

Translation

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Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: INFRONEER Holdings Inc.
 Stock exchange listing: Tokyo
 Stock code: 5076 URL <https://www.infroneer.com>
 Representative: Representative Executive Officer and Kazunari Kibe
 President
 Inquiries: General Manager of Financial Strategy Kazutaka Deguchi TEL 03-6380-8253
 Scheduled date of ordinary general meeting of shareholders: June 20, 2023
 Scheduled date to file Securities Report: June 20, 2023
 Scheduled date to commence dividend payments: June 21, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	709,641	3.9	40,495	8.0	41,768	9.8	35,870	34.4
Fiscal year ended March 31, 2022	682,912	–	37,489	–	38,036	–	26,689	–

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥28,508 million [42.3%]
 Fiscal year ended March 31, 2022: ¥20,039 million [–%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	138.39	–	10.3	4.5	5.7
Fiscal year ended March 31, 2022	94.73	–	8.7	4.1	5.5

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 31, 2023: ¥1,032 million
 Fiscal year ended March 31, 2022: ¥652 million

(Note) The Company was established by joint share transfer on October 1, 2021; therefore, there are no year-on-year changes for the fiscal year ended March 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	926,563	362,315	38.1	1,396.72
As of March 31, 2022	926,432	355,865	37.4	1,312.19

(Reference) Equity: As of March 31, 2023: ¥352,692 million
 As of March 31, 2022: ¥346,911 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	70,954	(5,293)	(56,384)	86,015
Fiscal year ended March 31, 2022	(16,333)	(22,547)	15,288	76,018

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	0.00	–	40.00	40.00	10,770	42.2	2.9
Fiscal year ended March 31, 2023	–	0.00	–	55.00	55.00	14,088	39.7	4.1
Fiscal year ending March 31, 2024 (Forecast)	–	25.00	–	30.00	55.00		45.8	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
[Japanese GAAP] Full year	740,000	4.3	38,300	(5.4)	39,200	(6.1)	25,200	(29.7)	100.87

	Net sales		Business profit		Operating profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
[IFRS] Full year	745,000	–	44,900	–	44,900	–	30,000	–	120.09

(Notes) 1. Since the Company has decided to voluntarily adopt International Financial Reporting Standards (hereinafter “IFRS”) effective the consolidated financial statements for the fiscal year ending March 31, 2024, figures calculated based on IFRS have been disclosed in addition to the consolidated financial results forecast based on Japanese accounting standards. Year-on-year changes from the fiscal year ended March 31, 2023, for which Japanese standards have been applied, are not stated.

2. Business profit is a profit indicator that measures the performance of the Company’s recurring businesses, calculated by deducting cost of sales and selling, general and administrative expenses from net sales, and adding share of loss (profit) of entities accounted for using equity method.

* Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
 Notes on changes in significant subsidiaries during the year ended March 31, 2023

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
2) Changes in accounting policies due to other reasons:	No
3) Changes in accounting estimates:	No
4) Restatement of prior period financial statements:	No

(Note) Please refer to “(Changes to accounting policies)” of “4. (5) Notes to Consolidated Financial Statements” on page 22 for details.

(3) Number of issued shares (common shares)

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

As of March 31, 2023	274,845,024 shares	As of March 31, 2022	291,070,502 shares
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2) Number of treasury shares at the end of the period

As of March 31, 2023	22,329,791 shares	As of March 31, 2022	26,694,723 shares
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3) Average number of shares during the period

Fiscal year ended March 31, 2023	259,197,099 shares	Fiscal year ended March 31, 2022	281,728,696 shares
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(Notes) 1. The Company’s shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan are included in the number of treasury shares at the end of the period (3,267,300 shares at the end of the year ended March 31, 2023; 4,221,300 shares at the end of the fiscal year ended March 31, 2022). The Company’s shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan are included in the number of treasury shares deducted in the calculation of the average number of shares during the period (3,714,469 shares at the end of the fiscal year ended March 31, 2023; 343,069 shares at the end of the fiscal year ended March 31, 2022).

2. The Company’s shares held by Board Benefit Trust (BBT) are included in the number of treasury shares at the end of the period (377,500 shares at the end of the year ended March 31, 2023; 657,500 shares at the end of the fiscal year ended March 31, 2022). The Company’s shares held by Board Benefit Trust (BBT) are included in the number of treasury shares deducted in the calculation of the average number of shares during the period (485,192 shares at the end of the fiscal year ended March 31, 2023; 657,500 shares at the end of the fiscal year ended March 31, 2022).

* These financial results are outside the scope of audit by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

• The above forecasts are based on assumptions in light of information available as of the date of announcement of this material and factors of uncertainty that may possibly impact the future results of operation. These statements do not indicate that the Company pledges to realize these forecasts. Actual results may differ significantly from those presented herein as a result of numerous factors.

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1. Overview of Financial Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2023, the Japanese economy generally and moderately recovered in corporate earnings, employment, and personal consumption, as normalization of economic and social activities progressed under coexistence with the novel coronavirus infection (COVID-19), despite persisting concerns about rising prices due to a steep rise in oil prices and the depreciation of the yen putting downward pressure on the Japanese economy in the context of the prolonged situation in Ukraine and the continued monetary tightening across the globe, among other situations.

In the construction industry, public investment and housing construction remained firm, and capital investment picked up on the back of improved corporate earnings and other factors.

Under these circumstances, with the objective of the entire group achieving sustained growth under the Company, the Company will strive to be a “company trusted by all stakeholders” by determining to aim for the mid- to long-term state of being an “integrated infrastructure service company” with one-stop style management from upstream to downstream of infrastructure operations, establishing a “highly profitable and stable revenue base” without being influenced by external factors, operating expeditiously and appropriately, such as by building an effective governance structure and promoting digital transformation, and strengthening the ability to deal with social changes.

For the fiscal year ended March 31, 2023, net sales increased by ¥26.7 billion (3.9%) year on year to ¥709.6 billion. Operating profit increased by ¥3.0 billion (8.0%) year on year to ¥40.4 billion, ordinary profit increased by ¥3.7 billion (9.8%) year on year to ¥41.7 billion, and profit attributable to owners of parent increased by ¥9.1 billion (34.4%) year on year to ¥35.8 billion.

Performance results by business segment are as follows.

[Building Construction]

In the building construction business, which engages in construction work and related activities primarily for multi-dwelling complexes, factories and logistics centers, net sales decreased by ¥0.6 billion (0.3%) year on year to ¥215.4 billion. This was primarily due to delays in the start of some construction projects, despite work on hand remaining firm in domestic construction operations on account of orders for large-scale projects. Segment profit was ¥8.7 billion, a year-on-year increase of ¥0.2 billion (2.8%), mainly owing to the acquisition of additional construction projects that included the effects of price increases, and efforts to raise profits generated by construction work.

[Civil Engineering]

The civil engineering business is engaged in construction work, mainly bridges and tunnels, as well as related businesses. Net sales increased by ¥9.3 billion (6.6%) year on year to ¥152.0 billion, mainly due to steady progress in large-scale projects on hand at the beginning of the term in the domestic civil engineering operations. Segment profit increased by ¥2.1 billion (14.7%) year on year to ¥16.8 billion, due to an improvement in profit, which arose from the acquisition of design changing projects and other projects, through construction support efforts conducted by the entire Company.

[Road Civil Engineering]

Road civil engineering mainly engages in pavement work and other construction business, and manufacture and sale of asphalt mixture. Net sales increased by ¥10.9 billion (4.7%) year on year to ¥243.6 billion as a result of steady sales. Segment profit increased by ¥1.3 billion (51.4%) year on year to ¥4.0 billion, as increases in raw material costs were passed on and translated into higher asphalt mixture sales prices.

[Machinery]

For machinery, which focuses on the manufacture and sale of construction machinery, net sales increased by ¥2.0 billion (5.7%) year on year to ¥37.3 billion, while segment profit decreased by ¥0.3 billion (21.5%) year on year to ¥1.3 billion. This was due to robust sales of the Company’s in-house products, such as cranes, in businesses including the industrial and steel structure machinery business.

[Infrastructure Management]

For infrastructure management, which is mainly engaged in renewable energy and concession business, net sales

increased by ¥3.8 billion (20.5%) year on year to ¥22.5 billion, and segment profit increased by ¥1.8 billion (30.8%) year on year to ¥7.9 billion. This was due to solid results at Aichi Road Concession Co., Ltd. and other business companies, as well as the sale of one wind power generation business.

[Others]

The others business segment ranges from the retail business to manufacturing and sale of construction materials, building management, and real estate business, etc. Net sales increased by ¥1.1 billion (3.2%) year on year to ¥38.5 billion, while segment profit decreased by ¥0.6 billion (31.9%) year on year to ¥1.2 billion.

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

Total assets for the current fiscal year were ¥926.5 billion, an increase of ¥0.1 billion (0.0%) from the end of the previous fiscal year, mainly due to a decrease in investment securities. Liabilities stood at around ¥564.2 billion, a decrease of ¥6.3 billion (1.1%) from the end of the previous fiscal year, mainly due to a decrease in short-term borrowings. Net assets amounted to ¥362.3 billion, an increase of ¥6.4 billion (1.8%) from the end of the previous fiscal year. As a result of the above, equity, which is net assets minus non-controlling interests, amounted to ¥352.6 billion, and the equity ratio rose from 37.4% at the end of the previous fiscal year to 38.1%.

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

Net cash provided by operating activities in the current fiscal year was ¥70.9 billion (¥16.3 billion used in the previous fiscal year), mainly due to the recording of ¥51.8 billion in profit before income taxes. Net cash used in investing activities amounted to ¥5.2 billion (¥22.5 billion used in the previous fiscal year), primarily due to ¥20.0 billion of purchase of property, plant and equipment and intangible assets, and ¥4.2 billion of purchase of rights to operate public facilities, despite ¥21.9 billion of proceeds from sale of investment securities. Net cash used in financing activities amounted to ¥56.3 billion (¥15.2 billion provided in the previous fiscal year), mainly due to a decrease in short-term borrowings, the payment of dividends, and the purchase of treasury shares. As a result of the above, the balance of cash and cash equivalents at the end of the current fiscal year amounted to ¥86.0 billion, an increase of ¥9.9 billion from ¥76.0 billion at the end of the previous fiscal year.

Trends in Cash Flow Indices

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	37.4	38.1
Equity ratio at market price (%)	29.7	27.9
Interest-bearing debt to cash flow ratio (times)	–	2.2
Interest coverage ratio (times)	–	35.9

(Notes) Equity ratio: Equity/Total assets

Equity ratio at market price: Current aggregate value of shares/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest expenses

*All indicators are calculated based on consolidated financial figures.

*The current aggregate value of shares is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding (less treasury shares) at the end of the period.

*Cash flows from operating activities in the consolidated statement of cash flows are used for the cash flows from operating activities.

Interest-bearing debt covers all debt bearing interest recorded in the consolidated balance sheet. In addition, for interest payments, the amount of interest paid in the consolidated statement of cash flows are used.

(4) Future Outlook

Going forward, the Japanese economy is expected to continue showing signs of recovery, as the normalization of economic and social activities continue to progress under a state of coexistence with COVID-19, and various government policies continue to take effect.

However, amid the prolonged situation in Ukraine and increases in fiscal interest rates globally, it is necessary to pay close attention to the impact of the following factors on the Group's business activities: soaring crude oil prices, fluctuations in financial and capital markets such as stocks and foreign exchange, and supply-side constraints.

In the business environment surrounding the Company Group, national and local governments' finances are expected to become increasingly severe due to declining tax revenues on account of a declining population and increasing social security costs caused by the aging of society, while the constant deterioration of a vast amount of social infrastructure, which was developed during the period of high economic growth, will make it difficult to invest in new construction, let alone in the maintenance and renewal of existing infrastructure. In addition, given increasingly critical labor shortages due to the shrinking working-age population caused by the falling birthrate and aging population, we also believe that a transformation to digitalization and responding to global environmental issues will be unavoidable, and that conventional values in the construction industry will evolve, while the industrial structure will itself be transformed.

Under these circumstances, with the aim of solving these social issues and achieving sustainable growth for the entire Group, the Company will strive to be a "company trusted by all stakeholders" by determining to aim for the mid- to long-term state of being an "integrated infrastructure service company" with one-stop style management from upstream to downstream of infrastructure operations.

We are committed to heightening synergies within the Company Group more than ever before, and to forge ahead in unison, further strengthening management by aggressively investing in human resource development, promoting greater use of IT, digital transformation, and other digital tools, improving productivity, establishing new revenue bases and increasing profitability, while bolstering and enhancing governance.

1) Net sales

On a consolidated basis, we expect net sales of ¥740.0 billion for the next fiscal year. By segment, we project net sales of ¥239.0 billion in building construction, ¥155.0 billion in civil engineering, ¥243.0 billion in road civil engineering, ¥39.0 billion in machinery, ¥24.0 billion in infrastructure management, and ¥40.0 billion in others.

2) Profit

For the next fiscal year, on a consolidated basis, we forecast ¥38.3 billion in operating profit, ¥39.2 billion in ordinary profit, and ¥25.2 billion in profit attributable to owners of parent.

The Group plans to voluntarily adopt International Financial Reporting Standards (hereinafter "IFRS") effective the consolidated financial statements for the fiscal year ending March 31, 2024. Accordingly, the consolidated financial results forecast for the fiscal year ending March 31, 2024, calculated based on IFRS, is as follows: net sales of ¥745.0 billion, business profit of ¥44.9 billion, operating profit of ¥44.9 billion, and profit attributable to owners of parent of ¥30.0 billion.

(5) Basic Policy on Distribution of Profit and Dividends for Current and Next Fiscal Years

The Company regards the return of profits to shareholders as one of its most important management policies. Based on the returns policy stated in the Company's medium-term management plan "INFRONEER Medium-term Vision 2024," in addition to striving for a dividend payout ratio of 30% or more, the Company also plans to purchase its treasury shares.

Under such a policy, the Company will pay a dividend of ¥55 per share to shareholders for the current fiscal year. Shareholder dividends in the following fiscal year are planned to be ¥55 per share (¥25 for the interim dividend, and ¥30 for the year-end dividend).

In addition, in order to further return profits to shareholders and enhance share value through the execution of a flexible capital policy, the Company began a share buyback program of up to ¥20.0 billion on November 16, 2021, which was completed on April 13, 2022. Furthermore, the Company began another share buyback program of up to ¥10.0 billion on August 12, 2022, and the buyback was completed on March 2, 2023.

Going forward, the Company will continue to strive for the achievement of profit return targets based on the returns policy set forth in the medium-term management plan.

2. Status of Corporate Group

The Group (the Company and its subsidiaries and affiliates) is comprised of 57 subsidiaries and 24 affiliates, led by Maeda Corporation, Maeda Road Construction Co., Ltd. and Maeda Seisakusho Co., Ltd. It engages primarily in building construction, civil engineering, road civil engineering, machinery, and infrastructure management businesses. It also conducts a wide array of other businesses, from retail to real estate. The segmentation is the same as that described in the segment information in “4. Notes to Consolidated Financial Statements.”

[Building Construction]

The building construction business engages in construction work and related activities primarily for multi-dwelling complexes, factories and logistics centers. Subsidiary Maeda Corporation, affiliate Toyo Construction Co., Ltd. and other companies operate this business, and these companies place orders with subsidiaries and affiliates for a portion of the construction work and delivery of materials.

[Civil Engineering]

The civil engineering business engages in construction work, mainly of bridges and tunnels, and related businesses. Subsidiary Maeda Corporation and affiliate Toyo Construction Co., Ltd. operate this business, and these companies place orders with subsidiaries and affiliates for part of the construction work they execute and for the delivery of materials.

[Road Civil Engineering]

Road civil engineering engages in pavement work and other construction business, and manufacture and sale of asphalt mixture. Subsidiary Maeda Road Construction Co., Ltd. and other companies operate this business, and places orders for certain portions of construction and delivery of materials to subsidiaries and affiliates.

[Machinery]

The machinery business is engaged in the manufacture and sale of construction machinery, and the rental business. This business is operated by subsidiary Maeda Seisakusho Co., Ltd. and other companies, and these companies sell or lease certain machinery to subsidiaries and affiliates.

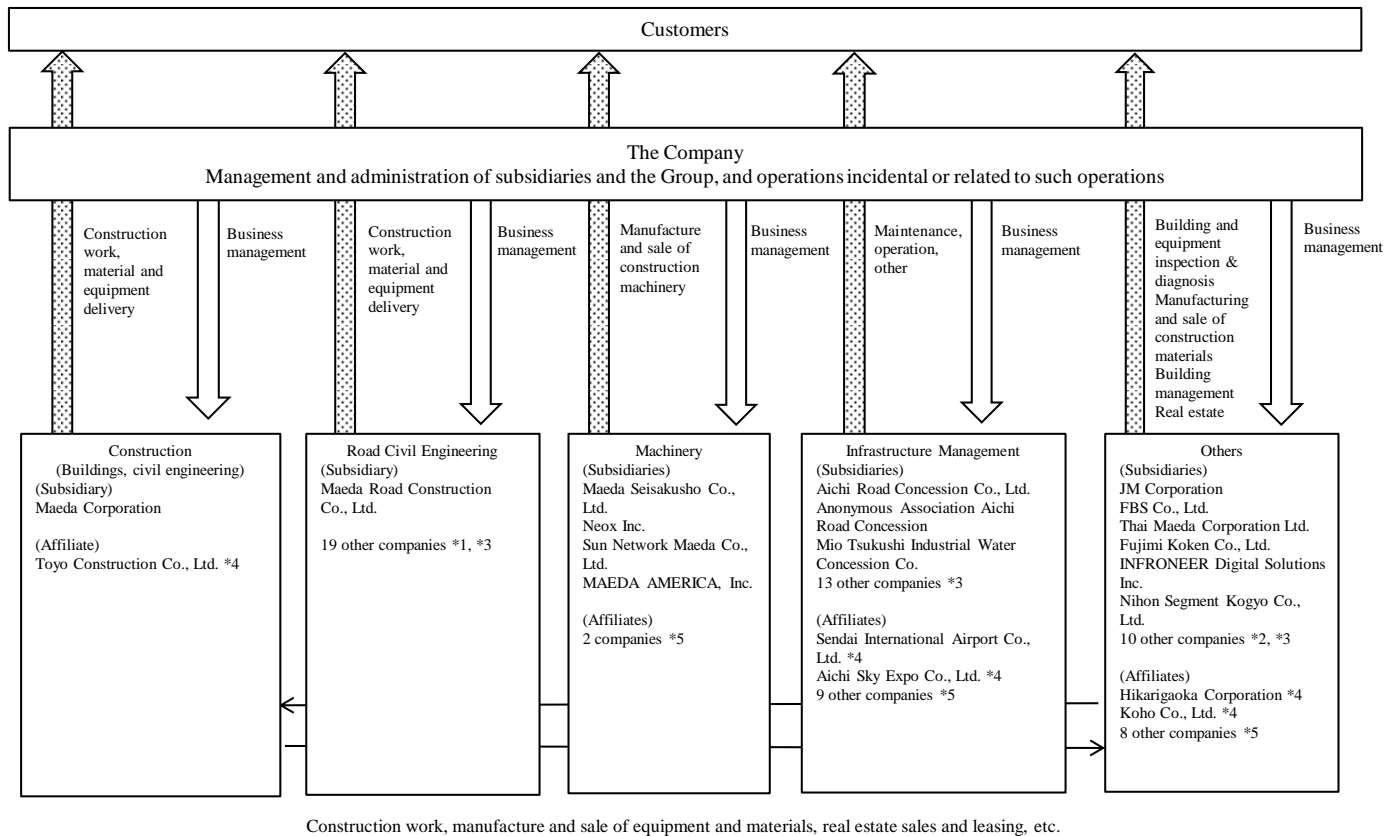
[Infrastructure Management]

Infrastructure management focuses on developing the renewable energy and concession businesses. Subsidiaries Aichi Road Concession Co., Ltd. and Anonymous Association Aichi Road Concession engage in the road maintenance and administration business, subsidiary Mio Tsukushi Industrial Water Concession Co. engages in the industrial water maintenance and administration business, affiliate Sendai International Airport Co., Ltd. conducts airport maintenance and administration business, affiliate Aichi Sky Expo Co., Ltd. engages in exhibition maintenance and administration business, and subsidiary Maeda Corporation and other companies accept construction work orders.

[Others]

The others business segment is involved in a wide array of businesses, from retail to the manufacture and sale of construction materials, as well as building management, real estate, and other operations. JM Corporation, a subsidiary, is engaged in the inspection, diagnosis, and repair of buildings and equipment. In addition, Fujimi Koken Co., Ltd. is engaged in the manufacture and sale of secondary concrete products, and FBS Co., Ltd. is engaged in building renewal and building management, etc. Affiliate Higarigaoka Corporation is engaged in the real estate business, mainly leasing and selling land and buildings, and our subsidiary entrusts the leasing rights of land and buildings to affiliates and receives orders for construction work.

The following is a schematic diagram of the business.



- (Notes) 1. Unmarked: 15 consolidated subsidiaries; *1: 13 consolidated subsidiaries; *2: One non-consolidated subsidiary accounted for by the equity method; *3: 28 non-consolidated subsidiaries not accounted for by the equity method; *4: Five affiliates accounted for by the equity method; and *5: 19 affiliates not accounted for by the equity method.
 2. In addition to the construction business, Toyo Construction Co., Ltd. is engaged in certain other businesses.

3. Basic Approach to the Selection of Accounting Standards

The Company has decided, and is preparing to voluntarily adopt, International Financial Reporting Standards (IFRS) in place of Japanese GAAP for the consolidated financial statements at the end of the fiscal year ending March 31, 2024, for the purpose of further streamlining and maintaining the quality of the financial and management reporting system for Group business management, and to improve the comparability of international financial information in capital markets.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

	(Millions of yen)			
	As of March 31, 2022		As of March 31, 2023	
Assets				
Current assets				
Cash and deposits	*3	78,035	*3	88,800
Notes receivable, accounts receivable from completed construction contracts and other	*3	310,801	*3	296,088
Securities		30		30
Real estate for sale		1,987		1,894
Merchandise and finished goods		1,573		2,341
Costs on construction contracts in progress	*7	13,698	*7	30,003
Raw materials and supplies	*3	3,444		3,815
Other		43,149		51,900
Allowance for doubtful accounts		(117)		(140)
Total current assets		452,602		474,732
Non-current assets				
Property, plant and equipment				
Buildings and structures	*3, *5	107,476	*5	107,958
Machinery, vehicles, tools, furniture and fixtures	*3	171,647	*3	175,106
Land		83,599		81,241
Leased assets		1,334		1,513
Construction in progress		2,550		3,850
Accumulated depreciation		(203,029)		(213,407)
Total property, plant and equipment		163,578		156,264
Intangible assets				
Right to operate public facilities	*3	109,721	*3	105,144
Assets related to replacement investment to operate public facilities		24,122		27,158
Goodwill		19,891		13,159
Other		14,988		13,651
Total intangible assets		168,724		159,113
Investments and other assets				
Investment securities	*1, *2	120,123	*1, *2	100,429
Long-term loans receivable		221		267
Distressed receivables		354		220
Deferred tax assets		840		1,077
Retirement benefit asset		14,907		16,567
Other	*2	5,418	*2	18,133
Allowance for doubtful accounts		(402)		(268)
Total investments and other assets		141,464		136,428
Total non-current assets		473,767		451,805
Deferred assets		62		24
Total assets		926,432		926,563

(Millions of yen)

As of March 31, 2022

As of March 31, 2023

Liabilities	As of March 31, 2022	As of March 31, 2023
Current liabilities		
Electronically recorded obligations - operating	6,933	25,752
Account payable for works in progress and other	110,997	116,170
Short-term borrowings	84,492	36,688
Current portion of non-recourse loans	*3 1,194	*3 922
Current portion of bonds payable	–	10,000
Lease liabilities	236	133
Accounts payable - other	9,614	8,875
Income taxes payable	10,896	10,272
Advances received on construction contracts in progress	34,862	37,807
Provision for repairs	181	154
Provision for bonuses	8,080	8,264
Provision for bonuses for directors (and other officers)	406	488
Provision for share awards	379	–
Provision for warranties for completed construction	1,083	1,082
Provision for loss on construction contracts	*7 836	*7 342
Liabilities related to right to operate public facilities	4,555	4,664
Liabilities related to replacement investment to operate public facilities	1,016	1,030
Other	23,468	35,625
Total current liabilities	299,236	298,273
Non-current liabilities		
Bonds payable	45,000	48,000
Long-term borrowings	52,851	54,886
Non-recourse loans	*3 9,947	*3 3,893
Lease liabilities	451	413
Deferred tax liabilities	14,305	10,018
Retirement benefit liability	16,767	17,055
Provision for share awards	–	169
Liabilities related to right to operate public facilities	103,843	99,590
Liabilities related to replacement investment to operate public facilities	24,588	28,225
Other	3,573	3,721
Total non-current liabilities	271,330	265,974
Total liabilities	570,566	564,248
Net assets		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	134,117	106,455
Retained earnings	198,273	234,129
Treasury shares	(24,342)	(18,395)
Total shareholders' equity	328,048	342,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,275	9,850
Deferred gains or losses on hedges	3	(453)
Foreign currency translation adjustment	(95)	191
Remeasurements of defined benefit plans	680	915
Total accumulated other comprehensive income	18,863	10,502
Non-controlling interests	8,953	9,622
Total net assets	355,865	362,315
Total liabilities and net assets	926,432	926,563

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

	(Millions of yen)			
	Fiscal year ended		Fiscal year ended	
	March 31, 2022		March 31, 2023	
Net sales				
Net sales of completed construction contracts		390,678		400,937
Sales in other businesses		292,234		308,703
Total net sales		<u>682,912</u>		<u>709,641</u>
Cost of sales				
Cost of sales of completed construction contracts	*2	338,718	*2	345,862
Cost of sales in other businesses	*1, *2	252,583	*1, *2	265,654
Total cost of sales		<u>591,302</u>		<u>611,517</u>
Gross profit				
Gross profit on completed construction contracts		51,959		55,075
Gross profit - other business		39,651		43,049
Total gross profit		<u>91,610</u>		<u>98,124</u>
Selling, general and administrative expenses	*3	54,120	*3	57,628
Operating profit		<u>37,489</u>		<u>40,495</u>
Non-operating income				
Interest income		221		241
Dividend income		2,253		2,193
Foreign exchange gains		543		112
Share of profit of entities accounted for using equity method		652		1,032
Other		407		683
Total non-operating income		<u>4,078</u>		<u>4,264</u>
Non-operating expenses				
Interest expenses		2,571		2,264
Other		960		726
Total non-operating expenses		<u>3,531</u>		<u>2,990</u>
Ordinary profit		<u>38,036</u>		<u>41,768</u>
Extraordinary income				
Gain on sale of non-current assets	*5	331	*5	609
Gain on sale of investment securities		7,808		11,700
Other		320		163
Total extraordinary income		<u>8,460</u>		<u>12,473</u>
Extraordinary losses				
Loss on retirement of non-current assets	*6	529	*6	425
Loss on valuation of investment securities		686		258
Impairment losses	*7	494	*7	1,461
Other		261		291
Total extraordinary losses		<u>1,972</u>		<u>2,436</u>
Profit before income taxes		<u>44,524</u>		<u>51,805</u>
Income taxes - current		14,649		15,762
Income taxes - deferred		95		(778)
Total income taxes		<u>14,744</u>		<u>14,983</u>
Profit		<u>29,779</u>		<u>36,821</u>
Profit attributable to non-controlling interests		3,089		951
Profit attributable to owners of parent		<u>26,689</u>		<u>35,870</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	29,779	36,821
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,080)	(8,414)
Deferred gains or losses on hedges	46	(451)
Foreign currency translation adjustment	(71)	305
Remeasurements of defined benefit plans, net of tax	1,322	253
Share of other comprehensive income of entities accounted for using equity method	42	(6)
Total other comprehensive income	(9,739)	(8,313)
Comprehensive income	20,039	28,508
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,029	27,510
Comprehensive income attributable to non-controlling interests	3,010	998

(3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,463	37,549	178,526	(2,833)	241,706
Cumulative effects of changes in accounting policies			(177)		(177)
Restated balance	28,463	37,549	178,348	(2,833)	241,528
Changes during period					
Dividends of surplus			(7,144)		(7,144)
Profit attributable to owners of parent			26,689		26,689
Purchase of treasury shares				(22,406)	(22,406)
Disposal of treasury shares		589	0	1,374	1,964
Cancellation of treasury shares		(97,782)	(141)	97,923	–
Change in ownership interest of parent due to transactions with non-controlling interests		(78)		0	(78)
Change in scope of consolidation		(26)	520		494
Increase by share transfers	(8,463)	193,866		(98,401)	87,001
Net changes in items other than shareholders' equity					
Total changes during period	(8,463)	96,567	19,925	(21,509)	86,519
Balance at end of period	20,000	134,117	198,273	(24,342)	328,048

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	29,218	(19)	2	(883)	28,317	97,504	367,527
Cumulative effects of changes in accounting policies							(177)
Restated balance	29,218	(19)	2	(883)	28,317	97,504	367,350
Changes during period							
Dividends of surplus							(7,144)
Profit attributable to owners of parent							26,689
Purchase of treasury shares							(22,406)
Disposal of treasury shares							1,964
Cancellation of treasury shares							–
Change in ownership interest of parent due to transactions with non-controlling interests							(78)
Change in scope of consolidation							494
Increase by share transfers							87,001
Net changes in items other than shareholders' equity	(10,942)	23	(98)	1,563	(9,453)	(88,551)	(98,004)
Total changes during period	(10,942)	23	(98)	1,563	(9,453)	(88,551)	(11,484)
Balance at end of period	18,275	3	(95)	680	18,863	8,953	355,865

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,000	134,117	198,273	(24,342)	328,048
Cumulative effects of changes in accounting policies					–
Restated balance	20,000	134,117	198,273	(24,342)	328,048
Changes during period					
Dividends of surplus		(10,721)			(10,721)
Profit attributable to owners of parent			35,870		35,870
Purchase of treasury shares				(12,173)	(12,173)
Disposal of treasury shares		(20)		1,601	1,580
Cancellation of treasury shares		(16,919)		16,919	–
Change in ownership interest of parent due to transactions with non-controlling interests				(400)	(400)
Change in scope of consolidation			(15)		(15)
Increase by share transfers					–
Net changes in items other than shareholders' equity					
Total changes during period	–	(27,661)	35,855	5,946	14,140
Balance at end of period	20,000	106,455	234,129	(18,395)	342,189

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,275	3	(95)	680	18,863	8,953	355,865
Cumulative effects of changes in accounting policies							–
Restated balance	18,275	3	(95)	680	18,863	8,953	355,865
Changes during period							
Dividends of surplus							(10,721)
Profit attributable to owners of parent							35,870
Purchase of treasury shares							(12,173)
Disposal of treasury shares							1,580
Cancellation of treasury shares							–
Change in ownership interest of parent due to transactions with non-controlling interests							(400)
Change in scope of consolidation							(15)
Increase by share transfers							–
Net changes in items other than shareholders' equity	(8,425)	(456)	287	234	(8,360)	669	(7,691)
Total changes during period	(8,425)	(456)	287	234	(8,360)	669	6,449
Balance at end of period	9,850	(453)	191	915	10,502	9,622	362,315

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	44,524	51,805
Depreciation	24,890	24,597
Impairment losses	494	1,461
Amortization of goodwill	6,748	6,732
Increase (decrease) in allowance for doubtful accounts	84	(110)
Increase (decrease) in provision for loss on construction contracts	206	(494)
Increase (decrease) in retirement benefit liability and assets	(2,985)	(1,171)
Interest and dividend income	(2,475)	(2,435)
Interest expenses	2,571	2,264
Foreign exchange losses (gains)	(169)	(90)
Share of loss (profit) of entities accounted for using equity method	(652)	(1,032)
Loss (gain) on sale of short-term and long-term investment securities	(7,807)	(11,688)
Loss (gain) on valuation of short-term and long-term investment securities	686	258
Loss (gain) on sale of non-current assets	(309)	(598)
Loss on retirement of non-current assets	529	425
Decrease (increase) in trade receivables	(41,622)	15,073
Decrease (increase) in costs on construction contracts in progress	(1,238)	(16,305)
Decrease (increase) in inventories	(287)	(1,003)
Decrease (increase) in consumption taxes refund receivable	1,391	(4,110)
Increase (decrease) in trade payables	122	23,514
Increase (decrease) in advances received on construction contracts in progress	(2,119)	2,724
Increase (decrease) in deposits received	(20,840)	6,814
Other, net	(2,949)	(10,129)
Subtotal	(1,208)	86,500
Interest and dividends received	3,131	2,752
Interest paid	(2,286)	(1,977)
Income taxes paid	(15,970)	(16,320)
Net cash provided by (used in) operating activities	(16,333)	70,954

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(21,698)	(20,043)
Purchase of rights to operate public facilities	(4,168)	(4,267)
Payments for replacement investment to operate public facilities	(1,676)	(883)
Proceeds from sale of property, plant and equipment and intangible assets	686	2,670
Purchase of investment securities	(4,551)	(168)
Proceeds from sale and redemption of investment securities	11,018	21,963
Purchase of shares of subsidiaries and associates	(3,311)	(3,198)
Loan advances	(20)	(572)
Proceeds from collection of loans receivable	704	38
Other, net	469	(831)
Net cash provided by (used in) investing activities	(22,547)	(5,293)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	72,490	(51,310)
Proceeds from long-term borrowings	–	15,000
Repayments of long-term borrowings	(21,893)	(8,582)
Decrease in non-recourse payable	(1,313)	(845)
Proceeds from issuance of bonds	–	12,937
Redemption of bonds	(5,000)	–
Repayments of finance lease liabilities	(433)	(305)
Proceeds from sale of treasury shares	1,690	–
Purchase of treasury shares	(17,876)	(12,173)
Dividends paid	(7,144)	(10,721)
Dividends paid to non-controlling interests	(5,304)	(315)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	160	–
Other, net	(86)	(66)
Net cash provided by (used in) financing activities	15,288	(56,384)
Effect of exchange rate change on cash and cash equivalents	163	90
Net increase (decrease) in cash and cash equivalents	(23,429)	9,367
Cash and cash equivalents at beginning of period	98,976	76,018
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	471	629
Cash and cash equivalents at end of period	*1 76,018	*1 86,015

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Important matters that form the basis for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 28

Names of major consolidated subsidiaries:

Maeda Corporation

Maeda Road Construction Co., Ltd.

Maeda Seisakusho Co., Ltd.

Effective from the current fiscal year, the newly established MAEDA AMERICA Inc., INFRONEER Digital Solutions Inc. and JAPAN BIO FUEL Co., Ltd. were included in the scope of consolidation. In addition, Nihon Segment Kogyo Co., Ltd., which was made a subsidiary via share acquisition, and Mio Tsukushi Industrial Water Concession Co., which increased in importance, have been included in the scope of consolidation.

On the other hand, the following companies that were consolidated subsidiaries have been excluded from the scope of consolidation for the following reasons: Anonymous Association Happo Wind Development has been excluded due to the sale of the equity interest in the anonymous association it held; Aoisangyo CO., Ltd. and Keihinrecyclecenter CO., Ltd. have been excluded because they were dissolved in absorption-type mergers; and Maeda Pacific Corporation has been excluded because it was liquidated.

(2) Names of major non-consolidated subsidiaries

J.CITY Corporation

(Reason for excluding from scope of consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation because they are small companies and their combined total assets, net sales, net income/loss (the amount equivalent to equity), and retained earnings (the amount equivalent to equity) have no material impact on the consolidated financial statements.

2. Matters with regard to the equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method: 1

Company name: J.CITY Corporation

(2) Number of affiliates accounted for by the equity method: 5

Name of principal company: Toyo Construction Co., Ltd.

(3) Non-consolidated subsidiaries (Chiba City Consumer Life PFI Service Co., Ltd., others) and affiliates (Toyota City Eastern School Lunch Center Co., Ltd., others), which are not accounted for by the equity method, are excluded from the application of the equity method because they have only a minor impact on net income or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity), and lack overall importance.

3. Matters with regard to the fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the account settlement date of Maeda Pacific Corporation is December 31, and the account settlement date of Nihon Segment Kogyo Co., Ltd is February 28. Consequently, in preparing the consolidated financial statements, the Company uses the financial statements of the subsidiaries as of their fiscal year-end, and makes necessary adjustments for significant transactions that occurred between their fiscal year-end and the consolidated fiscal year-end.

4. Matters with regard to accounting policies

(1) Valuation standard and valuation method of important assets

1) Securities

Bonds held to maturity

Stated using the amortized cost method (straight-line method)

Available-for-sale securities

Those other than shares, etc. without market value

Stated using the market price method (Net unrealized gains or losses on these securities are included directly in overall net assets, and costs of securities sold are calculated based on the moving-average method).

Shares, etc. without market value

Mainly stated at cost determined by the moving-average method.

2) Evaluation criteria and evaluation methods for derivatives, etc.

Stated at fair value.

3) Inventories

Costs on construction contracts in progress

Stated at cost by the specific identification method.

Real estate for sale, merchandise and finished goods, project costs for development and others, and raw materials and supplies

Stated using the specific identification cost method (write-down according to decreased profitability).

Certain consolidated subsidiaries state raw materials and supplies at cost determined by the last purchase price method (write-down according to decreased profitability).

(2) Depreciation and amortization method for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Stated using the declining-balance method. However, buildings (excluding building fixtures) acquired on or after April 1, 1998 and equipment and structures attached to buildings acquired on or after April 1, 2016 are depreciated by the straight-line method.

Useful life and residual value are mainly based on the same standard as stipulated in the Corporation Tax Law of Japan.

Certain assets of consolidated subsidiaries are depreciated using either the straight-line method or the unit-of-production method, and the useful life of the straight-line method is based on the economic useful life of the asset.

2) Intangible assets (excluding leased assets) and long-term prepaid expense

Stated using the straight-line method. However, the unit-of-production method is used for a portion of the assets related to public facility operating rights and replacement investments of public facility operating businesses. Software of the Company is amortized by the straight-line method over 5 years, the useful life set by the Company.

3) Leased assets

The leased assets under finance lease contracts that transfer ownership to the lessee are depreciated by the same method applicable to the Company's own fixed assets, but the leased assets that do not transfer ownership are fully depreciated to a zero residual value by the straight-line method over the period of the lease contract.

(3) Handling method of significant deferred assets

1) Bond issuance expenses and inaugural expenses

Bond issuance expenses and inaugural expenses are fully amortized at the time of expenditure.

2) Opening expenses

Amortized on a straight-line basis over 5 years

- (4) Basis for recognition of significant reserves
- 1) Allowance for doubtful accounts
To provide for losses due to bad debt, an allowance is provided for general receivables based on historical bad debt ratios, and for specific doubtful receivables based on a case-by-case determination of collectability.
 - 2) Provision for repairs
A provision for repair costs of heavy machinery has been provided based on an estimated cost until the current fiscal year.
 - 3) Provision for bonuses
To provide for the payment of bonuses to employees, a provision is provided for the estimated amount of bonuses to be paid, which is to be borne by the Company in the current fiscal year.
 - 4) Provision for bonuses for directors (and other officers)
To provide for the payment of bonuses to directors and other officers, a provision is provided for the estimated amount of bonuses to be paid in the current fiscal year.
 - 5) Provision for warranties for completed construction
To provide for expenses related to contract of non-compliance, etc. on completed construction contracts, a provision is provided based on actual results over a certain period of time in the past.
 - 6) Provision for loss on construction contracts
To prepare for future losses on construction contracts, a provision is provided for estimated losses on construction contracts in progress at the end of the current fiscal year for which losses are expected and the amount of such losses can be estimated in a reasonable manner.
 - 7) Provision for share awards
To prepare for future payments of the Company's shares to directors and other officers in accordance with the Officers' Share Benefit Regulations, a provision is provided for the estimated amount of the share benefit obligation as of the end of the current fiscal year.
- (5) Accounting method for retirement benefits
- 1) Method of attributing estimated retirement benefits to periods
In calculating the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit formula method. Certain consolidated subsidiaries use the straight-line attribution method.
 - 2) Method of amortizing actuarial gains and losses and prior service cost
Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10 to 15 years) within the average remaining service period of employees at the time the gains or losses are recognized, and the amount is expensed from the following fiscal year.
Prior service cost is amortized by the straight-line method over a fixed number of years (10 to 15 years) within the average remaining service period of employees at the time the cost is incurred.
 - 3) Adoption of the simplified method by small enterprises, etc.
Certain consolidated subsidiaries apply the simplified method in which the retirement benefit amount required for voluntary termination at year-end is deemed a retirement benefit obligation for the calculation of retirement benefit liability and retirement benefit expenses.

(6) Significant hedge accounting methods

1) Hedge accounting methods

Deferred hedge accounting is applied. Forward exchange contracts that qualify for hedge accounting are accounted for using the allocation method, and interest rate swaps that qualify for special matching criteria are accounted for using special accounting treatment.

2) Hedging instruments and hedged items

Hedging instruments

Derivative transactions (interest rate swap transactions and forward exchange contracts)

Hedged items

Assets or liabilities with potential losses due to market fluctuations, etc., for which cash flows are fixed and fluctuations are avoided.

3) Hedging policy

Intended to avoid the risk of future fluctuations in interest rates and foreign exchange rates.

4) Methods of assessing the hedging effectiveness

The cumulative cash flow fluctuation of the hedged item and the hedging instrument are compared for the respective periods.

(7) Basis for recording significant revenues and expenses

The Group applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021) and recognizes revenue based on the following five-step approach.

Step 1. Identify the contract(s) with a customer

Step 2. Identify the performance obligations in the contract

Step 3. Determine the transaction price

Step 4. Allocate the transaction price to the performance obligations in the contract

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The identification of performance obligations and the point in time at which revenue is recognized in the Company Group’s principal operations are as follows.

1) Revenue recognition with regard to construction work

The Group enters into construction contracts with customers, mainly in the civil engineering, construction, and road civil engineering businesses, to construct buildings or structures and to perform related services. The Group identifies the work it performs with respect to these contracts as performance obligations.

For construction contracts for which the degree of completion can be reasonably estimated, the percentage of completion is estimated by the input method based on the cost incurred, and revenue is recognized over a period of time as the performance obligation to transfer goods or services to the customer is satisfied. Except for the initial stages of a contract, revenue is recognized on a cost recovery basis for construction projects for which the progress of completion cannot be reasonably estimated.

For construction contracts with a very short period of time between the transaction commencement date and the point in time when the performance obligation is expected to be fully satisfied, revenue is recognized when the performance obligation is fully satisfied.

For construction projects that require a long period of time from the satisfaction of performance obligations to the receipt of consideration from the customer and for which a significant financial component is recognized, an adjustment shall be made for the portion that corresponds to financial income.

2) Revenue recognition with regard to sales of merchandise, product manufacturing and sales

The Group manufactures and sells asphalt mixture, emulsion, and other construction materials in the road civil engineering business, and sells construction equipment products and manufactures and sells industrial machinery and other equipment in the machinery business. The Group recognizes the work it performs with respect to these as performance obligations.

For the sale of these goods and products, the Company Group recognizes revenue at the time of their delivery because control is transferred to the customer and the performance obligation is satisfied when the goods or products are delivered to the customer.

The Group does not recognize a significant financing component because the consideration is generally received within approximately one year of satisfaction of the performance obligation.

3) Revenue recognition with regard to renewable energy and concession businesses

In infrastructure management, the Company Group sells electricity from renewable energy sources and maintains, manages, and operates public facilities for which the Company Group holds operating rights. In these businesses, revenue is recognized at a point in time because the performance obligation is satisfied when the services are rendered to the customer.

The Group does not recognize a significant financing component because the consideration is generally received within approximately one year of satisfaction of the performance obligation.

(8) Amortization of goodwill and amortization period

In the case the amount is significant, goodwill is amortized on a straight-line basis over 5 years. In case the amount is immaterial, goodwill is charged to expense in the current fiscal year.

(9) Scope of funds in the consolidated statement of cash flows

Consists of cash, demand deposits, time deposits with maturities of three months or less, certificates of deposit, and commercial paper.

(10) Other important matters for preparation of consolidated financial statements

Accounting treatment principles and procedures adopted in the absence of clear provisions of related accounting standards, etc.

Method of accounting treatment for construction joint ventures (JVs)

Assets, liabilities, income and expenses are recognized primarily in proportion to the member's investment.

(Changes to accounting policies)

Application of Guidance on Accounting Standard for Fair Value Measurement, etc.

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Guidance") has been applied from April 1, 2022, and the new accounting policies prescribed by the Fair Value Measurement Guidance will be prospectively applied in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Fair Value Measurement Guidance. The application of the Fair Value Measurement Guidance has no effect on the consolidated financial statements.

(Additional information)

Transactions to offer the Company's shares to employees, etc. through trust

(1) Stock Benefit Trust Disposition-type Employee Stock Ownership Plan

The Company conducts transactions to offer the Company's shares to the employee stock ownership plan through trust, with the aim of enhancing employees' benefits and providing incentives for the Company and Group employees to increase corporate value.

1. Descriptions of transactions

In March 2022, the Company introduced a "Stock Benefit Trust Disposition-type Employee Stock Ownership Plan" (hereinafter the "ESOP").

To initiate the ESOP, the Company concluded the "Stock Benefit Trust (Disposition-type ESOP) Agreement" (hereinafter the trust established pursuant to the agreement shall be referred to as the "ESOP Trust"), whereby the Company is to act as the administrator and the role of trustee is assigned to Mizuho Trust & Banking Co., Ltd. (hereinafter the "Trustee"). In addition, an agreement was concluded under which the Trustee is to re-entrust shares of the Company and other assets of the ESOP Trust to an account with ancillary trustee, Custody Bank of Japan, Ltd. (hereinafter the "Trust Account E"). The Trust Account E acquires shares of the Company that the Maeda Corporation Employee Stock Holding Partnership, the Maeda Road Employee Stock Holding Partnership, and the Maeda Seisakusho Employee Stock Holding Partnership (hereinafter collectively the "Stock Holding Partnership"), is expected to obtain over five years after the trust was set up, and periodically sells its holdings to the Stock Holding Partnership. If, by the time of the ESOP Trust's termination, gains equivalent to capital gains on sales of shares are accumulated within the ESOP Trust through sales of Company's shares by the Trust Account E to the Stock Holding Partnership, then those gains will be distributed as residual assets to Stock Holding Partnership enrollees that meet the requirements for eligible beneficiaries. Furthermore, to guarantee funds borrowed by the Trustee that enable the Trust Account E to acquire the Company's shares, the Company is to repay any such remaining borrowings pursuant to a guarantee agreement, in the event there are any remaining borrowings equivalent to losses on sales of shares due to a downturn in the price of Company's shares up until termination of the ESOP Trust.

2. The Company's shares remaining in trust

The Company's shares remaining in trust were recorded as treasury shares in the net assets section at the book value in trust (excluding the amount as ancillary expenses). At the end of the previous fiscal year, the book value and number of shares of the relevant treasury shares were ¥4,501 million and 4,221 thousand shares, respectively. As of March 31, 2023, the book value and number of shares of the relevant treasury shares were ¥3,355 million and 3,267 thousand shares, respectively.

3. Book value of borrowings recorded using the gross method

Borrowings at the end of the previous fiscal year amounted to ¥4,545 million and as of March 31, 2023 amounted to ¥3,621 million.

(2) Board Benefit Trust (BBT)

The Company's consolidated subsidiary Maeda Corporation introduced a performance-based stock compensation plan called "Board Benefit Trust" for directors (excluding outside directors) and executive officers (hereinafter collectively the "Directors") of Maeda Corporation. On September 1, 2022, in place of the former performance-based stock compensation plan for Directors, the Company introduced a new performance-based stock compensation plan called "Board Benefit Trust" (hereinafter "BBT") for directors (excluding outside directors) and executive officers of the Company (hereinafter, directors and executive officers of the Company are collectively referred to as the "Eligible Directors"), in order to clarify a linkage among the Eligible Directors' rewards, the Company's financial results, and the value of stock, and to enhance their motivation to contribute to the improvement of mid- to long-term business performance and the increase in corporate value by making them share not only the benefits of higher share prices, but also the risks of lower share prices with shareholders.

Following the introduction of the new plan, the operating entity of the BBT was changed from Maeda Corporation to the Company, with the trust assets transferred to the Company.

1. Descriptions of transactions

The BBT is a performance-based stock compensation plan under which the Company's shares are acquired through a trust (hereinafter the trust that is established based on the BBT is referred to as the "Trust"), using money contributed by the Company as the source of funds, and the Eligible Directors are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, etc.") through the Trust in accordance with the Regulations on Stock Benefits for Officers stipulated by the Company. The Eligible Directors shall receive the Company's Shares, etc. at a certain time after the end of each period of the Company's Medium Term Business Plan (an initial applicable period and each three consecutive fiscal years following the initial applicable period), in principle.

2. The Company's shares remaining in trust

The Company's shares remaining in trust are recorded as treasury shares in the consolidated balance sheet at the book value in trust (excluding the amount as ancillary expenses). At the end of the previous fiscal year, the book value and number of shares of the relevant treasury shares were ¥549 million and 657 thousand shares, respectively. As of March 31, 2023, the book value and number of shares of the relevant treasury shares were ¥303 million and 377 thousand shares, respectively.

(Notes to consolidated balance sheets)

*1. The amounts related to non-consolidated subsidiaries and affiliates is as follows

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Investment securities (stocks)	22,000	25,415

*2. Collateral assets

Assets pledged as collateral are as follows.

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Investment securities	88	88
Investments and other assets (others)	400	275
Total	489	363

Collateral assets corresponding to non-recourse debt are presented as included in "3. Assets corresponding to non-recourse debt."

*3. Assets corresponding to non-recourse debt are as follows.

	(Millions of yen)			
	As of March 31, 2022		As of March 31, 2023	
Cash and deposits	13,352	(–)	13,356	(–)
Notes receivable, accounts receivable from completed construction contracts and other	1,446	(–)	1,424	(–)
Raw materials and supplies	23	(23)	–	(–)
Buildings and structures	1	(1)	–	(–)
Machinery, vehicles, tools, furniture and fixtures	5,510	(5,506)	2	(–)
Right to operate public facilities	109,721	(–)	104,726	(–)
Total	130,056	(5,531)	119,510	(–)

The figures in parentheses represent the amounts pledged as revolving mortgages to the factory foundations of consolidated subsidiaries and the corresponding assets.

*4. Guarantee obligations

The Company has guaranteed the following companies' borrowings from financial institutions.

(1) Loan guarantees

*Ozu Biomass Power Co., Ltd., ENE SEA BASE KAGOSHIMA Co., Ltd and Izumon Retailing Co., Ltd. are affiliates.

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Asai Construction Co., Ltd.	765	665
Ozu Biomass Power Co., Ltd.	–	691
ENE SEA BASE KAGOSHIMA Co., Ltd.	–	30
Izumon Retailing Co., Ltd.	45	41
Total	810	1,427

(2) Construction bidding, performance guarantees, etc.

*Maeda Vietnam Co., Ltd. is an affiliate.

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Maeda Vietnam Co., Ltd.	393	1,634
Sompo Japan Insurance Inc.	–	776
Total	393	2,410

*5. The reduction entry amount deducted from the acquisition cost of property, plant and equipment due to government subsidies, etc., is as follows

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Buildings and structures	286	286

*6. Discounted notes receivable and endorsed trade notes receivable

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Endorsed trade notes receivable	8,243	2,656
Transfer of notes receivable through liquidation	12	–

*7. The amount of costs on construction contracts in progress related to construction contracts that are expected to incur losses and the provision for loss on construction contracts are not offset, but are presented as two separate items. The amount of costs on construction contracts in progress related to construction contracts expected to incur losses that corresponds to the provision for loss on construction contracts is as follows.

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Costs on construction contracts in progress	87	67

(Notes to consolidated statements of income)

*1. The ending inventory is the amount after devaluation of the book value due to the decline in profitability, and the following loss on valuation of inventories is included in cost of sales.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	33	37

*2. Provision for loss on construction contracts included in cost of sales is as follows.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	389	220

*3. Major expense items and amounts within selling, general and administrative expenses are as follows.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Employee salary allowance	17,666	19,556
Research study expenses	7,125	6,455
Amortization of goodwill	6,748	6,732
Retirement benefit expenses	1,068	1,089
Provision for bonuses	3,160	3,162
Provision of allowance for doubtful accounts	6	51
Provision for bonuses for directors (and other officers)	247	155

*4. Total R&D expenses included in general and administrative expenses and manufacturing costs for the period under review are as follows.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	5,669	4,917

*5. Breakdown of gain on sale of non-current assets is as follows.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Land	128	532
Buildings and structures	68	14
Machinery, vehicles, tools, furniture and fixtures	134	62
Total	331	609

*6. Breakdown of loss on retirement of non-current assets is as follows.

(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Buildings and structures	224	227
Machinery, vehicles, tools, furniture and fixtures	244	136
Other	60	62
Total	529	425

*7. Impairment loss

The Group posted impairment loss on the following asset groups.

Fiscal year ended March 31, 2022

(Millions of yen)			
Region	Main applications	Types	Impairment loss
Shizuoka Prefecture	Business assets	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	330
Tokyo	Leasing business assets, others	Buildings and structures, machinery, vehicles, tools, furniture and fixtures	84
Chiba Prefecture	Business assets	Buildings and structures	29
Fukushima Prefecture	Business assets	Buildings and structures, machinery, vehicles, tools, furniture and fixtures	19
Shimane Prefecture	Business assets	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	16
Akita Prefecture, others	Business assets, others	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	12

The Group categorizes business assets for its own use by business office, and by each individual item for leasing business assets, golf courses, and other assets that are scheduled for disposal.

Due to a decline in profitability of business assets, etc., the book value of the above assets was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss (¥494 million) under extraordinary losses.

The major breakdown is ¥208 million for buildings and structures, ¥279 million for machinery, vehicles, tools, furniture and fixtures, and ¥6 million for land.

The recoverable amount of such assets is the higher of either net realizable value or value in use. Net realizable value is calculated based on market value, etc., while for value in use, the recoverable amount is zero for those assets with negative future cash flows.

Fiscal year ended March 31, 2023

(Millions of yen)

Region	Main applications	Types	Impairment loss
Tokyo	Leasing business assets, others	Land, buildings and structures, construction in progress, others	972
Fukui Prefecture	Business assets	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	169
Kanagawa Prefecture	Business assets	Buildings and structures, machinery, vehicles, tools, furniture and fixtures	72
Ehime Prefecture	Business assets	Buildings and structures, machinery, vehicles, tools, furniture and fixtures	62
Hiroshima Prefecture	Business assets	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	55
Yamaguchi Prefecture	Business assets	Buildings and structures, machinery, vehicles, tools, furniture and fixtures	36
Iwate Prefecture, others	Business assets, others	Land, buildings and structures, machinery, vehicles, tools, furniture and fixtures	92

The Group categorizes business assets for its own use by business office, and by each individual item for leasing business assets, golf courses, and other assets that are scheduled for disposal.

Due to a decline in profitability of leasing business assets, etc., the book value of the above assets was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss (¥1,461 million) under extraordinary losses.

The major breakdown is ¥662 million for buildings and structures, ¥264 million for machinery, vehicles, tools, furniture and fixtures, and ¥411 million for land, ¥77 million for construction in progress, and ¥45 million for others.

The recoverable amount of such assets is the higher of either net realizable value or value in use. Net realizable value is calculated based on market value, etc., while value in use is calculated by discounting future cash flows by 3.5%. However, for assets with negative future cash flows, the recoverable amount is set at zero.

(Notes to consolidated statements of changes in shareholders' equity)

Fiscal year ended March 31, 2022

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

	Number of shares as of beginning of fiscal year under review (thousands of shares)	Number of increased shares in fiscal year under review (thousands of shares)	Number of decreased shares in fiscal year under review (thousands of shares)	Number of shares as of end of fiscal year under review (thousands of shares)
Issued shares				
Common shares	194,608	391,539	295,077	291,070
Total	194,608	391,539	295,077	291,070
Treasury shares				
Common shares	7,348	121,994	102,648	26,694
Total	7,348	121,994	102,648	26,694

- (Notes) 1. The increase in issued shares is due to the establishment of the Company by means of a joint share transfer (hereinafter the "Share Transfer") conducted by Maeda Corporation, Maeda Road Construction Co., Ltd. and Maeda Seisakusho Co., Ltd. on October 1, 2021.
- The decrease of 295,077 thousand issued shares represents a decrease of 160 thousand shares due to the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by Maeda Corporation in September 2021, a decrease of 194,447 thousand shares in issued shares of Maeda Corporation, which became a wholly owned subsidiary, and a decrease of 100,469 thousand shares due to the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by the Company in November 2021.
 - The number of treasury shares at the beginning of the current fiscal year includes 496 thousand shares of the Company's shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan implemented by Maeda Corporation, and 657 thousand shares held by the Board Benefit Trust (BBT) introduced by Maeda Corporation.
 - The increase of 121,994 thousand shares in treasury shares is composed of 100,675 thousand shares of the Company allocated to subsidiaries as a result of the Share Transfer, an increase of 17,066 thousand shares from the acquisition of treasury shares based on a resolution of the Board of Directors, an increase of 20 thousand shares from the acquisition of shares with transfer restrictions without compensation, an increase of 10 thousand shares from the purchase of shares of less than one unit, and an increase of 4,221 thousand shares from the acquisition of Company shares by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted.
 - The decrease of 102,648 thousand shares in treasury shares is due to a decrease of 160 thousand shares resulting from the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by Maeda Corporation in September 2021, the decrease of 100,469 thousand shares resulting from the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by the Company in November 2021, the decrease of 1,762 thousand shares due to the disposal of treasury shares based on a resolution of the Board of Directors, the decrease of 164 thousand shares due to treasury share disposal as restricted stock compensation, and the decrease of 92 thousand shares due to the sale of shares to the employees stock ownership plan through the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan introduced by Maeda Corporation.
 - The number of treasury shares at the end of the current fiscal year includes 4,221 thousand shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted and 657 thousand shares held by the BBT introduced by Maeda Corporation.

2. Dividends

(1) Payment of dividends

The Company was established on October 1, 2021 by means of a joint share transfer as a wholly owning parent company of Maeda Corporation, Maeda Road Construction, Co., Ltd., and Maeda Seisakusho Co., Ltd., and for that reason the amount of dividends paid is the amount resolved at Maeda Corporation, which was the former parent company that became a wholly owned subsidiary through the joint share transfer.

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
General shareholders meeting held on June 23, 2021	Common shares	7,144	38.0	March 31, 2021	June 24, 2021

- (Notes) 1. The total amount of dividends is the amount after deducting dividends on parent company shares held by subsidiaries and affiliates.
2. The total amount of dividends resolved at the general shareholders meeting held on June 23, 2021 includes dividends of ¥3 million for the Company's shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan introduced by Maeda Corporation, and dividends of ¥24 million for the Company's shares held by the Board Benefit Trust (BBT) introduced by Maeda Corporation.

(2) Dividends with a record date that falls within the fiscal year under review but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 13, 2022	Common shares	10,770	Capital surplus	40.0	March 31, 2022	June 24, 2022

- (Notes) 1. The total amount of dividends is the amount after deducting dividends on parent company shares held by subsidiaries and affiliates.
2. The total amount of dividends resolved by the Board of Directors at a meeting held on May 13, 2022 includes dividends of ¥168 million for the Company's shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted, and dividends of ¥26 million for the Company's shares held by the Board Benefit Trust (BBT) introduced by Maeda Corporation.

Fiscal year ended March 31, 2023

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

	Number of shares as of beginning of fiscal year under review (thousands of shares)	Number of increased shares in fiscal year under review (thousands of shares)	Number of decreased shares in fiscal year under review (thousands of shares)	Number of shares as of end of fiscal year under review (thousands of shares)
Issued shares				
Common shares	291,070	–	16,225	274,845
Total	291,070	–	16,225	274,845
Treasury shares				
Common shares	26,694	13,294	17,659	22,329
Total	26,694	13,294	17,659	22,329

- (Notes) 1. The decrease of 16,225 thousand issued shares is due to the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by the Company in May 2022.
2. The number of treasury shares at the beginning of the current fiscal year includes 4,221 thousand shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted and 657 thousand shares held by the BBT introduced by Maeda Corporation.
3. The increase of 13,294 thousand shares in treasury shares is composed of an increase of 12,057 thousand shares from the acquisition of treasury shares based on a resolution of the Board of Directors, an increase of 4 thousand shares from the purchase of shares of less than one unit, and an increase of 1,232 thousand shares due to changes in ownership interest.
4. The decrease of 17,659 thousand shares in treasury shares is due to the decrease of 16,225 thousand shares resulting from the cancellation of treasury shares based on the resolution of the Board of Directors meeting held by the Company in May 2022, the decrease of 479 thousand shares due to treasury share disposal as restricted stock compensation, and the decrease of 954 thousand shares due to the sale of shares to the employees stock ownership plan through the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan.
5. The number of treasury shares at the end of the current fiscal year includes 3,267 thousand shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted and 377 thousand shares held by the BBT.

2. Dividends

(1) Payment of dividends

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 13, 2022	Common shares	10,770	Capital surplus	40.0	March 31, 2022	June 24, 2022

- (Notes) 1. The total amount of dividends is the amount after deducting dividends on parent company shares held by subsidiaries and affiliates.
2. The total amount of dividends resolved by the Board of Directors at a meeting held on May 13, 2022 includes dividends of ¥168 million for the Company's shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan introduced by the Company, and dividends of ¥26 million for the Company's shares held by the Board Benefit Trust (BBT) introduced by Maeda Corporation.

(2) Dividends with a record date that falls within the fiscal year under review but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 8, 2023	Common shares	14,088	Retained earnings	55.0	March 31, 2023	June 21, 2023

- (Notes) 1. The total amount of dividends is the amount after deducting dividends on parent company shares held by subsidiaries and affiliates.
2. The total amount of dividends resolved by the Board of Directors at a meeting held on May 8, 2023 includes dividends of ¥179 million for the Company's shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan that the Company has adopted, and dividends of ¥20 million for the Company's shares held by the Board Benefit Trust (BBT).

(Notes to consolidated statements of cash flows)

*1. Relationship of balance of cash and cash equivalents at fiscal year-end and amount of items presented in consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash and deposits	78,035	88,800
Deposits with a term longer than 3 months Time deposits	(1,842)	(2,499)
Separate deposits in trusts*	(174)	(285)
Cash and cash equivalents	76,018	86,015

(Note) Included in Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and Board Benefit Trust (BBT)

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group consists of business and service segments based on consolidated subsidiaries, etc., and has five reportable segments: building construction, civil engineering, road civil engineering, machinery, and infrastructure management.

An overview of each reportable segment is as follows.

Building construction: Contracting of construction work and related business

Civil engineering: Contracting of civil engineering work and related businesses

Road civil engineering: Contracting for pavement construction, manufacture and sale of asphalt mixture and other materials, and related businesses

Machinery: Manufacture and sale of construction equipment and related businesses

Infrastructure management: Renewable energy business and concession business, and related business

2. Method of calculation of sales, profit or loss, and other items by reportable segment

The accounting method used for the reported business segments is generally the same as that described in "Important matters that form the basis for preparation of consolidated financial statements." Profits of reportable segments are based on operating profit. Inter-segment transactions are transactions among consolidated companies and are based on market prices, etc.

3. Information on sales, profit or loss, and other items by reportable segment

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

(Millions of yen)

	Reportable Segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
	Building Construction	Civil Engineering	Road Civil Engineering	Machinery	Infrastruc- ture Manage- ment	Total				
Net sales										
Goods transferred at a point in time	8,941	2,718	183,675	29,667	18,610	243,613	26,057	269,670	–	269,670
Goods transferred over time	205,443	139,920	48,927	51	–	394,343	11,350	405,693	–	405,693
Income from contracts with customers	214,384	142,639	232,602	29,719	18,610	637,956	37,407	675,363	–	675,363
Other income	1,717	–	164	5,603	63	7,548	–	7,548	–	7,548
Net sales to outside customers	216,102	142,639	232,767	35,322	18,673	645,505	37,407	682,912	–	682,912
Inter-segment net sales or transfers	2,461	(125)	2,832	1,823	293	7,284	14,764	22,049	(22,049)	–
Total	218,563	142,513	235,599	37,146	18,966	652,790	52,171	704,962	(22,049)	682,912
Segment profit	8,497	14,661	2,668	1,693	6,095	33,616	1,890	35,506	1,983	37,489
Other items										
Depreciation	3,196	2,085	10,744	1,791	6,506	24,324	515	24,840	(130)	24,709
Amortization of goodwill	–	–	6,748	–	–	6,748	–	6,748	–	6,748

(Notes) 1. "Others" is the segment which is not included in reportable segments, namely businesses operated by some subsidiaries

2. Adjustment of segment profit includes inter-segment transactions of ¥1,983 million.

3. Adjustments are made to reconcile segment profit to operating profit reported on the consolidated statement of income.

4. Assets are not allocated to business segments, so the amount of assets for each segment is not shown.

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
	Building Construction	Civil Engineering	Road Civil Engineering	Machinery	Infrastruc- ture Manage- ment	Total				
Net sales										
Goods transferred at a point in time	9,143	2,206	192,326	32,361	15,654	251,692	27,936	279,629	–	279,629
Goods transferred over time	204,466	149,826	51,202	56	–	405,551	10,661	416,212	–	416,212
Income from contracts with customers	213,609	152,032	243,528	32,417	15,654	657,244	38,598	695,842	–	695,842
Other income	1,855	–	168	4,922	6,851	13,798	–	13,798	–	13,798
Net sales to outside customers	215,465	152,032	243,697	37,340	22,506	671,043	38,598	709,641	–	709,641
Inter-segment net sales or transfers	1,807	35	4,965	1,698	–	8,506	11,520	20,027	(20,027)	–
Total	217,273	152,068	248,662	39,039	22,506	679,549	50,118	729,668	(20,027)	709,641
Segment profit	8,733	16,815	4,039	1,329	7,973	38,890	1,287	40,178	316	40,495
Other items										
Depreciation	3,030	2,160	10,541	1,684	6,605	24,023	712	24,735	(137)	24,597
Amortization of goodwill	–	–	6,732	–	–	6,732	–	6,732	–	6,732

(Notes) 1. “Others” is the segment which is not included in reportable segments, namely businesses operated by some subsidiaries

2. Adjustment of segment profit includes inter-segment transactions of ¥316 million.

3. Adjustments are made to reconcile segment profit to operating profit reported on the consolidated statement of income.

4. Assets are not allocated to business segments, so the amount of assets for each segment is not shown.

(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	1,312.19	1,396.72
Earnings per share	94.73	138.39

- (Notes)
1. Diluted earnings per share is not shown because there are no diluted shares.
 2. Earnings per share for the previous fiscal year is calculated by multiplying the average number of shares of Maeda Corporation, etc. during the period from April 1, 2021 to September 30, 2021, which is before the establishment of the Company by means of a joint share transfer on October 1, 2021, by the share transfer rate.
 3. Shares of the Company remaining in the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and the Board Benefit Trust (BBT), which are recorded as treasury shares in shareholders' equity, are included in treasury shares as a deduction in the calculation of average number of shares outstanding during the period for the purpose of calculating earnings per share. The number of such treasury shares at the end of the period deducted for the calculation of net assets per share was 4,221 thousand shares for the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and 657 thousand shares for the BBT at the end of the previous fiscal year, and 3,267 thousand shares for the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and 377 thousand shares for the BBT at the end of the current fiscal year. The average number of such treasury shares deducted from the calculation of earnings per share was 343 thousand shares for the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and 657 thousand shares for the BBT at the end of the previous fiscal year, and 3,714 thousand shares for the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan and 485 thousand shares for the BBT at the end of the current fiscal year.
 4. The basis for calculating earnings per share is as follows.

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent	(Millions of yen)	26,689	35,870
Amount not attributable to common shareholders	(Millions of yen)	–	–
Profit attributable to owners of the parent for common stock	(Millions of yen)	26,689	35,870
Average number of shares during the period	(Thousands of shares)	281,728	259,197

(Significant subsequent event)

Not applicable.

5. Others

(1) (Building Construction Segment) Classified by Public and Private: Orders Received, Net Sales and Backlog

1. Orders Received (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	72,735	27.8	57,043	21.7	(15,691)	(21.6)
Private Works	188,677	72.0	204,628	78.0	15,951	8.5
Overseas	487	0.2	621	0.2	134	27.6
Total	261,900	100.0	262,293	100.0	393	0.2

2. Net Sales (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	37,533	17.2	34,622	15.9	(2,910)	(7.8)
Private Works	180,891	82.8	181,745	83.7	853	0.5
Overseas	138	0.1	865	0.4	726	523.0
Total	218,563	100.0	217,233	100.0	(1,330)	(0.6)

3. Backlog (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	79,241	20.1	101,662	23.1	22,420	28.3
Private Works	315,297	79.8	338,180	76.9	22,883	7.3
Overseas	359	0.1	115	0.0	(243)	(67.8)
Total	394,898	100.0	439,958	100.0	45,060	11.4

(Note) Net sales include inter-segment transactions.

(2) (Civil Engineering Segment) Classified by Public and Private: Orders Received, Net Sales and Backlog

1. Orders Received (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	62,504	38.7	67,071	63.0	4,566	7.3
Private Works	97,397	60.3	39,377	37.0	(58,020)	(59.6)
Overseas	1,645	1.0	28	0.0	(1,616)	(98.3)
Total	161,548	100.0	106,477	100.0	(55,070)	(34.1)

2. Net Sales (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	76,741	53.8	79,211	52.3	2,470	3.2
Private Works	64,134	45.0	72,102	47.6	7,967	12.4
Overseas	1,751	1.2	102	0.1	(1,648)	(94.1)
Total	142,627	100.0	151,417	100.0	8,789	6.2

3. Backlog (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Public Works	145,654	45.0	133,513	47.9	(12,140)	(8.3)
Private Works	177,264	54.8	144,539	51.9	(32,725)	(18.5)
Overseas	560	0.2	486	0.2	(74)	(13.2)
Total	323,479	100.0	278,539	100.0	(44,939)	(13.9)

(Note) Net sales include inter-segment transactions.

(3) (Road Civil Engineering Segment) Classified by Type: Orders Received, Net Sales and Backlog

1. Orders Received (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	132,179	56.1	146,288	57.9	14,109	10.7
Civil Engineering Works	29,886	12.7	28,783	11.4	(1,102)	(3.7)
Manufacturing/Sales	72,887	30.9	77,095	30.5	4,208	5.8
Other	572	0.2	587	0.2	14	2.5
Total	235,525	100.0	252,755	100.0	17,229	7.3

2. Net Sales (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	132,703	56.3	139,211	56.0	6,507	4.9
Civil Engineering Works	29,436	12.5	31,767	12.8	2,331	7.9
Manufacturing/Sales	72,887	30.9	77,095	31.0	4,208	5.8
Other	572	0.2	587	0.2	14	2.5
Total	235,599	100.0	248,662	100.0	13,062	5.5

3. Backlog (Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	46,154	78.2	53,231	84.3	7,077	15.3
Civil Engineering Works	12,900	21.8	9,916	15.7	(2,984)	(23.1)
Manufacturing/Sales	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	59,054	100.0	63,147	100.0	4,093	6.9

(Note) Net sales include inter-segment transactions.

(4) Summary of Forecast of Consolidated Financial Results

(Millions of yen)

		Fiscal year ended March 31, 2023			Fiscal year ending March 31, 2024		
		Results for the previous period	Results for the current period	YoY change	Full-year forecast	YoY change	Rate of change
Net sales		682,912	709,641	26,728	740,000	30,358	4.3%
	Building Construction	216,102	215,465	(637)	239,000	23,534	10.9%
	Civil Engineering	142,639	152,032	9,393	155,000	2,967	2.0%
	Road Civil Engineering	232,767	243,697	10,929	243,000	(697)	(0.3)%
	Machinery	35,322	37,340	2,017	39,000	1,659	4.4%
	Infrastructure Management	18,673	22,506	3,833	24,000	1,493	6.6%
	Other	37,407	38,598	1,190	40,000	1,401	3.6%
Gross profit		91,610	98,124	6,513	103,000	4,875	5.0%
		13.4%	13.8%	0.4%	13.9%	0.1%	
	Building Construction	23,403	23,725	322	26,000	2,274	9.6%
		10.8%	11.0%	0.2%	10.9%	(0.1)%	
	Civil Engineering	26,036	28,545	2,508	27,000	(1,545)	(5.4)%
		18.3%	18.8%	0.5%	17.4%	(1.4)%	
	Road Civil Engineering	22,462	24,107	1,645	28,300	4,192	17.4%
		9.7%	9.9%	0.2%	11.6%	1.8%	
	Machinery	7,367	7,758	390	8,200	441	5.7%
		20.9%	20.8%	(0.1)%	21.0%	0.2%	
	Infrastructure Management	7,583	10,090	2,506	9,200	(890)	(8.8)%
		40.6%	44.8%	4.2%	38.3%	(6.5)%	
	Other	4,756	3,897	(859)	4,300	402	10.3%
		12.7%	10.1%	(2.6)%	10.8%	0.7%	
Selling, general and administrative expenses		54,120	57,628	3,508	64,700	7,071	12.3%
Operating profit		37,489	40,495	3,005	38,300	(2,195)	(5.4)%
Ordinary profit		38,036	41,768	3,732	39,200	(2,568)	(6.1)%
Profit		26,689	35,870	9,181	25,200	(10,670)	(29.7)%

(Notes) 1. Percentages in the lower row of gross profit indicate profit margin.

2. The full-year forecast for the fiscal year ending March 31, 2024 was calculated based on Japanese accounting standards.

(Reference) Maeda Corporation: Supplementary Information

1) Summary of non-consolidated financial results forecast

(Millions of yen)

	Fiscal year ended March 31, 2023			Fiscal year ending March 31, 2024		
	Results for the previous period	Results for the current period	YoY change	Full-year forecast	YoY change	Rate of change
Net sales	365,772	375,875	10,102	401,700	25,824	6.9%
Construction Total	358,322	366,795	8,472	393,300	26,504	7.2%
Building Construction	216,842	215,378	(1,464)	238,300	22,921	10.6%
Civil Engineering	141,480	151,417	9,937	155,000	3,582	2.4%
Infrastructure Management	4,580	7,224	2,643	6,700	(524)	(7.3) %
Real Estate	2,868	1,855	(1,013)	1,700	(155)	(8.4) %
Gross profit	54,136	58,911	4,774	59,700	788	1.3%
	14.8%	15.7%	0.9%	14.9%	(0.8)%	
Construction Total	48,011	50,824	2,812	52,200	1,375	2.7%
	13.4%	13.9%	0.5%	13.3%	(0.6) %	
Building Construction	22,662	22,909	247	25,200	2,290	10.0%
	10.5%	10.6%	0.2%	10.6%	(0.1) %	
Civil Engineering	25,349	27,914	2,565	27,000	(914)	(3.3) %
	17.9%	18.4%	0.5%	17.4%	(1.0) %	
Infrastructure Management	4,536	7,185	2,649	6,700	(485)	(6.8) %
	99.0%	99.5%	0.4%	100.0%	0.5%	
Real Estate	1,589	900	(688)	800	(100)	(11.2) %
	55.4%	48.6%	(6.8) %	47.1%	(1.5) %	
Selling, general and administrative expenses	26,816	29,001	2,185	33,000	3,998	13.8%
Operating profit	27,320	29,910	2,589	26,700	(3,210)	(10.7) %
Ordinary profit	35,194	32,273	(2,921)	28,600	(3,673)	(11.4) %
Profit	28,512	30,206	1,694	22,500	(7,706)	(25.5) %

(Note) The percentages in the lower row of Gross profit indicate the profit margin.

2) Non-consolidated forecast of orders received for the construction business

(Millions of yen)

	Fiscal year ending March 31, 2024		Fiscal year ended March 31, 2023	
	Full-year forecast	YoY change (%)	Results for the current period	YoY change (%)
Building Construction	280,000	7.5	260,471	0.1
Civil Engineering	163,000	53.1	106,477	(33.6)
Total	443,000	20.7	366,949	(12.7)