

# Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]



February 8, 2021

Company name: MAEDA ROAD CONSTRUCTION CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 1883  
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 Scheduled date of filing quarterly securities report: February 8, 2021  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

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

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2020	166,812	(0.8)	15,766	21.6	16,178	19.9	12,766	(16.6)
Nine months ended December 31, 2019	168,230	7.1	12,967	30.3	13,496	29.3	15,304	131.0

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥13,790 million [(15.4)%]  
 Nine months ended December 31, 2019: ¥16,296 million [254.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	154.89	-
Nine months ended December 31, 2019	180.02	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2020	212,210	158,493	74.1
As of March 31, 2020	264,080	206,889	77.7

(Reference) Equity: As of December 31, 2020: ¥157,143 million  
 As of March 31, 2020: ¥205,299 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen -	Yen -	Yen -	Yen 100.00	Yen 750.00
Fiscal year ending March 31, 2021	-	-	-		
Fiscal year ending March 31, 2021 (Forecast)				70.00	70.00

- (Note) 1. Revision of dividends forecast from recently announced figures: Yes  
 2. In addition to the above, year-end dividends for the fiscal year ended March 31, 2020 include dividends with record dates other than quarter-ends. For details, please see “Breakdown of dividends with record dates other than quarter-ends” below.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	233,500	(1.8)	20,700	5.7	21,100	6.1	14,300	(24.0)	173.50

(Note) Revision of results forecast from recently announced figures: Yes

### \* Notes:

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (Changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Application of accounting methods specific to quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - December 31, 2020: 89,159,453 shares
    - March 31, 2020: 89,159,453 shares
  - 2) Total number of treasury shares at the end of the period:
    - December 31, 2020: 6,740,157 shares
    - March 31, 2020: 6,739,344 shares
  - 3) Average number of shares during the period (cumulative):
    - Nine months ended December 31, 2020: 82,419,728 shares
    - Nine months ended December 31, 2019: 85,015,256 shares

\* These quarterly consolidated financial results are outside of the scope of quarterly review by certified public accountants or an audit firm.

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

(Notes on forward looking statements)

The earnings forecasts and other forward-looking statements herein are based on the information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and the Company does not intend to make guarantees of achievement. Additionally, actual results may differ significantly from these forecasts due to a wide range of factors.

Breakdown of dividends with record dates other than quarter-ends

Year-end dividends for the fiscal year ended March 31, 2020 with record dates other than quarter-ends are as follows:

Record date	March 6, 2020	Total
Dividends per share	¥650.00	¥650.00

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## 1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2020

### (1) Explanation of Operating Results

During the nine months ended December 31, 2020, in the environment surrounding MAEDA ROAD CONSTRUCTION CO., LTD. (the “Company”) and its group companies (collectively, the “Group”), public investment remained solid, while due to the impact of the spread of the novel coronavirus disease, corporate earnings continued to significantly deteriorate, and corporate capital investment was on a declining trend. Additionally, owing to the uncertain outlook for raw material prices, such as crude oil prices, the economic conditions continued to be harsh.

Amid this environment, the Group, in the construction business, made efforts to secure received construction contracts, while in the manufacturing and sales business, strived to retain sales volume and maintain profitability by conducting the recycling-oriented business on an ongoing basis through recycling of construction waste, etc.

For the nine months ended December 31, 2020, net sales amounted to ¥166,812 million, down 0.8% year on year, and operating profit amounted to ¥15,766 million, up 21.6% year on year. Ordinary profit came to ¥16,178 million, up 19.9% year on year, and profit attributable to owners of parent was ¥12,766 million, down 16.6% year on year.

The Group is affected by seasonal factors, and of the net sales for a fiscal year, the second half weighs larger.

The results by segment are as follows:

#### **Construction business**

In the construction business, the amount of received construction contracts for the nine months ended December 31, 2020 was ¥124,786 million, up 3.6% year on year, the amount of completed construction contracts was ¥113,107 million, down 1.0% year on year, and operating profit was ¥9,495 million, up 5.0% year on year.

#### **Manufacturing and sales business**

In the manufacturing and sales business, net sales of asphalt mixture and other products for the nine months ended December 31, 2020 amounted to ¥53,283 million, down 0.3% year on year, while operating profit amounted to ¥9,834 million, up 26.8% year on year.

#### **Others**

Net sales of other businesses for the nine months ended December 31, 2020 amounted to ¥421 million, down 9.9% year on year, while operating profit amounted to ¥172 million, up 59.8% year on year.

## (2) Explanation of Financial Position

### (Assets)

Current assets decreased by ¥51,611 million compared to the end of the previous fiscal year to ¥93,305 million, mainly due to a decrease in cash and deposits resulting from dividend payments, and a decrease in notes receivable, accounts receivable from completed construction contracts and other resulting from collection.

Non-current assets decreased by ¥258 million compared to the end of the previous fiscal year to ¥118,905 million, mainly due to a decrease in investment securities resulting from sales.

As a result, total assets decreased by ¥51,869 million compared to the end of the previous fiscal year to ¥212,210 million.

### (Liabilities)

Current liabilities decreased by ¥4,903 million compared to the end of the previous fiscal year to ¥45,456 million, mainly due to a decrease in notes payable, accounts payable for construction contracts and other resulting from payments, and a decrease in income taxes payable resulting from tax payments.

Non-current liabilities increased by ¥1,429 million compared to the end of the previous fiscal year to ¥8,260 million, mainly due to an increase in deferred tax liabilities.

As a result, total liabilities decreased by ¥3,474 million compared to the end of the previous fiscal year to ¥53,716 million.

### (Net assets)

Total net assets decreased by ¥48,395 million compared to the end of the previous fiscal year to ¥158,493 million, mainly due to a decrease in retained earnings resulting from dividend payments.

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

The full-year financial results forecast for the fiscal year ending March 31, 2021 has been changed from the numerical forecast announced on May 22, 2020. For further information, please refer to “Notice Concerning Revision of Financial Results Forecast and Announcement of Dividends Forecast” announced today (February 8, 2021).

2. Quarterly Consolidated Financial Statements and Primary Notes  
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	78,847	38,913
Notes receivable, accounts receivable from completed construction contracts and other	50,006	41,152
Securities	3,230	30
Costs on construction contracts in progress	7,240	12,012
Other	5,653	1,292
Allowance for doubtful accounts	(61)	(95)
<b>Total current assets</b>	<b>144,916</b>	<b>93,305</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,319	17,489
Machinery and vehicles, net	13,568	14,135
Land	55,955	56,155
Other, net	1,561	2,183
<b>Total property, plant and equipment</b>	<b>88,404</b>	<b>89,964</b>
Intangible assets	1,218	981
Investments and other assets		
Investment securities	21,303	19,381
Retirement benefit asset	6,284	6,810
Other	1,953	1,767
<b>Total investments and other assets</b>	<b>29,541</b>	<b>27,959</b>
<b>Total non-current assets</b>	<b>119,164</b>	<b>118,905</b>
<b>Total assets</b>	<b>264,080</b>	<b>212,210</b>

(Million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	28,406	26,323
Income taxes payable	4,590	1,911
Advances received on construction contracts in progress	4,337	6,520
Provision for bonuses	3,198	1,655
Provisions	365	326
Other	9,461	8,718
Total current liabilities	50,359	45,456
Non-current liabilities		
Retirement benefit liability	4,422	4,567
Provision for loss on Anti-Monopoly Act	64	64
Other	2,344	3,628
Total non-current liabilities	6,830	8,260
Total liabilities	57,190	53,716
Net assets		
Shareholders' equity		
Share capital	19,350	19,350
Capital surplus	23,273	23,273
Retained earnings	170,886	121,837
Treasury shares	(10,041)	(10,043)
Total shareholders' equity	203,469	154,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,678	5,192
Foreign currency translation adjustment	(129)	(76)
Remeasurements of defined benefit plans	(2,718)	(2,391)
Total accumulated other comprehensive income	1,830	2,724
Non-controlling interests	1,590	1,350
Total net assets	206,889	158,493
Total liabilities and net assets	264,080	212,210



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine months ended December 31, 2020

(Million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Net sales	168,230	166,812
Cost of sales	146,691	142,651
Gross profit	21,539	24,160
Selling, general and administrative expenses	8,571	8,394
Operating profit	12,967	15,766
Non-operating income		
Interest income	17	2
Dividend income	539	506
Gain on sales of securities	15	—
Other	130	108
Total non-operating income	702	617
Non-operating expenses		
Foreign exchange losses	12	67
Provision of allowance for doubtful accounts	9	—
Commission expenses	41	47
Other	110	91
Total non-operating expenses	173	206
Ordinary profit	13,496	16,178
Extraordinary income		
Gain on sales of non-current assets	103	63
Reversal of provision for loss on Anti-Monopoly Act	6,301	—
Gain on sales of investment securities	173	2,747
Other	16	48
Total extraordinary income	6,595	2,860
Extraordinary losses		
Loss on sales and retirement of non-current assets	336	235
Loss on sales of investment securities	—	41
Loss on valuation of investment securities	—	93
Other	22	33
Total extraordinary losses	358	403
Profit before income taxes	19,732	18,634
Income taxes	4,346	5,740
Profit	15,386	12,893
Profit attributable to non-controlling interests	82	127
Profit attributable to owners of parent	15,304	12,766

Quarterly Consolidated Statements of Comprehensive Income  
 Nine months ended December 31, 2020

(Million yen)

	For the nine months ended December 31, 2019	For the nine months ended December 31, 2020
Profit	15,386	12,893
Other comprehensive income		
Valuation difference on available-for-sale securities	671	515
Foreign currency translation adjustment	7	52
Remeasurements of defined benefit plans, net of tax	231	327
Total other comprehensive income	910	896
Comprehensive income	16,296	13,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,213	13,660
Comprehensive income attributable to non-controlling interests	82	129

### (3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on significant changes in shareholders' equity)

For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

At the Extraordinary General Meeting of Shareholders held by the Company on April 14, 2020, the agenda item regarding payment of dividends from surplus with the record date of March 6, 2020 (the "Special Dividend") was approved as originally proposed. As a result, retained earnings decreased by ¥53,573 million for the nine months ended December 31, 2020, and retained earnings as of December 31, 2020 amounted to ¥121,837 million.

Details of the Special Dividend are as follows.

Resolution	Class of shares	Total amount of dividend (Million yen)	Dividends per share (Yen)	Record date	Effective date	Score of dividends
April 14, 2020 Extraordinary General Meeting of Shareholders	Common stock	53,573	650	March 6, 2020	May 12, 2020	Retained earnings

(Segment information)

[Segment information]

For the nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	114,306	53,456	167,763	467	168,230	—	168,230
Inter-segment net sales or transfers	79	22,885	22,964	587	23,552	(23,552)	—
Total	114,385	76,342	190,728	1,055	191,783	(23,552)	168,230
Segment income	9,045	7,753	16,799	107	16,907	(3,939)	12,967

(Notes)

1. "Other" incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. The adjustment for segment income of ¥(3,939) million includes elimination of inter-segment transactions of ¥14 million and corporate expenses not allocated to each reportable segment of ¥(3,954) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
3. Segment income is adjusted to the operating profit in the quarterly consolidated statements of income.

For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	113,107	53,283	166,391	421	166,812	—	166,812
Inter-segment net sales or transfers	40	22,797	22,838	831	23,669	(23,669)	—
Total	113,148	76,081	189,229	1,253	190,482	(23,669)	166,812
Segment income	9,495	9,834	19,330	172	19,502	(3,736)	15,766

(Notes)

1. “Other” incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. The adjustment for segment income of ¥(3,736) million includes elimination of inter-segment transactions of ¥(56) million and corporate expenses not allocated to each reportable segment of ¥(3,679) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
3. Segment income is adjusted to the operating profit in the quarterly consolidated statements of income.

### 3. Complementary Information

#### Amount of Orders Received, Net Sales and Amount Carried Forward to Next Period by Business

(Million Yen; %)

			For the nine months ended December 31, 2019		For the nine months ended December 31, 2020		Year-on-year change		(Reference) For the fiscal year ended March 31, 2020	
			Amount	Composition rate	Amount	Composition rate	Amount	Change rate	Amount	Composition rate
Orders received	Construction business	Pavement works	99,020	56.8	99,943	56.0	922	0.9	136,533	57.0
		Civil engineering works	21,408	12.3	24,843	13.9	3,434	16.0	28,502	11.9
		Subtotal	120,429	69.1	124,786	69.9	4,357	3.6	165,035	68.9
	Manufacturing and sales business		53,456	30.6	53,283	29.9	(173)	(0.3)	73,843	30.8
	Others		467	0.3	421	0.2	(46)	(9.9)	625	0.3
	Total		174,354	100.0	178,492	100.0	4,137	2.4	239,504	100.0
Net sales	Construction business	Pavement works	92,479	55.0	94,793	56.8	2,314	2.5	132,050	55.5
		Civil engineering works	21,826	12.9	18,313	11.0	(3,512)	(16.1)	31,293	13.2
		Subtotal	114,306	67.9	113,107	67.8	(1,198)	(1.0)	163,344	68.7
	Manufacturing and sales business		53,456	31.8	53,283	31.9	(173)	(0.3)	73,843	31.0
	Others		467	0.3	421	0.3	(46)	(9.9)	625	0.3
	Total		168,230	100.0	166,812	100.0	(1,418)	(0.8)	237,812	100.0
Amount carried forward to next period	Construction business	Pavement works	48,180	82.4	51,271	78.0	3,091	6.4	46,122	85.3
		Civil engineering works	10,311	17.6	14,468	22.0	4,156	40.3	7,938	14.7
		Subtotal	58,492	100.0	65,740	100.0	7,247	12.4	54,061	100.0
	Manufacturing and sales business		—	—	—	—	—	—	—	—
	Others		—	—	—	—	—	—	—	—
	Total		58,492	100.0	65,740	100.0	7,247	12.4	54,061	100.0

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