

**Consolidated Financial Results  
for the Three Months Ended June 30, 2021  
[Japanese GAAP]**



August 6, 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: August 6, 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 Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)**

(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	%
Three months ended June 30, 2021	50,807	1.1	1,748	(61.1)	1,840	(61.8)	1,517	(66.6)
Three months ended June 30, 2020	50,250	0.1	4,489	93.0	4,821	82.4	4,535	(44.8)

(Note) Comprehensive income: Three months ended June 30, 2021: ¥843 million [(81.8)%]

Three months ended June 30, 2020: ¥4,622 million [(27.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	18.41	-
Three months ended June 30, 2020	55.03	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	205,452	158,565	76.5
As of March 31, 2021	222,930	163,560	72.7

(Reference) Equity: As of June 30, 2021: ¥157,232 million

As of March 31, 2021: ¥162,178 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen -	Yen -	Yen -	Yen 70.00	Yen 70.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		-	-	-	-

- (Note) 1. Revision of dividends forecast from recently announced figures: No
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)

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

- (Note) 1. Revision of results forecast from recently announced figures: No
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). 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 three months ended June 30, 2021 (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: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - June 30, 2021: 89,159,453 shares
    - March 31, 2021: 89,159,453 shares
  - 2) Total number of treasury shares at the end of the period:
    - June 30, 2021: 6,740,299 shares
    - March 31, 2021: 6,740,228 shares
  - 3) Average number of shares during the period (cumulative):
    - Three months ended June 30, 2021: 82,419,204 shares
    - Three months ended June 30, 2020: 82,420,050 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.

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## 1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2021

### (1) Explanation of Operating Results

During the three months ended June 30, 2021, in the environment surrounding MAEDA ROAD CONSTRUCTION CO., LTD. (the “Company”) and its group companies (collectively, the “Group”), public investment remained solid, while corporate earnings and corporate capital investment, both of which declined due to the impact of the novel coronavirus disease, are recovering. However, owing to the uncertain outlook for raw material prices, such as soaring crude oil prices, the economic conditions continued to be harsh.

Amid this environment, the Group, in the construction business, made efforts to secure the amount of 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 three months ended June 30, 2021, net sales amounted to ¥50,807 million, up 1.1% year on year, and operating profit amounted to ¥1,748 million, down 61.1% year on year. Ordinary profit came to ¥1,840 million, down 61.8% year on year, and profit attributable to owners of parent was ¥1,517 million, down 66.6% 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 three months ended June 30, 2021 was ¥39,646 million, up 5.1% year on year, amount of completed construction contracts was ¥35,099 million, up 2.2% year on year, and operating profit was ¥1,669 million, down 31.9% year on year.

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

In the manufacturing and sales business, net sales of asphalt mixture and other products for the three months ended June 30, 2021 amounted to ¥15,572 million, down 1.2% year on year, while operating profit amounted to ¥1,286 million, down 59.8% year on year.

#### **Others**

Net sales of other businesses for the three months ended June 30, 2021 amounted to ¥135 million, up 4.6% year on year, while operating profit amounted to ¥55 million, up 32.8% year on year.

## (2) Explanation of Financial Position

### (Assets)

Current assets decreased by ¥16,405 million compared to the end of the previous fiscal year to ¥85,230 million, mainly due to a decrease in notes receivable, accounts receivable from completed construction contracts and other resulting from collection.

Non-current assets decreased by ¥1,072 million compared to the end of the previous fiscal year to ¥120,222 million, mainly due to a decrease in investment securities resulting from sales.

As a result, total assets decreased by ¥17,477 million compared to the end of the previous fiscal year to ¥205,452 million.

### (Liabilities)

Current liabilities decreased by ¥12,779 million compared to the end of the previous fiscal year to ¥38,911 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 ¥296 million compared to the end of the previous fiscal year to ¥7,975 million, mainly due to an increase in deferred tax liabilities.

As a result, total liabilities decreased by ¥12,483 million compared to the end of the previous fiscal year to ¥46,887 million.

### (Net assets)

Total net assets decreased by ¥4,994 million compared to the end of the previous fiscal year to ¥158,565 million, mainly due a decrease in retained earnings resulting from dividend payments.

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

The financial results forecast for the fiscal year ending March 31, 2022 remains unchanged from that announced on May 14, 2021.

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

(Million yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	45,523	42,334
Notes receivable, accounts receivable from completed construction contracts and other	46,849	31,756
Securities	30	30
Costs on construction contracts in progress	7,754	9,781
Other	1,564	1,403
Allowance for doubtful accounts	(86)	(76)
Total current assets	101,635	85,230
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,177	18,055
Machinery and vehicles, net	14,569	14,426
Land	56,203	56,295
Other, net	2,128	2,455
Total property, plant and equipment	91,079	91,233
Intangible assets	907	832
Investments and other assets		
Investment securities	19,399	18,091
Retirement benefit asset	8,124	8,311
Other	1,784	1,753
Total investments and other assets	29,307	28,156
Total non-current assets	121,295	120,222
Total assets	222,930	205,452

(Million yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	28,102	23,149
Income taxes payable	4,554	308
Advances received on construction contracts in progress	4,767	5,723
Provision for bonuses	3,443	1,829
Provisions	361	435
Other	10,462	7,465
<b>Total current liabilities</b>	<b>51,691</b>	<b>38,911</b>
Non-current liabilities		
Retirement benefit liability	4,489	4,534
Provision for loss on Anti-Monopoly Act	64	64
Other	3,125	3,376
<b>Total non-current liabilities</b>	<b>7,678</b>	<b>7,975</b>
<b>Total liabilities</b>	<b>59,370</b>	<b>46,887</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,350	19,350
Capital surplus	23,273	23,273
Retained earnings	125,821	121,569
Treasury shares	(10,043)	(10,043)
<b>Total shareholders' equity</b>	<b>158,402</b>	<b>154,149</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,470	4,714
Foreign currency translation adjustment	(161)	(147)
Remeasurements of defined benefit plans	(1,532)	(1,484)
<b>Total accumulated other comprehensive income</b>	<b>3,776</b>	<b>3,082</b>
Non-controlling interests	1,381	1,333
<b>Total net assets</b>	<b>163,560</b>	<b>158,565</b>
<b>Total liabilities and net assets</b>	<b>222,930</b>	<b>205,452</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three months ended June 30, 2021

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Net sales	50,250	50,807
Cost of sales	42,996	46,057
Gross profit	7,254	4,750
Selling, general and administrative expenses	2,764	3,002
Operating profit	4,489	1,748
Non-operating income		
Interest income	0	0
Dividend income	348	299
Other	49	46
Total non-operating income	399	346
Non-operating expenses		
Commission expenses	19	204
Other	47	49
Total non-operating expenses	67	254
Ordinary profit	4,821	1,840
Extraordinary income		
Gain on sale of non-current assets	20	23
Gain on sale of investment securities	1,733	364
Insurance claim income	0	160
Other	—	3
Total extraordinary income	1,753	551
Extraordinary losses		
Loss on sale and retirement of non-current assets	60	30
Loss on disaster	—	83
Other	30	13
Total extraordinary losses	90	126
Profit before income taxes	6,484	2,265
Income taxes	1,926	729
Profit	4,557	1,536
Profit attributable to non-controlling interests	21	19
Profit attributable to owners of parent	4,535	1,517

Quarterly Consolidated Statements of Comprehensive Income  
Three months ended June 30, 2021

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Profit	4,557	1,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	(755)
Foreign currency translation adjustment	10	14
Remeasurements of defined benefit plans, net of tax	109	47
Total other comprehensive income	64	(693)
Comprehensive income	4,622	843
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,600	823
Comprehensive income attributable to non-controlling interests	21	20

### (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 three months ended June 30, 2020 (From April 1, 2020 to June 30, 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 three months ended June 30, 2020, and retained earnings as of June 30, 2020 amounted to ¥113,606 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	Source of dividends
April 14, 2020 Extraordinary General Meeting of Shareholders	Common stock	53,573	650	March 6, 2020	May 12, 2020	Retained earnings

For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

There is no relevant information.

(Additional information)

(Business integration through the establishment of a joint holding company)

Concerning the establishment of a joint holding company and conducting a business integration (the "Business Integration") through a joint share transfer (the "Share Transfer"), with the effective date of October 1, 2021, the Company, Maeda Corporation (hereinafter "Maeda Corporation") and MAEDA SEISAKUSHO CO., LTD. (hereinafter "Maeda Seisakusho"); and the Company, Maeda Corporation, and Maeda Seisakusho shall be collectively referred to as the "Three Companies") entered into a business integration contract and jointly formulated a Share Transfer plan, as resolved at their respective board of directors' meetings held on May 14, 2021.

Concerning the above, the Three Companies obtained respective approvals at each of their ordinary general meetings of shareholders, which were 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

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
Signing of Business Integration contract and formulation of Share Transfer plan (Three Companies)	(Friday) May 14, 2021
Ordinary General Meeting of Shareholders to approve the Share Transfer plan (Maeda Seisakusho)	(Tuesday) June 22, 2021
Ordinary General Meeting of Shareholders to approve the Share Transfer plan (Maeda Corporation)	(Wednesday) June 23, 2021
Ordinary General Meeting of Shareholders to approve the Share Transfer plan (the Company)	(Friday) June 25, 2021
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 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]

For the three months ended June 30, 2020 (From April 1, 2020 to June 30, 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	34,354	15,765	50,120	129	50,250	—	50,250
Inter-segment net sales or transfers	15	7,043	7,059	279	7,338	(7,338)	—
Total	34,370	22,809	57,180	409	57,589	(7,338)	50,250
Segment income	2,449	3,197	5,647	41	5,688	(1,198)	4,489

(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 ¥(1,198) million includes elimination of inter-segment transactions of ¥0 million and corporate expenses not allocated to each reportable segment of ¥(1,199) 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 three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

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	35,099	15,572	50,671	135	50,807	—	50,807
Inter-segment net sales or transfers	12	7,438	7,451	296	7,747	(7,747)	—
Total	35,112	23,011	58,123	431	58,555	(7,747)	50,807
Segment income	1,669	1,286	2,955	55	3,010	(1,262)	1,748

(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 ¥(1,262) million includes elimination of inter-segment transactions of ¥(9) million and corporate expenses not allocated to each reportable segment of ¥(1,253) 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 (Consolidated)

(Million Yen; %)

			For the three months ended June 30, 2020		For the three months ended June 30, 2021		Year-on-year change		(Reference) For the fiscal year ended March 31, 2021	
			Amount	Composition rate	Amount	Composition rate	Amount	Change rate	Amount	Composition rate
Orders received	Construction business	Pavement works	30,997	57.8	31,617	57.1	619	2.0	133,941	55.9
		Civil engineering works	6,708	12.5	8,029	14.5	1,321	19.7	31,640	13.2
		Subtotal	37,706	70.3	39,646	71.6	1,940	5.1	165,582	69.1
	Manufacturing and sales business	15,765	29.4	15,572	28.1	(193)	(1.2)	73,523	30.7	
	Others	129	0.3	135	0.3	5	4.6	574	0.2	
	Total	53,601	100.0	55,354	100.0	1,753	3.3	239,680	100.0	
Net sales	Construction business	Pavement works	28,627	57.0	28,353	55.8	(274)	(1.0)	133,385	56.8
		Civil engineering works	5,727	11.4	6,746	13.3	1,018	17.8	27,129	11.6
		Subtotal	34,354	68.4	35,099	69.1	744	2.2	160,514	68.4
	Manufacturing and sales business	15,765	31.3	15,572	30.6	(193)	(1.2)	73,523	31.3	
	Others	129	0.3	135	0.3	5	4.6	574	0.3	
	Total	50,250	100.0	50,807	100.0	557	1.1	234,612	100.0	
Amount carried forward to next period	Construction business	Pavement works	48,492	84.5	49,942	78.4	1,449	3.0	46,678	78.9
		Civil engineering works	8,919	15.5	13,733	21.6	4,814	54.0	12,450	21.1
		Subtotal	57,412	100.0	63,676	100.0	6,263	10.9	59,128	100.0
	Manufacturing and sales business	—	—	—	—	—	—	—	—	
	Others	—	—	—	—	—	—	—	—	
	Total	57,412	100.0	63,676	100.0	6,263	10.9	59,128	100.0	

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