

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 12, 2018

Company name: Maeda Corporation
 Stock exchange listing: Tokyo
 Stock code: 1824 URL <http://www.maeda.co.jp/>
 Representative: President and Representative Director Soji Maeda
 Executive Officer and General Manager of Finance Department Satoru Tahara TEL 03-5276-5156
 Inquiries: Satoru Tahara
 Scheduled date to file Quarterly Securities Report: November 12, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(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	%
Six months ended September 30, 2018	221,034	3.4	16,770	(6.0)	17,774	(7.6)	11,886	(0.5)
Six months ended September 30, 2017	213,694	9.6	17,836	84.2	19,239	64.8	11,943	24.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	62.55	–
Six months ended September 30, 2017	62.86	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	673,263	248,022	34.9
As of March 31, 2018	681,769	234,390	32.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	–	–	16.00	16.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	16.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	478,000	2.2	30,000	(15.2)	32,600	(11.9)	21,500	(6.8)	113.14

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2018	197,955,682 shares	As of March 31, 2018	197,955,682 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	7,852,580 shares	As of March 31, 2018	7,951,825 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2018	190,032,215 shares	Six months ended September 30, 2017	190,005,881 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	102,475	73,811
Notes receivable, accounts receivable from completed construction contracts and other	163,541	159,636
Securities	–	5,030
Real estate for sale	1,980	1,980
Merchandise and finished goods	945	1,157
Costs on uncompleted construction contracts	10,335	14,592
Raw materials and supplies	868	1,008
Other	31,602	38,075
Allowance for doubtful accounts	(62)	(52)
Total current assets	311,686	295,240
Non-current assets		
Property, plant and equipment	55,173	59,849
Intangible assets		
Right to operate public facilities	129,815	127,074
Assets related to replacement investment to operate public facilities	26,454	25,946
Other	1,495	2,852
Total intangible assets	157,765	155,873
Investments and other assets		
Investment securities	148,761	154,770
Deferred tax assets	521	546
Other	11,703	10,907
Allowance for doubtful accounts	(4,516)	(4,494)
Total investments and other assets	156,469	161,729
Total non-current assets	369,407	377,453
Deferred assets	674	570
Total assets	681,769	673,263

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	8,783	10,297
Account payable for works in progress and other	81,432	79,956
Short-term loans payable	17,092	15,508
Current portion of non-recourse loans	2,155	1,816
Current portion of bonds	–	10,000
Income taxes payable	9,767	4,879
Advances received on uncompleted construction contracts	29,856	22,170
Provision for loss on construction contracts	191	72
Other provision	5,444	5,538
Liabilities related to right to operate public facilities	4,345	4,371
Liabilities related to replacement investment to operate public facilities	2,807	2,571
Other	36,133	29,841
Total current liabilities	198,011	187,024
Non-current liabilities		
Bonds payable	25,000	15,000
non-recourse bonds	20	20
Long-term loans payable	24,230	23,896
non-recourse loans	22,950	22,016
Deferred tax liabilities	7,735	10,927
Net defined benefit liability	18,061	17,136
Liabilities related to right to operate public facilities	121,746	119,554
Liabilities related to replacement investment to operate public facilities	25,027	25,173
Other	4,595	4,490
Total non-current liabilities	249,367	238,216
Total liabilities	447,379	425,240
Net assets		
Shareholders' equity		
Capital stock	28,463	28,463
Capital surplus	36,723	36,798
Retained earnings	131,453	140,300
Treasury shares	(2,441)	(2,393)
Total shareholders' equity	194,199	203,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,551	36,849
Deferred gains or losses on hedges	(27)	40
Foreign currency translation adjustment	6	19
Remeasurements of defined benefit plans	(5,636)	(5,331)
Total accumulated other comprehensive income	26,894	31,577
Non-controlling interests	13,296	13,276
Total net assets	234,390	248,022
Total liabilities and net assets	681,769	673,263

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales		
Net sales of completed construction contracts	186,505	194,530
Sales on other business	27,188	26,504
Total net sales	213,694	221,034
Cost of sales		
Cost of sales of completed construction contracts	162,878	170,466
Cost of sales on other business	21,019	20,587
Total cost of sales	183,897	191,053
Gross profit		
Gross profit on completed construction contracts	23,627	24,063
Gross profit - other business	6,169	5,916
Total gross profit	29,796	29,980
Selling, general and administrative expenses	11,960	13,209
Operating profit	17,836	16,770
Non-operating income		
Interest income	79	75
Dividend income	755	837
Share of profit of entities accounted for using equity method	2,006	1,318
Other	129	142
Total non-operating income	2,970	2,374
Non-operating expenses		
Interest expenses	1,145	1,087
Foreign exchange losses	70	15
Other	351	266
Total non-operating expenses	1,567	1,370
Ordinary profit	19,239	17,774
Extraordinary income		
Gain on sales of non-current assets	1	21
Gain on sales of investment securities	66	6
Gain on sales of shares of subsidiaries and associates	–	1,031
Other	0	5
Total extraordinary income	68	1,064
Extraordinary losses		
Loss on retirement of non-current assets	50	0
Impairment loss	0	41
Loss on valuation of golf club membership	0	11
Other	23	–
Total extraordinary losses	75	52
Profit before income taxes	19,232	18,786
Income taxes - current	5,671	4,632
Income taxes - deferred	434	1,332
Total income taxes	6,105	5,965
Profit	13,126	12,821
Profit attributable to non-controlling interests	1,183	934
Profit attributable to owners of parent	11,943	11,886

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	13,126	12,821
Other comprehensive income		
Valuation difference on available-for-sale securities	3,986	4,088
Deferred gains or losses on hedges	27	82
Foreign currency translation adjustment	32	27
Remeasurements of defined benefit plans, net of tax	499	247
Share of other comprehensive income of entities accounted for using equity method	435	261
Total other comprehensive income	4,981	4,706
Comprehensive income	18,107	17,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,789	16,570
Comprehensive income attributable to non-controlling interests	1,318	957

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	19,232	18,786
Depreciation	5,861	6,204
Increase (decrease) in allowance for doubtful accounts	(28)	(32)
Increase (decrease) in provision for loss on construction contracts	(1,275)	(118)
Increase (decrease) in net defined benefit liability	(855)	(433)
Interest and dividend income	(834)	(913)
Interest expenses	1,145	1,087
Foreign exchange losses (gains)	(39)	(350)
Share of loss (profit) of entities accounted for using equity method	(2,006)	(1,318)
Loss (gain) on sales of short-term and long-term investment securities	(66)	(6)
Loss (gain) on sales of shares of subsidiaries and associates	–	(1,031)
Loss (gain) on valuation of short-term and long-term investment securities	10	–
Loss (gain) on sales of non-current assets	8	(29)
Decrease (increase) in notes and accounts receivable - trade	15,281	3,912
Decrease (increase) in costs on uncompleted construction contracts	(4,724)	(4,257)
Decrease (increase) in project costs for development and other	(1,314)	–
Decrease (increase) in inventories	(368)	(412)
Decrease (increase) in consumption taxes refund receivable	2,289	(8,033)
Increase (decrease) in notes and accounts payable - trade	(174)	31
Increase (decrease) in advances received on uncompleted construction contracts	(9,000)	(7,688)
Increase (decrease) in deposits received	4,496	(3,248)
Other, net	3,378	(923)
Subtotal	31,016	1,225
Interest and dividend income received	2,231	2,320
Interest expenses paid	(1,164)	(1,169)
Income taxes paid	(4,705)	(9,250)
Net cash provided by (used in) operating activities	27,378	(6,874)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,704)	(8,219)
Purchase of rights to operate public facilities	(1,982)	(2,166)
Payments for replacement investment to operate public facilities	–	(242)
Proceeds from sales of property, plant and equipment and intangible assets	380	92
Proceeds from subsidy income	–	93
Purchase of investment securities	(279)	(300)
Proceeds from sales of investment securities	160	300
Purchase of shares of subsidiaries and associates	(1,277)	(120)
Proceeds from sales of shares of subsidiaries and associates	–	1,260
Payments of loans receivable	(3,107)	(147)
Collection of loans receivable	849	29
Other, net	(479)	44
Net cash provided by (used in) investing activities	(9,440)	(9,375)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(885)	(1,522)
Proceeds from long-term loans payable	4,000	–
Repayments of long-term loans payable	(5,308)	(396)
Increase in non-recourse loans payable	2,560	–
Decrease in non-recourse payable	(529)	(1,273)
Repayments of finance lease obligations	(176)	(160)
Purchase of treasury shares	(4)	(0)
Cash dividends paid	(2,660)	(3,040)
Dividends paid to non-controlling interests	(92)	(979)
Other, net	–	(33)
Net cash provided by (used in) financing activities	(3,096)	(7,404)
Effect of exchange rate change on cash and cash equivalents	31	159
Net increase (decrease) in cash and cash equivalents	14,872	(23,494)
Cash and cash equivalents at beginning of period	66,253	101,885
Increase in cash and cash equivalents from newly consolidated subsidiary	151	–
Cash and cash equivalents at end of period	81,277	78,391

Non-Consolidated Orders Received, Net Sales and Backlog

1. Orders Received

(Millions of yen)

	2nd Quarter of FY2017 (From Apr. 1, 2017 to Sep. 30, 2017)		2nd Quarter of FY2018 (From Apr. 1, 2018 to Sep. 30, 2018)		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Public Works	5,552	2.2	17,421	10.2	11,868	213.7
Private Works	151,452	60.8	77,018	45.1	(74,433)	(49.1)
Overseas	3,125	1.3	5,019	2.9	1,893	60.6
Building Construction	160,130	64.3	99,459	58.3	(60,671)	(37.9)
Public Works	53,953	21.7	57,593	33.7	3,640	6.7
Private Works	29,702	11.9	11,393	6.7	(18,308)	(61.6)
Overseas	3,807	1.5	758	0.4	(3,049)	(80.1)
Civil Engineering	87,463	35.1	69,746	40.9	(17,717)	(20.3)
Public Works	59,505	23.9	75,014	44.0	15,508	26.1
Private Works	181,154	72.8	88,412	51.8	(92,742)	(51.2)
Overseas	6,933	2.8	5,778	3.4	(1,155)	(16.7)
Construction Total	247,594	99.4	169,205	99.1	(78,388)	(31.7)
Infrastructure Management	653	0.3	636	0.4	(17)	(2.7)
Real Estate	729	0.3	827	0.5	97	13.4
Total	248,977	100.0	170,669	100.0	(78,308)	(31.5)

2. Net Sales

(Millions of yen)

	2nd Quarter of FY2017 (From Apr. 1, 2017 to Sep. 30, 2017)		2nd Quarter of FY2018 (From Apr. 1, 2018 to Sep. 30, 2018)		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Public Works	8,349	4.8	11,688	6.5	3,339	40.0
Private Works	90,484	52.1	102,088	57.0	11,604	12.8
Overseas	1,698	1.0	354	0.2	(1,344)	(79.1)
Building Construction	100,532	57.9	114,131	63.7	13,599	13.5
Public Works	42,630	24.5	43,493	24.3	863	2.0
Private Works	21,686	12.5	18,416	10.3	(3,270)	(15.1)
Overseas	7,487	4.3	1,682	0.9	(5,804)	(77.5)
Civil Engineering	71,803	41.3	63,592	35.5	(8,211)	(11.4)
Public Works	50,979	29.3	55,181	30.8	4,202	8.2
Private Works	112,170	64.6	120,504	67.3	8,334	7.4
Overseas	9,185	5.3	2,036	1.1	(7,148)	(77.8)
Construction Total	172,336	99.2	177,723	99.2	5,387	3.1
Infrastructure Management	653	0.4	636	0.4	(17)	(2.7)
Real Estate	735	0.4	764	0.4	29	4.0
Total	173,724	100.0	179,123	100.0	5,398	3.1

3. Backlog

(Millions of yen)

	2nd Quarter of FY2017 (Sep. 30, 2017)		2nd Quarter of FY2018 (Sep. 30, 2018)		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Public Works	36,134	5.6	36,752	6.6	618	1.7
Private Works	329,358	51.1	244,871	43.7	(84,486)	(25.7)
Overseas	2,239	0.3	4,813	0.9	2,573	114.9
Building Construction	367,732	57.1	286,437	51.2	(81,294)	(22.1)
Public Works	187,636	29.1	189,603	33.9	1,966	1.0
Private Works	83,081	12.9	80,643	14.4	(2,437)	(2.9)
Overseas	5,372	0.8	2,938	0.5	(2,433)	(45.3)
Civil Engineering	276,090	42.9	273,185	48.8	(2,904)	(1.1)
Public Works	223,770	34.7	226,355	40.4	2,585	1.2
Private Works	412,439	64.0	325,515	58.1	(86,924)	(21.1)
Overseas	7,611	1.2	7,751	1.4	139	1.8
Construction Total	643,822	100.0	559,623	99.9	(84,199)	(13.1)
Infrastructure Management	—	—	—	—	—	—
Real Estate	222	0.0	313	0.1	90	40.6
Total	644,044	100.0	559,936	100.0	(84,108)	(13.1)