

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 14, 2021

Company name: MAEDA ROAD CONSTRUCTION CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1883

URL: <https://ssl.maedaroad.co.jp>

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Scheduled date of Annual General Meeting of Shareholders: June 25, 2021

Scheduled date of filing annual securities report: June 25, 2021

Scheduled date of commencing dividend payments: June 28, 2021

Availability of supplementary briefing material on annual financial results: Not available

Schedule of annual financial results briefing session: Not scheduled

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

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

(1) Consolidated Operating Results (% 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	%
Fiscal year ended March 31, 2021	234,612	(1.3)	20,738	5.9	21,078	6.0	16,750	(11.0)
Fiscal year ended March 31, 2020	237,812	6.3	19,575	14.3	19,877	12.7	18,826	64.0

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥18,857 million [23.7%]

Fiscal year ended March 31, 2020: ¥15,241 million [51.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	203.23	-	9.1	8.7	8.8
Fiscal year ended March 31, 2020	223.02	-	9.1	7.2	8.2

(Reference) Equity in earnings (losses) of associates:

Fiscal year ended March 31, 2021: ¥- million

Fiscal year ended March 31, 2020: ¥- million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	222,930	163,560	72.7	1,967.73
As of March 31, 2020	264,080	206,889	77.7	2,490.89

(Reference) Equity: As of March 31, 2021: ¥162,178 million

As of March 31, 2020: ¥205,299 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	25,612	222	(62,186)	44,324
Fiscal year ended March 31, 2020	2,627	21,568	(15,988)	80,669

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	-	-	-	100.00	750.00	61,815	336.3	30.8
Fiscal year ended March 31, 2021	-	-	-	70.00	70.00	5,769	34.4	3.1
Fiscal year ending March 31, 2022 (Forecast)	-	-	-	-	-	-	-	-

- (Note) 1. 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.
2. The Company will establish a joint holding company through a joint share transfer with Maeda Corporation and MAEDA SEISAKUSHO CO., LTD. as of October 1, 2021 (planned date). Dividends forecast for the fiscal year ending March 31, 2022 is undecided since the dividends will be distributed to the joint holding company. We will announce the dividends forecast of the joint holding company at another time.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	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	240,000	2.3	19,100	(7.9)	19,400	(8.0)	13,000	(22.4)	157.73

(Note) The Company will establish a joint holding company through a joint share transfer with Maeda Corporation and MAEDA SEISAKUSHO CO., LTD. as of October 1, 2021 (planned date). The financial results forecast presented above are calculated based on current structure of the Company and we will announce the financial results forecast of the joint holding company at another time.

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) 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

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

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

March 31, 2021: 89,159,453 shares

March 31, 2020: 89,159,453 shares

2) Total number of treasury shares at the end of the period:

March 31, 2021: 6,740,228 shares

March 31, 2020: 6,739,344 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2021: 82,419,619 shares

Fiscal year ended March 31, 2020: 84,416,385 shares

(Reference) Summary of Non-consolidated Financial Results

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	215,743	(1.8)	17,708	3.9	20,059	16.9	16,907	(3.6)
Fiscal year ended March 31, 2020	219,662	3.9	17,043	(0.3)	17,155	2.7	17,532	58.4

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2021	205.14		-	
Fiscal year ended March 31, 2020	207.69		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of March 31, 2021	211,074		157,205		74.5		1,907.39	
As of March 31, 2020	253,338		201,352		79.5		2,443.00	

(Reference) Equity: As of March 31, 2021: ¥157,205 million

As of March 31, 2020: ¥201,352 million

\* These consolidated financial results are outside of the scope of audit 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. Please refer to “(4) Future Outlook” on page 4 of the attached material for suppositions that form the assumptions for the forecasts and cautions concerning the use thereof.

(Obtaining materials distributed at the annual financial results briefing session)

- The Company has decided to cancel the annual financial results briefing session to prevent the spread of the novel coronavirus disease. The information materials that was scheduled to be used at the session will be posted on the Company’s website at a later date

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
Total dividends	¥53,573 million	¥53,573 million

## Table of Contents

1. Overview of Business Results, etc. ....	2
(1) Overview of Business Results for the Fiscal Year Under Review.....	2
(2) Overview of Financial Position for the Fiscal Year Under Review.....	4
(3) Overview of Cash Flows for the Fiscal Year Under Review.....	4
(4) Future Outlook .....	4
2. Basic Policy Regarding Selection of Accounting Standards .....	5
3. Consolidated Financial Statements and Primary Notes.....	6
(1) Consolidated Balance Sheets.....	6
(2) Consolidated Statements of Income and Comprehensive Income .....	8
(3) Consolidated Statements of Changes in Equity.....	10
(4) Consolidated Statements of Cash Flows .....	12
(5) Notes to the Consolidated Financial Statements .....	14
(Notes on going concern assumption) .....	14
(Additional information) .....	14
(Segment information) .....	16
(Per share information).....	20
(Material subsequent events).....	20
4. Complementary Information .....	21
Amount of Orders Received, Net Sales and Amount Carried Forward to Next Period by Business.....	21

## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Fiscal Year Under Review

The Japanese economy during the fiscal year under review demonstrated signs of a partial rebound, although the future outlook remained uncertain due to the impact of prolonged countermeasures against the novel coronavirus disease.

In the road construction industry, construction orders from the private sector declined on account of the novel coronavirus disease, however, orders were firm for projects from government offices.

Amid this situation, the Group made efforts in the construction business to obtain orders from government offices and for small projects from the private sector, while in the manufacturing and sales business the Group worked to secure sales volume with ongoing eco-friendly capital investment and strived to maintain profitability.

As a result of the above, net sales during the fiscal year under review was ¥234,612 million, down 1.3% year on year, and operating profit amounted to ¥20,738 million, up 5.9% year on year. Ordinary profit came to ¥21,078 million, up 6.0% year on year, and profit attributable to owners of parent was ¥16,750 million, down 11.0% year on year.

The results by segment are as follows:

#### Construction business

In the construction business, the amount of received construction contracts for the fiscal year under review was ¥165,582 million, up 0.3% year on year, the amount of completed construction contracts was ¥160,514 million, down 1.7% year on year, and operating profit was ¥13,325 million, down 5.0% year on year.

Major received construction contracts and completed construction contracts during the fiscal year under review are as follows.

#### Major received construction contracts

Client	Name of project	Location
Ministry of Defense	New construction of fire department garage and other civil works outside Asahikawa (2)	Hokkaido
Ministry of Land, Infrastructure, Transport and Tourism	Road pavement repair works outside Okuma section	Fukushima
Tokyo Port Terminal Corporation	Fiscal 2020 repair work including No. 6 and No. 7 berth yard revetment portions of Oi Container Terminal	Tokyo
Central Nippon Expressway Company Limited	Fiscal 2020 Fukui tunnel interior road pavement repair work, Hokuriku Expressway	Fukui/Ishikawa
Sumitomo Heavy Industries, Ltd.	SUMITOMO CONSTRUCTION MACHINERY CO., LTD., Fukuoka branch, demolition and removal work, external construction	Fukuoka

### Major completed construction contracts

Client	Name of project	Location
Ministry of Land, Infrastructure, Transport and Tourism	Road pavement work in the Nedamo Section	Iwate
The University of Tokyo	Repair work on Sankaku Hiroba, Department of Physics, The University of Tokyo (Hongo)	Tokyo
Aichi Road Concession Co., Ltd.	Road pavement repair work (Minami 2020-No. 1)	Aichi
Central Nippon Expressway Company Limited	Fiscal 2019 road pavement repair work between Sekigahara IC and Yokaichi IC on the Meishin Expressway (in-bound lanes)	Gifu/Shiga
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2020 road pavement repair work No. 2 construction, Oda section, National Route 9	Shimane

### Manufacturing and sales business

In the manufacturing and sales business, net sales of asphalt mixture and other products for the fiscal year under review amounted to ¥73,523 million, down 0.4% year on year, while operating profit amounted to ¥13,505 million, up 16.2% year on year.

### Others

Net sales of other businesses for the fiscal year under review amounted to ¥574 million, down 8.2% year on year, while operating profit amounted to ¥229 million, up 52.5% year on year.

## (2) Overview of Financial Position for the Fiscal Year Under Review

### A. Assets

Current assets decreased by ¥43,281 million compared to the end of the previous fiscal year to ¥101,635 million, mainly due to a decrease in cash and deposits resulting from dividend payments.

Non-current assets increased by ¥2,131 million compared to the end of the previous fiscal year to ¥121,295 million, mainly due to an increase in property, plant and equipment on account of capital investment.

As a result, total assets decreased by ¥41,149 million compared to the end of the previous fiscal year to ¥222,930 million.

### B. Liabilities

Current liabilities increased by ¥1,331 million compared to the end of the previous fiscal year to ¥51,691 million, mainly due to increases in advances received on construction contracts in progress and accounts payable.

Non-current liabilities increased by ¥847 million compared to the end of the previous fiscal year to ¥7,678 million, mainly due to an increase in deferred tax liabilities.

As a result, total liabilities increased by ¥2,179 million compared to the end of the previous fiscal year to ¥59,370 million.

### C. Net assets

Total net assets decreased by ¥43,329 million compared to the end of the previous fiscal year to ¥163,560 million, mainly due to a decrease in retained earnings resulting from dividend payments.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year under review decreased by ¥36,344 million compared to the end of the previous fiscal year to ¥44,324 million.

### A. Cash flows from operating activities

Cash provided by operating activities during the fiscal year under review increased by ¥22,985 million compared to the cash provided in the previous fiscal year to ¥25,612 million. This is mainly attributable to payment of ¥12,797 million related to the Anti-Monopoly Act in the previous fiscal year.

### B. Cash flows from investing activities

Cash provided by investing activities during the fiscal year under review was ¥222 million, a decline of ¥21,346 million compared to the cash proceeds in the previous fiscal year. This is mainly attributable to sales or redemptions of securities and beneficial interests in trust, and a decline in proceeds from withdrawal of time deposits.

### C. Cash flows from financing activities

Cash used in financing activities during the fiscal year under review was ¥62,186 million, an increase of ¥46,197 million compared to the cash used in the previous fiscal year. This is mainly attributable to an increase in dividends paid.

## (4) Future Outlook

As for the future outlook, a severe situation is expected to persist as a resurgence of the novel coronavirus disease has caused the stagnation of economic activities that exerts an impact on a global scale.

In the road construction industry, public investment is expected to be firm going forward, although the trends in private-sector capital investment are unpredictable, and raw material prices, being linked to crude oil prices, are forecast to rise. Consequently, the business environment is expected to escalate in severity.

The Group places emphasis on three key measures, namely, 1) improvements to corporate structure, 2) reforms to enhance productivity, and 3) establishing new revenue bases, while continuing efforts to develop businesses



with close ties to the local community and that revolve around the construction business and the manufacturing and sales business. In the construction business, the Group is allocating its management resources with a focus on urban areas, which are the core of the business, and together with steadily securing orders, is further promoting working-style reforms and i-Construction, while concentrating on the comprehensive private contracting business and other new domains. In the manufacturing and sales business, the Group is making efforts to augment environmentally friendly facilities and increase efficiency, and is striving to secure sales volume and profitability in the recycling-oriented business.

Moreover, in shifting to a joint holding company structure comprised of three pillars, namely the Company, Maeda Corporation, and Maeda Seisakusho Co., Ltd., we are positioning the maximizing of Group synergies as a management issue of the utmost importance. Given that going forward the future management environment will be subject to dramatic change, our three companies will to an even greater degree work side by side in the fields of expertise developed both in and outside of Japan, while the overall Group moves ahead to heighten profitability and secure new revenue bases, to work toward technological development and the effective utilization of big data, to develop digital tools, and to further strengthen management resources, chiefly the nurturing of our human resources.

As the full-year forecast for the fiscal year ending March 31, 2022, expectations are for consolidated net sales of ¥240,000 million, operating profit of ¥19,100 million, ordinary profit of ¥19,400 million and profit attributable to owners of parent of ¥13,000 million.

The above business forecast is calculated premised on the Company as currently structured. The Company plans to make a revised announcement with regard to the business forecast for the joint holding company.

## 2. Basic Policy Regarding Selection of Accounting Standards

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group shall, for the time being, prepare consolidated financial statements under the Japanese GAAP.

We will appropriately respond to the application of the International Financial Reporting Standards (IFRS) considering various circumstances in Japan and overseas.

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

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	78,847	45,523
Notes receivable, accounts receivable from completed construction contracts and other	50,006	46,849
Securities	3,230	30
Costs on construction contracts in progress	7,240	7,754
Other	5,653	1,564
Allowance for doubtful accounts	(61)	(86)
Total current assets	144,916	101,635
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,487	40,526
Machinery and vehicles	92,767	95,507
Land	55,955	56,203
Construction in progress	407	306
Other	5,973	7,113
Accumulated depreciation	(106,188)	(108,577)
Total property, plant and equipment	88,404	91,079
Intangible assets		
Leasehold interests in land	173	173
Telephone subscription right	87	87
Other	957	646
Total intangible assets	1,218	907
Investments and other assets		
Investment securities	21,303	19,399
Retirement benefit asset	6,284	8,124
Deferred tax assets	330	364
Other	1,623	1,419
Total investments and other assets	29,541	29,307
Total non-current assets	119,164	121,295
<b>Total assets</b>	<b>264,080</b>	<b>222,930</b>

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	28,406	28,102
Income taxes payable	4,590	4,554
Advances received on construction contracts in progress	4,337	4,767
Provision for bonuses	3,198	3,443
Provision for bonuses for directors (and other officers)	88	78
Provision for warranties for completed construction	89	90
Provision for loss on construction contracts	187	192
Other	9,461	10,462
Total current liabilities	50,359	51,691
Non-current liabilities		
Retirement benefit liability	4,422	4,489
Provision for loss on Anti-Monopoly Act	64	64
Deferred tax liabilities	2,087	2,874
Other	256	251
Total non-current liabilities	6,830	7,678
Total liabilities	57,190	59,370
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,350	19,350
Capital surplus	23,273	23,273
Retained earnings	170,886	125,821
Treasury shares	(10,041)	(10,043)
Total shareholders' equity	203,469	158,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,678	5,470
Foreign currency translation adjustment	(129)	(161)
Remeasurements of defined benefit plans	(2,718)	(1,532)
Total accumulated other comprehensive income	1,830	3,776
Non-controlling interests	1,590	1,381
Total net assets	206,889	163,560
Total liabilities and net assets	264,080	222,930

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

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	237,812	234,612
Cost of sales	205,692	201,319
Gross profit	32,120	33,292
Selling, general and administrative expenses	12,544	12,554
Operating profit	19,575	20,738
Non-operating income		
Interest income	6	2
Interest on securities	13	0
Dividend income	589	545
Foreign exchange gains	—	23
Gain on sale of securities	15	—
Other	187	143
Total non-operating income	811	715
Non-operating expenses		
Foreign exchange losses	15	—
Commission expenses	320	242
Other	173	133
Total non-operating expenses	509	375
Ordinary profit	19,877	21,078
Extraordinary income		
Gain on sale of non-current assets	136	200
Gain on sale of investment securities	173	3,551
Reversal of provision for loss on Anti-Monopoly Act	6,301	—
Other	29	66
Total extraordinary income	6,640	3,818
Extraordinary losses		
Loss on sale and retirement of non-current assets	763	598
Impairment losses	450	114
Other	106	78
Total extraordinary losses	1,320	791
Profit before income taxes	25,198	24,104
Income taxes - current	6,502	7,316
Income taxes - deferred	(245)	(117)
Total income taxes	6,257	7,198
Profit	18,941	16,906
Profit attributable to non-controlling interests	114	156
Profit attributable to owners of parent	18,826	16,750

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit	18,941	16,906
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,529)	795
Foreign currency translation adjustment	21	(32)
Remeasurements of defined benefit plans, net of tax	(191)	1,186
Total other comprehensive income	(3,699)	1,950
Comprehensive income	15,241	18,857
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,129	18,695
Comprehensive income attributable to non-controlling interests	111	161

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,350	23,354	162,557	(4,542)	200,720
Changes during period					
Dividends of surplus			(6,049)		(6,049)
Profit attributable to owners of parent			18,826		18,826
Purchase of treasury shares				(9,880)	(9,880)
Cancellation of treasury shares		(80)	(4,300)	4,381	-
Change in scope of consolidation			(147)		(147)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(80)	8,328	(5,499)	2,749
Balance at end of period	19,350	23,273	170,886	(10,041)	203,469

	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	8,204	(150)	(2,527)	5,526	1,502	207,749
Changes during period						
Dividends of surplus				-		(6,049)
Profit attributable to owners of parent				-		18,826
Purchase of treasury shares				-		(9,880)
Cancellation of treasury shares				-		-
Change in scope of consolidation				-		(147)
Net changes in items other than shareholders' equity	(3,525)	21	(191)	(3,696)	87	(3,609)
Total changes during period	(3,525)	21	(191)	(3,696)	87	(859)
Balance at end of period	4,678	(129)	(2,718)	1,830	1,590	206,889

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,350	23,273	170,886	(10,041)	203,469
Changes during period					
Dividends of surplus			(61,815)		(61,815)
Profit attributable to owners of parent			16,750		16,750
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	(45,065)	(1)	(45,066)
Balance at end of period	19,350	23,273	125,821	(10,043)	158,402

	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	4,678	(129)	(2,718)	1,830	1,590	206,889
Changes during period						
Dividends of surplus				-		(61,815)
Profit attributable to owners of parent				-		16,750
Purchase of treasury shares				-		(1)
Disposal of treasury shares				-		0
Net changes in items other than shareholders' equity	791	(32)	1,186	1,945	(208)	1,737
Total changes during period	791	(32)	1,186	1,945	(208)	(43,329)
Balance at end of period	5,470	(161)	(1,532)	3,776	1,381	163,560

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	25,198	24,104
Depreciation	8,396	8,497
Impairment losses	450	114
Increase (decrease) in allowance for doubtful accounts	(21)	24
Increase (decrease) in provision for bonuses	(9)	244
Increase (decrease) in provision for bonuses for directors (and other officers)	(19)	(9)
Increase (decrease) in provision for warranties for completed construction	2	1
Increase (decrease) in provision for loss on construction contracts	(52)	4
Increase (decrease) in retirement benefit liability	(92)	52
Decrease (increase) in retirement benefit asset	(170)	(118)
Reversal of provision for loss on Anti-Monopoly Act	(6,301)	—
Interest and dividend income	(608)	(548)
Foreign exchange losses (gains)	24	(23)
Loss (gain) on sale of non-current assets	(136)	(200)
Loss on retirement of non-current assets	763	598
Loss (gain) on sale of investment securities	—	(3,510)
Loss (gain) on valuation of investment securities	92	—
Decrease (increase) in trade receivables	(2,689)	3,149
Decrease (increase) in costs on construction contracts in progress	1,029	(513)
Increase (decrease) in trade payables	(7,485)	(300)
Increase (decrease) in advances received on construction contracts in progress	546	430
Other, net	2,168	418
Subtotal	21,084	32,417
Interest and dividends received	606	548
Income taxes paid	(6,266)	(7,353)
Payments related to anti-monopoly act	(12,797)	—
Net cash provided by (used in) operating activities	2,627	25,612



(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of securities	(31,996)	—
Proceeds from sale and redemption of securities	43,997	—
Purchase of beneficial interests in trust	(38,298)	—
Proceeds from redemption of beneficial interests in trust	43,999	4,300
Purchase of property, plant and equipment	(8,510)	(10,841)
Proceeds from sale of property, plant and equipment	376	171
Purchase of investment securities	(1,451)	(36)
Proceeds from sale and redemption of investment securities	225	6,586
Payments into time deposits	(25,372)	(1,216)
Proceeds from withdrawal of time deposits	39,183	1,395
Loan advances	(6)	(1)
Proceeds from collection of loans receivable	26	37
Other, net	(603)	(173)
Net cash provided by (used in) investing activities	21,568	222
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(9,880)	(1)
Dividends paid	(6,049)	(61,815)
Dividends paid to non-controlling interests	(58)	(369)
Net cash provided by (used in) financing activities	(15,988)	(62,186)
Effect of exchange rate change on cash and cash equivalents	4	(2)
Net increase (decrease) in cash and cash equivalents	8,211	(36,354)
Cash and cash equivalents at beginning of period	72,243	80,669
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	214	10
Cash and cash equivalents at end of period	80,669	44,324

## (5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Additional information)

Business integration through the establishment of a joint holding company

The Company, Maeda Corporation, and Maeda Seisakusho Co., Ltd. (hereinafter respectively “the Company,” “Maeda Corporation” and “Maeda Seisakusho”; collectively referred to as the “Three Companies”) have reached a basic agreement on establishing a joint holding company and conducting a business integration (the “Business Integration”) by means of a joint share transfer (the “Share Transfer”), as resolved at their respective board of directors’ meetings held on February 24, 2021, and on the same date, announced in “Notice on Execution of a Memorandum of Understanding Regarding Business Integration of Maeda Corporation, Maeda Road Construction Co., Ltd., and Maeda Seisakusho Co., Ltd. by Establishment of a Joint Holding Company.” In addition, based on resolutions at their respective board of directors’ meetings held today, the Three Companies have entered into a business integration contract, and formulated a Share Transfer plan.

Concerning the above, the Three Companies plan to obtain respective approvals at each of their ordinary general meetings of shareholders, which are scheduled to be held on June 25, 2021 (the Company), June 23, 2021 (Maeda Corporation) and June 22, 2021 (Maeda Seisakusho).

### 1. Purpose of the Share Transfer

We believe that in order to unify the whole Group and achieve continuous growth in a business environment that will be subject to significant future changes, it is essential to maximize our synergies as a group, such as by further strengthening coordination among the Three Companies, creating a strong management base capable of responding to changes in the environment, and appropriately allocating management resources. It is our firm belief that transitioning to a holding company structure through the Business Integration to execute a unified group strategy will serve to heighten value not only of the Three Companies, but for the Group as a whole.

### 2. Outline of the Share Transfer

#### (1) Schedule of the Share Transfer

Meeting of the boards of directors to approve the Memorandum of Understanding Regarding Business Integration (Three Companies)	(Wednesday) February 24, 2021
Execution of the Memorandum of Understanding Regarding Business Integration (Three Companies)	(Wednesday) February 24, 2021
Record date for the ordinary general meeting of shareholders (Three Companies)	(Wednesday) March 31, 2021
Meeting of the boards of directors to approve the Business Integration contract and the Share Transfer plan (Three Companies)	(Friday) May 14, 2021 (today)
Signing of Business Integration contract and formulation of Share Transfer plan (Three Companies)	(Friday) May 14, 2021 (today)
Ordinary General Meeting of Shareholders to approve the Share Transfer plan (Maeda Corporation)	(Tuesday) June 22, 2021 (scheduled)
Ordinary General Meeting of Shareholders to approve the Share Transfer plan (Maeda Corporation)	(Wednesday) June 23, 2021 (scheduled)

Ordinary General Meeting of Shareholders to approve the Share Transfer plan (the Company)	(Friday) June 25, 2021 (scheduled)
Last trading day on the TSE (Three Companies)	(Tuesday) September 28, 2021 (scheduled)
TSE delisting date (Three Companies)	(Wednesday) September 29, 2021 (scheduled)
Scheduled integration date (joint holding company establishment registration date)	(Friday) October 1, 2021 (scheduled)
Joint holding company listing date	(Friday) October 1, 2021 (scheduled)

The above current planned schedule may change upon discussion and agreement by the Three Companies when necessary due to the progress status of approval procedures for the Business Integration, or for other reasons.

(2) Method of the Share Transfer

It will be a joint share transfer with the Three Companies becoming wholly owned subsidiaries, and the joint holding company becoming the wholly owning parent company.

(3) Details of allotment in the Share Transfer (share transfer ratio)

	Maeda Corporation	The Company	Maeda Seisakusho
Share Transfer Ratio	1.00	2.28	0.58

(Note 1) The above share transfer ratio may be changed upon discussion by the Three Companies if there is a material change in the various conditions on which calculations are based.

(Note 2) The number of shares constituting one share unit of the joint holding company will be 100 shares of stock.

(Note 3) The number of new shares to be delivered by the joint holding company (planned)

Common stock: 391,584,459 shares

The above was calculated based on Maeda Corporation's total number of issued shares of 194,608,482 (as of March 31, 2021), the Company's total number of issued shares of 89,159,453 (as of March 31, 2021), and Maeda Seisakusho's total number of issued shares of 16,100,000 (as of March 31, 2021). Furthermore, as the Three Companies respectively plan to cancel their treasury shares that they currently hold or plan to newly acquire in the future, to the extent that cancellation is practically possible, before the Share Transfer takes effect there are no plans for either of the Three Companies to be allotted shares of the joint holding company for the treasury shares they respectively held as of March 31, 2021 (Maeda Corporation: 146,223 shares; the Company: 6,740,228 shares; and Maeda Seisakusho: 226,953 shares). However, because the number of treasury shares that will actually be cancelled before the effective date of the Share Transfer has not currently been determined, the joint holding company may change the above number of new shares issued.

(4) Overview of the new company to be established through the Share Transfer

Name	INFRONEER Holdings Inc.
Location	Chiyoda-ku, Tokyo
Title and name of representative	Executive Officer and President Kazunari Kibe
Content of business	Management of subsidiaries and group under its control, and associated or related businesses
Capital	¥20,000 million
Accounting period	March 31

(5) Overview of accounting treatment in connection with the Share Transfer

The Share Transfer is expected to be subject to "common control transaction, etc." under Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019), although details of the accounting treatment have not currently been determined.

(Segment information)

[Segment information]

1. Description of reportable segments

Reportable segments of the Company are determined as segments whose separate financial information is accessible from among the constituent units of the Company and are regularly used by the Board of Directors to determine the allocation of management resources and to evaluate achievements.

The Company has established business divisions by product and service to formulate comprehensive strategies and perform business activities for each product and service.

The reportable segments of the Company are composed of two segments, "construction business," and "manufacturing and sales business," classified by product and service characteristics based on the business divisions.

"Construction business" is engaged in pavement, civil engineering works and other businesses related thereto, while "manufacturing and sales business" is engaged in manufacturing and sales of asphalt mixture and emulsion and other construction materials.

2. Method of measurement for the amounts of net sales, income (loss), assets, liabilities and other items for each reportable segment

The accounting method used for reportable business segments is the methods in accordance with the accounting principles and procedures adopted for preparing the consolidated financial statements.

### 3. Information on net sales, income (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2020

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	163,344	73,843	237,187	625	237,812	—	237,812
Inter-segment net sales or transfers	94	32,217	32,312	851	33,164	(33,164)	—
Total	163,438	106,061	269,499	1,477	270,977	(33,164)	237,812
Segment income	14,025	11,618	25,643	150	25,794	(6,219)	19,575
Segment assets	68,542	75,014	143,557	1,844	145,402	118,678	264,080
Other items							
Depreciation	1,697	5,837	7,534	14	7,549	599	8,148
Amortization of goodwill	78	168	247	—	247	—	247
Increase in property, plant and equipment and intangible assets	2,769	5,363	8,132	4	8,137	897	9,034

(Notes)

1. “Other” incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. Figures are adjusted as follows:
  - (1) The adjustment for segment income of ¥(6,219) million includes elimination of inter-segment transactions of ¥(37) million and corporate expenses not allocated to each reportable segment of ¥(6,181) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
  - (2) The adjustment for segment assets of ¥118,678 million is mainly composed of cash, deposits and securities that are not attributable to reportable segments.
  - (3) The adjustment for increase in property, plant and equipment and intangible assets of ¥897 million is capital investment mainly in the administrative division.
3. Segment income is adjusted to the operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2021

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	160,514	73,523	234,038	574	234,612	—	234,612
Inter-segment net sales or transfers	51	31,799	31,850	1,136	32,986	(32,986)	—
Total	160,566	105,323	265,889	1,710	267,599	(32,986)	234,612
Segment income	13,325	13,505	26,831	229	27,061	(6,322)	20,738
Segment assets	66,499	75,174	141,673	1,878	143,552	79,378	222,930
Other items							
Depreciation	2,089	5,502	7,591	10	7,602	679	8,281
Amortization of goodwill	47	168	215	—	215	—	215
Increase in property, plant and equipment and intangible assets	3,402	6,450	9,853	0	9,853	1,407	11,260

(Notes)

1. “Other” incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. Figures are adjusted as follows:
  - (1) The adjustment for segment income of ¥(6,322) million includes elimination of inter-segment transactions of ¥(120) million and corporate expenses not allocated to each reportable segment of ¥(6,202) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
  - (2) The adjustment for segment assets of ¥79,378 million is mainly composed of cash, deposits and securities that are not attributable to reportable segments.
  - (3) The adjustment for increase in property, plant and equipment and intangible assets of ¥1,407 million is capital investment mainly in the administrative division.
3. Segment income is adjusted to the operating profit in the consolidated statements of income.

[Related information]

1. Information by product and service

This is omitted, as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

Information about net sales is omitted since sales to outside customers in Japan exceeded 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Information about property, plant and equipment is omitted since the property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted since there were no sales from a single outside customer accounting for 10% or more of net sales on the consolidated statements of income.

[Information concerning impairment loss on non-current assets by reportable segment]

For the fiscal year ended March 31, 2020

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
Impairment loss	—	341	341	—	109	450

For the fiscal year ended March 31, 2021

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
Impairment loss	46	67	113	—	0	114

[Information concerning amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended March 31, 2020

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
(Goodwill)						
Amortization during the period	78	168	247	—	—	247
Balance at end of the period	55	481	536	—	—	536

For the fiscal year ended March 31, 2021

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
(Goodwill)						
Amortization during the period	47	168	215	—	—	215
Balance at end of the period	7	312	320	—	—	320

[Information concerning gain on bargain purchase by reportable segment]

There is no relevant information.

(Per share information)

Item	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net assets per share	2,490.89	1,967.73
Basic earnings per share	223.02	203.23

(Notes) 1. Diluted earnings per share is not indicated due to the absence of residual shares with dilutive effect.

2. The basis for the calculation of net assets per share and basic earnings per share is as follows.

(1) Net assets per share

(Million yen)

Item	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Total net assets	206,889	163,560
Deductible amount from total net assets	1,590	1,381
(of which, non-controlling interests)	(1,590)	(1,381)
Net assets relating to common shares	205,299	162,178
Number of common shares used for calculation of net assets per share (thousand shares)	82,420	82,419

(2) Basic earnings per share

(Million yen)

Item	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit attributable to owners of parent	18,826	16,750
Profit attributable to owners of parent relating to common shares	18,826	16,750
Average number of common shares during the period (thousand shares)	84,416	82,419

(Material subsequent events)

There is no relevant information.



#### 4. Complementary Information

Amount of Orders Received, Net Sales and Amount Carried Forward to Next Period by Business (Consolidated)

			For the fiscal year ended March 31, 2020		For the fiscal year ended March 31, 2021		Year-on-year change	
			Amount (million yen)	Composition rate (%)	Amount (million yen)	Composition rate (%)	Amount (million yen)	Change rate (%)
Order received	Construction business	Pavement works	136,533	57.0	133,941	55.9	(2,591)	(1.9)
		Civil engineering works	28,502	11.9	31,640	13.2	3,138	11.0
		Subtotal	165,035	68.9	165,582	69.1	546	0.3
	Manufacturing and sales business	73,843	30.8	73,523	30.7	(319)	(0.4)	
	Others	625	0.3	574	0.2	(51)	(8.2)	
	Total	239,504	100.0	239,680	100.0	175	0.1	
Net sales	Construction business	Pavement works	132,050	55.5	133,385	56.8	1,334	1.0
		Civil engineering works	31,293	13.2	27,129	11.6	(4,164)	(13.3)
		Subtotal	163,344	68.7	160,514	68.4	(2,829)	(1.7)
	Manufacturing and sales business	73,843	31.0	73,523	31.3	(319)	(0.4)	
	Others	625	0.3	574	0.3	(51)	(8.2)	
	Total	237,812	100.0	234,612	100.0	(3,200)	(1.3)	
Amount carried forward to next period	Construction business	Pavement works	46,122	85.3	46,678	78.9	556	1.2
		Civil engineering works	7,938	14.7	12,450	21.1	4,511	56.8
		Subtotal	54,061	100.0	59,128	100.0	5,067	9.4
	Manufacturing and sales business	—	—	—	—	—	—	
	Others	—	—	—	—	—	—	
	Total	54,061	100.0	59,128	100.0	5,067	9.4	

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