

Financial Results FY2019 Second Quarter



November 13, 2019

Soji Maeda
President and
Representative Director



- Financial Summary
- Latest Highlights by Segments
- Topics
- Management Strategy

A Cautionary Note on Forward-Looking Statements/Disclaimer

Statements made on this material may contain forward-looking statements (including figures) relating to our objectives and forecasts. These statements are based on our judgments made in light of certain analysis considered reasonable and information available at the time of preparation of such statements. These statements are not guarantees of future performance and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the statements.

Contents of this material are based on the latest "Summary of Consolidated Financial Results".

The figures are rounded to the nearest million JPY and percentage to one decimal place.

In case of any discrepancies between the Japanese version and the English version, Japanese version shall prevail.

Summary of Corporate Achievements

Financial Summary (Consolidated)

(Billions of Yen)

Second Quarter

	FY2018 2Q	FY2019 2Q	Year on Year
Net Sales	221.0	237.3	+16.3
Gross Profit	30.0 13.6%	33.4 14.1%	+3.4 +0.5%
Operating Profit	16.8 7.6%	18.0 7.6%	+1.3 0.0%
Profit Attributable to Owners of Parent	11.9 5.4%	15.9 6.7%	+4.0 +1.3%

Full Year

	FY2018	FY2019 (Estimate)	Year on Year
Net Sales	492.1	477.0	-15.1
Gross Profit	65.2 13.2%	62.4 13.1%	-2.8 -0.1%
Operating Profit	35.9 7.3%	31.7 6.6%	-4.2 -0.7%
Profit Attributable to Owners of Parent	24.0 4.9%	25.5 5.3%	+1.5 +0.4%

Financial Summary (Consolidated)

【Net Sales and Gross Profit Segments Breakdown】

Second Quarter

(Billions of Yen)

	FY2018 2Q	FY2019 2Q
Net Sales	221.0	237.3
Building	130.6	127.3
Civil Eng.	64.0	81.0
Manufacturing	16.9	18.4
Infrastructure Management	8.8	9.5
Others	0.8	1.1

	FY2018 2Q		FY2019 2Q	
Gross Profit	30.0	13.6%	33.4	14.1%
Building	14.5	11.1%	9.4	7.4%
Civil Eng.	9.6	14.9%	17.9	22.1%
Manufacturing	3.0	17.6%	3.2	17.2%
Infrastructure Management	2.5	28.3%	2.3	23.9%
Others	0.4	58.1%	0.6	57.8%

Full Year

	FY2018	FY2019 (Estimate)
Net sales	492.1	477.0
Building	287.2	266.8
Civil Eng.	149.1	151.3
Manufacturing	36.5	38.2
Infrastructure Management	17.8	19.0
Others	1.6	1.7

	FY2018		FY2019 (Estimate)	
Gross Profit	65.2	13.2%	62.4	13.1%
Building	28.7	10.0%	25.0	9.4%
Civil Eng.	24.5	16.4%	24.8	16.4%
Manufacturing	6.8	18.6%	6.9	18.1%
Infrastructure Management	4.4	24.5%	4.9	25.8%
Others	0.8	53.4%	0.8	47.1%

Financial Summary (Non-Consolidated)

(Billions of Yen)

Second Quarter

	FY2018 2Q	FY2019 2Q	Year on Year
Net Sales	179.1	191.2	+12.1
Gross Profit	23.6 13.2%	27.1 14.2%	+3.4 +1.0%
Operating Profit	14.1 7.9%	15.5 8.1%	+1.4 +0.2%
Profit Attributable to Owners of Parent	11.7 6.5%	14.4 7.5%	+2.8 +1.0%

Full Year

	FY2018	FY2019 (Estimate)	Year on Year
Net Sales	401.3	373.0	-28.3
Gross Profit	51.4 12.8%	47.5 12.7%	-3.9 -0.1%
Operating Profit	29.8 7.4%	25.0 6.7%	-4.8 -0.7%
Profit Attributable to Owners of Parent	20.4 5.1%	21.0 5.6%	+0.6 +0.5%

Financial Summary (Non-Consolidated)

【Net Sales and Gross Profit Segments Breakdown】

(Billions of Yen)

Second Quarter

	FY2018 2Q	FY2019 2Q		FY2018 2Q	FY2019 2Q
Net Sales	179.1	191.2	Gross Profit	23.6 13.2%	27.1 14.2%
Building	114.1	109.0	Building	13.3 11.7%	8.1 7.4%
Domestic	113.8	106.3	Domestic	13.1 11.5%	8.0 7.5%
Overseas	0.4	2.8	Overseas	0.2 52.3%	0.1 4.6%
Civil Eng.	63.6	80.6	Civil Eng.	9.3 14.5%	17.8 22.1%
Domestic	61.9	77.7	Domestic	8.1 13.1%	14.5 18.7%
Overseas	1.7	2.9	Overseas	1.1 68.1%	3.2 113.0%
Infrastructure Management	0.6	0.6	Infrastructure Management	0.6 99.8%	0.6 99.8%
Real Estate	0.8	1.1	Real Estate	0.4 57.5%	0.6 57.4%

Full Year

	FY2018	FY2019 (Estimate)		FY2018	FY2019 (Estimate)
Net Sales	401.3	373.0	Gross Profit	51.4 12.8%	47.5 12.7%
Building	245.2	219.8	Building	25.3 10.3%	21.3 9.7%
Domestic	242.2	216.0	Domestic	25.0 10.3%	21.1 9.7%
Overseas	3.0	3.8	Overseas	0.3 11.1%	0.2 5.3%
Civil Eng.	153.5	150.0	Civil Eng.	24.3 15.8%	24.0 16.0%
Domestic	151.1	145.9	Domestic	22.5 14.9%	20.7 14.2%
Overseas	2.4	4.2	Overseas	1.8 75.0%	3.3 78.4%
Infrastructure Management	1.0	1.5	Infrastructure Management	1.0 99.8%	1.4 93.3%
Real Estate	1.6	1.7	Real Estate	0.8 52.9%	0.9 50.0%

Orders Received and Backlog (Non-Consolidated)

Orders Received

(Billions of Yen)

	FY2018 2Q	FY2019 2Q	FY2018	FY2019 (Estimate)
Building	99.5	74.2	247.2	235.0
Civil Eng.	69.7	81.0	178.4	145.0
Infrastructure Management	0.6	0.6	1.0	-
Real Estate	0.8	1.3	1.4	-
Total	170.7	157.0	428.1	380.0

		FY2018	FY2019 (Estimate)	Year on Year
Building	Domestic (Public)	35.5	30.0	-5.5
	Domestic (Private)	205.6	200.0	-5.6
	Overseas	6.1	5.0	-1.1
Civil Eng.	Domestic (Public)	95.7	85.0	-10.7
	Domestic (Private)	82.0	55.0	-27.0
	Overseas	0.8	5.0	+4.2

Backlog

(Billions of Yen)

	FY2018 2Q	FY2019 2Q	FY2018	FY2019 (Estimate)
Building	286.4	268.3	303.1	318.3
Civil Eng.	273.2	292.4	292.0	287.0
Infrastructure Management	-	-	-	-
Real Estate	0.3	0.3	0.1	-
Total	559.9	561.0	595.2	605.3

		FY2018	FY2019 (Estimate)	Year on Year
Building	Domestic (Public)	45.9	48.2	+2.3
	Domestic (Private)	253.9	265.7	+11.8
	Overseas	3.3	4.4	+1.1
Civil Eng.	Domestic (Public)	169.3	155.2	-14.1
	Domestic (Private)	120.4	128.7	+8.3
	Overseas	2.3	3.1	+0.8

Latest Highlights by Segments

**Building
Construction**

Civil
Engineering

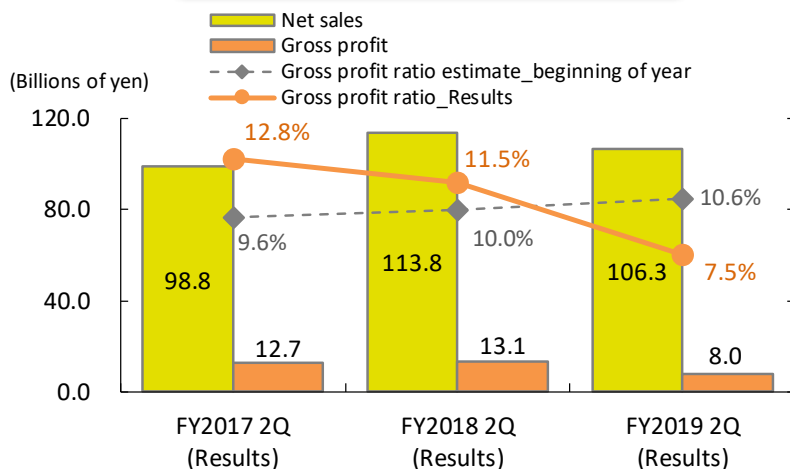
Infrastructure
Management

Building Construction (Non-Consolidated) [Net Sales and Gross Profit Ratio]

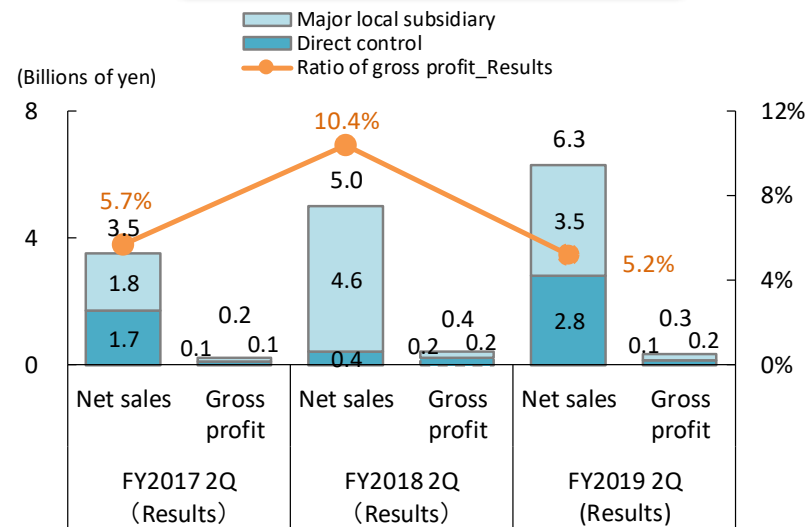
■ <Full Year> Gross profits of both domestic and overseas contracts are expected to achieve the revised 2Q forecast.

Second Quarter

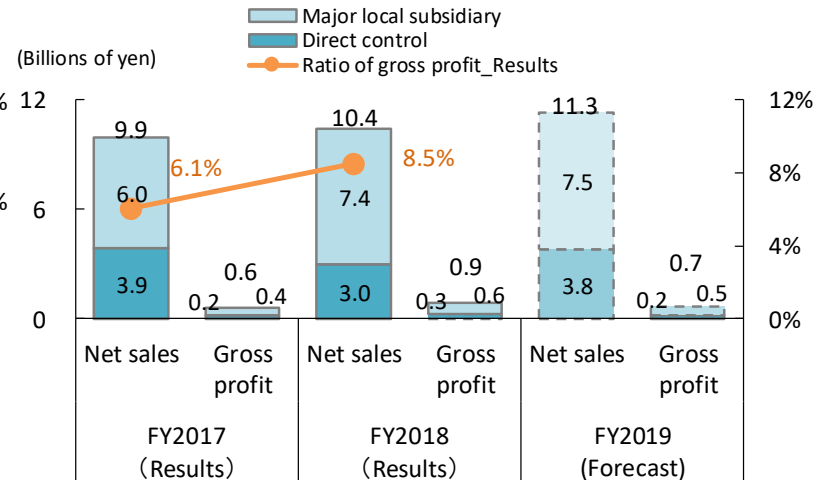
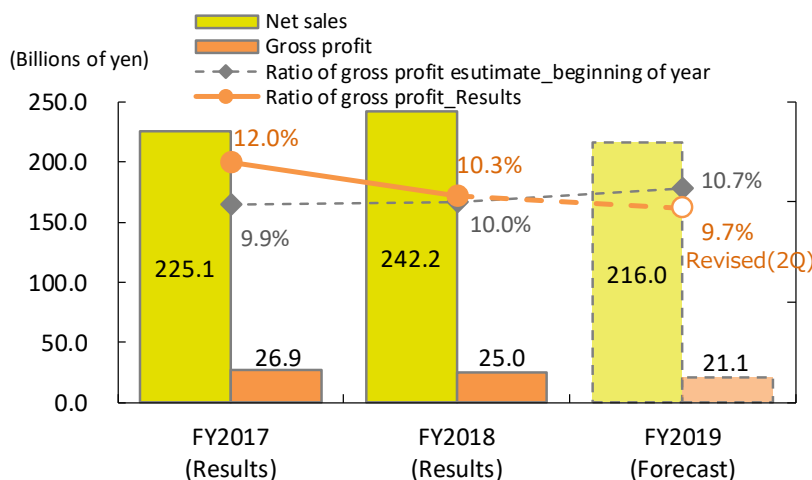
Domestic



Overseas



Full Year



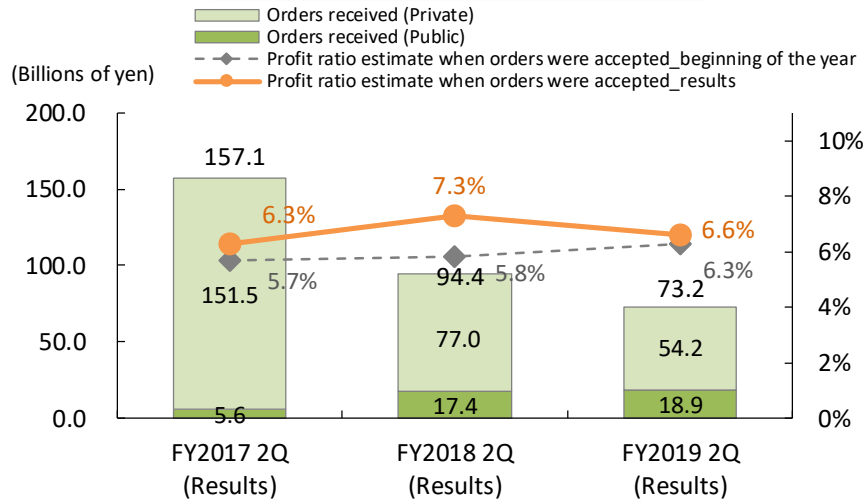
Building Construction (Non-Consolidated)

[Orders Received and Profit Ratio at the Time When Orders Were Received]

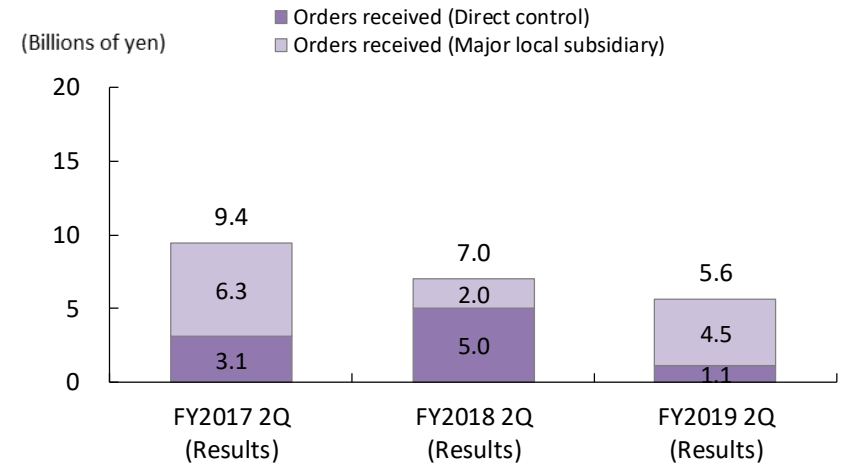
- <2Q> Profit ratio at the time when orders were received are in steady progress in domestic contracts. We will continue on screening orders to receive.
- <Full Year> Amount of orders received and profit ratio at the time when orders were received in domestic contracts are expected to achieve the initial forecast.

Second Quarter

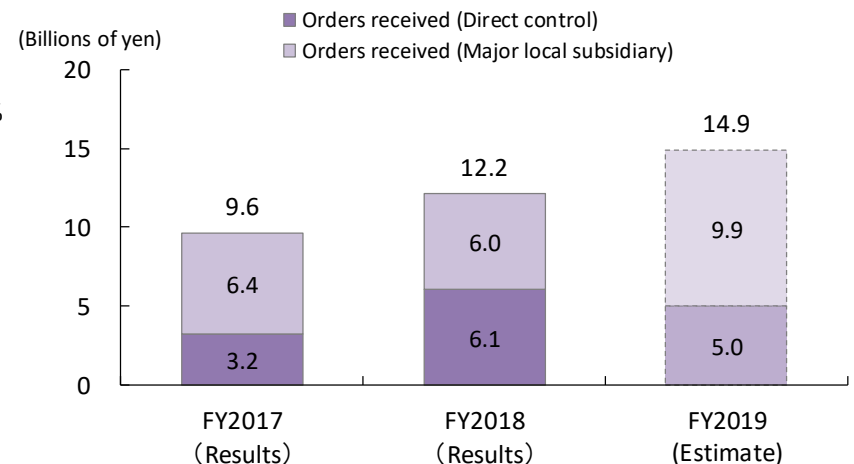
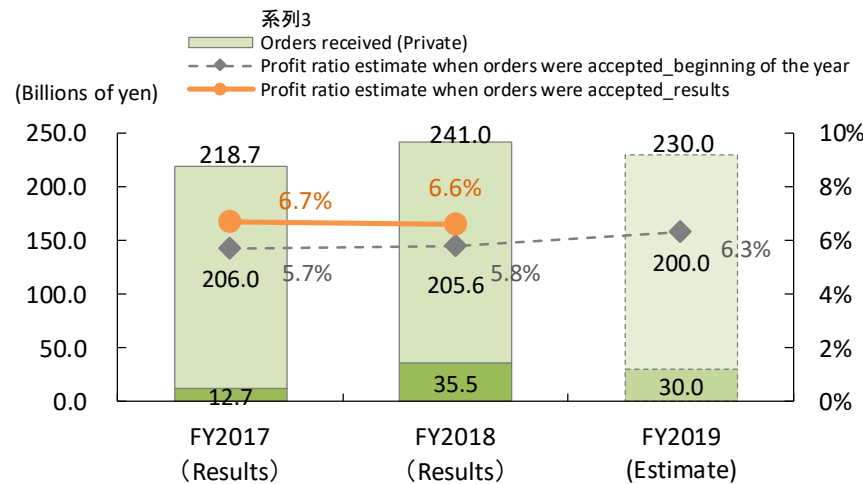
Domestic



Overseas



Full Year

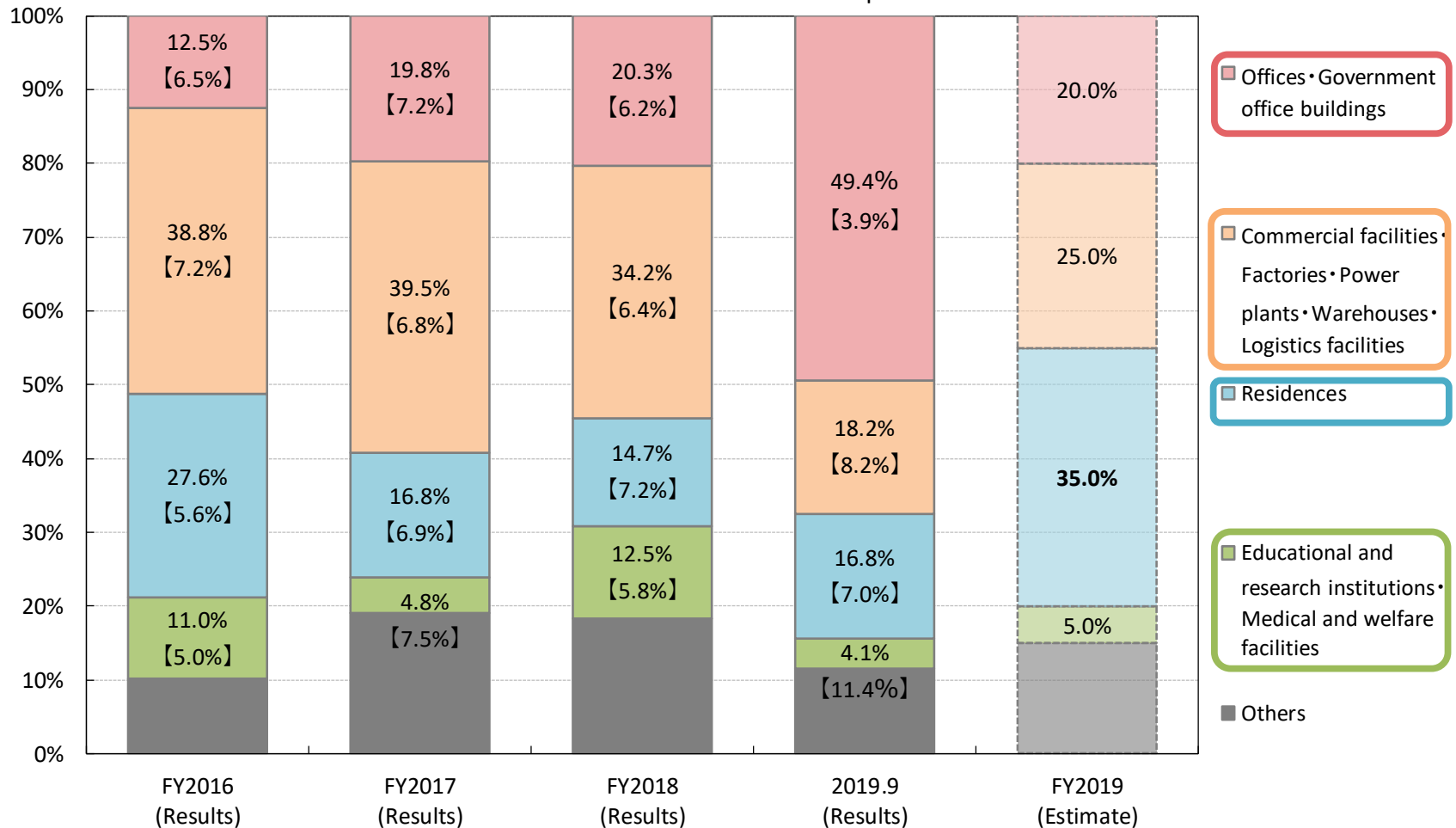


Building Construction (Non-Consolidated) 【New Contract Ratio by Building Use】

- <2Q> Increase in “Offices and Government Office Buildings” works led by contract awarded for large-scale government office buildings project.
- <Full Year> Increase in “Residences” works led by increase in contracts awarded on the previous year for redevelopment projects.

New Orders Ratio

※ The figures in the brackets signify the profit ratio when orders were received



Latest Highlights by Segments

Building
Construction

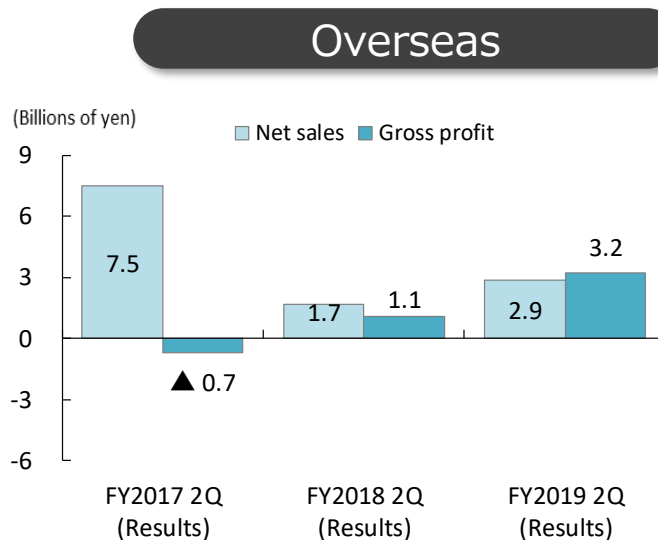
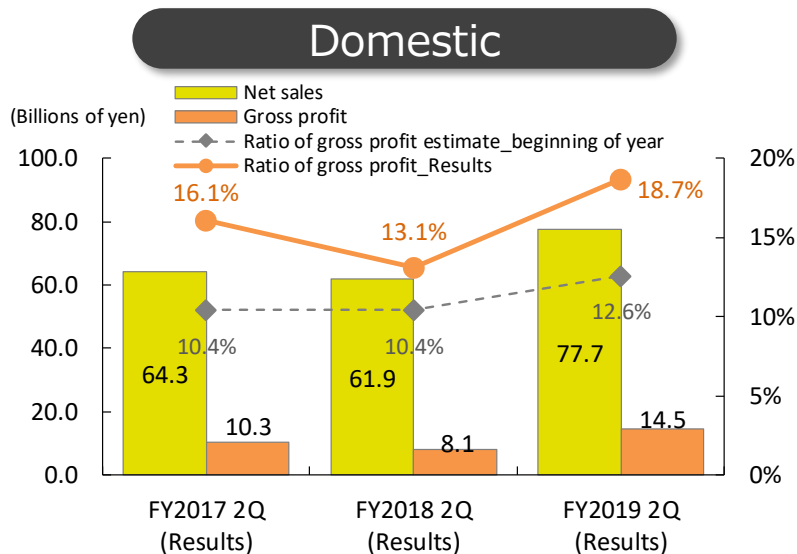
**Civil
Engineering**

Infrastructure
Management

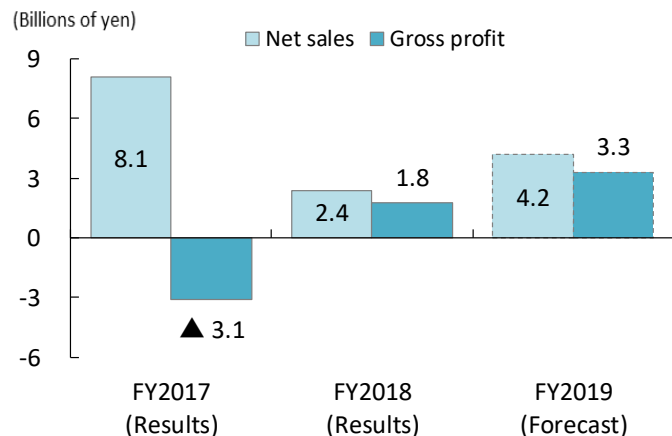
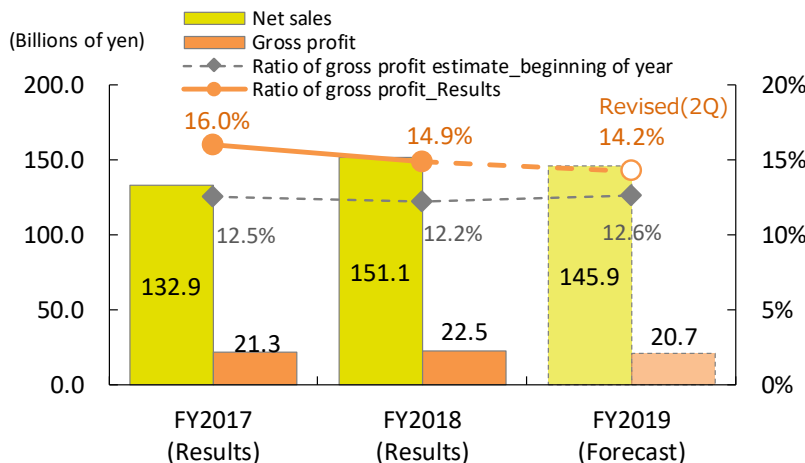
Civil Engineering of Non-Consolidated [Net Sales and Gross Profit Ratio]

- <2Q> Net sales and gross profit ratio of domestic contracts have greatly increased year-on-year due to gaining additional change works for completed works.
- <Full Year> Net sales and gross profit ratio of both domestic and overseas contracts have been revised upward from the initial forecast.

Second Quarter



Full Year



Civil Engineering of Non-Consolidated

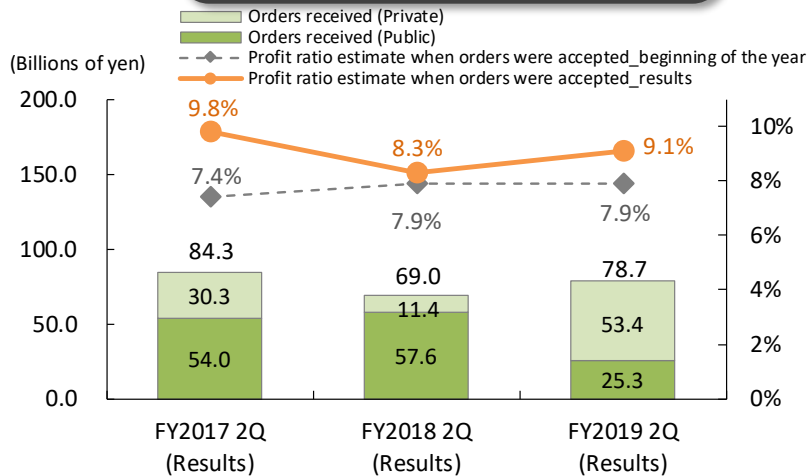
[Orders Received and Profit Ratio at the Time When Orders Were Received]

■ <2Q> Amount of orders received and profit ratio at the time when orders were received have been revised upwards from the initial forecast due to gaining high-margin additional works and large-scale private construction projects.

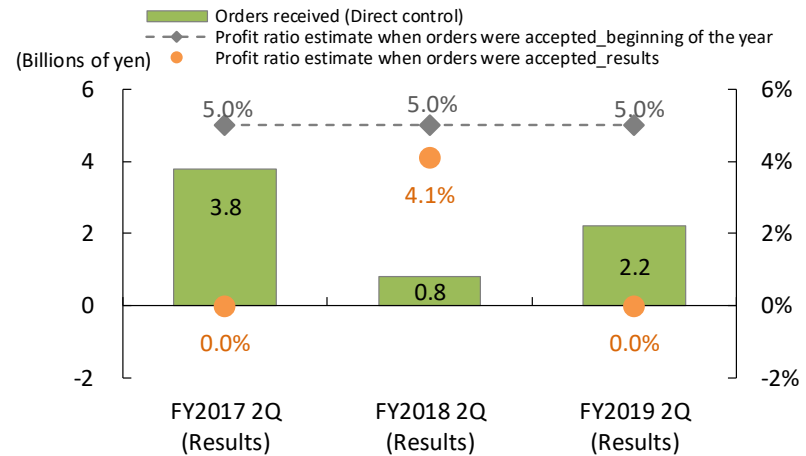
■ <Full Year> Continue focusing on gaining governmental contract awards as well as considering capability and profitability of the potential contracts.

Second Quarter

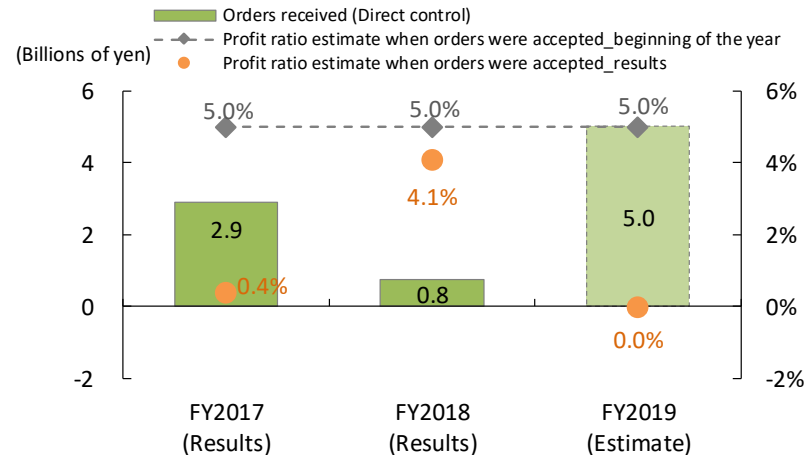
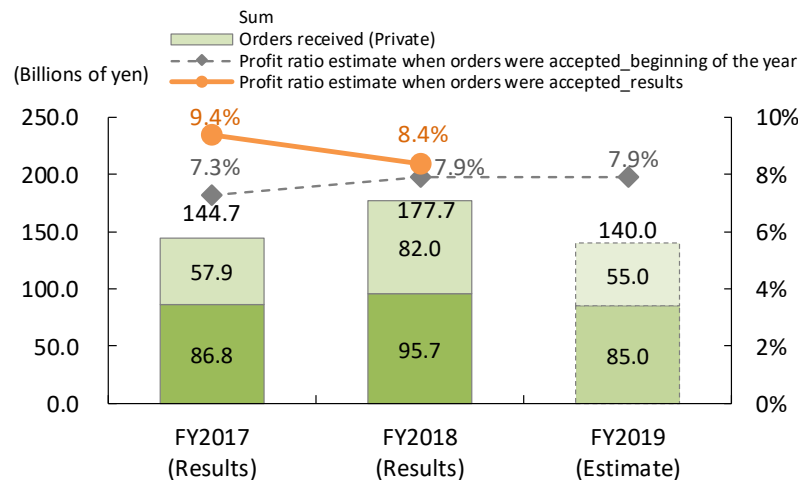
Domestic



Overseas



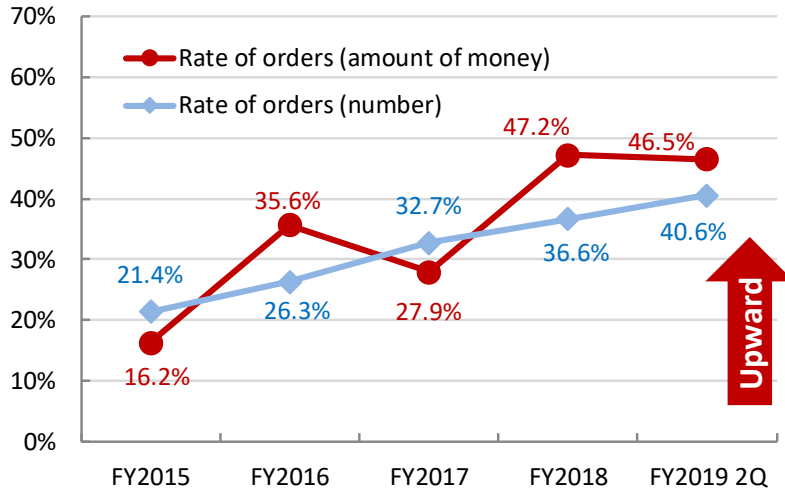
Full Year



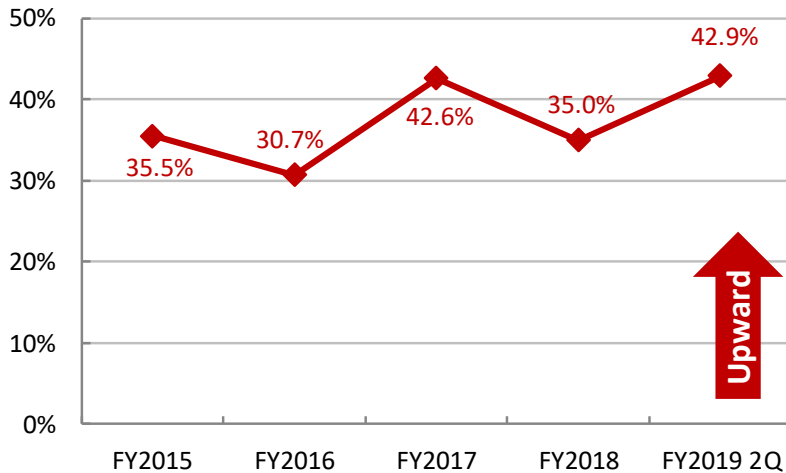
Civil Engineering (Domestic) [Status of Initiatives for Comprehensively Assessed Projects]

- Acquisition ratio/numbers of orders received improved by screening bidding projects.
- Acquisition ratio of winning first place in technical evaluation points in the bidding process/Acquisition ratio of gaining orders received with first place in technical evaluation points have been maintained at high level.

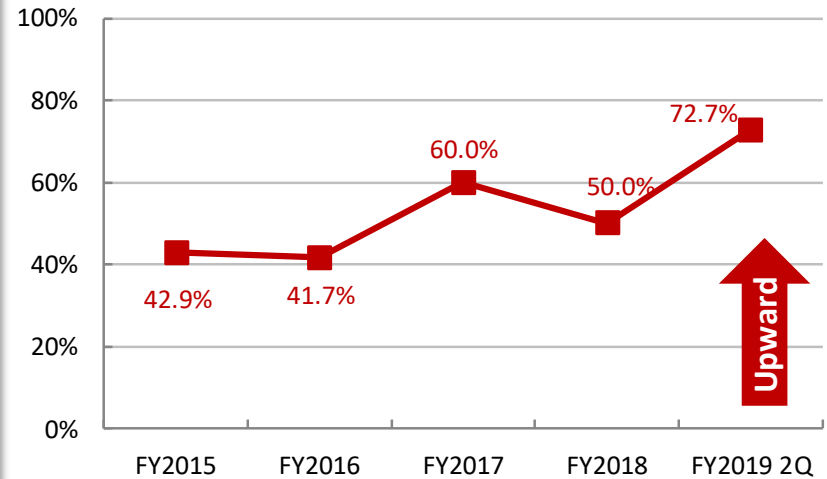
Acquisition Ratio of Orders Received



Acquisition ratio of winning first place in technical evaluation points



Acquisition ratio of gaining Orders Received with first place in technical evaluation points



Latest Highlights by Segments

Building
Construction

Civil
Engineering

**Infrastructure
Management**

Renewable Energy Projects

Project	Location	AC	FIT Price	Total Project Cost	Description
Solar Power Generation	Tsukuba City, Ibaraki Pref.	2MW	¥40	Approx. JPY 0.6 Billion	Electric power sales started in March 2013
	Ofunato City, Iwate Pref.	18MW	¥40	Approx. JPY 6.4 Billion	Electric power sales started in August 2015
	Kitaibaraki City, Ibaraki Pref.	6.5MW	¥36	Approx. JPY 2.1 Billion	Sold in March, 2016
	Mine City, Yamaguchi Pref.	7MW	¥40	Approx. JPY 2.8 Billion	Electric power sales started in August 2017
	Kai City, Yamanashi Pref.	18MW	¥36	Approx. JPY 7.0 Billion	Under construction (To be sold during construction)
Wind Power Generation	Rokkasho Village, Aomori Pref.	20MW	¥22	Approx. JPY 11.3 Billion	Sold in June, 2016
	Happo Town, Akita Pref.	20MW	¥22	Approx. JPY 7.2 Billion	Electric power sales started in February 2019
Total		91.5MW		Approx. JPY37.0 Billion	

○ : MAEDA/MACQUARIE

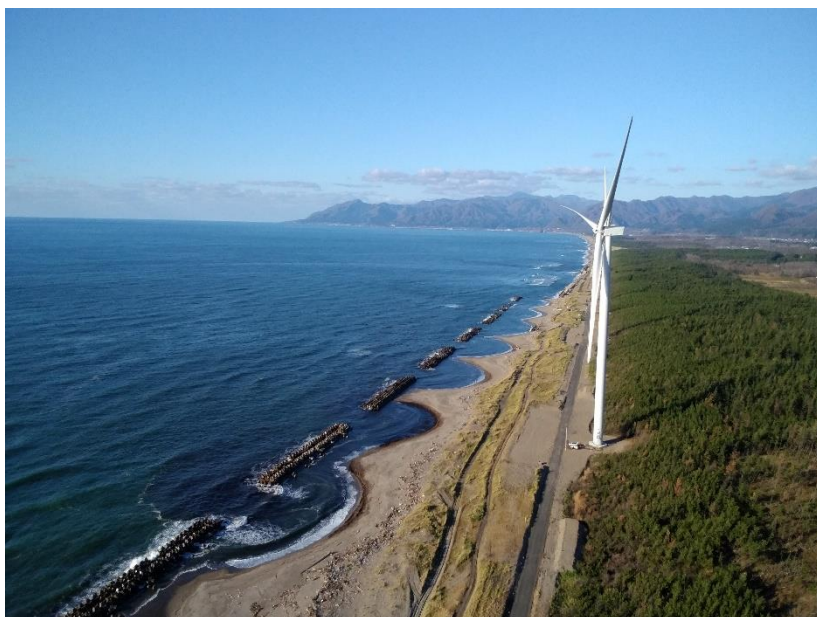
Offshore Wind Power Generation	Shimonoseki City, Yamaguchi Pref.	60MW	—	Approx. JPY 35.0 Billion	Developing
Biomass Power Generation	Ozu City, Ehime Pref.	50 MW	—	Approx. JPY 28.0 Billion	Developing
Hydro Power Generation	Naraha City, Fukushima Pref.	Under consideration	—	Under consideration	Developing (Bid : Right of priority)
Total		200.5MW		Approx. JPY 100.0 Billion	

Happo Wind Power Generation Business



■ Power Station Outline

Location	Happo town, Yamamoto county, Akita prefecture
Generation scale	19,950 kW (3,200 kW×7)
Selling Price	¥22 /kWh (Tax Excluded)
Operation Started	February 1, 2019
Construction Period	June 2017 – January 2019
Contractor	Maeda Corporation Tohoku Branch



■ Power Generation Plans and Results

FY2019	Plans	Results
Electricity Sales (MWh)	57,499	—
Electricity Sales Revenue (Billions of Yen)	1.26	—
2019 1st Half	Plans	Results
Electricity Sales (MWh)	17,364	18,546
Electricity Sales Revenue (Billions of Yen)	0.38	0.41

Primary Concession Projects Under Planning in Japan

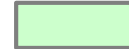
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: Operation commenced



: Bid starts



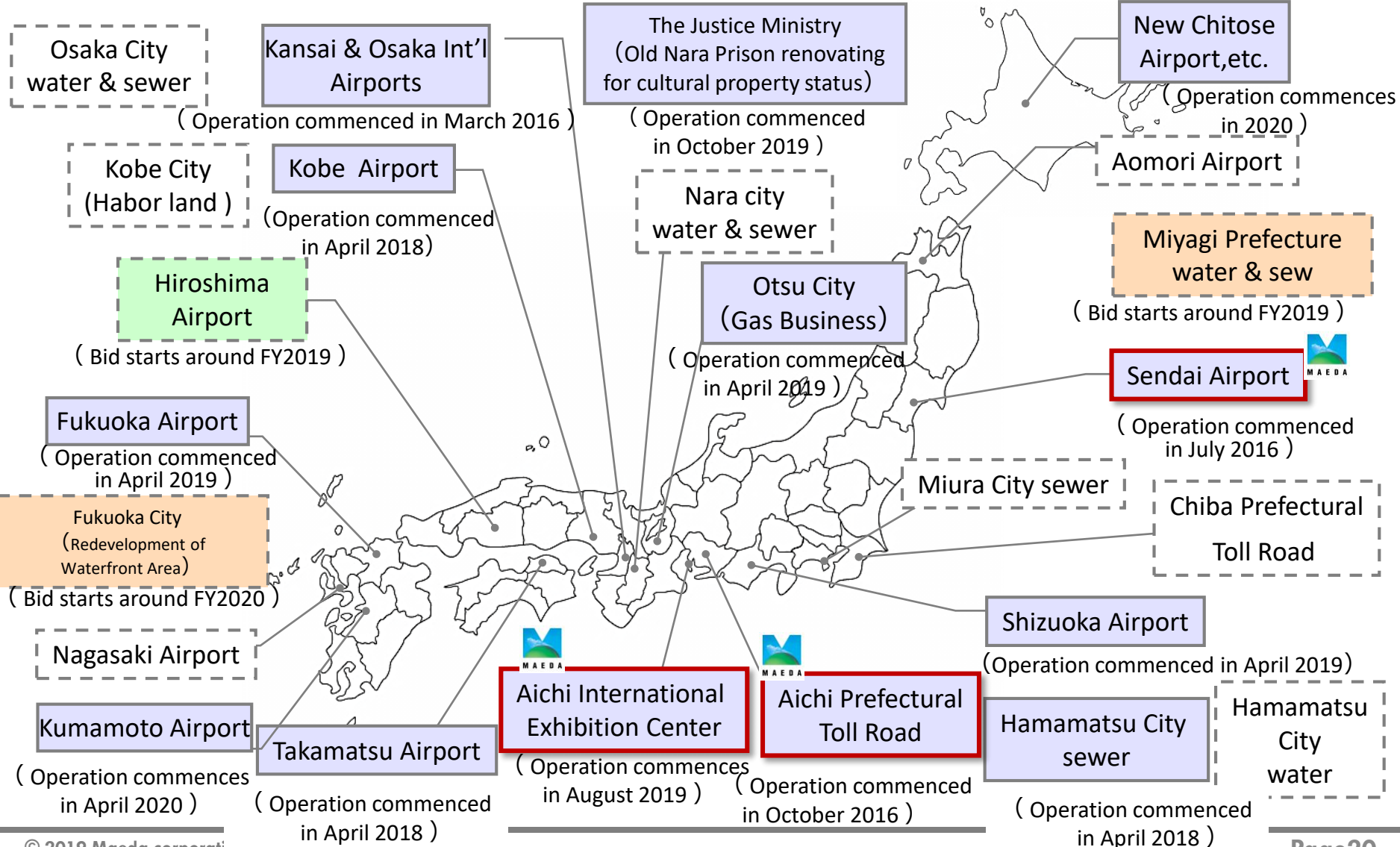
: During bidding



: Operation commenced
(Maeda Copr has invested)



: Bid starts(Under consideration)



Aichi Prefectural Toll Road Concession Project

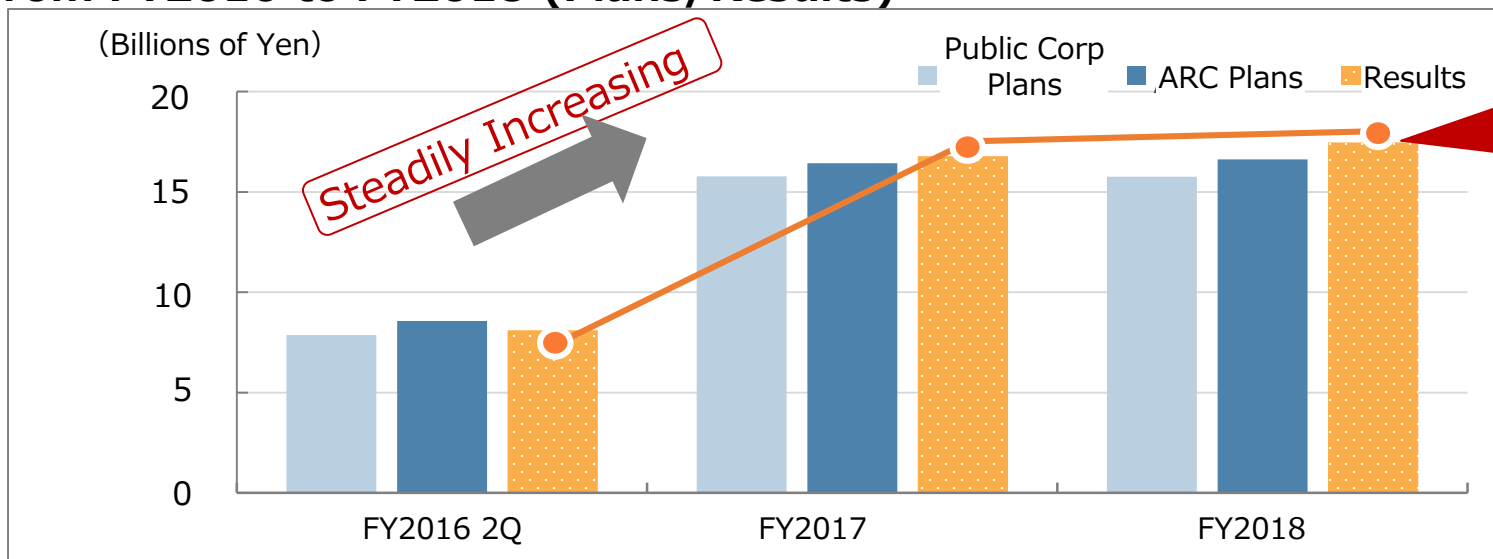
October 1, 2019 – 3rd Anniversary of our Operation

■ Achievements

	Net Sales	OP
FY2016 2 nd Half	7.5	1.8
FY2017	15.7	3.6
FY2018	16.3	3.3
Total		8.7



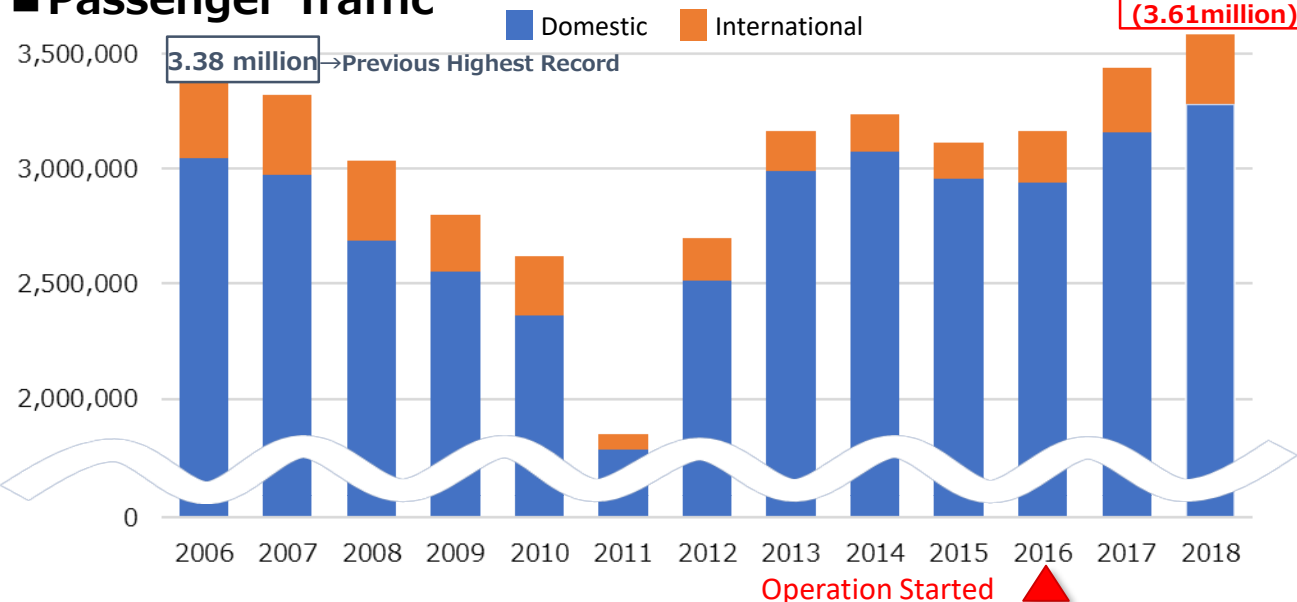
■ History of Fee Income from FY2016 to FY2018 (Plans/Results)



Sendai Airport Concession Project

July 1, 2019 – 3rd Anniversary of our Operation

■ Passenger Traffic



Oct 18, 2018
“Pier Building” Opened

- Boarding Gates increased from 9 to 13
- Available for new flights and additional flights
- Accommodate increasing Passengers

Schedule

- Feb 2016 Commencement of business building operation
- Jul 2016 Commencement of business for airport operations
- Jul 2017 Renovation of the first floor of the terminal building (Performed by Maeda Corporation Tohoku Branch)
- Oct 2018 Pier Building Opened (Constructed by Maeda Corporation Tohoku Branch)
- Apr 2019 [Awarded Departure Area Renovation Plan Technical Cooperation work](#) (Trustee : Maeda Corporation Tohoku Branch)

■ Passengers and Cargo Volume Target Value

	FY 2017 Results	FY 2018 Results	FY2019 Target Value	FY 2020 Target Value	FY 2044 Target Value
Passenger (Million People)	3.43	+5.0% From FY2017 3.61	3.76	4.10	5.50
Domestic	3.15	+4.5% From FY2017 3.30	3.37	3.62	4.35
International	0.28	+10.7% From FY2017 0.31	0.39	0.48	1.15
Cargo volume (Thousand Tons)	7.0	7.0	7.0	10.0	25.0

Expected to achieve FY 2019 target

Sendai Airport Concession Project

■ New Flights and Additional Flights at FY2019

Route	Airlines		Frequency	Aircraft Equipment (Number of seats)	Date (Schedule Include)
Sapporo	JAL	FSC	Additional flights! 5 → 6 round trips/day	E70/E90 (76/95 seats)	Mar.31,2019
	Peach	LCC	Additional flights! 2 → 3 round trips/day	A320 (180 seats)	Apr.25,2019
Narita	IBEX	FSC	Operation resumed! (for the first time in 6 years) 1 round trip/day	CRJ700 (7 seats)	July 1,2019
Taipei	Peach	LCC	Operating every day! 4 → 7 round trips/week	A320 (180 seats)	Apr.25,2019
	EVA Air	FSC	Operating every day! 4 → 7 round trips/week	A321 (184 seats)	July 16,2019
Shanghai	Air China	FSC	Additional flights! 2 → 3 round trips/week	A320 (180 seats)	Nov.3,2019
Beijing~ Dalian	Air China	FSC	Operation resumed! (for the first time in 7 years) 2 round trips/week	B737-800 (180 seats)	Nov.2,2019
Bangkok	Thai Airways International	FSC	Operation resumed! (for the first time in 5.5 years) 3 round trips/week	B777-200 (300 seats)	Oct.30,2019

■ Others

● “Times Car Share” Service Launched

Date	October 11,2019
Station	Sendai Airport Station (Parking1 near the exit)
Address	Aza Minamihara, Shimomasuda, Natori-shi, Miyagi
Number	2 (AQUA、SIENTA)



● Trial Operation of Airport-Based Tax-Free EC Service Started



Aichi International Exhibition Center Concession Project

■ Aichi International Exhibition Center (Aichi Sky Expo) is the 4th Largest Exhibition Center in Japan

Name	Exhibition area (m ²)
Tokyo Big Sight	95,000
Intex Osaka	72,000
Makuhari Messe	70,000
Aichi Sky Expo	60,000



August 30, 2019 Grand Opening

- August 30: Opening Day and Opening Ceremony
- August 31 and September 1: Opening Events

We held numbers of events including e-sports game, the rapidly developing event spotlighted at the Asian Games.

**Representative Company
: GL events SA**

**Constituent Company
: Maeda Corporation**

- January 2018 - Conclusion of Basic Agreement
- April 2018 - Conclusion of Concession Agreement/Press Release
- September 2018 - Nicknamed as "Aichi Sky Expo"
- August 2019 - Gaining Operation License/Press Release



Aichi International Exhibition Center Concession Project

■ Photos of Events Held at Aichi Sky Expo for the First Month From the Opening



■ Events Outline for the First Month From the Opening

Event	Outline	Numbers	Visitors
B to C	E-Sports, Concerts, Handshaking Events, Comedy Events etc.	7	112,000
B to B	Ceremonies, Sales Events, Corporate Events etc.	4	72,000
Local Government	Disaster Prevention Training	1	N/A (Private)

FY2019 Target
Utilization Rate:21%

Utilization Rate
(Reservations included):23%

Expected to achieve the target

Contribution of Infrastructure Management Business to Consolidated Profit

(Billions of Yen)

Contribution to Consolidated profit	FY2019 (Estimate)	FY2020 (Estimate)	FY2021 (Estimate)	FY2027 NEXT10
	6.0	6.6	10.0	30.0

Detailed Breakdown

Consolidated subsidiaries profit (Aichi Prefectural toll road concession, Ofunato Solar Power etc.)	4.4	4.5	4.1	—
Contribution to Non-consolidated results (O&M,EPC, Business consignment profit such as development etc.)	1.3	0.4	0.9	—
Other profits ※	0.3	1.7	5.0	—

※Other profits include Sale's Profit and Non-consolidated special purpose company's stock dividend etc.

MAEDA's New Partnership for "De-Contracting"



Topics

Focusing on Gaining Contracts for Large-scale Governmental Projects

Gifu Prefectural Government Buildings(Administrative Building) Construction Project



Achieved 1.5 times greater earthquake-resistance performance compared to usual conventional buildings. Expected to serve as a central base for disaster countermeasures. Designed for safe and smooth flow lines.

Client : Gifu Prefecture
Structure and scale
: Steel structure, 21 floors
Quake-absorbing design
(in part quakeresistant design)
Floor area 68,328㎡
Construction Period : July 2019 – May 2022

Yatsushiro City Government Buildings Construction Project



Enhancing disaster prevention functions (such as the pillar base seismic isolation structure based on lessons learned from the Kumamoto earthquake) as well as convenience for the users in order to strengthen functions of the facility as a center of the city.

Client : Yatsushiro City
Structure and scale
: Steel structure(CLT in part of the floor)
1 floor underground/7 floors
RC structure(underground)
Pillar base isolation structure
Floor area 27,151㎡
Construction Period : Sep. 2019 – Oct. 2021

Gaining Contracts for Large-scale Projects by Combining Technologies

Chuo Shinkansen Chukyo Area Tunnel No.1 (Meijo Construction Area) Project



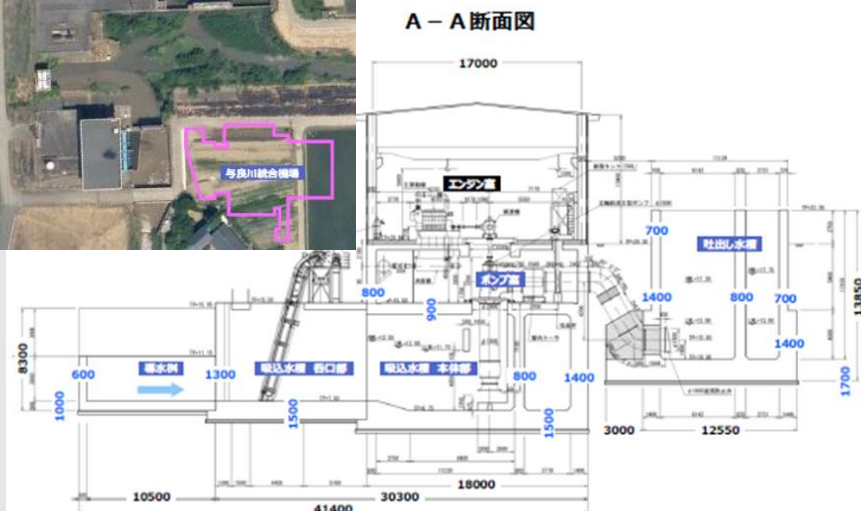
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Deep, large cross-section and ultra-long distance shield construction.
 Large-scale projects requiring advanced construction technology.
 Contributing to advancement in deep underground structuring technology.

Client : Central Japan Railway Company Co.,Ltd
 Place of Construction : Nagoya City – Kasugai City, Aichi Pref.
 Construction Outline : Shield Tunnel L=7.6km
 Construction Period : July 2019 – March 2026

Approaching to Large-scale Renewal Project for Drainage Pump Stations

Southern Tochigi Agricultural Water Utilization Project - Yora River Integrated Drainage Pump Stations Construction Project



Integrating aging Drainage Pump Stations No.1 and No.2 upon abolition. This project will allow us to acquire experience in river structure renovation/reinforcement field which leads to gaining contract awards for waste water system reorganization projects in the future.

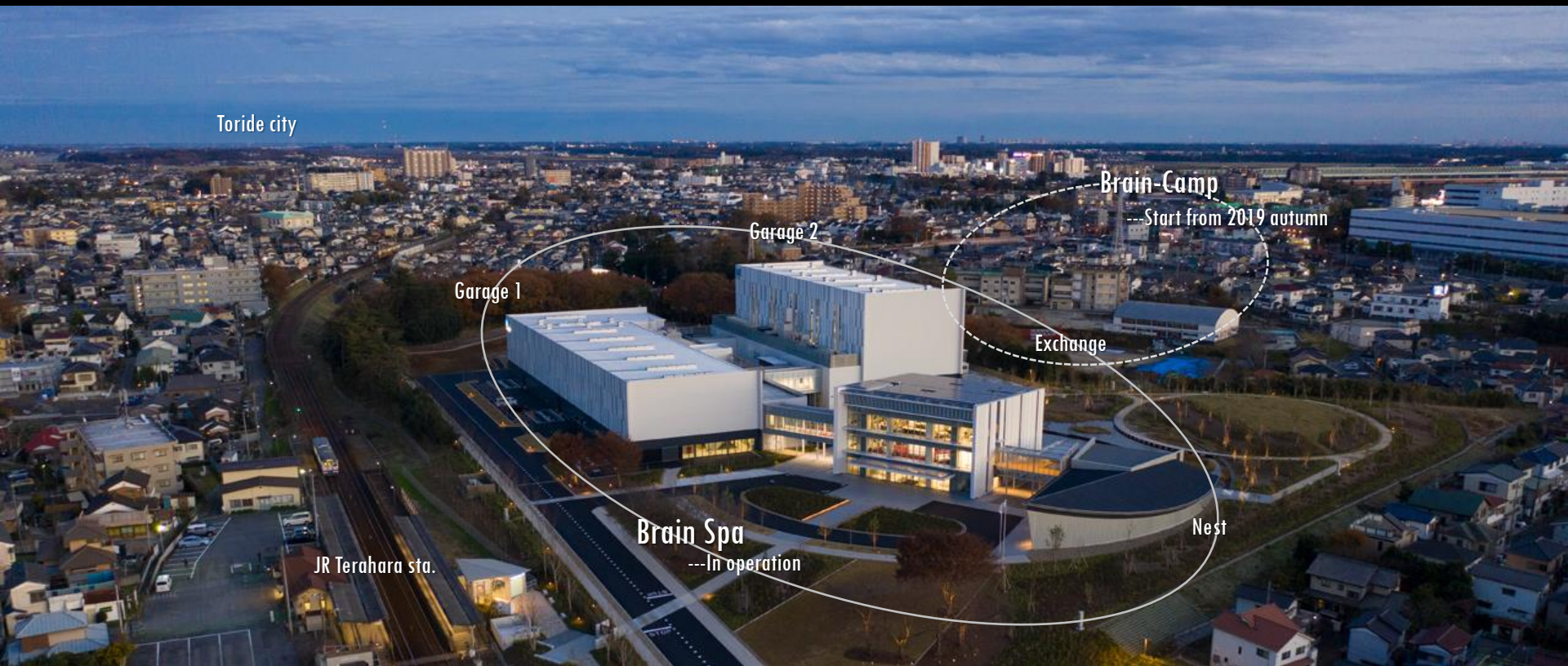
Client : Ministry of Agriculture, Forestry and Fisheries
 Kanto Agricultural Administration Bureau
 Place of Construction : Oyama City, Tochigi Pref.
 Construction Outline : Drainage Pump Stations
 Construction Period : Oct.2019 – Mar.2024

ICI Lab (Brain Spa) Grand Opening on Feb.15, 2019

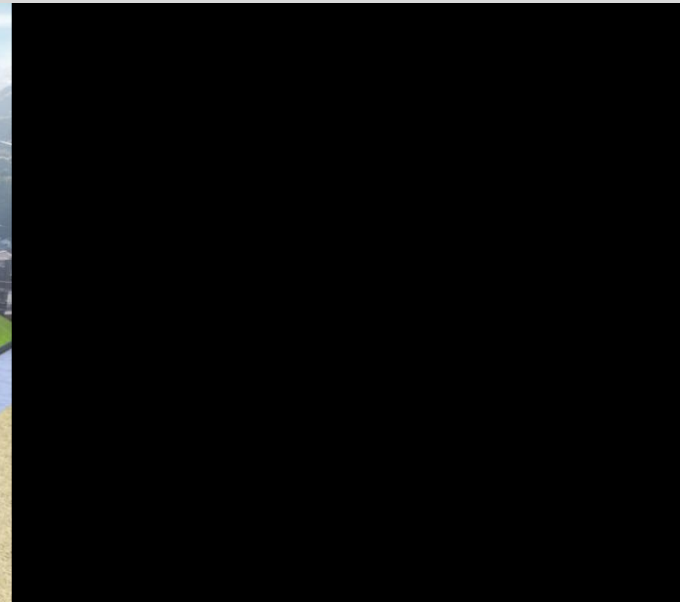


ICI!

incubation
cultivation
innovation



ICI Brain Camp Grand Opening on Nov.6, 2019



November 6, 2019

**Panel Discussion
at Grand Opening Ceremony**





The movie Maeda Corporation Fantasy Marketing Dept.

Tap the new market of construction industry!

Their first mission is to estimate the actual cost for building a hangar for Mazinger Z, a fictional robot.

Theater release on January 31

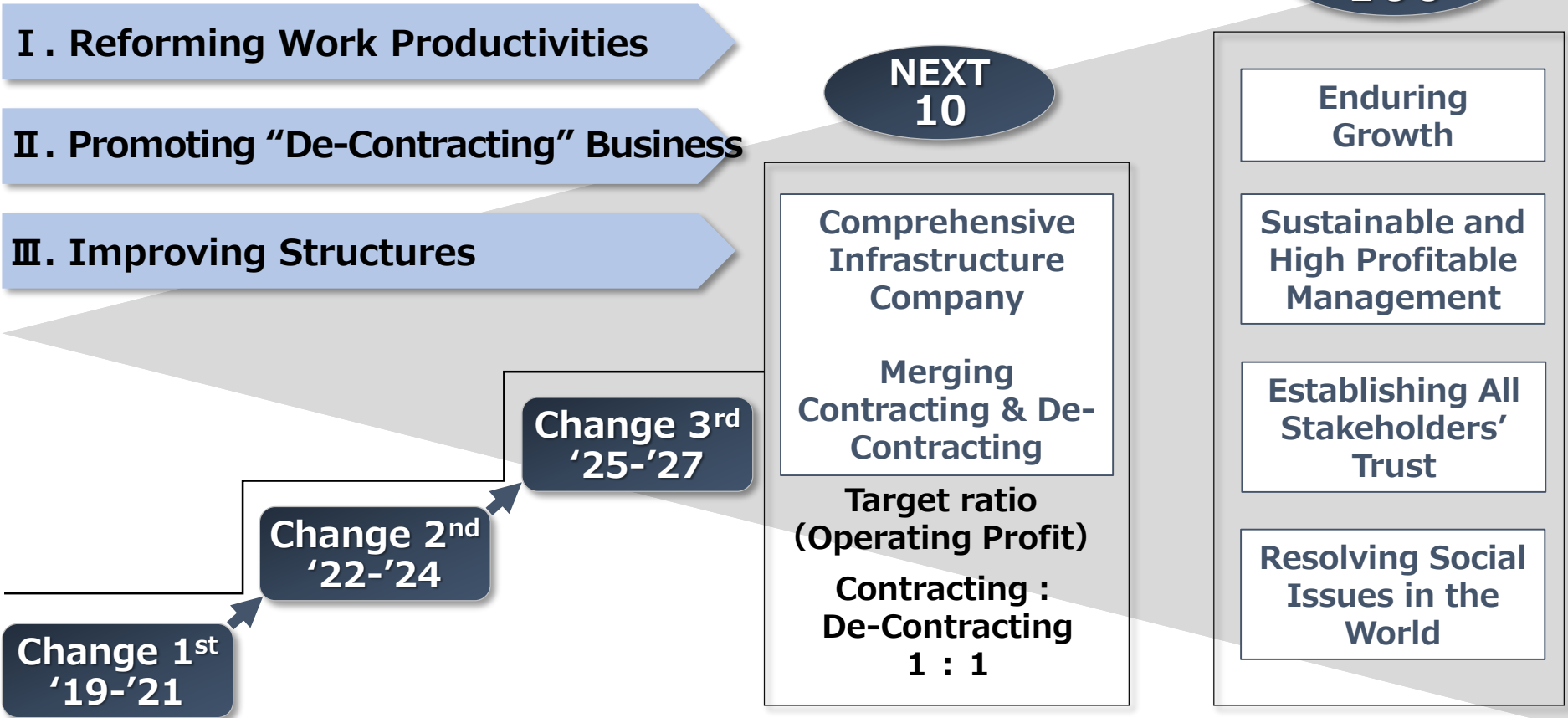
Management Strategy

Structure of Our Future Visions

Maeda celebrates its 100th anniversary on January 8, 2019.
 We have developed “New MAEDA Corporate Image” to realize our enduring growth for the next 100 years.

II

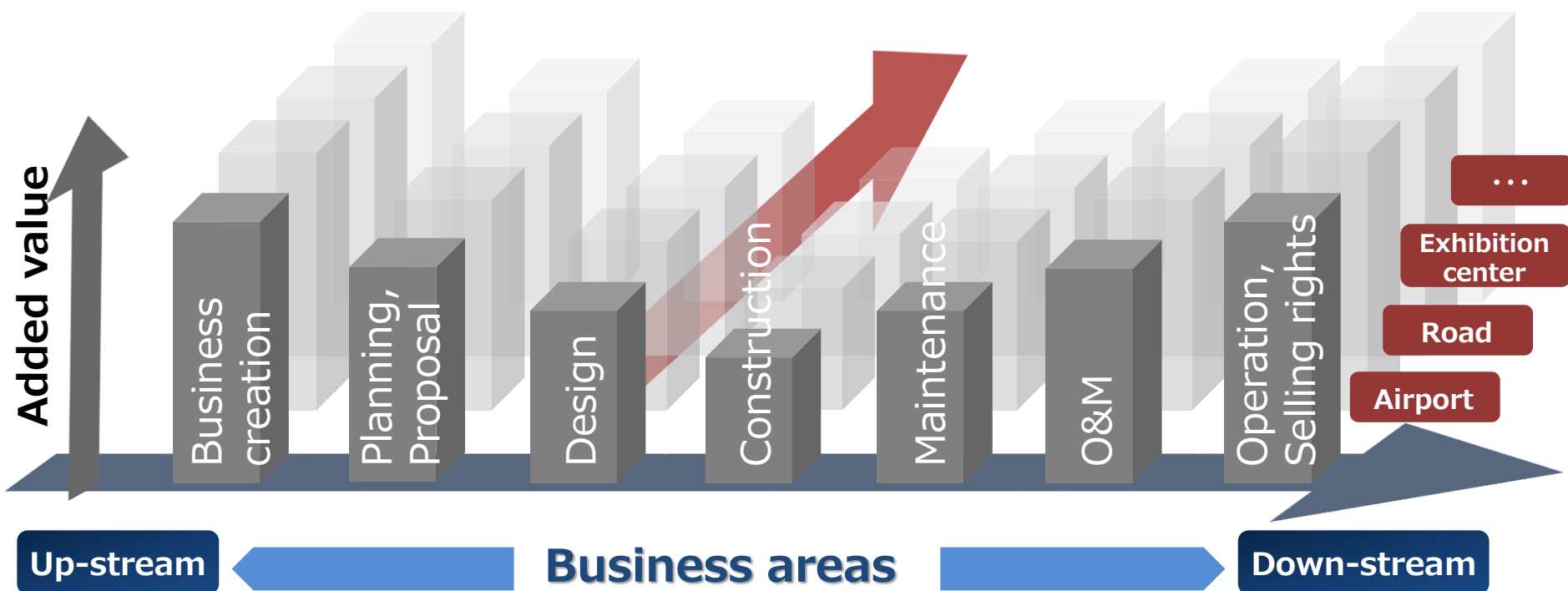
Conversion to “Comprehensive Infrastructure Company”



Aiming Image "NEXT10"

Renewable Energy/Airport/Road/Exhibition Center/Water/Sewer, etc.

Compatible with Any Projects

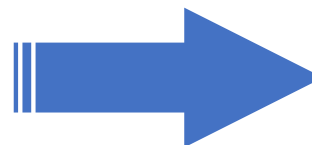


Merging Contracting & De-Contracting
⇒ **Changing into stable earning structure**

Medium-Term Management Plan

**Change 1st
'19-'21**

(Billions of yen)



**NEXT
10**

【Consolidated】	FY2019	FY2021
Net Sales	475.0	520.0
Operating Profit	31.0	38.0
(Margin)	(6.5%)	(7.3%)
【Non-Consolidated】	FY2019	FY2021
Net Sales	371.0	405.0
Operating Profit	24.0	30.5
(Margin)	(6.5%)	(7.5%)

**Comprehensive
Infrastructure
Company**

**Merging
Contracting &
De-Contracting**

**Target ratio
(Operating
profit)**

**Contracting :
De-Contracting
1 : 1**

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