

For immediate release

April 6, 2020



Company MAEDA CORPORATION
Representative: President and Representative Director Soji Maeda
(Code No.: 1824, TSE 1st Sec.)
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Notice on Absorption Merger (simple short-form merger) of Maeda Comprehensive Infrastructure Co., Ltd., a wholly owned subsidiary of the Company

The Board of Directors of the Company resolved at the meeting held today to merge with its wholly owned subsidiary (hereafter referred to as “Merger”), Maeda Comprehensive Infrastructure Co., Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director: Satoru Tahara; hereinafter referred to as “Maeda Comprehensive Infrastructure”). Since the Merger is a simple, short-form merger of the Company’s wholly owned subsidiary, some of the disclosure items and details have been omitted.

Description:

1. Purpose of the merger

The Company and Maeda Comprehensive Infrastructure (collectively referred to as “Tender Offeror” hereinafter) completed the tender offer (“Tender Offer”) for the shares of Maeda Road Construction Co., Ltd. (“Maeda Road” hereinafter) as announced on March 13, 2020 in the “Notice Regarding the Results of the Tender Offer for the Shares of Maeda Road Construction Co., Ltd. (Securities Code 1883) and a Change in Subsidiary Companies” As a result of the Tender Offer, Maeda Road has become a consolidated subsidiary of the Company as of March 19, 2020 (“Commencement Date of the Settlement of Tender Offer”).

In implementing the Tender Offer, as stated in the “Notice Regarding Commencement of a Tender Offer for the Shares of Maeda Road Construction Co., Ltd. (Securities Code: 1883)” released on January 20, 2020, the Company was not specifically considering any particular method of organizational restructuring at the time of commencing the Tender Offer. However, from the perspective of ensuring mobility and flexibility in the event of possible future organizational restructuring, the Company had decided to establish Maeda Comprehensive Infrastructure as a wholly owned subsidiary on December 26, 2019 and aimed to acquire the shares of Maeda Road.

After a careful review of the Group’s structure and other factors considering the result and events after the commencement of the Tender Offer and changes in situation up to the present, we have concluded that the merger of Maeda Comprehensive Infrastructure by the Company to unify the management of Maeda Road shares is the most appropriate way to allocate management resources and improve business efficiency within the Group.

2. Summary of the merger

(1) Schedule of the merger

Board of Directors’ meeting to resolve the merger	April 6, 2020
Conclusion of merger agreement	April 6, 2020
Planned merger date (Effective Date)	June 26, 2020 (scheduled)

* The Merger for the Company is a simple merger as defined in Article 796, paragraph 2 of the Companies

Act, and a short-form merger as defined in Article 784, paragraph 1 of the Companies Act for Maeda Comprehensive Infrastructure, and so both parties shall merge without approval of a general meeting of shareholders.

(2) Method of merger

The Merger will be an absorption-type merger, with the Company as the merging company and Maeda Comprehensive Infrastructure as the merged company, and the latter being dissolved on the effective date.

(3) Allocation of shares in the merger

Since the Merger is an absorption-type merger of a wholly owned subsidiary of the Company, no new shares shall be issued and no cash or other consideration will be paid due to the Merger.

(4) Handling of share options and bonds with share options of the merged company

Not applicable.

3. Outline of the parties of the merger

	Merging Company	Merged Company
(1) Name	MAEDA CORPORATION	Maeda Comprehensive Infrastructure Co., Ltd.
(2) Location of Head Office	10-2, Fujimi 2-chome, Chiyoda-ku, Tokyo	10-2, Fujimi 2-chome, Chiyoda-ku, Tokyo
(3) Title and name of Representative	Soji Maeda, President and Representative Director	Satoru Tahara, Representative Director
(4) Business Profile	Contracting, planning, surveying, design, construction, supervision, consulting and other business of civil engineering and construction works in general	Acquisition, holding and disposal of securities
(5) Capital	28,463 million yen (as on December 31, 2019)	250,000 yen (as on December 31, 2019)
(6) Date of establishment	November 6, 1946	December 26, 2019
(7) No. of shares outstanding	194,608,482 (as on December 31, 2019)	10 (as on December 31, 2019)
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratio (Note)	Hikarigaoka Corporation: 12.51% The Master Trust Bank of Japan, Ltd. (trust account): 5.31% Japan Trustee Services Bank, Ltd. (trust account): 4.57% Maeda Road Construction Co., Ltd.: 4.06% Mizuho Bank, Ltd.: 2.62% JP MORGAN CHASE BANK 385632 (Standing agent: Settlement & Clearing Services Department of Mizuho Bank, Ltd.): 2.51% STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Settlement & Clearing Services	MAEDA CORPORATION: 100% (as on December 31, 2019)

	Department of Mizuho Bank, Ltd.): 2.35% Sumitomo Mitsui Banking Corporation: 2.13% Sumitomo Realty & Development Co., Ltd.: 2.00% Japan Trustee Services Bank, Ltd. (9 trust accounts): 1.65% (as on September 30, 2019)	
(10) Financial position and operating results for the previous fiscal year		
Fiscal year-end	FYE March 2019 (consolidated)	The Company was established on December 26, 2019 without a definite business year.
Net assets	252,582 million yen	
Total assets	717,630 million yen	
Net assets per share	1,268.95 yen	
Net sales	492,087 million yen	
Operating profit	35,944 million yen	
Ordinary profit	38,363 million yen	
Net income attributable to shareholders of the parent company	23,952 million yen	
Net income per share	126.14 yen	

Note: Shareholding ratio is calculated by subtracting the number of treasury stocks from the total number of shares outstanding.

4. Post-merger situation

There will be no change in the company's name, business activities, head office location, representative, capital, or fiscal year end as a result of the merger.

5. Future outlook

As this merger is a merger with a wholly owned subsidiary of the Company, it will have a negligible impact on consolidated results.

Reference: Consolidated earnings forecast for the current fiscal year and consolidated results for the previous fiscal year (in million yen)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Net income attributable to shareholders of the parent company (Millions of yen)	Net income per share (yen)
Forecast for the year (FYE March 2020)	477,000	31,700	35,000	25,500	137.31
Consolidated results for the previous year (FYE March 2019)	492,087	35,944	38,363	23,952	126.14