in mountain tunnels

**Location:** Imizu City, Kagoshima Prefecture  
**Owner:** Kagoshima Prefecture  
**Designer:** Joint Venture of Kumagai Gumi Co., Ltd., Seibu Construction Co., Ltd., Watanabe Gumi Co., Ltd. and Kamada Construction Co., Ltd.  
**Contractor:** Joint Venture of Kumagai Gumi Co., Ltd., Seibu Construction Co., Ltd., Watanabe Gumi Co., Ltd. and Kamada Construction Co., Ltd.  
**Partners:** Oyo Corporation, Nitto Construction Co., Ltd., Sasajima Construction Co., Ltd.  
**Construction start date:** March 16, 2009  
**Construction completion date:** March 17, 2017

### Reason for award

It was a mountain tunnel construction project in which the drilling work caused a large amount of spring water containing arsenic. The critical issue was to significantly reduce the amount of such water. We developed the RPG (ring-post-grouting) method to construct a ring-shaped ground improvement zone by post-grouting after drilling a tunnel, thereby reducing water flow and preventing the tunnel from being affected by high water pressure from a height of over 100 m.



▲ Before construction (spring water flow)

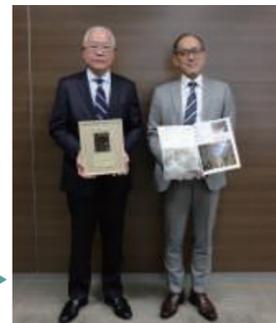


▲ At completion of construction (reduction of spring water flow into the upper half)



▲ The venue for the Japan Federation of Construction Contractors Awards 2021

General Manager Sunoda, Directly-Controlled Grout Division, holding the prize plaque (left), and President Wada



Technology Fair Exhibition Achievements

## Fiscal 2021 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 2021, 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. 2021 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 2021 Construction Technology Fair Exhibitions

Period	Name of Construction Technology Fair	Organizer	Venue
Jun. 2 (Wed.) and Jun. 3 (Thurs.)	Engineering Exhibition "EE Tohoku '21"	Regional Development Bureau, etc.	Yume Messe Miyagi Hall
Jul. 12 (Mon.) to Jul. 14 (Wed.)	55th Geotechnical Engineering Research Presentation Meeting	Japanese Geotechnical Society	WEB
Jul. 14 (Wed.) to Jul. 16 (Fri.)	Maintenance & Resilience OSAKA	Japan Management Association	INTEX OSAKA
Sept. 8 (Wed.) and Sept. 9 (Thurs.)	Fukui Construction Technology Fair	Fukui Prefectural Public Corporation of Construction Technology, etc.	Fukuiken Sangyo Kaikan
Oct. 6 (Wed.) and Oct. 7 (Thurs.)	Highway Techno Fair 2021	Express Highway Research Foundation of Japan	Tokyo Big Sight
Oct. 20 (Wed.) and Oct. 21 (Thurs.)	Construction Fair Hokuriku	Regional Development Bureau, etc.	Niigata Industrial Promotion Center
Oct. 27 (Wed.) and Oct. 28 (Thurs.)	Construction Technology Expo 2021 Kinki	Regional Development Bureau, etc.	INTEX OSAKA
From Oct. 18 (Mon.)	Japan Association of Agricultural Engineering Enterprise	Japanese Geotechnical Society	WEB
Nov. 2 (Tue.)	New Technology Exchange Event in Shizuoka	Shizuoka Prefecture	Shizuoka Prefecture Convention & Arts Center Granship
Nov. 18 (Thurs.) and Nov. 19 (Fri.)	Construction Technology Forum 2021 in Hiroshima Chugoku	Regional Development Bureau, etc.	WEB
Nov. 25 (Thurs.) and Nov. 26 (Fri.)	Construction Xross 2021 Kanto	Regional Development Bureau, etc.	Sunshine City
Dec. 14 (Tue.) and Dec. 15 (Wed.)	Construction Technology Fair 2021 in Chubu	Regional Development Bureau, etc.	Fukiage Hall

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 six 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	Akihiko Nakagawa
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 439 million) Note: Calculated at an exchange rate of 1 rupiah = 0.0086 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 : +6221 2994 1582 / 1583 FAX : +6221 2994 1991 E-mail : info@nittoc-id.co.id



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

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

## Feedback from International 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 PT. NITTOC CONSTRUCTION INDONESIA (PT NCI) in August 2017 after being introduced to the company because my college mentor had a cooperative relationship with PT NCI. I worked as an assistant engineer for several year after joining the company. After about one and a half years of on-site management work, I received training on cost management methods in Japan for about three months. During my training in Japan, I learned a lot about site conditions, personnel management, material management, and setup methods in Japan. I became able to improve the accuracy of project budget preparation by deepening my knowledge of site management. I hope to contribute to the development of the Indonesian geotechnical engineering industry by applying Japanese quality and technology to Indonesian construction sites to help solve the issues of customers.



### ANGGA ADHITYA FIRMANSYAH

Position: PT. NITTOC CONSTRUCTION INDONESIA   Nationality: Indonesian

I joined PT. NITTOC CONSTRUCTION INDONESIA in August 2017 as personnel in charge of procurement, import and export. I was working in the import of heavy machinery before joining PT NCI. I am very happy to join PT NCI. I feel both Indonesian and Japanese staff members are like a family here. We are specialists in specialized construction work that no other construction company can do, using special machinery that is unfamiliar in Indonesia, and we feel that every job site is a challenging. I will continue to work diligently to further develop and become the number one specialized construction company in Indonesia.



### ANGGUN ASTRINI

Position: PT. NITTOC CONSTRUCTION INDONESIA   Nationality: Indonesian

I have a bachelor's degree in law and I am working as a newly established legal staff in the administration department of PT. NITTOC CONSTRUCTION INDONESIA. This is the first job where I have been able to utilize my background and knowledge. This has also been my first time working for a Japanese construction company. Through my daily work, I am working hard to improve my knowledge and skills in the legal field, to strengthen compliance with laws and regulations, and to protect the company from legal disadvantages. PT NCI's work environment is excellent, and my colleagues and staff are all great to work with. I will always do my best to grow and contribute to make PT NCI the number one specialized construction company in Indonesia for ground improvement works and disaster prevention works.



### TRI YUDHA FATHURRAHMAN

Position: PT. NITTOC CONSTRUCTION INDONESIA   Nationality: Indonesian

International Business

International Business

Employee Education

PT. NITTOC CONSTRUCTION INDONESIA conducts regular training for its employees to improve their skills.

Implementation of employee training

Our safety and technology staff are regularly trained (about once a month) to learn about our construction technologies and safety management. In September, 10 employees participated in the training and learned about slope stabilization and measures to prevent slope failure. In addition to this, group training sessions are held about once a month. We will continue to hold regular training sessions to raise the level of employees' competencies.



Technical training session

Safety Conference - PT .NITTOC CONSTRUCTION INDONESIA 6th Anniversary Party

Once a year, we hold a safety conference by gathering all employees and relevant workers aimed at improving their safety awareness. On November 17, 2021, PT. NITTOC CONSTRUCTION INDONESIA held the 6th Anniversary Party and a safety conference. In light of the COVID-19 pandemic, again this year, we held a web conference that allowed employees who work from home and employees at various sites to participate remotely. At the conference, PT .NITTOC CONSTRUCTION INDONESIA introduced examples of workplace accidents in Japan and Indonesia that occurred in fiscal 2020. We continued with disaster case studies for construction projects that PT .NITTOC CONSTRUCTION INDONESIA is engaged in now, or will start in the near future, introducing disaster cases involving slope protection and electrical issues. In addition, it raised the awareness of staff regarding the importance of safety work. PT .NITTOC CONSTRUCTION INDONESIA awarded staff and workers who have continuously served for 5 years.



6th Anniversary Party

5th Anniversary Awards

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.



CENTRAL JAVA PROJECT COAL FIRED POWER PLANT

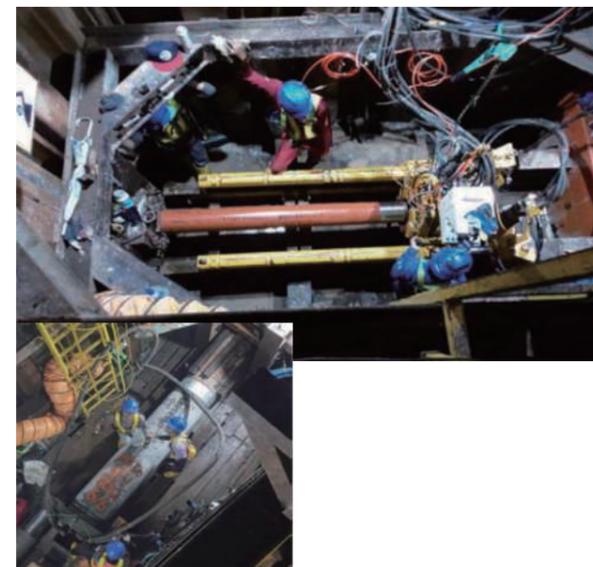
This is the first 2,000MW coal-fired power plant in Indonesia using ultra-supercritical pressure boilers, built for the purpose of supplying electricity between Java and Bali. We are in charge of landslide prevention works of embankment at the coal ash disposal yard.

Orderer: PT. Bhimasena Power Indonesia (SPC (ITOCHU Corporation, Electric Power Development Co., Ltd.(J-power), etc.))  
 Owner: Mitsui E&S Engineering Co., Ltd. - Murinda Joint Operation (JO)  
 Location: Batang, West Java  
 Purpose: Construction of a new ultra-supercritical coal-fired power plant  
 Method: CDM work and power blender work  
 Period: October 2021 - 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 associated with the construction of the new subway line.

Orderer: PT. MRT JAKARTA (Subway construction and operation company)  
 Owner: Shimizu - Adhi Karya JO  
 Location: Special Capital Region of Jakarta  
 Purpose: Construction of a new subway line  
 Method: jet grouting work, chemical grouting work, etc.  
 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.

Orderer: Ministry of Public Works and Housing  
 Owner: PT. ADHI KARYA(Persero)Tbk = 1 site  
 PT. WASKITA KARYA(Persero)Tbk = 2 sites  
 Location: Makassar, South Sulawesi  
 Purpose: Construction of a new sewage system  
 Method: Pipe jacking work 450mm L=224m (5 spans)  
 Pipe jacking work 600mm L=736m (10 spans)  
 Period: August 2020 - Ongoing

SDGs Initiatives

# NITTOC X SUSTAINABLE DEVELOPMENT GOALS

NITTOC supports the Sustainable Development Goals (SDGs). 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," we will contribute to the achievement of the SDGs by addressing social issues through the technologies we possess.

## Improvement of Social Infrastructure



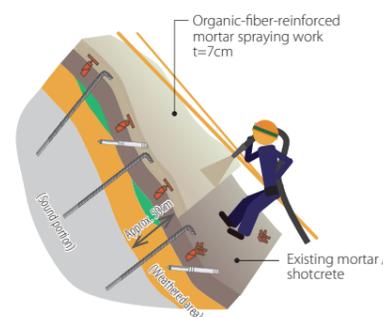
Dissemination of technologies to improve the functionality and longevity of social infrastructure

### Evaluation of structural integrity and fix for slope structures

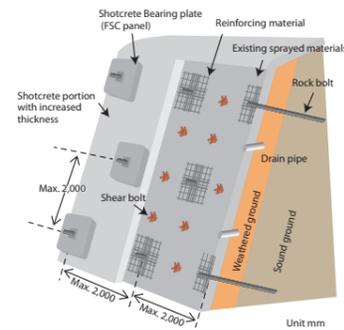
#### ● Frame Doctor method



#### ● New ReSP method



#### ● Shotcrete Bearing Plate Method (FSC panel)



## Disaster Recovery



Creating a safe, secure and sustainable society

## Biodiversity Preservation, CO2 Emission Reduction



Contribution to a decarbonized society, promotion of sustainable environmentally friendly technologies

- Use of topsoil
- CO2 reduction
- Hydroelectric power generation
- Transmission lines
- ➔ Recycled greening (pages 3, 19)
- ➔ Geofiber Method (page 18), New Sleeve Grouting Method (page 13), New ReSP Method (page 11)
- ➔ Dam grouting, foundation treatment
- ➔ Small diameter piles (page 17)

## Sustainable Infrastructure Development



Addressing the shortage of construction workers and work styles reforms by developing next-generation technologies using ICT

- Use of ICT
- Labor and manpower saving
- Use of AI
- ➔ Utilization of slope 3D models (page 7), Grout Conductor (page 8), etc.
- ➔ Slope Saver (page 6), Shot Saver (page 7)
- ➔ Crack detection (page 6)

#### ● Slope Saver



#### ● KAERUDO-Green method

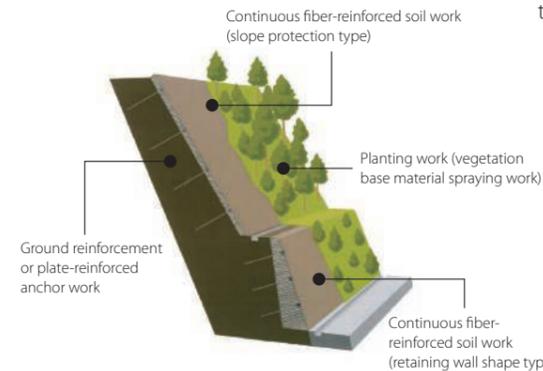


In the site development work ordered by the Okinawa Defense Bureau (Yonaguni Island), the following issues had to be addressed in order to preserve the precious ecosystem and natural environment of Yonaguni Island.

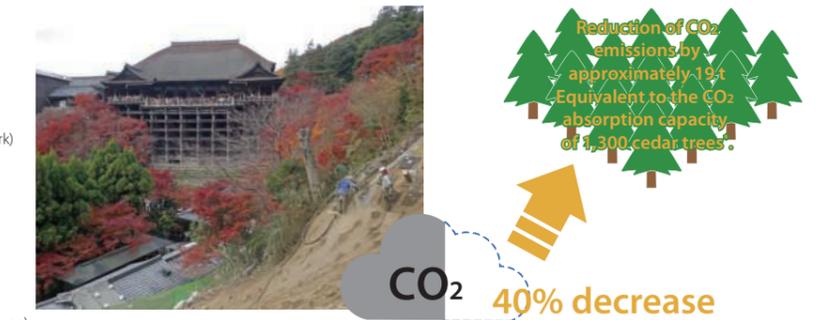
- Do not bring any plants or soil on to the island
- Reuse the cleared soil (topsoil) generated during site development
- Do not take construction materials off the island
- Do not allow red soil to flow into the sea
- Able to cope with severe weather conditions such as typhoons

The KAERUDO-Green Method enables the use of a relatively large amount of topsoil as a growth foundation for plants and has high erosion resistance, which led to its adoption. Another major reason for adopting this method is that it uses a large amount of topsoil, which allows for a high seed mixing ratio and relatively early greening.

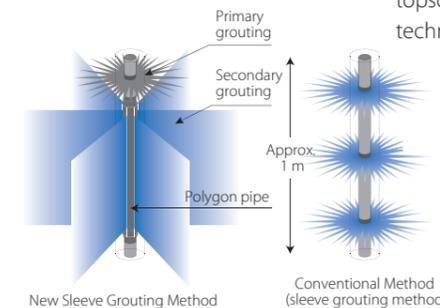
#### ● Geofiber Method



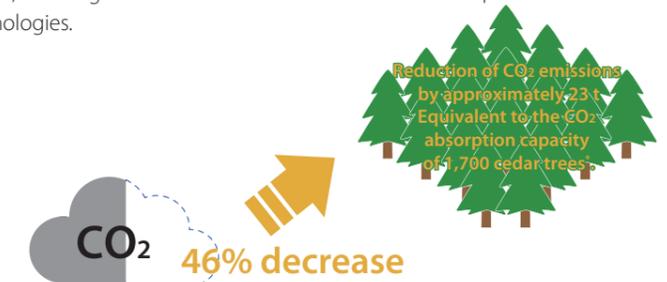
The Geofiber Method is an alternative to sprayed slope frame construction for slope protection. It is a reinforced soil composed of fibers and sand, and does not require the use of cement, which emits large amounts of CO2. When compared to sprayed slope frame construction, which is a cement structure, CO2 emissions can be reduced by 40%. Since the Geofiber Method is also a greening method, CO2 absorption through vegetation can also be expected.



#### ● New Sleeve Grouting Method



The New Sleeve Grouting Method is a ground injection method that uses polygon pipe, a new grouting pipe, to enable long penetration grouting sections. The length of the secondary grouting section is about ten times longer than that of the conventional technologies, enabling high-speed grouting. The number of grouting holes can also be reduced as the method can be applied over a wide grouting area. These features reduce the amount of fuel and materials used and enable the use of topsoil, resulting in a 46% reduction in CO2 emissions compared to conventional technologies.



\* Cedar tree equivalent: A cedar tree (50 years old, approximately 20 to 30 m high) is estimated to absorb about 14 kg-CO2 of CO2 per year. Ministry of the Environment and Ministry of Agriculture, Forestry and Fisheries, "Green Sink Sources for Global Warming Countermeasures"

Environmental Responsibility

# Environmental Responsibility

## Environmental Policy

### Environmental Policy of Technology Development Department

### Environmental Policy of NITTOC's Technology Development Department

NITTOC establishes the following as its management philosophy to widely contribute to society.

#### Mission

A company that provides a safe and secure society and contributes to countries

#### Value

Efficient management and comprehensive technical capabilities in foundation work

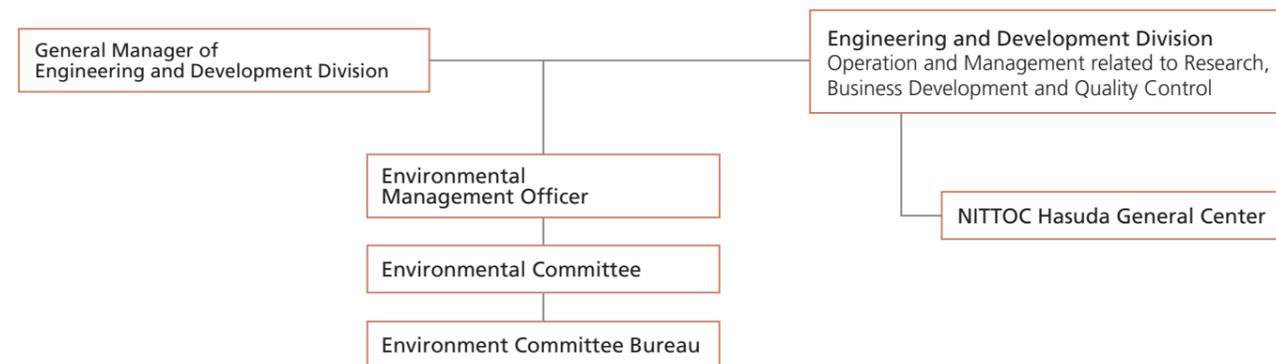
#### Vision

To lead disaster prevention and environmental conservation as the expert of foundation work accumulated by our reliable technological ability

Based on this management philosophy, Technology Development Department shall promote research and development for the establishment of a resource recycling society in order to make effective use of limited resources and reduce the burden on the environment. It shall also work to conserve the global environment, such as by creating an optimal environment for realizing such a society, and contribute widely to society. Accordingly, we have defined the following items as the guiding principles for our business activities.

1. Engineering and Development Division recognizes global environment conservation as one of its business activities, and aims to reduce the burden on the global environment by working to improve and continuously enhance the environmental management system.
2. Promote effective research and development to establish a resource recycling society that leads to the effective use of limited resources and reduced burden on the environment.
3. Promote activities aimed at reducing waste, increasing recycling rates, saving resources and energy, conserving the ecosystem and landscape, promoting the use of environmental friendly products, and adapting to climate change.
4. Comply with environment related laws and regulations, agreements, customer and industry requirements to actively fulfill social responsibility for environmental protection.
5. Improve environmental conservation awareness by educating personnel of Engineering and Development Division.
6. Disclose the implementation status of the environmental policy and environmental conservation activities as needed in order to cooperate with customers and the community.

### Operational Organization Diagram of the Engineering and Development Division 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

### Joyama Cave Tombs Historical Site Preservation and Maintenance Work (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]



After completion

## 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.

### Kyushu Branch KAERUDO-Green Method Spraying Experience (Nagasaki, November 2021)

NITTOC cooperated in a tour organized by the Ministry of Land, Infrastructure, Transport and Tourism, Kyushu Regional Development Bureau, Nagasaki River and National Highway Office to increase familiarity with and interest in the Honmyo River Dam by experiencing and sharing the environmental conservation efforts of the Honmyo River Dam construction project. On the day of the tour, 11 students and two teachers from local elementary school were invited to the activities including a construction site tour. The participating elementary school students were given a chance to hold a spray nozzle and experience spraying.



### Tohoku Branch: Regeneration and Maintenance Activities for a Seaside Forest Reserve to Prevent Disasters (Miyagi Prefecture, April 2021)

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: Sabo Facility Inspection Activities Conducted by the Sabo Frontier Foundation in Yamaguchi Prefecture (Yamaguchi Prefecture, January 2022)

NITTOC employees of the Hiroshima Branch participated this year, as they did last year, in Sabo facility inspection activities, which are conducted by the Sabo Frontier Foundation to prevent sediment disaster. In cooperation with the Sabo Section, Civil Engineering Department, Yamaguchi Prefectural Government, NITTOC employees of the branch conducted inspection activities at sediment disaster-prone locations in Yamaguchi Prefecture such as areas with a sharp slope and landslide prevention-designated areas as well as the Sabo facilities. This year, like last year, more than 50 people, including the prefectural civil engineering staff and the Sabo Frontier Foundation's associates, inspected the Sabo dam in Yamaguchi Prefecture in the group of 6 members. Such inspection activities included checking for significant changes in condition at the previously inspected checkpoints.

### Tohoku Branch Road Cleanup Volunteer Activities (Aomori Prefecture, October 2021)

On October 23, together with employees of THE GEOFIBER SOCIETY member companies in Aomori Prefecture, NITTOC employees of the Tohoku Branch conducted cleanup activities covering an approximately 8-kilometer area between Takada Asahiyama and Namioka Kareizawa, Aomori City, on Prefectural Rout No. 27. A total of 25 people from 11 companies, including four employees of NITTOC's Aomori Sales Office, participated in the cleanup activities, picking up roadside garbage and cleaning up the 8-kilometer stretch of road. Garbage was separated into combustible and noncombustible and collected, and illegal dumping of home appliances and other items were reported separately to the authorities. We were able to collect a lot of garbage again this year, as shown in the photo. Last year, the event was not held due to COVID-19, so this was the first time it was held in two years.



### Supporting Paralympic Art activities (from September 2021)

We support the activities of Paralympic Art (SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION), who undertakes an art project for people with disabilities based on the philosophy of "Creating a world where people with disabilities can fulfill their dreams through art," and have signed on as a Bronze Partner since this fiscal year. We support Paralympic Art's activities through the display of artworks and cooperate with the organization to help people with disabilities participate in society and become economically self-reliant. As one of such activities, we have started to display the works of artists belonging to Paralympic Art in temporary enclosures at each of our branch sites from January 2022.

### 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

# 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."

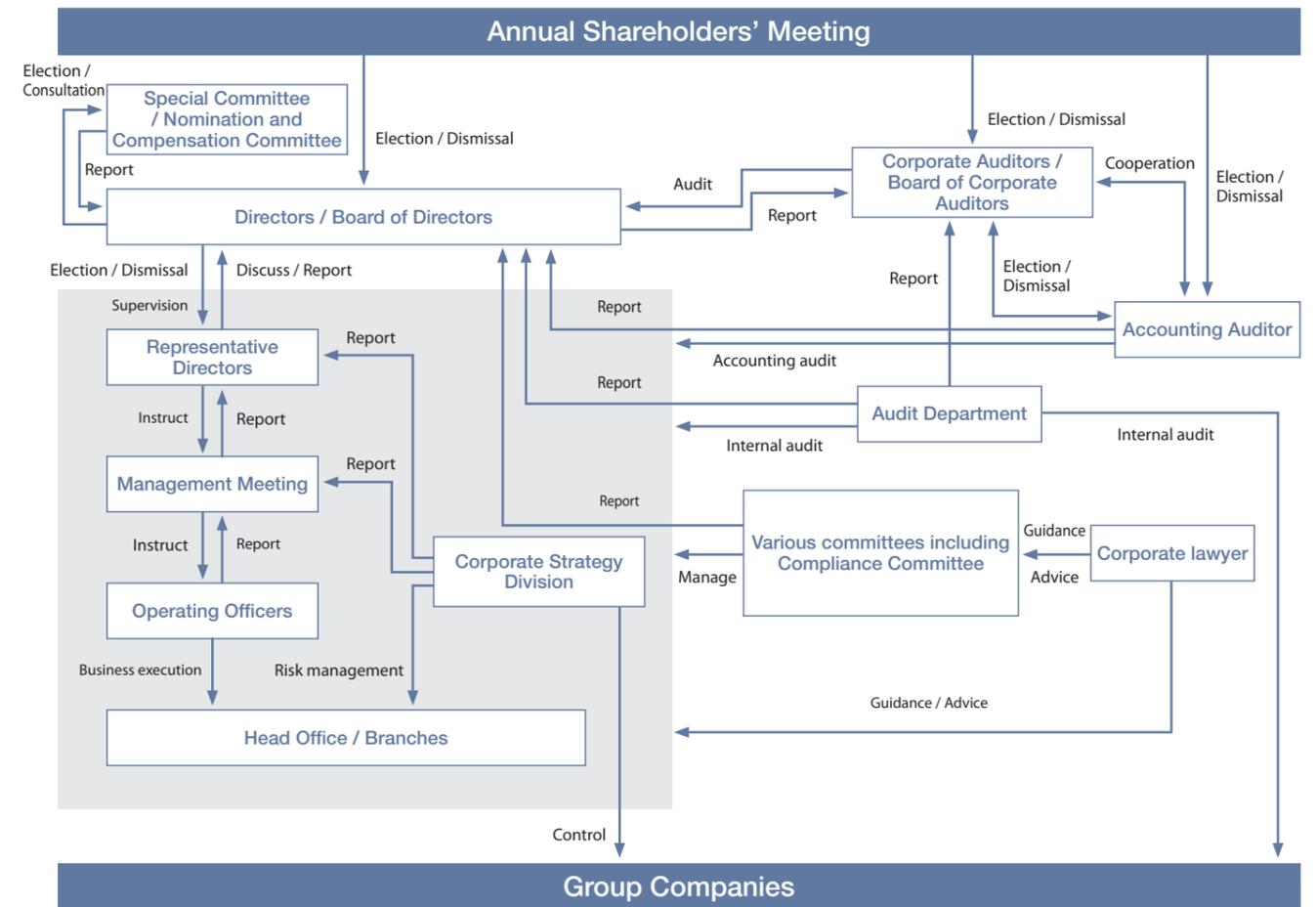
The "Basic Policy for Establishing an Internal Control System" refers to the overall commitment regarding such establishment of an internal control system by the Management Strategy Division, whereas the Audit Department is in charge of monitoring the status of the development and operational status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

2 Vice President and Director  
**Hiroshi Yamada**

3 Director  
**Toshikazu Kawaguchi**

4 Director  
**Naoto Kami**

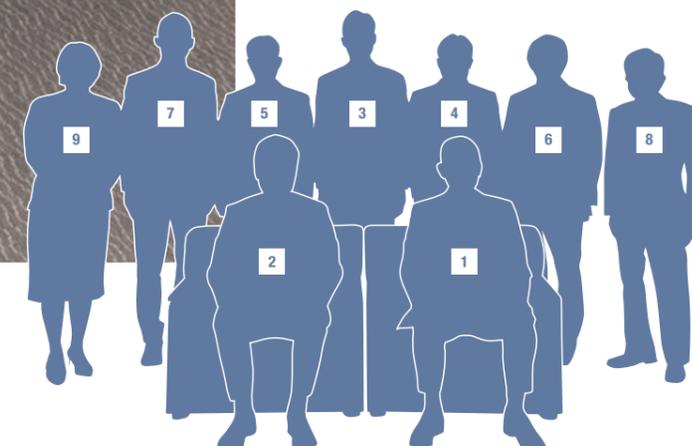
5 Director  
**Katsuhiro Yorozu**

6 Director  
**Iwao Aso**

7 Director  
**Masayuki Watanabe**  
(Outside Director)

8 Director  
**Katsuo Nakamura**  
(Outside Director)

9 Director  
**Naoko Okada**  
(Outside Director)



## Management Members

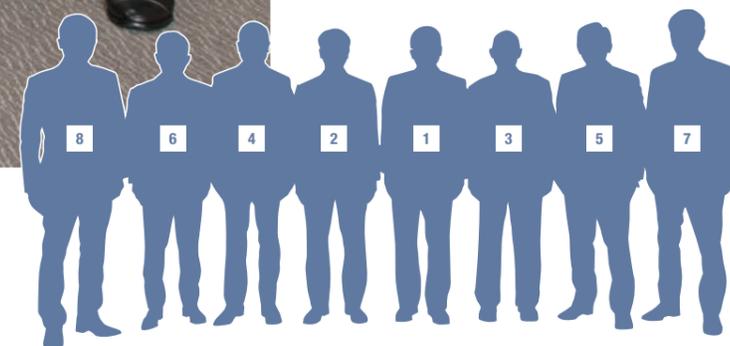


### CORPORATE AUDITORS

- 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**
- 7 Managing Executive Officer  
**Atsushi Yamazaki**
- 8 Managing Executive Officer  
**Tetsuya Shiramasa**



## Consolidated Financial Statements

# Consolidated Financial Statements, etc.

## 1. Consolidated Financial Statements

1) Consolidated Balance Sheets  
March 31, 2021 and 2022

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	17,722	20,723	169,321
Notes receivable, accounts receivable from completed construction contracts and other	19,666	–	–
Notes receivable, accounts receivable from completed construction contracts and other and contract assets	–	17,934	46,535
Electronically recorded monetary claims — operating	2,921	2,563	20,948
Merchandise and finished goods	9	25	208
Real estate for sale	0	0	0
Costs on construction contracts in progress	*4 1,359	301	2,465
Raw materials and supplies	243	285	2,336
Other	360	693	5,666
Allowance for doubtful accounts	(2)	(2)	(16)
<b>Total current assets</b>	<b>42,282</b>	<b>42,526</b>	<b>347,467</b>
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures, net	*1 1,645	*1 1,639	13,392
Machinery, vehicles, tools, furniture and fixtures, net	*1 1,133	*1 1,314	10,741
Land	2,638	2,578	21,065
Leased assets, net	*1 13	*1 0	1
Construction in progress	166	253	2,069
Other, net	*3 2	*3 2	16
<b>Total property, plant and equipment</b>	<b>5,598</b>	<b>5,787</b>	<b>47,286</b>
<b>Intangible assets</b>	<b>445</b>	<b>607</b>	<b>4,961</b>
<b>Investments and other assets</b>			
Investment securities	974	417	3,411
Deferred tax assets	2,127	2,003	16,366
Other	602	403	3,293
Allowance for doubtful accounts	(59)	(32)	(266)
<b>Total investments and other assets</b>	<b>3,644</b>	<b>2,791</b>	<b>22,804</b>
<b>Total non-current assets</b>	<b>9,689</b>	<b>9,185</b>	<b>75,052</b>
<b>Total assets</b>	<b>51,971</b>	<b>51,712</b>	<b>422,520</b>

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

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes payable, accounts payable for construction contracts and other	11,339	11,921	97,409
Short-term borrowings	278	–	–
Advances received on construction contracts in progress	2,032	593	4,852
Lease obligations	3	0	1
Income taxes payable	1,274	555	4,539
Provision for warranties for completed construction	24	25	210
Provision for loss on construction contracts	*4 286	168	1,378
Provision for bonuses	1,501	1,150	9,396
Provision for bonuses for directors (and other officers)	36	33	270
Other	2,156	2,341	19,127
<b>Total current liabilities</b>	<b>18,931</b>	<b>16,790</b>	<b>137,186</b>
<b>Non-current liabilities</b>			
Lease obligations	5	4	37
Retirement benefit liability	4,162	4,209	34,392
Other	71	97	794
<b>Total non-current liabilities</b>	<b>4,239</b>	<b>4,311</b>	<b>35,225</b>
<b>Total liabilities</b>	<b>23,171</b>	<b>21,101</b>	<b>172,411</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Share capital	6,052	6,052	49,452
Capital surplus	2,022	1,753	14,324
Retained earnings	21,419	22,560	184,336
Treasury shares	(1,057)	(0)	(7)
<b>Total shareholders' equity</b>	<b>28,436</b>	<b>30,365</b>	<b>248,105</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	312	112	916
Foreign currency translation adjustment	(34)	3	26
Remeasurements of defined benefit plans	(95)	(58)	(481)
<b>Total accumulated other comprehensive income</b>	<b>183</b>	<b>56</b>	<b>461</b>
<b>Non-controlling interests</b>	<b>180</b>	<b>188</b>	<b>1,541</b>
<b>Total net assets</b>	<b>28,800</b>	<b>30,610</b>	<b>250,108</b>
<b>Total liabilities and net assets</b>	<b>51,971</b>	<b>51,712</b>	<b>422,520</b>

\*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, 2021 and 2022

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
Net sales			
Net sales of completed construction contracts	67,718	65,882	538,296
Sales in other businesses	237	194	1,588
Total net sales	67,955	66,076	539,884
Cost of sales			
Cost of sales of completed construction contracts	*1 54,959	*1 53,849	439,981
Cost of sales in other businesses	142	92	754
Total cost of sales	55,102	53,941	440,736
Gross profit			
Gross profit on completed construction contracts	12,759	12,032	98,314
Gross profit - other business	94	102	834
Total gross profit	12,853	12,134	99,148
Selling, general and administrative expenses	*2,3 7,495	*2,3 7,611	62,192
Operating profit	5,358	4,523	36,955
Non-operating income			
Interest income	16	7	57
Dividend income	34	36	297
Patent income	13	16	137
Foreign exchange gains	32	49	406
Other	9	29	237
Total non-operating income	107	139	1,137
Non-operating expenses			
Interest expenses	6	5	42
Guarantee commission	30	22	187
Commission for syndicated loans	5	5	44
Other	3	2	19
Total non-operating expenses	46	35	293
Ordinary profit	5,419	4,626	37,799
Extraordinary income			
Gain on sale of non-current assets	*4 15	*4 0	0
Gain on sale of investment securities	-	372	3,040
Total extraordinary income	15	372	3,040
Extraordinary losses			
Loss on retirement of non-current assets	*5 3	*5 11	93
Impairment losses	*6 211	-	-
Other	1	-	-
Total extraordinary losses	217	11	93
Profit before income taxes	5,218	4,986	40,746
Income taxes - current	1,965	1,513	12,363
Income taxes - deferred	(243)	155	1,271
Total income taxes	1,722	1,668	13,634
Profit	3,495	3,318	27,112
Profit attributable to non-controlling interests	(5)	(11)	(93)
Profit attributable to owners of parent	3,500	3,329	27,205

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

Consolidated Statements of Comprehensive Income  
Fiscal Years Ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
Profit	3,495	3,318	27,112
Other comprehensive income			
Valuation difference on available-for-sale securities	124	(200)	(1,638)
Foreign currency translation adjustment	69	57	473
Remeasurements of defined benefit plans, net of tax	63	35	291
Total other comprehensive income	*1 256	*1 (106)	(872)
Comprehensive income	3,752	3,211	26,239
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	3,733	3,203	26,171
Comprehensive income attributable to non-controlling interests	18	8	68

\*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, 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

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	21,419	(1,057)	28,436
Cumulative effects of changes in accounting policies			102		102
Restated balance	6,052	2,022	21,521	(1,057)	28,538
Changes during period					
Dividends of surplus			(1,501)		(1,501)
Profit attributable to owners of parent			3,329		3,329
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					–
Cancellation of treasury shares		(269)	(788)	1,057	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(269)	1,039	1,056	1,826
Balance at end of period	6,052	1,753	22,560	(0)	30,365

(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	312	(34)	(95)	183	180	28,800
Cumulative effects of changes in accounting policies						102
Restated balance	312	(34)	(95)	183	180	28,902
Changes during period						
Dividends of surplus						(1,501)
Profit attributable to owners of parent						3,329
Purchase of treasury shares						(0)
Disposal of treasury shares						–
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(200)	37	36	(126)	8	(118)
Total changes during period	(200)	37	36	(126)	8	1,708
Balance at end of period	112	3	(58)	56	188	30,610

## Consolidated Financial Statements

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousands of U.S.Dollars)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,452	16,523	175,006	(8,638)	232,343
Cumulative effects of changes in accounting policies			832		832
Restated balance	49,452	16,523	175,838	(8,638)	233,175
Changes during period					
Dividends of surplus			(12,268)		(12,268)
Profit attributable to owners of parent			27,205		27,205
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares					–
Cancellation of treasury shares		(2,198)	(6,439)	8,638	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,198)	8,497	8,630	14,929
Balance at end of period	49,452	14,324	184,336	(7)	248,105

(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	2,554	(281)	(776)	1,496	1,473	235,313
Cumulative effects of changes in accounting policies						832
Restated balance	2,554	(281)	(776)	1,496	1,473	236,145
Changes during period						
Dividends of surplus						(12,268)
Profit attributable to owners of parent						27,205
Purchase of treasury shares						(7)
Disposal of treasury shares						–
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(1,638)	308	294	(1,035)	68	(966)
Total changes during period	(1,638)	308	294	(1,035)	68	13,962
Balance at end of period	916	26	(481)	461	1,541	250,108

## 4. Consolidated Statements of Cash Flows

Fiscal Years Ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
Cash flows from operating activities			
Profit before income taxes	5,218	4,986	40,746
Depreciation	402	507	4,146
Increase (decrease) in allowance for doubtful accounts	(8)	(28)	(234)
Increase (decrease) in provision for warranties for completed construction	(17)	1	14
Increase (decrease) in provision for loss on construction contracts	284	(71)	(582)
Increase (decrease) in provision for bonuses	130	(351)	(2,868)
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(3)	(28)
Increase (decrease) in retirement benefit liability	185	97	800
Loss (gain) on sale of property, plant and equipment	(15)	2	17
Loss on retirement of non-current assets	3	9	75
Interest and dividend income	(51)	(43)	(355)
Interest expenses	6	5	42
Foreign exchange losses (gains)	(16)	(20)	(167)
Loss (gain) on sale of investment securities	–	(372)	(3,040)
Impairment losses	211	–	–
Decrease (increase) in trade receivables	(2,828)	2,686	21,952
Decrease (increase) in costs on construction contracts in progress	492	227	1,856
Decrease (increase) in other assets	70	(279)	(2,282)
Increase (decrease) in trade payables	(76)	534	4,369
Increase (decrease) in advances received on construction contracts in progress	(62)	(1,085)	(8,865)
Increase (decrease) in accrued consumption taxes	(704)	94	771
Increase (decrease) in other liabilities	240	263	2,153
Subtotal	3,456	7,162	58,522
Interest and dividends received	53	43	358
Interest paid	(6)	(5)	(43)
Income taxes paid	(2,077)	(2,450)	(20,020)
Net cash provided by (used in) operating activities	1,426	4,750	38,816
Cash flows from investing activities			
Purchase of investment securities	(4)	(5)	(42)
Proceeds from sale of investment securities	–	645	5,274
Purchase of property, plant and equipment	(702)	(627)	(5,125)
Proceeds from sale of property, plant and equipment	16	75	618
Purchase of intangible assets	(29)	(273)	(2,235)
Proceeds from collection of loans receivable	46	–	–
Payments of guarantee deposits	(8)	(15)	(124)
Proceeds from refund of guarantee deposits	6	12	105
Other payments	(41)	(10)	(84)
Other proceeds	10	173	1,420
Net cash provided by (used in) investing activities	(705)	(23)	(193)

## Consolidated Financial Statements

	Millions of yen		Thousands of U.S.Dollars(*)
	2021	2022	2022
Cash flows from financing activities			
Repayments of long-term borrowings	(274)	(278)	(2,271)
Repayments of lease obligations	(12)	(5)	(41)
Proceeds from disposal of treasury shares	0	–	–
Purchase of treasury shares	(1)	(0)	(7)
Dividends paid	(1,496)	(1,501)	(12,271)
Net cash provided by (used in) financing activities	(1,784)	(1,785)	(14,592)
Effect of exchange rate change on cash and cash equivalents	71	60	490
Net increase (decrease) in cash and cash equivalents	(991)	3,001	24,521
Cash and cash equivalents at beginning of period	18,713	17,722	144,800
Cash and cash equivalents at end of period	*1 17,722	*1 20,723	169,321

## Notes

### (Basis of Presenting Consolidated Financial Statements)

The accompanying consolidated financial statements have been prepared from the accounts maintained by NITTO CONSTRUCTION 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: 6  
 Midori Industries Co., Ltd.  
 Yamaguchi Earth Engineering Co., Ltd.  
 Shimane Earth Engineering Co., Ltd.  
 Ehime Earth Engineering Co., Ltd.  
 Fukui Earth Engineering Co., Ltd.  
 PT NITTO CONSTRUCTION INDONESIA

(Change in Scope of Consolidation)

The Company established Fukui Earth Engineering Co., Ltd. in October 2021 and has included the company in scope of consolidation.

#### 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 without market quotations other than stocks, etc.:

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).

Stocks, etc. 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.)

## Consolidated Financial Statements

### (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).
- 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

The principal performance obligation of the Company and its consolidated subsidiaries is to perform and deliver construction work related to construction contracts with customers. For construction contracts, except for construction contracts with very short durations, the Company and its consolidated subsidiaries deem that performance obligations are satisfied as the construction progresses, and recognize revenue depending on the progress of performance obligations, as the control is transferred over a certain period of time. The progress of construction is calculated based on the proportion of the actual cost incurred against the estimated total cost of construction (input method), since the accrual of cost is judged to be an appropriate indicator of the progress of construction. For construction projects for which a reasonable estimate of the progress of completion toward satisfaction of performance obligations cannot be made, the cost recovery method is applied. The consideration for transactions is received primarily in stages over the term of the contract as progress is made in satisfying performance obligations, with the balance due generally within approximately one year after all performance obligations are satisfied.

### (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) Application of consolidated tax return system  
The consolidated tax return system is applied.
- 2) 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 (PTIF No.39 issued on March 31, 2020). From the beginning of the following consolidated fiscal year, the Company and its domestic consolidated subsidiaries plan to apply the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PTIF No.42 issued on August 12, 2021), which provides for accounting treatment and disclosure of corporate and local income taxes and tax effect accounting in the case where a group tax sharing system is applied.

#### (Significant Accounting Estimates)

Estimates of total construction revenue and total cost of construction work for a construction contract to be satisfied over a certain period of time

1. Amounts recorded in the consolidated financial statements for the consolidated fiscal year under review  
Net sales from construction contracts to be satisfied over a certain period of time: ¥57,720 million (\$471,611 thousand)
2. Calculation method of the amounts recorded in the consolidated financial statements for the consolidated fiscal year under review  
For construction contracts, revenues related to performance obligations that are satisfied over a certain period of time are measured based on the progress 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 working budget, which are reflected in the calculation of revenues related to performance obligations that are satisfied over a certain period of time. 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.
3. Major assumptions used for the calculation of amounts recorded in the consolidated financial statements for the consolidated fiscal year under review  
For construction contracts, estimates of total construction revenue and total cost of construction work, in which the performance obligations are satisfied over a certain period of time, 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 certain period of time, they may involve situations such as design changes or revisions during the works, extension of the work period due 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.

## Consolidated Financial Statements

### 4. 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 3. 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.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; "Fair Value Measurement Standard") and other standards from the beginning of the consolidated fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc., in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated fiscal year under review.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; "Revenue Recognition Standard") and other standards from the beginning of the consolidated fiscal year under review. The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. Accordingly, mainly for revenues from the construction business, although previously the percentage-of-completion method was applied to works for which the outcome of the construction activity is deemed certain with regard to the portion of construction in progress and the completed-contract method was applied to other works, revenue is now recognized over a period of time as performance obligations are satisfied for all construction projects. In addition, the progress of completion of construction toward satisfying performance obligations is estimated by the input method using costs incurred.

The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retrospectively applying the new accounting policies to prior periods is adjusted to retained earnings at the beginning of the consolidated fiscal year under review, with the new accounting policies applied from the beginning balance. However, the Company applies the method provided for in Paragraph 86 of the Revenue Recognition Standard, contract modifications that occurred prior to the beginning of the consolidated fiscal year under review were accounted for based on the terms of the contract after reflecting all contract modifications, with the cumulative impact adjusted to retained earnings at the beginning of the consolidated fiscal year under review.

As a result of this change, during the consolidated fiscal year under review, net sales increased by ¥658 million (\$5,383thousand) and cost of sales increased by ¥632 million (\$5,165thousand), and operating profit, ordinary profit and profit before income taxes increased by ¥26 million (\$218thousand), respectively. In addition, balance of retained earnings at beginning of period increased by ¥102 million (\$836thousand).

In line with the application of the Revenue Recognition Standard, etc., "notes receivable, accounts receivable from completed construction contracts and other," which was presented under "current assets" in the consolidated balance sheets of the previous fiscal year, has been changed to "notes receivable, accounts receivable from completed construction contracts and other and contract assets." However, in accordance with the transitional treatment set forth in Paragraph 89-2 of the Revenue Recognition Standard, figures for the previous fiscal year have not been reclassified based on the new presentation method.

The impact on per share information is as described in the relevant section.

(Additional Information)

(Accounting estimates related to the impact of the spread of the COVID-19 pandemic)

Assuming that the impact of the COVID-19 pandemic will continue for at least a certain length of time, the Group reflects these accounting estimates in its accounting treatments based on the premise that it will continue construction works in order to maintain economic activity. However, the impact of the COVID-19 pandemic contains numerous uncertainties, and they could impact the Group's financial condition and operating results of the following fiscal year if the business environment changes significantly due to various factors.

(Consolidated Balance Sheets)

\*1 Accumulated depreciation of property, plant and equipment

As of March 31		
	2021	2022
	¥7,164 million	¥6,690 million
		\$54,661 thousand

2 Contingent liabilities

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

As of March 31		
	2021	2022
Contractual obligations	¥142 million	¥172 million
(PT NITTOC	(IDR 18,812	(IDR 20,352 million)
CONSTRUCTION INDONESIA)	million)	
		\$1,413 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	2022
Other	¥2 million	¥2 million
		\$16 thousand

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

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.

Fiscal year ended March 31, 2022 (As of March 31, 2022)

Not applicable.

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
	2021	2022	2022
Total amount of the commitment line	2,200	2,200	17,975
Balance of executed loans	-	-	
Unused balance	2,200	2,200	17,975

## Consolidated Financial Statements

(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		
2021	2022	2022
¥285 million	¥32 million	\$263 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
	2021	2022	2022
Provision for bonuses for directors (and other officers)	35	33	270
Employees' salaries and allowances	3,064	3,049	24,919
Provision for bonuses	574	448	3,662
Retirement benefit expenses	257	253	2,073
Provision of allowance for doubtful accounts	(10)	(21)	(174)

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

Fiscal year ended March 31		
2021	2022	2022
¥336 million	¥391 million	\$3,197 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
	2021	2022	2022
Machinery, vehicles, tools, furniture and fixtures	15	0	0
Total	15	0	0

\*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
	2021	2022	2022
Buildings and structures	0	8	61
Machinery, vehicles, tools, furniture and fixtures	3	0	5
Land	–	2	17
Intangible assets (software)	–	0	8
Total	3	11	93

\*6 Impairment losses

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
Assets planned to be sold	Buildings and structures, and land	Sendai-shi, Miyagi	41
Idle assets	Buildings and structures, and fixtures	Futaba-gun, Fukushima	38
Idle assets	Buildings and structures, fixtures, and intangible assets (leasehold interests in land)	Setagaya-ku, Tokyo	131

(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
Buildings and structures	142
Fixtures	0
Land	23
Intangible assets (leasehold interests in land)	44
Total	211

(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.

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

Not applicable.

## 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
	2021	2022	2022
Valuation difference on available-for-sale securities			
Accrued in the fiscal year	178	83	679
Amount of reclassification	–	(372)	(3,041)
Before tax-effect adjustment	178	(288)	(2,361)
Amount of tax-effect equivalent	(54)	88	722
Valuation difference on available-for-sale securities	124	(200)	(1,638)
Foreign currency translation adjustment			
Accrued in the fiscal year	69	57	473
Foreign currency translation adjustment	69	57	473
Remeasurements of defined benefit plans			
Accrued in the fiscal year	32	(0)	(7)
Amount of reclassification	60	54	441
Before tax-effect adjustment	92	53	433
Amount of tax-effect equivalent	(28)	(17)	(141)
Remeasurements of defined benefit plans, net of tax	63	35	291
Total other comprehensive income	256	(106)	(872)

(Consolidated Statements of Changes in Net Assets)

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	Retained earnings	¥28.00	March 31, 2020	June 26, 2020
Board of Directors meeting held on November 6, 2020	Common shares	¥333 million	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	Retained earnings	¥28.00	March 31, 2021	June 28, 2021

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

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

Fiscal year ended March 31, 2022	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	–	2,210,924	41,708,367
Total	43,919,291	–	2,210,924	41,708,367
Treasury shares				
Common shares	2,210,924	1,321	2,210,924	1,321
Total	2,210,924	1,321	2,210,924	1,321

Notes:

- The decrease in number of issued shares represents the decrease due to disposal of treasury shares.
- 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 disposal of treasury 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 25, 2021	Common shares	¥1,167 million (\$9,541 thousand)	Retained earnings	¥28.00	March 31, 2021	June 28, 2021
Board of Directors meeting held on November 5, 2021	Common shares	¥333 million (\$2,726 thousand)	Retained earnings	¥8.00	September 30, 2021	November 30, 2021

(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 24, 2022	Common shares	¥1,334 million (\$10,904 thousand)	Retained earnings	¥32.00	March 31, 2022	June 27, 2022

- The Company cancelled 2,210,924 shares of treasury shares on May 31, 2021, by resolution of the Board of Directors meeting held on May 7, 2021. As a result, capital surplus, retained earnings, and treasury shares decreased by ¥269 million (\$2,198 thousand), ¥788 million (\$6,439 thousand), and ¥1,057 million (\$8,638 thousand), respectively, for the consolidated fiscal year under review, and capital surplus, retained earnings, and treasury shares were at ¥1,753 million (\$14,324 thousand), ¥22,560 million (\$184,336 thousand), and ¥0 million (\$7 thousand), respectively, as of the end of the consolidated fiscal year under review.

## 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
	2021	2022	2022
Cash and deposits	17,722	20,723	169,321
Cash and cash equivalents	17,722	20,723	169,321

(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, 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.)

	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	-	-	-

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.

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, 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	–	–	–

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

#### 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, 2022, were as follows. Shares, etc. without market value are not included in the table below (Refer to Note 2). Notes on cash are omitted. Notes for deposits, notes receivable, accounts receivable from completed construction contracts and other and contract assets, electronically recorded monetary claims - operating, and notes payable, accounts payable for construction contracts and other are also omitted, as they are settled within a short term and their market values approximate the book values.

(Millions of yen)

	Carrying value in the consolidated balance sheets	Market value	Difference
Investment securities			
Available-for-sale securities	271	271	–
Total assets	271	271	–
Derivative transactions	–	–	–

(Thousands of U.S.Dollars)

	Carrying value in the consolidated balance sheets	Market value	Difference
Investment securities			
Available-for-sale securities	2,220	2,220	–
Total assets	2,220	2,220	–
Derivative transactions	–	–	–

Notes:

#### 1. Securities and derivative transactions

##### (1) Securities and investment securities

Notes on securities by holding purpose are as follows:

###### 1) Held-to-maturity debt securities are not held.

2) The amount of available-for-sale securities sold during the consolidated fiscal year under review was ¥645 million (\$5,274thousand), and the gain on sales was ¥372 million (\$3,040thousand). Acquisition cost or amortized cost, amounts in the consolidated balance sheets and their differences by type of available-for-sale securities are as follows.

(Millions of yen)

	Type	Acquisition cost or amortized cost	Amounts in the consolidated balance sheets	Differences
Shares with amounts in the consolidated balance sheets exceeding acquisition cost or amortized cost	Shares	74	243	168
Shares with amounts in the consolidated balance sheets lower than acquisition cost or amortized cost	Shares	35	28	(6)
Total		110	271	161

(Thousands of U.S.Dollars)

	Type	Acquisition cost or amortized cost	Amounts in the consolidated balance sheets	Differences
Shares with amounts in the consolidated balance sheets exceeding acquisition cost or amortized cost	Shares	612	1,986	1,374
Shares with amounts in the consolidated balance sheets lower than acquisition cost or amortized cost	Shares	287	233	(53)
Total		899	2,220	1,320

3) There were no shares for which the holding purpose changed during the consolidated fiscal year under review.

## Consolidated Financial Statements

### (2) Derivative transactions

The Group conducts no derivative transactions.

### 2. Shares, etc. without market value

Classification	Carrying value in the consolidated balance sheets	
Available-for-sale securities (unlisted stocks)	¥145 million	\$1,190 thousand

The above securities are not included in "Investment securities."

### 3. Breakdown, etc. of fair values of financial instruments by level

The Company has classified fair values of financial instruments into the following three levels according to the observability and materiality of inputs used for fair value measurement.

Level 1 Fair Values: Fair values measured by (unadjusted) quoted prices of the identical assets or liabilities in active markets

Level 2 Fair Values: Fair values measured by directly or indirectly observable inputs other than those classified in Level 1

Level 3 Fair Values: Fair values measured by material but unobservable inputs

In cases where multiple inputs with a material impact on fair value measurement are used, fair value is classified into the level to which the input with the lowest priority in fair value measurement belongs.

### (1) Financial instruments carried at fair value in the consolidated balance sheet

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	271	–	–	271
Total assets	271	–	–	271

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Thousands of U.S.Dollars)

Classification	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	2,220	–	–	2,220
Total assets	2,220	–	–	2,220

### (2) Financial assets and financial liabilities not carried at fair value in the consolidated balance sheet

Not applicable.

Note: Description of valuation techniques and inputs used in fair value measurement

Investment securities

Listed stocks are valued using quoted market prices. As listed stocks are traded in active markets, their fair value is classified as Level 1.

### (Securities)

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 (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, 2020 to March 31, 2021)

Not applicable

## Consolidated Financial Statements

Fiscal year ended March 31, 2022 (As of March 31, 2022)

1. Held-to-maturity debt securities (As of March 31, 2022)  
Not applicable

2. Available-for-sale securities (As of March 31, 2022)

(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	243	74	168
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Subtotal	243	74	168
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	28	35	(6)
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Subtotal	28	35	(6)
Total	271	110	161

Note: Shares, etc. without market value

Classification	Carrying value in the consolidated balance sheets	
Available-for-sale securities (unlisted stocks)	¥145 million	\$1,190 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	1,986	612	1,374
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Subtotal	1,986	612	1,374
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	233	287	(53)
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Subtotal	233	287	(53)
Total	2,220	899	1,320

3. Available-for-sale securities sold during the consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)

(Millions of yen)

Type	Sales amount	Total gain on sales	Total loss on sales
Shares	645	372	–
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Total	645	372	–

(Thousands of U.S.Dollars)

Type	Sales amount	Total gain on sales	Total loss on sales
Shares	5,274	3,040	–
Bonds			
National government bonds, local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	–	–	–
Total	5,274	3,040	–

## Consolidated Financial Statements

### (Derivative Transactions)

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

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

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

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

### (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
	2021	2022	2022
Beginning balance of projected benefit obligations	4,069	4,162	34,013
Service cost	232	232	1,902
Interest cost	18	20	167
Accrued amount of actuarial differences	5	0	7
Accrued amount of prior service cost	(37)	-	-
Retirement benefits paid	(125)	(207)	(1,699)
Ending balance of projected benefit obligations	4,162	4,209	34,392

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

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

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)  
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
	2021	2022	2022
Projected benefit obligations under unfunded plans	4,162	4,209	34,392
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,162	4,209	34,392
Retirement benefit liability	4,162	4,209	34,392
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,162	4,209	34,392

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

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2021	2022	2022
Service cost	232	232	1,902
Interest cost	18	20	167
Amortization of actuarial differences	70	60	495
Amortization of prior service cost	(10)	(6)	(53)
Retirement benefit expenses relative to the defined benefit plans	311	307	2,512

##### (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
	2021	2022	2022
Prior service cost	27	(6)	(53)
Actuarial differences	65	59	487
Total	92	53	433

##### (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
	2021	2022	2022
Unrecognized prior service cost	43	37	305
Unrecognized actuarial differences	(179)	(120)	(981)
Total	(135)	(82)	(676)

##### (7) Matters regarding plan assets

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

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)  
Not applicable

##### (8) Matters regarding the basis for actuarial calculations

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

As of March 31	2021	2022
Discount rate	0.50%	0.59%

#### 3. Defined contribution plans

The amount to be contributed by the Company and its consolidated subsidiaries under the defined contribution plans was ¥141 million for the fiscal year ended March 31, 2021, and ¥142 million (\$1,165thousand) for the fiscal year ended March 31, 2022.

## 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 ¥148 million for the fiscal year ended March 31, 2021, and ¥156 million (\$1,281 thousand) for the fiscal year ended March 31, 2022.

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

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2021	2022	2022
Plan assets	20,345	21,605	176,528
Total of the actuarial liability based on the pension financing calculation and the minimum liability reserves	16,160	17,547	143,372
Net amount	4,185	4,057	33,156

#### (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, 2021: 16.17% (As of March 31, 2020)

Fiscal year ended March 31, 2022: 16.16% (As of March 31, 2021)

#### (3) Supplementary explanation

The major factor of the net amount in Item (1) above was the general reserve (¥4,185 million for the fiscal year ended March 31, 2021, and ¥3,382 million (\$27,636 thousand) for the fiscal year ended March 31, 2022).

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
	2021	2022	2022
Deferred tax assets			
Real estate for sale	4	4	37
Accrued enterprise tax	77	43	353
Provision for bonuses	460	354	2,895
Allowance for doubtful accounts	9	7	59
Provision for warranties for completed construction	7	7	64
Provision for loss on construction contracts	86	51	421
Non-current assets (Impairment losses)	87	61	506
Defined contribution pension benefits payable	3	3	29
Retirement benefit liability	1,275	1,290	10,542
Unrealized gains	33	32	266
Asset retirement obligation	18	20	165
Other	266	238	1,944
Subtotal of deferred tax assets	2,331	2,115	17,288
Valuation reserve	(66)	(63)	(517)
Total of deferred tax assets	2,265	2,052	16,770
Deferred tax liabilities			
Valuation difference on available-for-sale securities	(137)	49	404
Total of deferred tax liabilities	(137)	49	404
Net deferred tax assets	2,127	2,003	16,366

##### 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	2021	2022
	(%)	(%)
Effective statutory tax rate	30.6	30.6
(Reconciliation)		
Non-deductible expenses such as entertainment expenses	0.2	0.6
Per capita inhabitant tax	2.3	2.7
Exclusion from revenues such as dividend income	(0.0)	(0.2)
Valuation reserve	(0.0)	(0.1)
Special deduction of income tax	(1.7)	-
Accumulated earnings tax	1.1	-
Tax difference from overseas subsidiary	0.1	0.2
Other	0.4	(0.4)
Effective income tax rate after the adoption of tax-effect accounting	33.1	33.5

#### (Asset Retirement Obligation)

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

This information is omitted due to its immateriality.

End of fiscal year ended March 31, 2022 (As of March 31, 2022)

This information is omitted due to its immateriality.

#### (Revenue Recognition)

##### 1. Disaggregation of revenue from contracts with customers

The Group classifies sources of its revenues based on the type of services provided to customers into "foundation work," "civil engineering" and "geological consulting."

Foundation work: Ground work for constructing dam, etc., ground improvement, slope protection and repair Civil engineering: General civil engineering, various shield constructions, etc.

Geological consulting: Geological research, survey, etc.

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

	Construction business (Millions of yen)	Other businesses (Millions of yen)	Total (Millions of yen)
Foundation work	62,829	-	62,829
Civil engineering	1,899	-	1,899
Geological consulting	329	-	329
Other	823	194	1,017
Revenue from contracts with customers	65,882	194	66,076

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

	Construction business (Thousands of U.S. Dollars)	Other businesses (Thousands of U.S. Dollars)	Total (Thousands of U.S. Dollars)
Foundation work	513,357	-	513,357
Civil engineering	15,521	-	15,521
Geological consulting	2,692	-	2,692
Other	6,724	1,588	8,313
Revenue from contracts with customers	538,296	1,588	539,884

## Consolidated Financial Statements

### 2. Basic information for understanding revenue from contracts with customers

Basic information for understanding revenue is as stated in "Significant Items on Basis for Preparation of Consolidated Financial Statements, 4. Accounting Policies, (7) Recognition standards for significant revenues and expenses."

### 3. Reconciliation of satisfaction of performance obligations within contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue arising from existing contracts with customers at the end of the consolidated fiscal year under review expected to be recognized in and after the following consolidated fiscal year

#### (1) Contract asset and contract liability balances

(Millions of yen)

	At the beginning of the fiscal year ended March 31, 2022 (April 1, 2021)	Fiscal year ended March 31, 2022 (March 31, 2022)
Receivables arising from contracts with customers		
Notes receivable	1,971	1,917
Accounts receivable from completed construction contracts	12,933	11,249
Accounts receivable	12	16
Total	14,916	13,183
Contract assets (Note 1)	5,142	4,750
Contract liabilities (Note 2)	432	593

(Thousands of U.S.Dollars)

	At the beginning of the fiscal year ended March 31, 2022 (April 1, 2021)	Fiscal year ended March 31, 2022 (March 31, 2022)
Receivables arising from contracts with customers		
Notes receivable	16,110	15,666
Accounts receivable from completed construction contracts	105,670	91,916
Accounts receivable	98	138
Total	121,879	107,721
Contract assets (Note 1)	42,015	38,814
Contract liabilities (Note 2)	3,536	4,852

#### Notes:

- Contract assets are primarily rights to customers for revenues recognized based on the measurement of progress of completion in uncompleted construction contracts and are included in "notes receivable, accounts receivable from completed construction contracts and other and contract assets" under current assets in the consolidated balance sheets. The rights are reclassified to receivables when they are invoiced to customers and the rights of the Company and its consolidated subsidiaries become unconditional.
- Contract liabilities are mainly advances received from customers on construction contracts and are included in "advances received on construction contracts in progress" under current liabilities in the consolidated balance sheets. The performance obligations are satisfied in accordance with the progress of construction and the contract liabilities are reclassified to revenue. Almost all of the contract liability balance as of the beginning of the consolidated fiscal year under review was recognized as revenue in the consolidated fiscal year under review.

#### (2) Transaction price allocated to the remaining performance obligations

The total amount of transaction price allocated to the remaining performance obligations as of the end of the consolidated fiscal year under review was ¥42,746 million (\$349,268 thousand), and the Company expects to recognize revenue for these remaining performance obligations between one or two years upon satisfaction of such obligations.

(Segment Information, etc.)

[Segment Information]

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.

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

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.

[Related Information]

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.

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

#### 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, 2021 (From April 1, 2020 to March 31, 2021)

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

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

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, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

Not applicable

[Information on Gain on Bargain Purchase by Reportable Segment]

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

Not applicable

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

Not applicable

## Consolidated Financial Statements

[Related Party Information]

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

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(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	2021	2022	
Net assets per share	¥686.19	¥729.44	\$5.96
Basic earnings per share	¥83.93	¥79.83	\$0.65
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.	

Notes: 1. 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
	2021	2022	2022
Basic earnings per share			
Profit attributable to owners of parent	3,500	3,329	27,205
Amounts not attributable to common shareholders	-	-	-
Profit attributable to owners of parent regarding common shares	3,500	3,329	27,205
Average number of common shares (Thousands of shares) during the fiscal year	41,709	41,707	

2. As described in (Changes in Accounting Policies), the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the consolidated fiscal year under review, following the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. As a result, for the consolidated fiscal year under review, net assets per share and basic earnings per share increased by ¥2.46 and ¥0.45, respectively.

(Significant Subsequent Events)

Not applicable.

5) [Consolidated Supplementary Statements]

[Schedule of Bonds Payable]

Not applicable

[Schedule of Borrowings]

Classification	Beginning balance of the fiscal year ended March 31, 2022		Ending balance of the fiscal year ended March 31, 2022		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	278	2,271	-	-	-	-
Current portion of lease obligations	3	31	0	1	-	-
Long-term borrowings (excluding the current portion of long-term borrowings)	-	-	-	-	-	-
Lease obligations (excluding the current portion of lease obligations)	5	46	4	37	-	-
Other interest-bearing debt	-	-	-	-	-	-
Total	287	2,349	4	37	-	-

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)	4	-	-	-

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)	37	-	-	-

[Schedule of Asset Retirement Obligation]

This information is omitted due to its immateriality.

(2)[other]

Quarterly data for the fiscal year ended March 31, 2022

Cumulative periods	Three months (From April 1, 2021 to June 30, 2021)	Six months (From April 1, 2021 to September 30, 2021)	Nine months (From April 1, 2021 to December 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Net sales (Millions of yen)	13,438	29,811	48,018	66,076
Profit before income taxes (Millions of yen)	335	1,414	3,353	4,986
Profit attributable to owners of parent (Millions of yen)	214	938	2,229	3,329
Basic earnings per share (Yen)	5.13	22.49	53.46	79.83

Quarterly data for the fiscal year ended March 31, 2022

Cumulative periods	Three months (From April 1, 2021 to June 30, 2021)	Six months (From April 1, 2021 to September 30, 2021)	Nine months (From April 1, 2021 to December 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Net sales (Thousands of U.S. Dollars)	109,799	243,581	392,341	539,884
Profit before income taxes (Thousands of U.S. Dollars)	2,745	11,553	27,401	40,746
Profit attributable to owners of parent (Thousands of U.S. Dollars)	1,748	7,664	18,219	27,205
Basic earnings per share (Dollars)	0.041	0.183	0.436	0.652

Accounting periods	First quarter (From April 1, 2021 to June 30, 2021)	Second quarter (From July 1, 2021 to September 30, 2021)	Third quarter (From October 1, 2021 to December 31, 2021)	Fourth quarter (From January 1, 2022 to March 31, 2022)
Quarterly basic earnings per share (Yen)	5.13	17.36	30.97	26.37
Quarterly basic earnings per share (Dollars)	0.041	0.141	0.253	0.215

## Independent Auditor's Report

The Board of Directors  
NITTOC CONSTRUCTION CO., LTD.

### Opinion

We have audited the accompanying consolidated financial statements of NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2022, 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 NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries as at March 31, 2022, 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 NITTOC 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 related to construction projects for which revenue is recognized over a certain period of time)	
Description of key audit matters and reasons for determination	How key audit matters were addressed in the audit
<p>NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries recognize revenue over a certain period of time in accordance with the progress estimated by the input method based on the cost incurred in their principal business of construction. Revenue (net sales of completed construction contracts) recorded in the consolidated statements of income for the fiscal year ended March 31, 2022 was ¥65,882 million, of which ¥57,720 million was recognized over a certain period of time.</p> <p>(Reasons why the above was determined to be a key audit matter) In applying the input method based on the cost incurred, it is necessary to estimate the total cost of construction work for each performance obligation and the total construction revenue expected to be received in exchange for goods or services. NITTOC 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 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 judgement by management. As such, we determined the above to be a key audit matter.</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 revenue and cost recorded over a certain period of time 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 by performance obligation. 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>

### Other Information

The Other Information consists of information contained in the Annual Report other than the consolidated financial statements, non-consolidated financial statements, and the Auditor's Report thereon. Management is responsible for the preparation and disclosure of

the Other Information. In addition, Corporate Auditors and the Board of Corporate Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the reporting process of the Other Information. Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistency between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material misstatement in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

### 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 judgement. 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 NITTOC 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, 2022

*Yasumori Audit Corporation*  
Yasumori audit corporation  
Tokyo, Japan

**Corporate Overview and Major Construction Methods**

<b>Trade Name</b>	NITTO CORPORATION CO., LTD.	
<b>Headquarters</b>	4F, 5F and 6F, Daiwa Higashi-Nihonbashi Bldg., 3-10-6, Higashi-Nihonbashi, Chuo-ku, Tokyo 103-0004, Japan	
<b>Established on</b>	December 17, 1947	
<b>Capital</b>	Total number of issued shares:41,708,367 Paid-in capital: ¥6,052 million Tokyo Stock Exchange: Tokyo Stock Exchange Prime	
<b>Number of Employees (Consolidated)</b>	Construction business: 1,047 persons Other business: 7 persons Total: 1,054 persons Note: The annual average number of temporary employees is 247.	
<b>Description of Business</b>	Comprehensive construction business · Civil engineering and foundation · Environmental and geological consulting	
<b>License</b>	Specified Construction Business—License No. (Specified-3) 211, issued by the Minister of Land, Infrastructure, Transport and Tourism	
<b>Business Lines</b>	Civil engineering works, Slope protection works, Landslide protection works, Revegetation works, Ground improvement works, Grouting, Piling, Sewage maintenance and renovation, Construction consulting and other	
<b>Sales Offices</b>	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	
<b>Subsidiaries</b>	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 Fukui Earth Engineering Co., Ltd. 24-21-2 Ebata-cho, Fukui-shi, Fukui 918-8016	
<b>Staffing (Qualification Holders) (Persons)</b>	Number of employees	Total 1,047
	Professional Engineer	70
	Registered 1st Class Civil Engineer	643
	Registered 2nd Class Civil Engineer	721
	Registered 1st and 2nd Class Architect	9
	Registered Surveyor and Assistant-Surveyor	323

**Major Construction Methods**

<b>ICT utilization and mechanization</b>	
Slope Saver	Labor-saving technology for sprayed slope using a special spraying attachment
Shot Saver	Automation and labor-saving technology for spraying plants
<b>Urban Regeneration Field</b>	
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
<b>Maintenance and Renovation Field</b>	
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 <sup>2</sup> 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
<b>Disaster Prevention and Environmental Conservation Field</b>	
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