

Maeda Corporation



ANNUAL REPORT 2015

For the year ended March 31, 2015



BUILDING AND CIVIL ENGINEERING FOR THE WORLD

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PHOTO:

Sumita Town Office in Iwate Prefecture is of pure wooden construction, intended as a symbol of the best in Japanese urban development in conjunction with forests and the forestry industry.

Forward-looking statements

This annual report contains forward-looking statements regarding the Maeda Corporation future plans and strategies, as well as its results, estimates, and forecasts. These statements are not based on historical fact, but represent management's assumptions and beliefs based on information currently available, and involve certain risks and uncertainties. Potential risks and uncertainties include, but are not limited to, intense competition, market demand, and various regulations relevant to the construction industry. Actual results and business performance may differ materially from these statements. Accordingly, investors are cautioned not to base investment decisions exclusively on forward-looking statements.



Maeda Corporation Profile

Maeda Corporation is a comprehensive building and civil engineering contractor founded in Japan in 1919 and operating internationally since 1963. With accumulated expertise and know-how in areas such as cost reduction, functional enhancement, and risk avoidance, Maeda serves complete project needs, from planning and design through construction to maintenance.

Now with over 3,800 employees, Maeda has built a portfolio of civil engineering projects around the world, from dams, railways, subways, tunnels, and subterranean works to highways and bridges, from water supply systems, to hydro, thermal, and nuclear power stations. Maeda also constructs public and commercial buildings such as schools, office buildings, and hospitals, along with other related services.

Corporate Motto, enacted in January 1968



“Sincerity”

As long as business is kept ongoing, a company has to profit from it. Provided, however, that if it merely takes account of making profit regardless of the circumstances, the business may not last long. Only where a company conducts itself sincerely and keeps a genuine rapport with its clients, will its business last and develop. “Sincerity” is a pillar in carrying on business.

“Willpower”

Being at work which is challenging, one has to fight with his very self. Without self-confidence, whereby one believes he shall in no event lose to anyone else in terms of technology, price and construction period, and without “Willpower” whereby one whips himself into overcoming challenges, no one can proceed with works. In essence, “ownership” does mean a lot to one’s working. “Willpower” is a resource that nourishes morale that is indispensable to one’s work as well as one’s life.

“Technology”

Maeda is a firm that sells its “Technology.” It is Maeda’s constant desire to deliver a work product which, with just a glance at its workmanship, can easily be identified as one completed by Maeda. It is the “Technology” that competitors like to borrow from Maeda, rather than that which Maeda tends to borrow from them, which gives Maeda an edge on them.

The History of Maeda Corporation

Maeda's history began with the construction of a hydroelectric power plant in 1919. Over 90 years later, Maeda is today broadly active internationally in construction of dams, tunnels, and high-rise buildings, with demonstrated capabilities and an earned reputation for reliability.

1955



Tagokura Dam (Fukushima)

Tagokura Dam, a concrete gravity dam located in an upstream area of the Tadami River, was completed in November 1960. The dam height of 145m and volume of 1,985,000m³ made it the largest dam in Asia at the time. This was an enormous, make-or-break project for Maeda Corporation, which had not long before been reorganized and established as a joint-stock company in 1946, after the Second World War. The project attracted considerable attention in Japan, even becoming the subject of several novels. Maeda set a world record for concrete volume poured per day of 8,462m³.

1963



Kwai Chung Development Project (Hong Kong)

In 1963, Maeda, having established a strong track record in Japan, won an order in international competitive bidding for the Kwai Chung Development Project in Hong Kong. The objective for what was phase two of construction in the comprehensive development of the Kwai Chung district, decided upon by the Government of Hong Kong, was the creation of industrial and residential land through reclamation of Gin Drinkers Bay with spoil obtained by leveling the hills on the Lai Chi Kok Peninsula to the east of the bay and the Texaco Peninsula to the west. Although construction was plagued by a continuous onslaught of typhoons and other difficulties, Maeda completed the project by the contract deadline, an accomplishment considered unusual in Hong Kong at the time. Maeda subsequently made Hong Kong a base for expansion of its overseas business activities into Southeast Asia.

1972



Seikan Tunnel (Hokkaido)

The 53.85-km Seikan Tunnel, which travels beneath the Tsugaru Strait and links Honshu and Hokkaido, is the world's longest undersea railway tunnel. Maeda was responsible for construction of the 14.7-km Yoshioka section, the deepest portion of the undersea section of the tunnel, located near the Hokkaido end. Construction began in 1972, and the main tunnel breakthrough occurred in March 1985 after the overcoming of problems of soft ground and water inflow at the incredible rate of 80 tons per minute.

1982



Batang Ai Project (Malaysia)

In the Batang Ai hydroelectric project, Maeda built a main dam and three saddle dams with a height of 85m, length of 810m, and volume of 4 million m³ on Malaysia's Sarawak Island. All four dams are concrete-face rockfill dams, a type of dam of which there were few construction examples in Japan at the time. For the main dam (the Batang Ai Dam), Maeda built a 0.3-m thick steel-reinforced concrete facing by moving slip forms at a speed of 2.5 to 3.5 meters per hour.



1995

Trans-Tokyo Bay Highway (Chiba)

Maeda was responsible for construction of Kisarazu Artificial Island (Umihotaru, photo), and the northern (eastbound) tunnel from Umihotaru to Kawasaki Artificial Island on the 15.1-km Trans-Tokyo Bay Highway, also known as the Tokyo Bay Aqua-Line, and often called the final large construction project of the 20th century. The large-diameter shield tunneling machine used for the project, the world's largest at the time, was 14.14m in outer diameter and 13.5m in length and weighed 3,200 tons. Leading-edge technologies were applied to segment assembly and direction control, including underground docking of two shield machines under the seabed.



1991

Fukuoka Dome (Fukuoka)

The retractable dome roof, made of three fan-shaped panels, is 220m in diameter and 84-m high and takes only about 20 minutes to open or close. The key to achieving the functionality of the retractable dome was construction of the complexly shaped track for the trolleys that move the dome, which is shaped like a gutter with a three-dimensional curved surface. To build the track, Maeda used a construction method adapted from tunneling technology involving the use of a large sliding frame.



1998

Hong Kong International Airport Passenger Terminal Building (Hong Kong)

A five-member consortium of British, Chinese, and Japanese companies including Maeda won the order from the Airport Authority Hong Kong for construction of a passenger terminal building with a total floor area of 498,000m² on a 1,248-hectare artificial island. Hong Kong International Airport is an international hub airport that has consistently been selected as the world's best airport since 2001 by an aviation-related research firm in the U.K. Maeda has subsequently continued to win orders for projects such as area expansion construction.



2005

Upper Kotmale Hydropower Project (Sri Lanka)

Maeda's involvement in the Upper Kotmale Hydropower Project in Sri Lanka started in September 2005 with Lot 01 Preparatory Work followed by Lot 02 Main Civil Work, which started construction on January 1, 2007, and was completed on February 25, 2014. The project consists of a 36-m high dam, a headrace tunnel with a total length of 15km, and total power capacity of 150MW (two turbines generating 75MW each). In honor of the 60th anniversary of diplomatic relations between Japan and Sri Lanka, a commemorative coin engraved with an image of this dam was issued.



2004

The Tokyo Towers (Tokyo)

The Tokyo Towers is a residential project consisting of two 193.5-m high-rise buildings housing a total of 2,794 condominium units. Each tower has two underground floors and 58 aboveground floors. High-strength concrete was used for the building frames and a four-m thick concrete mat slab for the foundations. Precast concrete materials were used for the columns, beams, corridors, and floors. As an earthquake countermeasure, 576 stud-type dampers have been installed in each tower. A pool, gym, party room, mini-theater and guestrooms are available for the use of residents.



2007

Stonecutters Bridge (Hong Kong)

Stonecutters Bridge, which straddles Rambler Channel between Tsing Yi and Cheung Sha Wan, is a component of Route 8, which links Hong Kong International Airport and Sha Tin in Kowloon. It is one of the world's largest cable-stayed bridges: 1,596m in total length, with 298-m high towers, and a main span of 1,018m.

RELEASING THE POWER OF THE INDIVIDUAL

Globalization has dramatically changed the framework of the world economy, which is shifting to newly developing countries in Asia and other parts of the world. To earn our place in this new future, we must transform productivity to an unprecedented degree using the ingenuity of an empowered workforce and set about to serve our two greatest stakeholders, namely “the Earth” and “the Future.”

The business environment in the construction industry remained somewhat adverse in the past fiscal year. Public investment continued to be firm while private investment, excluding housing, maintained its upward trend. Meanwhile, labor costs rose in response to tight demand conditions.

Under these conditions, and aided in large part by strong results in the construction segment, the consolidated results of the Maeda Group include net sales of nearly ¥405.3 billion, a 2.5% increase from the previous fiscal year, and operating profit of ¥10.9 billion. In addition, ordinary profit was nearly ¥15.2 billion and net profit was nearly ¥13.6 billion.


Looking forward, we foresee public investment weakening, even as rising corporate earnings drive stronger private investment that will provide firm support for orders.

Maeda is moving ahead on the twin goals of “steady profits in core business” and “establishing new revenue channels,” from the Maeda STEP '13–'15 medium term management plan. Our company has been raising its results over the past few years underpinned by a “focus on profits.” In this the final year of Maeda STEP '13–'15 we are managing the business with taut awareness and seek to deliver results that can be appreciated.

In its core businesses, Maeda aims to lift margins by a full notch and is, therefore, actively improving productivity in order to realize a continual increase in earnings in what remains a difficult operating environment. To achieve these improvements we believe we will need “a productivity revolution” involving not only cumulative productivity improvements, but also a “production transformation,” meaning technical innovation that goes beyond what we have envisioned to date. To this end, in this fiscal year we have created a special division named the “Technology Center of Productivity Innovation” within our Technical Research Institute. By making use of information and communication technology (ICT) and other advanced technology, we are switching the way we do our work as we aim for greater productivity and labor savings beyond what we have seen.

To differentiate our company from rivals, we aim to establish new revenue channels supported by the three pillars of “de-contracting,” “globalization,” and “environmental management.”

We are already beginning to reap the rewards of de-contracting, as we continue to strengthen our initiatives in the renewable energy business and public private partnership business (PPP and concession business). In this fiscal year, we are looking forward with expectation to

A portrait of Koichi Obara, President and Representative Director, standing in a dark blue suit and tie against a blurred cityscape background.

Koichi Obara

Koichi Obara
President and
Representative Director

the start of operations at large-scale solar power projects. Our renewable energy business has been bringing in new revenue while our concession has established itself as an industry innovator known for doing whatever it takes to propose winning solutions for individual projects.

Turning to globalization, we are preparing ourselves for the oncoming shrinkage of the domestic market by building relationships of trust with companies in diverse regions, including Turkey and Vietnam, as we shift to a structure for lifting profits in overseas markets. Together with our partners, we will further our business development from the viewpoint of establishing local bases while we identify our customers and their needs in foreign markets.

Lastly, we will continue our efforts in the environmental management, which will become the foundation of all corporate activity.

Maeda has identified “the Earth” and “the Future” as its important stakeholders. To this end, we set aside 2% of consolidated net profit as “Dividends for the earth” in the form of donations to non-business activities that contribute to the environment. As in recent years, we are contributing “Green R&D” to R&D and surveys tied to environmental preservation.

Now, I would like to review our most important stakeholders—people. To the construction industry,

people are its only foundation and we have placed top priority on a vision of “monozukuri” (the making of things) that is cultivated across generations. It is people who will achieve innovation, and so it is increasingly important to train and nourish employees so that they can exercise their enhanced ability. Our company, even before today, has placed great weight on human resource development. We established “improving the power of the individual” as this fiscal year’s CEO Principle, so that each and every worker enhances technology and their skills and, at the same time, produces new ideas. By having each individual demonstrate the ability that they possess and face society with an abundance of ideas, we believe we can create a means of harnessing our own power to address the issues of society, even more than before.

In addition to environmental issues, Maeda will actively confront calls to enhance social productivity. In addition, as we elevate the power of the individual and strive to realize a productivity revolution in the construction industry, we envision a future in which both our company and society can experience shared value and a sense of well-being.

Review of Operations: Completed Works

Maeda is one of the leading companies in Japan's construction industry. Here are the track records of major works completed in the past year.

Building Projects



New Government Offices in Azumino

These new government offices are located in the city of Azumino in Nagano Prefecture and have become a symbol of the birth of a new city following the merging of neighboring cities, towns, and villages. The project utilized sturdy materials and employed quality construction techniques in order to bring the municipality closer to its people. Indeed, the building is a seismically isolated structure which allows the offices to serve as a disaster relief centre as well as a municipal government centre. The reinforced concrete structure and partial steel frame extend from the first basement to the fourth floor, whilst timber cladding grown locally in the prefecture creates a building that matches the environment perfectly. Hinoki cypress was used on the exterior whilst the use of Karamatsu pine ensures a pleasing internal

ambience. During construction many local residents joined inspection tours and special previews, awarding high marks to both the design and construction of the project as well as the tourist.



New Construction of Kurikura Honjo Plant (provisional name)

Maeda was engaged to build a factory for the production of safe and delicious Kurikura bottled water. Located in the City of Honjo, Saitama

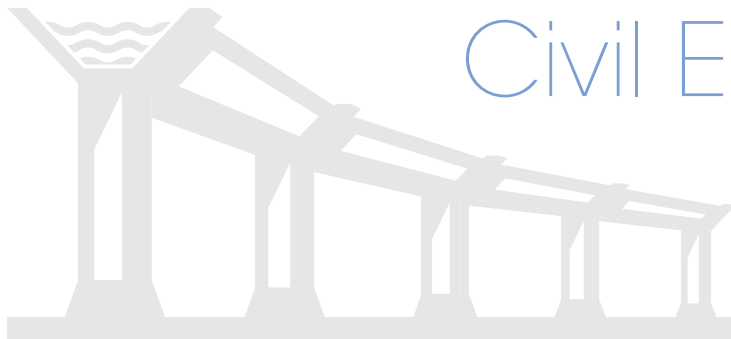
Prefecture, the work involved the construction of approximately 14,900m² of extended floor space on a site of about 3 hectares. Unusually, the plant engaged in the production of the drinking water also supports facilities focused on the tourism industry. These include factory tours and a world drinking-water gallery. In consideration of reducing the environmental impact of the building, Maeda installed a heating and cooling system that uses heat from geothermal sources together with factory waste heat. Power is also harnessed from solar sources. Likewise, the aesthetics of the project have been carefully considered with an undulating roof and a retaining wall clad in marble that is over 10 meters in height. As a result, the structure has become a landmark of Honjo City.



Yagiri Channel, Project 9

This project was carried out on part of a 12-km stretch of a beltway that surrounds Tokyo, between Oyama in Matsudo City and Koya in Ichikawa City (Chiba Prefecture). Construction consisted of a 240-m extension to a section of box culvert built between upper and central Yagiri. Due to the narrow working area that was enclosed on both sides by a major thoroughfare, Maeda designed a complex series of temporary works so as to enable the removal and replacement of the access road for construction vehicles whilst at the same time allowing construction to proceed. The work was designated by the Ministry of Land, Infrastructure, Transport and Tourism as a CIM* trial project in which detailed 3D models were prepared which then underwent a construction review to facilitate effective progress.

* CIM (Construction Information Modeling): a method in which 3D model data is shared among related parties to enable steady progress in planning, design, construction, and maintenance management.



Civil Engineering Projects

Construction of Kyogoku New Power Generation Facilities: Civil Engineering Work for Section 4

Hokkaido Power's Kyogoku power plant is the first pure pump-storage hydroelectric generation facility in Hokkaido and has an installed capacity of 600MW.

Maeda constructed the lower reservoir, which includes a 64m high and 1.22 million m³ rock-filled dam featuring a central impermeable wall. Because the town of Kyogoku is located in an area where heavy snow is not uncommon the number of available days per year for construction were limited, Maeda therefore introduced a civil engineering ICT (information and communications technology) management system to plan the construction work in a logical series of steps. This led to the successful and efficient completion of a high-quality project.





Thailand Suzuki Motor (Thailand) Building Project for the Construction of Automobiles

Maeda was tasked with the construction of an automobile factory for Suzuki Motor (Thailand), an overseas subsidiary of Suzuki Motor Corporation. The site, located within the Hemaraj Eastern Seaboard Industrial Estate of Rayong Province is about 110km southeast of the Thai capital of Bangkok, and covers about 660,000m². Construction started in November 2009 as part of

an industrial complex that has attracted numerous companies engaged in the production of automobiles.

The plant currently manufactures two models, the Celerio and Swift, which are then sold either within Thailand or exported to nearby countries. The building is built to a scale to support an annual production of up to 100,000 vehicles.

Overseas Projects



Vietnam Y-TEC Vietnam Factory Project

Y-TEC Vietnam, a subsidiary of Yamashita Rubber commissioned Maeda Vietnam with the construction of an R&D centre and factory at VSIP Hai Phong Industrial Park, about 15km northwest of Hai Phong City. The first phase of construction started in November 2013 and was completed in August 2014. This phase consisted of the building of a four storey and a two storey R&D centre with a total floor area of 11,089m² on a total site of 107,666m².

The second phase started in September 2014 and was completed in May 2015. This consisted of the Technical Centre and Plant Building No. 1 (for complete products) having a total floor area of

28,405m². Following the successful completion of this project Maeda received orders from Yamashita Rubber for further factory projects in India and Indonesia.



Mexico NTN New Manufacturing Plant

NTN Manufacturing of Mexico engaged Maeda to construct a new facility at Aguascalientes in North Central Mexico. Located at the Industrial Park Logistics Automotive (PILA), the steel structure building covers an area of 11,518m² and was started in March, 2014 and completed in March 2015. The Plant construction was Maeda's first contract in the country.



Taiwan Taipei MRT Songshan Line CG590A Contract (Ximen STA. to Songjiang Nanjing STA.)

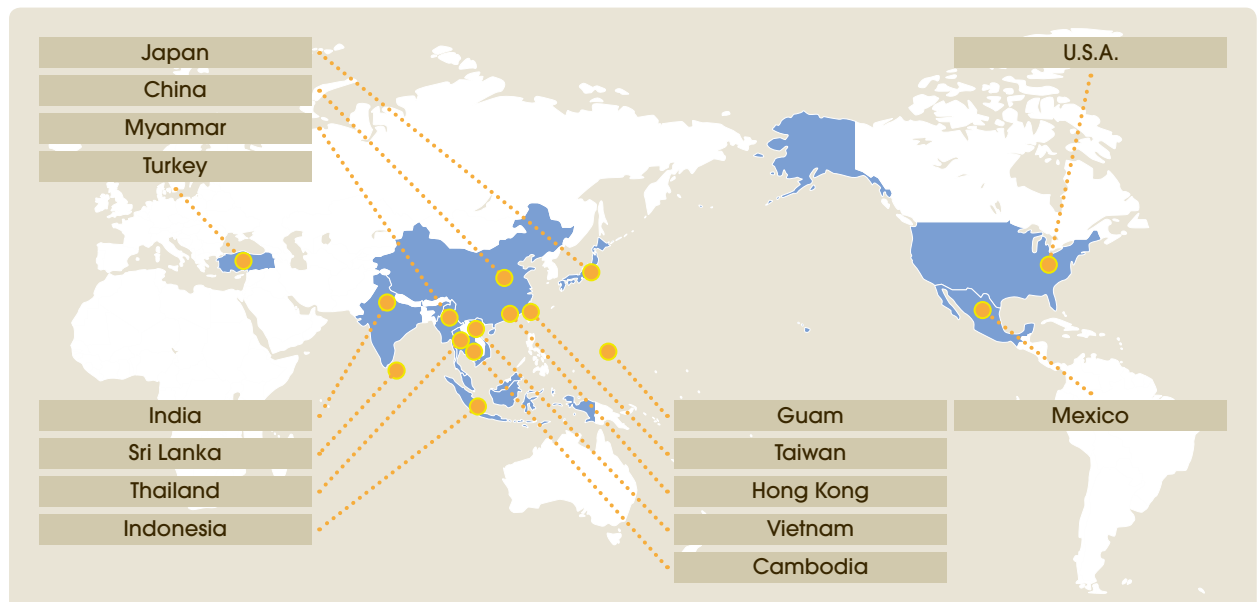
The extension of the Songshan–Xindian Line of the Taipei Metro consisted of the construction of new tunnels under the busy thoroughfares of Zhonghua Road and Minsheng Road starting from the Bannan Line's Ximen Station, which adjoins Taipei Main Station, to Songshan Station. The project included

the extension of the line by 8.5km to link Taiwan's TRA railway system at Songshan to Taipei Main Station by way of the subway. Maeda constructed a section that was approximately 3km in length, including twin tunnel tubes that are 2,200-m long and join three stations. The work had to be undertaken beneath the Taiwan High Speed Rail system which had to remain in operation throughout. Difficulties were further exacerbated by the numerous unforeseen buried objects encountered whilst tunneling. Each of these obstructions had to be removed by hand digging before work could continue. The excavation work therefore employed shield techniques that required management by way of the latest information-based construction technologies.

In addition, each station encompassed a high-grade specification to accommodate the planned artwork. Construction commenced in December 2006 and was completed by November 2014 without any major mishaps or accidents. The Songshan Line began operation shortly thereafter.



Overseas Operations



CONTRIBUTION ACTIVITIES TO THE EARTH'S ENVIRONMENT USING

"DIVIDENDS FOR THE EARTH"



Aiming for genuine preservation of the earth's environment

Maeda conducts its business activities while at the same time receiving numerous blessings from the earth's resources. We therefore consider the earth to be an important stakeholder in our company, and since 2010, we have been donating 2% of consolidated net income as "Dividends for the earth" while supporting a variety of contribution activities to the earth's environment.

We have designated the primary recipients of these dividends to be activities that contribute directly to the preservation of the earth's environment. However, through our involvement in these activities we have become keenly aware of two key issues that must be resolved as part of a fundamental approach to the problems facing the earth's environment.

The first of these is the issue of poverty and peace. To preserve the earth's environment, a cultural social foundation for providing peace and stability and for receiving education is a pressing need. Society, which can fail to provide a safe and stable way of life owing to the presence of poverty, insufficient education, and conflict, can become engaged in the destruction of the earth's environment as a normal state of affairs, including unsustainable use of natural resources such as excessive deforestation, imprudent use of hazardous chemicals, and pollution from disposed wastes. If these types of social problems are not solved, then the preservation of the earth's environment will become a genuinely difficult endeavor.

The second of these issues is an economic one. Problems that can be solved by a donation have a tendency to be limited in scope and short-term. Comprehensive and continuous solution of these issues

makes it essential that these activities be positioned within the world of business and economics. However, new business ventures and socially responsible businesses directed towards the earth's environment have difficulty attracting investment due to the low return for the risk taken. As a consequence, such environmental and social ventures cannot attract adequate funding, making the promotion of such forward-looking initiatives quite difficult.

Concrete initiatives

Therefore, in order to address these issues, Maeda has decided to expand the range of activities that are eligible for Dividends to the earth as listed below.

One element involves donation to solutions for the type of social issues impact indirectly to the earth's environment. Maeda will do this primarily through its support, by use of eco-aid and eco-angels, that contributes to sound cultural and social development such as education, public health, and fighting poverty in developing countries.

The second element is investment in ventures for solving issues tied to society and the earth's environment. These are initiatives that channel business ventures into economic activity through funding support from the perspective of those who have trouble raising funds from the market. We have named this new category of activity "Maeda SII*."

*SII: Social Impact Investment

Maeda Construction, through "Dividends for the earth," which introduced support for indirect and medium- to long-term initiatives in addition to traditional direct donations, is moving forward with more effective and comprehensive contributions to the earth's environment.



① Maeda Forest:
Tree-planting by the Company's employees and their families (Fukui, Japan)



② Maeda Eco-aid:
Making a firebreak to restrain brush fires (Thailand)



③ Maeda Eco-systems:
Donate food plants for propagation of Great Orange Tip butterflies (*hebomoia glaucippe*) (Okinawa, Japan)



④ Maeda Eco-angels:
Support of coffee cultivation, which aims to improve local living standards (Sri Lanka)



⑤ Maeda Eco-school:
Environmental study meetings for employees' families (Yamanashi, Japan)



⑥ Maeda Eco-point System:
Holding of environmental events in cooperation with NPOs (Tokyo, Japan)

Corporate Governance

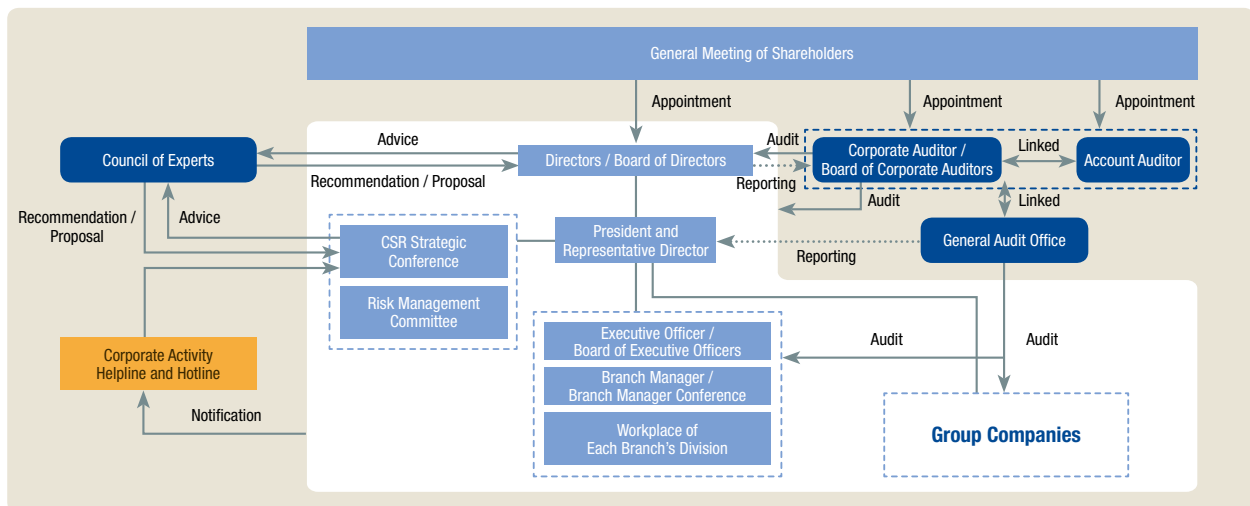
Corporate Governance System

The Maeda Group considers it a duty to explain its business activities, while aiming for business efficiency, financial health, and transparency, and has organized its corporate structure accordingly. We have introduced an executive officer system, in which each director's term of office has been reduced to one year, two outside directors (out of 13 in total) are appointed for the purpose of enhancing governance, and the oversight function has been strengthened by the appointment of three outside corporate auditors. In addition, we have put in place a "Council of Experts" that uses such experts as lawyers and accountant. The Council convenes monthly, with the President and responsible directors in attendance.

Internal Control Systems

For the purpose of establishing a thorough and consistent system of internal controls, we have declared our basic policy towards the internal control system. To this end, we have established a "CSR Strategy Committee" and a "Risk Management Committee" that are chaired by the President and operate at the executive level. In addition, we have established a "Corporate Audit Department" that conducts audits independently from the executing divisions. These components serve to increase the effectiveness of our internal control system.

Corporate Governance and Internal Control Framework



Internal Reporting System (Business Conduct Helpline and Hotline)

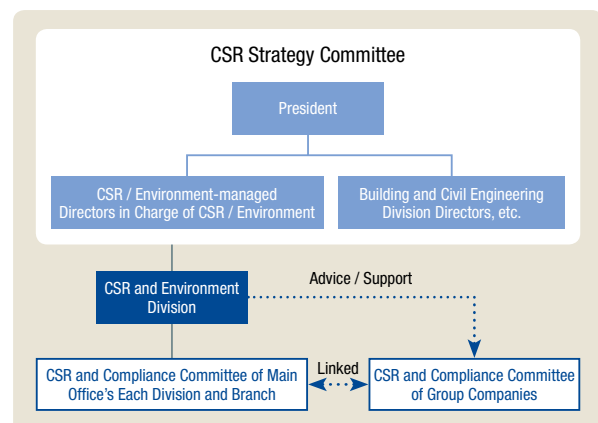
The Internal Reporting System is a very important mechanism for early detection and correction of unethical behavior and for achieving secure and improved compliance and ethics throughout the Company. In addition to the Internal Reporting System, the Company has been established links on our website for reporting on related organizations outside the Company, such as business partners, and includes the assurance of anonymity.

Excluding Antisocial Forces

The Company aims also to block relationships with antisocial forces as part of its internal controls. This is

also prescribed in the Corporate Code of Conduct and taught and promoted in employee training.

CSR and Compliance Promotion System



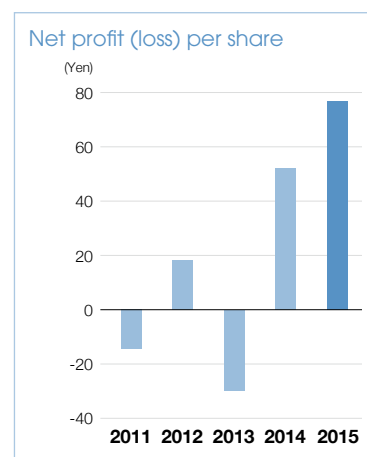
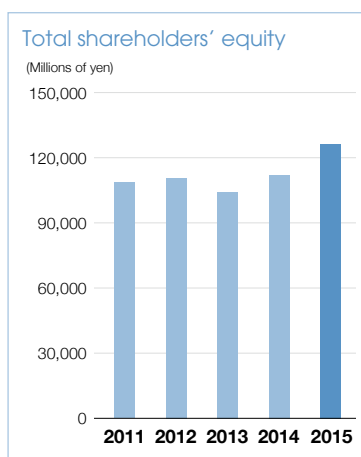
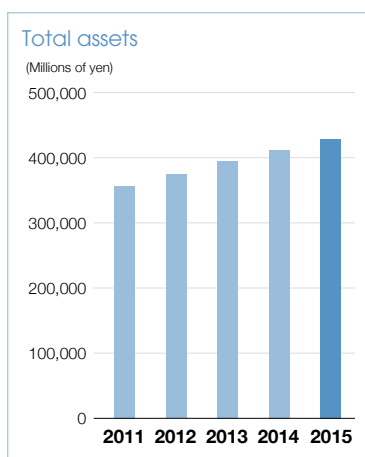
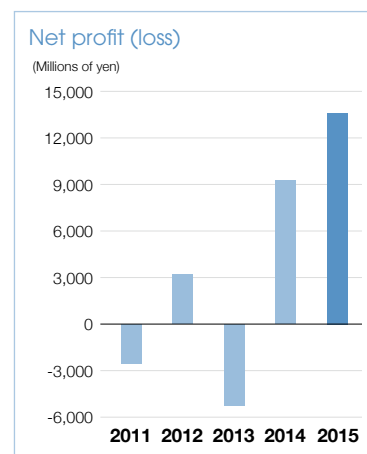
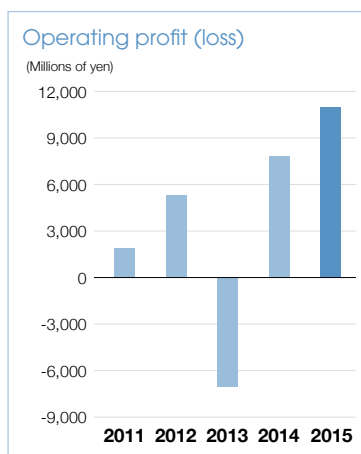
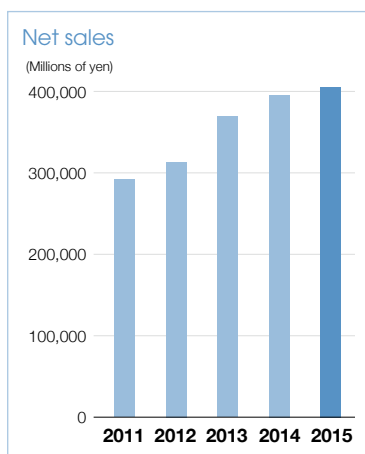
Consolidated Financial Highlights

Maeda Corporation and its consolidated subsidiaries
Years ended March 31

	Millions of yen		Thousands of U.S. dollars (Note)
	2014	2015	2015
For the year:			
Net sale	¥395,573	¥405,377	\$3,373,363
Operating profit	7,854	10,979	91,363
Net profit	9,266	13,603	113,198
At year-end:			
Total assets	411,396	428,230	3,563,535
Total shareholders' equity	112,135	126,344	1,051,377

Per share:	Yen		U.S. dollars
Net profit	52.27	76.74	0.64
Cash dividends	7.00	9.00	0.07

Note: U.S. dollar amounts in the financial statements are translated from yen, for convenience only, at the rate of at ¥120.17 = U.S.\$1.00, the exchange rate prevailing on March 31, 2015.



Consolidated Balance Sheets

Maeda Corporation and Subsidiaries
As of March 31

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 4)
	2014	2015	2015
Current assets:			
Cash and time deposits (Note 5)	¥ 21,174	¥ 26,252	\$ 218,457
Trade receivables: (Note 5)			
Notes	2,004	2,097	17,450
Accounts	152,084	141,896	1,180,794
Allowance for doubtful accounts	(150)	(92)	(766)
	153,938	143,901	1,197,478
Marketable securities (Notes 5 & 6)	817	144	1,198
Inventories (Notes 9 & 10)	24,679	37,347	310,786
Deferred tax assets (Note 13)	178	285	2,372
Other current assets	31,140	27,873	231,946
Total current assets	231,926	235,802	1,962,237
Investments and other assets:			
Investments in securities (Notes 5, 6 & 10)	62,610	129,187	1,075,035
Investments in and advances to unconsolidated subsidiaries and affiliates	41,000	—	—
Deferred tax assets (Note 13)	105	152	1,265
Intangible fixed assets	878	969	8,064
Long-term loans receivable	4,209	4,252	35,383
Claims provable in bankruptcy and other	5,382	4,055	33,744
Other investments	5,197	4,678	38,928
Allowance for doubtful accounts	(6,363)	(6,166)	(51,311)
Total investments and other assets	113,018	137,127	1,141,108
Property and equipment, at cost: (Notes 10 & 23)			
Buildings and structures	62,718	56,045	466,381
Machinery and equipment	26,730	29,540	245,818
Vehicles	2,982	3,613	30,066
Tools, furniture and fixtures	7,368	7,469	62,154
Land	34,164	28,752	239,261
Construction in progress	3,129	7	58
Leased assets	985	1,621	13,489
	138,076	127,047	1,057,227
Accumulated depreciation	(71,624)	(71,746)	(597,037)
Property and equipment, net	66,452	55,301	460,190
TOTAL ASSETS	¥ 411,396	¥ 428,230	\$ 3,563,535

The accompanying notes are an integral part of the statements.

LIABILITIES & NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 4)
	2014	2015	2015
Current liabilities:			
Short-term debt (Notes 5 & 10)	¥ 40,201	¥ 24,214	\$ 201,498
Trade payables (Note 5)	80,941	86,211	717,409
Lease obligations	243	232	1,930
Advances on construction work in progress	36,397	34,721	288,932
Advances on development and others	—	106	882
Accrued income taxes	1,777	2,737	22,776
Allowance for repairs and warranty	308	378	3,146
Accrued bonuses for employees	2,280	2,602	21,653
Accrued bonuses for directors	92	99	824
Reserve for defects on completed works	1,037	1,383	11,509
Allowance for loss on construction contracts (Note 18)	3,735	3,815	31,747
Other current liabilities	24,694	19,944	165,964
Total current liabilities	191,705	176,442	1,468,270
Long-term liabilities:			
Long-term debt (Notes 5 & 10)	52,920	55,674	463,294
Lease obligations	750	1,225	10,194
Liability for retirement benefits (Note 12)	23,586	19,246	160,156
Deferred tax liabilities (Note 13)	9,962	13,656	113,639
Other long-term liabilities	3,569	3,509	29,200
Total long-term liabilities	90,787	93,310	776,483
Commitments & contingent liabilities (Note 15)			
Net Assets (Note 21)			
Shareholders' equity:			
Common stock	23,455	23,455	195,182
Additional paid-in capital	31,715	31,715	263,918
Retained earnings	59,394	73,606	612,516
Treasury stock, at cost	(2,429)	(2,432)	(20,239)
Total shareholders' equity	112,135	126,344	1,051,377
Accumulated other comprehensive income:			
Unrealized gain on investments in securities	19,876	31,541	262,470
Foreign currency translation adjustments	(20)	35	291
Retirement benefits liability adjustments	(7,642)	(5,126)	(42,656)
Total accumulated other comprehensive income	12,214	26,450	220,105
Minority interests in consolidated subsidiaries	4,555	5,684	47,300
Total net assets	128,904	158,478	1,318,782
TOTAL LIABILITIES & NET ASSETS	¥ 411,396	¥ 428,230	\$ 3,563,535

The accompanying notes are an integral part of the statements.

Consolidated Statements of Income

Maeda Corporation and Subsidiaries
For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2014	2015	2015
Net sales	¥ 395,573	¥ 405,377	\$ 3,373,363
Cost of sales (Note 18)	365,958	372,099	3,096,438
Gross profit	29,615	33,278	276,925
Selling, general and administrative expenses (Note 16)	21,761	22,299	185,562
Operating profit	7,854	10,979	91,363
Other income (expenses):			
Interest and dividend income	915	1,088	9,054
Interest expenses	(1,488)	(1,182)	(9,836)
Gain on sale of fixed assets (Note 19)	3,177	2,628	21,868
Gain on sale of investments in securities	34	481	4,003
Loss on sale of investments in securities	(21)	(8)	(67)
Loss on valuation of investments in securities	(248)	(91)	(757)
Foreign exchange gain	585	659	5,484
Gain on equity method investments	3,521	3,928	32,687
Impairment loss on fixed assets (Note 8)	(2,092)	(530)	(4,410)
Other, net	(382)	(301)	(2,505)
	4,001	6,672	55,521
Profit before income taxes and minority interests	11,855	17,651	146,884
Income taxes:			
Current	1,981	3,560	29,625
Deferred	(78)	(249)	(2,072)
	1,903	3,311	27,553
Profit before minority interests	9,952	14,340	119,331
Minority interests in net income of consolidated subsidiaries	686	737	6,133
Net profit (Note 26)	¥ 9,266	¥ 13,603	\$ 113,198

Per share: (Note 26)	Yen		U.S. dollars
	2014	2015	2015
Primary earnings	¥ 52.27	¥ 76.74	\$ 0.64

The accompanying notes are an integral part of the statements.

Consolidated Statements of Comprehensive Income

Maeda Corporation and Subsidiaries
For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2014	2015	2015
Profit before minority interests	¥ 9,952	¥ 14,340	\$ 119,331
Other comprehensive income:			
Unrealized gain on investments in securities	5,987	11,467	95,423
Foreign currency translation adjustments	(3)	118	982
Retirement benefits liability adjustments	—	2,010	16,726
Share of other comprehensive income of companies accounted for by equity method	207	861	7,165
Total other comprehensive income (Note 20)	6,191	14,456	120,296
Total comprehensive income	¥ 16,143	¥ 28,796	\$ 239,627
Total comprehensive income attributable to:			
Shareholders of Maeda Corporation	¥ 15,431	¥ 27,838	\$ 231,655
Minority interests	712	958	7,972

The accompanying notes are an integral part of the statements.

Consolidated Statements of Changes in Net Assets

Maeda Corporation and Subsidiaries
For the years ended March 31, 2014 and 2015

Millions of yen

	Shareholders' equity				Total shareholders' equity	Accumulated other comprehensive income				Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost (Note 21)		Unrealized gain on investments in securities	Foreign currency translation adjustments	Retirement benefits liability adjustments (Note 12)	Total accumulated other comprehensive income		
Balance at April 1, 2013	¥ 23,455	¥ 31,715	¥ 51,369	¥ (2,427)	¥ 104,112	¥ 13,710	¥ (19)	¥ —	¥ 13,691	¥ 3,754	¥ 121,557
Changes during the year:											
Cash dividends paid at ¥7.0 per share	—	—	(1,241)	—	(1,241)	—	—	—	—	—	(1,241)
Net profit for the year	—	—	9,266	—	9,266	—	—	—	—	—	9,266
Acquisition of treasury stock	—	—	—	(2)	(2)	—	—	—	—	—	(2)
Sale of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Net changes other than shareholders' equity	—	—	—	—	—	6,166	(1)	(7,642)	(1,477)	801	(676)
Total changes during the year	—	—	8,025	(2)	8,023	6,166	(1)	(7,642)	(1,477)	801	7,347
Balance at April 1, 2014	¥ 23,455	¥ 31,715	¥ 59,394	¥ (2,429)	¥ 112,135	¥ 19,876	¥ (20)	¥ (7,642)	¥ 12,214	¥ 4,555	¥ 128,904
Cumulative effect of change in accounting principle (Note)	—	—	¥ 1,850	—	¥ 1,850	—	—	—	—	—	¥ 1,850
Restated balance at April 1, 2014	¥ 23,455	¥ 31,715	¥ 61,244	¥ (2,429)	¥ 113,985	¥ 19,876	¥ (20)	¥ (7,642)	¥ 12,214	¥ 4,555	¥ 130,754
Changes during the year:											
Cash dividends paid at ¥7.0 per share	—	—	(1,241)	—	(1,241)	—	—	—	—	—	(1,241)
Net profit for the year	—	—	13,603	—	13,603	—	—	—	—	—	13,603
Acquisition of treasury stock	—	—	—	(3)	(3)	—	—	—	—	—	(3)
Sale of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Net changes other than shareholders' equity	—	—	—	—	—	11,665	55	2,516	14,236	1,129	15,365
Total changes during the year	—	—	12,362	(3)	12,359	11,665	55	2,516	14,236	1,129	27,724
Balance at March 31, 2015	¥ 23,455	¥ 31,715	¥ 73,606	¥ (2,432)	¥ 126,344	¥ 31,541	¥ 35	¥ (5,126)	¥ 26,450	¥ 5,684	¥ 158,478

Thousands of U.S. dollars (Note 4)

	Shareholders' equity				Total shareholders' equity	Accumulated other comprehensive income				Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost (Note 21)		Unrealized gain on investments in securities	Foreign currency translation adjustments	Retirement benefits liability adjustments (Note 12)	Total accumulated other comprehensive income		
Balance at April 1, 2014	\$ 195,182	\$ 263,918	\$ 494,250	\$ (20,213)	\$ 933,137	\$ 165,399	\$ (166)	\$ (63,593)	\$ 101,640	\$ 37,905	\$ 1,072,682
Cumulative effect of change in accounting principle (Note)	—	—	\$ 15,395	—	\$ 15,395	—	—	—	—	—	\$ 15,395
Restated balance at April 1, 2014	\$ 195,182	\$ 263,918	\$ 509,645	\$ (20,213)	\$ 948,532	\$ 165,399	\$ (166)	\$ (63,593)	\$ 101,640	\$ 37,905	\$ 1,088,077
Changes during the year:											
Cash dividends paid at \$0.09 per share	—	—	(10,327)	—	(10,327)	—	—	—	—	—	(10,327)
Net profit for the year	—	—	113,198	—	113,198	—	—	—	—	—	113,198
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Sale of treasury stock	—	—	—	(25)	(25)	—	—	—	—	—	(25)
Net changes other than shareholders' equity	—	—	—	—	—	97,071	457	20,937	118,465	9,395	127,860
Total changes during the year	—	—	102,871	(25)	102,846	97,071	457	20,937	118,465	9,395	230,705
Balance at March 31, 2015	\$ 195,182	\$ 263,918	\$ 612,516	\$ (20,239)	\$ 1,051,377	\$ 262,470	\$ 291	\$ (42,656)	\$ 220,105	\$ 47,300	\$ 1,318,782

The accompanying notes are an integral part of the statements.

Consolidated Statements of Cash Flows

Maeda Corporation and Subsidiaries
For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2014	2015	2015
Cash Flows from Operating Activities:			
Profit (loss) before income taxes and minority interests	¥ 11,855	¥ 17,651	\$ 146,884
Depreciation	4,168	4,514	37,563
Impairment loss on fixed assets	2,092	530	4,410
Increase (decrease) in allowance for doubtful accounts	(524)	(255)	(2,122)
Increase (decrease) in allowance for losses on construction contracts	(555)	80	666
Increase (decrease) in liability for retirement benefits	(229)	(1,531)	(12,740)
Interest and dividend income	(915)	(1,088)	(9,054)
Interest expenses	1,488	1,182	9,836
Foreign exchange loss (gain)	(209)	(388)	(3,229)
Equity in losses (earnings) of affiliates	(3,521)	(3,928)	(32,687)
Loss (gain) on sales of short-term and long-term investment securities	(13)	(492)	(4,094)
Loss (gain) on valuation of short-term and long-term investment securities	216	91	757
Loss (gain) on sale of fixed assets	(3,161)	(2,587)	(21,528)
(Increase) decrease in trade receivables	(24,624)	10,020	83,382
(Increase) decrease in construction work in progress	(2,046)	(8,990)	(74,811)
(Increase) decrease in project costs for development and others	(1,154)	(3,881)	(32,296)
(Increase) decrease in other inventories	5,879	203	1,689
(Increase) decrease in consumption tax receivables	1,346	(4,970)	(41,358)
Increase (decrease) in trade payables	(1,018)	5,357	44,579
Increase (decrease) in advances on construction work in progress	2,581	(1,580)	(13,148)
Other	(1,382)	6,618	55,072
Sub-total	(9,726)	16,556	137,771
Receipt of interest and dividend income	1,653	1,774	14,763
Payment of interest expenses	(1,566)	(1,256)	(10,452)
Payment of income taxes	(649)	(2,708)	(22,535)
Cash flows provided by (used in) operating activities	(10,288)	14,366	119,547
Cash Flows from Investing Activities:			
Proceeds from sale and redemption of marketable securities	—	300	2,496
Acquisition of property and equipment and intangible assets	(3,989)	(7,599)	(63,235)
Proceeds from sale of property and equipment and intangible assets	4,220	17,364	144,495
Acquisition of investments in securities	(1,616)	(6,732)	(56,021)
Proceeds from sale of investments in securities	554	1,346	11,201
Lending of long-term loans receivable	(1,789)	(249)	(2,072)
Collection of long-term loans receivable	1,339	221	1,839
Other	12	478	3,978
Cash flows provided by (used in) investing activities	(1,269)	5,129	42,681
Cash Flows from Financing Activities:			
Increase (decrease) in short-term loans	7,445	(5,138)	(42,756)
Increase in long-term loans	10,000	6,500	54,090
Repayment of long-term loans	(4,000)	(11,660)	(97,029)
Proceeds from issuance of bonds	—	9,946	82,766
Repayment of bonds	(25,100)	(13,000)	(108,180)
Proceeds from issuance of zero coupon convertible bonds	10,037	—	—
Payment of finance lease obligations	(161)	(222)	(1,847)
Acquisition of treasury stock	(3)	(3)	(25)
Payment of cash dividends	(1,240)	(1,241)	(10,327)
Payment of cash dividends to minority shareholders	(56)	(65)	(542)
Cash flows used in financing activities	(3,078)	(14,883)	(123,850)
Exchange difference of cash and cash equivalents	246	463	3,853
Increase (decrease) in cash and cash equivalents	(14,389)	5,075	42,231
Cash and cash equivalents at beginning of the year	34,724	20,904	173,954
Increase due to inclusion in consolidation	569	—	—
Cash and cash equivalents at end of the year (Note 22)	¥ 20,904	¥ 25,979	\$ 216,185

The accompanying notes are an integral part of the statements.

Notes to the Consolidated Financial Statements

Maeda Corporation and Subsidiaries

01 Basis of Presenting Consolidated Financial Statements

(1) Accounting principles and presentation

Maeda Corporation (the "Company") and its consolidated subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and, its foreign subsidiaries maintain their books of account in conformity with those countries of domicile.

Effective April 1, 2008, the Company adopted the "Practical Solution to Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (PITF No.18)". In accordance with PITF No. 18, the accompanying consolidated financial statements for the years ended March 31, 2014 and 2015 have been prepared by using, the accounts of foreign consolidated subsidiaries prepared in accordance with either International Financial Reporting Standards (IFRS) or accounting principles generally accepted in the United States as adjusted for certain items. Until March 31, 2008, the accompanying consolidated financial statements had been prepared by using the accounts of foreign consolidated subsidiaries prepared in accordance with accounting principles generally accepted in their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of IFRS, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

(2) Scope of consolidation

The Company has twenty-five (25) subsidiaries ("controlled companies", wherein the decision-making body of entity is controlled) as of March 31, 2015. The accompanying consolidated financial statements include the accounts of the Company and eight (8) significant subsidiaries, controlled directly or indirectly by the Company, as listed below:

Consolidated subsidiaries:

Name of subsidiary	Segment (Main business)	Equity ownership percentage	March 31, 2015	
			Millions of yen	Thousands of U.S. dollars
Maeda Seisakusho Co., Ltd.	Other (Manufacturing, sales and rental of construction machinery and others)	43.0% *{0.7} **[9.8]	¥3,160	\$26,296
JM Corporation	Building	100.0 *{—}	350	2,913
Fujimi Koken Co., Ltd.	Other (Production and sales of construction materials)	50.0 *{—}	250	2,080
FBS Inc.	Building	75.0 *{25.0}	100	832
Seiyu Estate Co., Ltd.	Real estate	98.8 *{2.4}	50	416
Miyama Kogyo Co., Ltd.	Civil engineering	74.2 *{24.2}	25	208
Thai Maeda Corporation Ltd.	Building	45.0 *{—}	***20	616
Anonymous Association—Aomi Seaside Project	Real estate	— *{—}	—	—

* The corresponding figures represent the indirect ownership percentage included in "Equity ownership percentage."

** The corresponding figure represents the ownership percentage of those closely related or with ties to the Company not included in "Equity ownership percentage."

*** The amount is presented as thousands of Thai Baht.

Note: Fujimi Building Services Co., Ltd. changed the company name to FBS Inc. effective October 1, 2015.

The accounts of the other seventeen (17) subsidiaries have not been consolidated with the Company because of the insignificant amount of total assets, net sales, net profit and retained

earnings, but one (1) of the unconsolidated subsidiaries is accounted for by the equity method.

(3) Consolidation and elimination

For the purposes of preparing the consolidated financial statements, all significant inter-company transactions, account balances and unrealized profits among the Company and its consolidated subsidiaries have been eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

Differences between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method are amortized by the straight-line method over periods not exceeding 5 years. However, immaterial goodwill and negative goodwill are charged or credited to income in the year of acquisition.

(4) Investments in unconsolidated subsidiaries and affiliates

As of March 31, 2015, the Company has twelve (12) affiliates ("influenced companies", wherein the financial and operating or business decision-making body of an entity that is not a subsidiary can be influenced to a material degree).

Investments in one (1) unconsolidated subsidiary and four (4) affiliates are accounted for by the equity method, under which the Company's equity in the net profit of these affiliates is included in consolidated profit with appropriate elimination of inter-company profit as of March 31, 2015, and for the year then ended. The remaining investments in unconsolidated subsidiaries and affiliates are stated at cost since the investments do not have a material effect on consolidated net profit and retained earnings in the consolidated financial statements.

Major unconsolidated subsidiary accounted for by the equity method;

J. City Corporation

Major affiliates accounted for by the equity method;

Maeda Road Construction Co., Ltd.

Toyo Construction Co., Ltd.

Major unconsolidated subsidiary not accounted for by the equity method;

Chiba City Consumer Life PFI Service Co., Ltd.

Major affiliate not accounted for by the equity method;

Jindai Hospital Parking Service Co., Ltd.

02 Summary of Significant Accounting Policies

(1) Revenue recognition

Sales are recognized by the percentage-of-completion method for the construction contracts, whose profit/loss and stage of completion of the contracts can be estimated reliably at the balance sheet date, and by the completed-contract method for the other construction contracts.

Sales for the year ended March 31, 2015 include ¥322,346 million (\$2,682,417 thousand) of sales based on the percentage-of-completion method.

(2) Financial instruments

1) Securities

Bonds held to maturity: Amortized cost method

Other securities:

Securities with market value:

Market price method based on the market value as of the balance sheet date. (Net unrealized gains or losses on these securities are reported as a separate item in net assets at a net-of-tax amount, and sales costs are calculated based on the moving average cost method.)

Securities without market value: Moving average cost method

Notes to the Consolidated Financial Statements

2) Derivatives

All derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise, except for derivatives that are designated as “hedging instruments”.

Gains or losses arising from changes in fair value of the derivatives designated as “hedging instruments” are deferred as assets or liabilities and included in net profit or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

The derivatives designated as hedging instruments by the Company are principally interest rate swaps and forward foreign exchange contracts. The related hedged items are trade accounts receivable and payable, long-term bank loans, and debt securities issued by the Company.

The Company has a policy of utilizing the above hedging instruments in order to reduce the Company’s exposure to the risks of interest rate and exchange rate fluctuations. Thus, the Company’s purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Company evaluates effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

(3) Inventories

Construction work in progress is stated at the specific identification cost.

Real estate held for sale, merchandise and finished products, project costs for development and others and materials in stock are stated at the specific identification cost (write-down according to decreased profitability method).

(4) Property and equipment

Depreciation costs of property and equipment are computed by the declining balance method over the estimated useful lives of respective assets except for buildings (not including facilities annexed to buildings) acquired after April 1, 1998, whose depreciation costs are computed by the straight-line method over the estimated useful lives of respective assets.

Useful lives and residual values of property and equipment are in accordance with the Corporation Tax Act of Japan.

Depreciation costs of certain tangible assets held by certain consolidated subsidiaries are computed in the proportion that production for a period relates to management’s estimate of production.

(5) Intangible fixed assets and long-term prepaid expense

The straight-line method is adopted. Software for the Company is amortized by the straight-line method over 5 years, the useful life set by the Company.

(6) 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.

Finance lease contracts that do not transfer ownership to the lessee, which had commenced prior to the adoption of the “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan (ASBJ) Statement No. 13), out of the finance lease contracts without title-transfer are accounted for as ordinary operating lease contracts.

(7) Bond issuance expenses

Bond issuance expenses are fully amortized at the time of issuance.

(8) Allowance for doubtful accounts

The Company and consolidated subsidiaries provide the allowance for doubtful accounts by the method which uses the percentage of its own actual experience of bad debt loss written off against the balance of total receivables plus the amount deemed necessary to cover individual accounts estimated to be uncollectible.

(9) Allowance for repairs and warranty

An allowance for repair costs of heavy machinery has been provided based on an estimated cost as of the end of the fiscal year.

(10) Accrued bonuses for employees

Accrued bonuses for employees represent the estimated amount of bonuses to employees attributable to their services rendered within the period.

(11) Accrued bonuses for directors

Accrued bonuses for directors represent the estimated amount of bonuses to directors attributable to their services rendered within the period.

(12) Reserve for defects on completed works

A reserve has been provided based on the previous fiscal year's experience in respect of the expenses for defect liabilities of the completed works.

(13) Allowance for loss on construction contracts

An allowance for loss on construction contracts has been provided based on an estimate of the total losses which can be anticipated for the future and beyond in respect of construction contracts on which eventual losses are deemed inevitable and amounts thereof can reasonably be estimated.

(14) Reserve for retirement benefits

The accrued retirement benefit represents the estimated present value of projected benefit obligations and plan assets for the employees. Unrecognized actuarial differences are amortized on a straight-line basis over 10 to 15 years from the following fiscal year. Unrecognized prior service costs are amortized on a straight-line basis over 15 years.

(15) Amortization of goodwill

Goodwill is amortized on a straight-line basis over 5 years. In case the amount is not significant, goodwill is, however, expensed immediately.

(16) Cash and cash equivalents

For the preparation of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of overdrafts, all highly liquid investments with maturities of three (3) months or less and commercial paper.

(17) Consumption tax

Consumption tax payable or receivable is excluded from each account in the consolidated statements of income.

(18) Standards issued but not yet effective

Accounting standards for business combinations

On September 13, 2013, the Accounting Standards Board of Japan (ASBJ) issued "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7), "Revised Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2), "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10), and "Revised Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).

1) Overview

Under these revised accounting standards, the accounting treatment for any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to "minority interests" was changed to "non-controlling interests," and transitional provisions for these accounting standards were also defined.

Notes to the Consolidated Financial Statements

2) Scheduled date of adoption

The Company expects to adopt these revised accounting standards and guidance from the beginning of the fiscal year ending March 31, 2016.

3) Impact of adopting revised accounting standards and guidance

The Company is currently evaluating the effect of adopting these revised standards on its consolidated financial statements.

03 Accounting Changes

The Company adopted Section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and the main clause of Section 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015) effective from April 1, 2014. As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects: the method for calculating the expected amount of payments has been changed from the straight-line attribution method to the benefit formula method, and the method for determining the discount rate has been changed from the basic method that is based on an average period corresponding to the expected amount of benefit payment to one that employs multiple discount rates corresponding to the duration of the expected amount of benefit payment. In addition, at a certain subsidiary, the method for attributing the retirement benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to use a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

The cumulative effect of changing the method for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Paragraph 37 of Accounting Standard for Retirement Benefits.

As a result, liability for retirement benefits decreased by ¥1,923 million (\$16,002 million) and retained earnings increased by ¥1,850 million (\$15,395 million) at April 1, 2014. The effect of adopting these revised standards on the consolidated financial statements is minor.

04 U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥120.17 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2015. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

05 Financial Instruments

(1) Financial instruments

1) Policy of financial instruments

The Company and its group raise funds mainly necessary for construction business according to its financial planning by means of borrowings from banks and bonds.

Temporary surplus funds are managed by means of safe and secured financial instruments. The Company has a policy of utilizing derivative transactions in order to avoid the Company's exposure to the risks mentioned below, but not for trading or speculative purposes.

2) Financial instruments, risks and risks management

Notes and accounts of trade receivables are exposed to the credit risks of the clients. The Company attempts to reduce the risks of disability or delay in collection of debt by the routine confirmation of the debt balances and examination of credit standing of each client in accordance with the project award control procedures, the accounting rules and other rules of the Company. The consolidated subsidiaries manage the risks according to the Company's regulations.

Marketable securities and investments in securities include mainly the securities of subsidiaries, affiliates, and business partners. Marketable securities of the business partners are exposed to the stock market fluctuation risks, and the Company, examining the fair values and financial status of such companies, makes continuous review of the possession situation, by taking the market situation and the relationship with such companies into consideration.

Trade payables and others as liabilities are to be paid mostly within one year. Part of foreign currency trade payables is exposed to the foreign exchange market fluctuation risks, but they are constantly within the amount of the same foreign currency trade receivables. Forward foreign exchange contracts are utilized against the payment for part of the amount fixed by the long-term contract in order to avoid the exchange rate fluctuation risks.

Loans and bonds are utilized for the purpose of operating funds (mainly from short-term debt) and investments in facilities and others (mainly from long-term debt), and the terms for redemption (repayment) are seven years at longest. Part of long-term debt is exposed to the interest rate fluctuation risks, and interest rate swaps transactions are utilized in order to fix interest. Forward foreign exchange contracts are utilized in order to hedge the exchange rate fluctuation risks against part of foreign currency loans.

The risks in funding liquidity are managed and controlled by monitoring and maintaining the funding liquidity in hand, and by preparing and reviewing the financial planning timely by the department in charge based on the reports from the subsidiaries, affiliates and the branches of the Company. Cash Management System (CMS) is operated among the consolidated subsidiaries and affiliates in order to promote mutual exploitation of surplus funds within the Company's group. It enhances efficiency of funding, and is useful for the maintenance and management of the funding liquidity in hand.

The derivative transactions are conducted and managed in accordance with the Company's regulations for authority for approval, and such transactions are conducted only with highly-rated financial institutions in order to reduce the credit risks.

The explanation for hedging instruments, hedged items, policy for hedge accounting and evaluation of effectiveness of hedging activities are provided in aforementioned "2) Derivatives" of "(2) Financial instruments" in Note "2. Summary of Significant Accounting Policies".

3) Supplemental explanation on fair value of financial instruments

The fair values of financial instruments are based on the fair market value. The financial instruments without market value, are evaluated by reasonable assessment, and such evaluations based on variable factors may change in line with the adoption of new assumptions.

Notes to the Consolidated Financial Statements

(2) Fair value and other

Fair values of financial instruments, except for those for which the fair value is recognized as extremely difficult to determine, as of March 31, 2014 and 2015 are summarized as follows:

March 31, 2014	Millions of yen		
	Book value	Fair value	Difference
(a) Cash and time deposits	¥ 21,174	¥ 21,174	¥ —
(b) Trade receivables	154,089	153,786	(303)
(c) Marketable securities and investment in securities	96,555	93,604	(2,951)
Total assets	¥ 271,818	¥ 268,564	¥ (3,254)
(a) Trade payables	¥ 80,941	¥ 80,941	¥ —
(b) Short-term loans	27,201	27,201	—
(c) Corporate bonds*	28,000	28,049	49
(d) Long-term loans	27,875	27,931	56
Total liabilities	¥ 164,017	¥ 164,122	¥ 105
(a) Derivative transactions**	¥ —	¥ —	¥ —

March 31, 2015	Millions of yen		
	Book value	Fair value	Difference
(a) Cash and time deposits	¥ 26,252	¥ 26,252	¥ —
(b) Trade receivables	143,993	143,848	(145)
(c) Marketable securities and investments in securities	120,360	125,392	5,032
Total assets	¥ 290,605	¥ 295,492	¥ 4,887
(a) Trade payables	¥ 86,211	¥ 86,211	¥ —
(b) Short-term loans	14,214	14,214	—
(c) Corporate bonds*	25,000	24,819	(181)
(d) Long-term loans	30,639	30,903	264
Total liabilities	¥ 156,064	¥ 156,147	¥ 83
(a) Derivative transactions**	¥ —	¥ —	¥ —

March 31, 2015	Thousands of U.S. dollars		
	Book value	Fair value	Difference
(a) Cash and time deposits	\$ 218,457	\$ 218,457	\$ —
(b) Trade receivables	1,198,244	1,197,038	(1,206)
(c) Marketable securities and investments in securities	1,001,581	1,043,455	41,874
Total assets	\$ 2,418,282	\$ 2,458,950	\$ 40,668
(a) Trade payables	\$ 717,409	\$ 717,409	\$ —
(b) Short-term debt	118,282	118,282	—
(c) Corporate bonds*	208,039	206,532	(1,507)
(d) Long-term loans	254,964	257,161	2,197
Total liabilities	\$ 1,298,694	\$ 1,299,384	\$ 690
(a) Derivative transactions**	\$ —	\$ —	\$ —

* "(c) Corporate bonds" includes those to be redeemed within one year.

** The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

Notes: 1. Method of determining the fair values of financial instruments, securities and derivatives

Assets:

(a) Cash and time deposits

Cash and time deposits are stated at book value since all time deposits are short term and their fair value is almost equivalent to the book value.

(b) Trade receivables - Notes and Accounts

Each trade receivable is evaluated by the present value discounted by the rate in consideration of the maturity period of each trade receivable classified by period and credit risk of each debtor.

(c) Marketable securities and Investments in securities

The values of stocks are based on market value, and the values of bonds are based on market value or the values provided by corresponding financial institutions.

Liabilities:

(a) Trade payables and (b) short-term loans

Trade payables and short-term loans are stated at book value since they are settled in a short term and their fair value is almost equivalent to the book value.

(c) Corporate bonds

The values of bonds are based on market value.

The values of bonds without market value are evaluated by the present value of the principals and interests discounted by the rate in consideration of the remaining period of bonds and credit risks of issuers.

(d) Long-term loans

Long-term loans with floating interest rates are stated at book value since the market rates are reflected in a short term and their fair value is almost equivalent to the book value.

Long-term loans with fixed interest rates are evaluated by the present value discounted by the expected rate applied to similar new loans.

Derivative transactions;

(a) Derivative transactions

Forward foreign exchange contracts are based on information provided by the financial institutions.

The fair values of interest rate swaps transactions designated as "hedging instruments" are included in the fair values of long-term loans since the fair values are accounted for together with the hedged long-term loans.

2. Financial instruments for which the fair value is recognized as extremely difficult to determine

Unlisted stocks and others of ¥7,871 million as of March 31, 2014 at book value were not included in "Investments in securities" since their fair values are recognized as extremely difficult to determine without market value and their future cash flows cannot be estimated.

Zero coupon convertible bonds of ¥10,044 million, issued during the fiscal year ended March 31, 2014, are not included since their fair values are recognized as extremely difficult to determine without market value.

Unlisted stocks and others of ¥8,971 million (\$74,653 thousand) as of March 31, 2015 at book value are not included in "Marketable securities and investments in securities" since their fair values are recognized as extremely difficult to determine without market value.

Zero coupon convertible bonds of ¥10,035 million (\$83,507 thousand), issued during the fiscal year ended March 31, 2015, are not included below since their fair values are recognized as extremely difficult to determine without market value.

3. Repayment schedule of trade receivables, marketable securities and investments in securities with maturities and other.

March 31, 2014	Millions of yen			
	Within 1 year	Over 1 year within 5 yrs	Over 5 years within 10 yrs	Over 10 years
(1) Cash and time deposits	¥ 21,174	¥ —	¥ —	¥ —
(2) Trade receivables—Notes and accounts	146,297	7,501	176	114
(3) Investments in securities:				
Held-to-maturity securities				
National/Municipal bonds	—	—	20	—
Corporate bonds	—	—	—	—
Other securities w/maturities				
National/Municipal bonds	—	150	200	—
Corporate bonds	820	229	100	144
Total	¥ 168,291	¥ 7,880	¥ 496	¥ 258

March 31, 2015	Millions of yen			
	Within 1 year	Over 1 year within 5 yrs	Over 5 years within 10 yrs	Over 10 years
(1) Cash and time deposits	¥ 26,252	¥ —	¥ —	¥ —
(2) Trade receivables—Notes and accounts	135,835	7,944	126	89
(3) Investments in securities:				
Held-to-maturity securities				
National/Municipal bonds	—	20	—	—
Corporate bonds	—	—	—	—
Other securities w/maturities				
National/Municipal bonds	101	271	—	—
Corporate bonds	44	600	—	102
Total	¥ 162,232	¥ 8,835	¥ 126	¥ 191

March 31, 2015	Thousands of U.S. dollars			
	Within 1 year	Over 1 year within 5 yrs	Over 5 years within 10 yrs	Over 10 years
(1) Cash and time deposits	\$ 218,457	\$ —	\$ —	\$ —
(2) Trade receivables—Notes and accounts	1,130,360	66,106	1,049	741
(3) Investments in securities:				
Held-to-maturity securities				
National/Municipal bonds	—	166	—	—
Corporate bonds	—	—	—	—
Other securities w/maturities				
National/Municipal bonds	840	2,255	—	—
Corporate bonds	366	4,993	—	849
Total	\$ 1,350,023	\$ 73,520	\$ 1,049	\$ 1,590

4. Repayment schedule of corporate bonds, long-term debt and lease obligations

Repayment schedule of corporate bonds, long-term loans and lease obligations is presented in "10. Short-Term Debt, Long-Term Debt and Lease Obligations."

Notes to the Consolidated Financial Statements

06 Fair Value Information on Marketable Securities and Investments in Securities

Fair value information on marketable securities and investments in securities as of March 31, 2014 and 2015 are summarized as follows:

(1) Held-to-maturity securities

March 31, 2014	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
Securities with fair value that exceeds book value			
National/Municipal bonds	¥ 20	¥ 21	¥ 1
Corporate bonds	—	—	—
Sub-total	¥ 20	¥ 21	¥ 1
Securities with fair value that does not exceed book value			
National/Municipal bonds	¥ —	¥ —	¥ —
Corporate bonds	—	—	—
Sub-total	¥ —	¥ —	¥ —
Total	¥ 20	¥ 21	¥ 1

March 31, 2015	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
Securities with fair value that exceeds book value			
National/Municipal bonds	¥ 20	¥ 21	¥ 1
Corporate bonds	—	—	—
Sub-total	¥ 20	¥ 21	¥ 1
Securities with fair value that does not exceed book value			
National/Municipal bonds	¥ —	¥ —	¥ —
Corporate bonds	—	—	—
Sub-total	¥ —	¥ —	¥ —
Total	¥ 20	¥ 21	¥ 1

March 31, 2015	Thousands of U.S. dollars		
	Book value	Fair value	Unrealized gain (loss)
Securities with fair value that exceeds book value			
National/Municipal bonds	\$ 166	\$ 175	\$ 8
Corporate bonds	—	—	—
Sub-total	\$ 166	\$ 175	\$ 8
Securities with fair value that does not exceed book value			
National/Municipal bonds	\$ —	\$ —	\$ —
Corporate bonds	—	—	—
Sub-total	\$ —	\$ —	\$ —
Total	\$ 166	\$ 175	\$ 8

(2) Other securities

March 31, 2014	Millions of yen		
	Book value	Acquisition cost	Unrealized gain (loss)
Other securities with book value that exceeds acquisition cost			
Stocks	¥ 54,870	¥ 24,837	¥ 30,033
Securities			
National/ Municipal bonds	277	251	26
Other	479	444	35
Other	201	198	3
Sub-total	¥ 55,827	¥ 25,730	¥ 30,097
Other securities with book value that does not exceed acquisition cost			
Stocks	¥ 1,974	¥ 2,104	¥ (130)
Securities			
National/ Municipal bonds	100	100	(0)
Other	301	305	(4)
Other	77	87	(10)
Sub-total	¥ 2,452	¥ 2,596	¥ (144)
Total	¥ 58,279	¥ 28,326	¥ 29,953

Note: Unlisted stocks and others of ¥5,127 million at book value were not included in the "(2) Other securities" since their fair values were recognized as extremely difficult to determine without market quotations available.

March 31, 2015	Millions of yen		
	Book value	Acquisition cost	Unrealized gain (loss)
Other securities with book value that exceeds acquisition cost			
Stocks	¥ 74,424	¥ 29,294	¥ 45,130
Securities			
National/ Municipal bonds	249	221	28
Other	103	100	3
Other	305	297	8
Sub-total	¥ 75,081	¥ 29,912	¥ 45,169
Other securities with book value that does not exceed acquisition cost			
Stocks	¥ 1,196	¥ 1,219	¥ (23)
Securities			
National/ Municipal bonds	150	151	(1)
Other	—	—	—
Other	115	116	(1)
Sub-total	¥ 1,461	¥ 1,486	¥ (25)
Total	¥ 76,542	¥ 31,398	¥ 45,144

Notes to the Consolidated Financial Statements

March 31, 2015	Thousands of U.S. dollars		
	Book value	Acquisition cost	Unrealized gain (loss)
Other securities with book value that exceeds acquisition cost			
Stocks	\$ 619,323	\$ 243,771	\$ 375,552
Securities			
National/ Municipal bonds	2,072	1,839	233
Other	857	832	25
Other	2,538	2,471	67
Sub-total:	\$ 624,790	\$ 248,913	\$ 375,877
Other securities with book value that does not exceed acquisition cost			
Stocks	\$ 9,953	\$ 10,144	\$ (191)
Securities			
National/ Municipal bonds	1,248	1,257	(9)
Other	—	—	—
Other	957	965	(8)
Sub-total	\$ 12,158	\$ 12,366	\$ (208)
Total	\$ 636,948	\$ 261,279	\$ 375,669

Note: Unlisted stocks and others of ¥4,758 million (\$39,594 thousand) at book value are not included in the "(2) Other securities" since their fair values are recognized as extremely difficult to determine without market quotations available.

(3) "Other securities" sold

Year ended March 31, 2014	Millions of yen		
	Proceeds	Gain	Loss
Stocks	¥ 245	¥ 33	¥ —
Securities			
National/Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	201	0	—
Other	103	0	—
Total	¥ 549	¥ 33	¥ —

Year ended March 31, 2015	Millions of yen		
	Proceeds	Gain	Loss
Stocks	¥ 884	¥ 481	¥ (0)
Securities			
National/Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	400	25	—
Other	363	0	(13)
Total	¥ 1,647	¥ 506	¥ (13)

Year ended March 31, 2015	Thousands of U.S. dollars		
	Proceeds	Gain	Loss
Stocks	\$ 7,356	\$ 4,003	\$ (0)
Securities			
National/Municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	3,329	208	—
Other	3,021	0	(108)
Total	\$ 13,706	\$ 4,211	\$ (108)

(4) Impairment loss on other securities

Impairment loss on securities amounted to ¥248 million, including ¥40 million of stocks with market value in other securities, and ¥149 million of stocks without market value in other securities and ¥59 million of affiliates' stocks for the year ended March 31, 2014.

Impairment loss on securities amounted to ¥91 million (\$757 thousand), including ¥70 million (\$583 thousand) of stocks with market value in other securities and ¥21 million (\$175 thousand) of affiliates' stocks for the year ended March 31, 2015.

07 Derivative Financial Instruments

Derivative financial instruments as of March 31, 2014 and 2015 are summarized as follows:

(1) Derivative transactions not designated as "hedging instruments"

Currency-related transactions

For the year ended March 31, 2014: Not applicable

For the year ended March 31, 2015: Not applicable

(2) Derivative transactions designated as "hedging instruments"

Interest-rate-related transactions

March 31, 2014	Millions of yen			
	Hedged item	Contract amount	Contract amount over 1 year	Fair value
Deferral accounting as "hedging instruments"				
Interest rate swap transactions —Variable interest received and fixed interest paid	Long-term loans	¥ 20,250	¥ 14,500	See note

March 31, 2015	Millions of yen			
	Hedged item	Contract amount	Contract amount over 1 year	Fair value
Deferral accounting as "hedging instruments"				
Interest rate swap transactions —Variable interest received and fixed interest paid	Long-term loans	¥ 20,500	¥ 20,500	See note

March 31, 2015	Thousands of U.S. dollars			
	Hedged item	Contract amount	Contract amount over 1 year	Fair value
Deferral accounting as "hedging instruments"				
Interest rate swap transactions —Variable interest received and fixed interest paid	Long-term loans	\$ 170,592	\$ 170,592	See note

Note: Fair value of interest rate swap transactions designated as "hedging instruments" is included in the fair values of the long-term loans under the special hedge accounting method for interest rate swaps.

08 Impairment Loss on Fixed Assets

Fixed assets for business use are grouped by business, and fixed assets for rent, golf courses and the fixed assets to be disposed are grouped based on an individual asset basis.

Impairment loss of ¥2,092 million for the year ended March 31, 2014 was recorded since the book values of the properties had been reduced to the recoverable values due to the decline in land prices and other.

The recoverable amounts of the fixed assets were their net realizable values based on amounts determined by valuations made in accordance with real estate appraisal standards or publicly-assessed land values and other for the year ended March 31, 2014. The recoverable amounts are also determined with future cash flows discounted at 4.6%.

Impairment loss of ¥530 million (\$4,410 thousand) for the year ended March 31, 2015 is recorded since the book values of the properties have been reduced to the recoverable values due to the decline in the value of fixed assets for rent and other.

The recoverable amounts of the fixed assets are their net realizable values based on amounts determined by valuations made in accordance with real estate appraisal standards or publicly-assessed land values and other for the year ended March 31, 2015. Some recoverable amounts are also determined to be zero when future cash flows are negative.

Notes to the Consolidated Financial Statements

Impairment losses on fixed assets for the years ended March 31, 2014 and 2015 are summarized as follows:

Years ended March 31	Location	Type of assets	Use	Millions of yen		Thousands of U.S. dollars
				2014	2015	2015
	Tokyo	Land and building	For rent	¥ 1,374	¥ —	\$ —
	Niigata, and other	Land and building	For rent and other	718	—	—
	Osaka	Land and building	For rent	—	441	3,670
	Hokkaido	Building	For rent	—	63	524
	Tokyo	Building	For rent	—	25	208
	Niigata, and other	Land	Idle assets	—	1	8
			Total	¥ 2,092	¥ 530	\$ 4,410

09 Inventories

Inventories as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Real estate held for sale	¥ 2,222	¥ 2,210	\$ 18,391
Merchandise and finished products	835	758	6,308
Construction work in progress	15,289	24,279	202,039
Project costs for development and others	5,470	9,351	77,815
Materials in stock	863	749	6,233
Total	¥ 24,679	¥ 37,347	\$ 310,786

Notes: 1. Inventories are written down based on the decreased profitability and ¥530 million and ¥1,050 (\$8,738 thousand) of loss on write-down of inventories for the years ended March 31, 2014 and 2015, respectively, are included in "Cost of Sales" in the Consolidated Statements of Income.

2. The amount of construction work in progress is not offset by the allowance for losses on construction contracts and both are presented. The amount of construction work in progress for which an allowance for losses on construction contracts is provided is ¥181 million (\$1,506 thousand) for the year ended March 31, 2015.

10 Short-Term Debt, Long-Term Debt and Lease Obligations

Short-term debt and lease obligations due within one year as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Bank loans bearing interest with an average rate of 0.8% per annum	¥ 18,851	¥ 13,789	\$ 114,746
Current portion of long-term loans	21,350	10,425	86,752
Total short-term debt	¥ 40,201	¥ 24,214	\$ 201,498
Lease obligations due within one year	¥ 243	¥ 231	\$ 1,922
Total	¥ 40,444	¥ 24,445	\$ 203,420

Long-term debt and lease obligations as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Corporate bonds			
—Issued by Maeda Corporation			
1.58% 18th series bonds due in 2014	3,000	—	—
0.90% 19th series bonds due in 2014	10,000	—	—
1.42% 20th series bonds due in 2016	5,000	5,000	41,608
0.85% 21st series bonds due in 2015	10,000	10,000	83,215
Yen zero coupon convertible bonds due in 2018	10,045	10,034	83,499
0.43% 22nd series bonds due in 2019	—	10,000	83,215
Sub-total	38,045	35,034	291,537
Long-term loans due in between 2015–2020 bearing interest with an average rate of 1.2% per annum	36,225	31,065	258,509
	74,270	66,099	550,046
Less—Portion due within one year	(21,350)	(10,425)	(86,752)
Total	¥ 52,920	¥ 55,674	\$ 463,294
Lease obligations due after one year	¥ 751	¥ 1,225	\$ 10,194
Total	¥ 52,169	¥ 54,449	\$ 453,100

Note: Average rates of interest are calculated by the weighted average method using the interest rates and the loan balance as of the year end. Average rates of interest of lease obligations are omitted since the balance of lease obligations in the balance sheets includes the interests thereof.

The annual maturities of short-term debt, corporate bonds, long-term debt and lease obligations as of March 31, 2014 and 2015 are as follows:

Year ending March 31	Millions of yen		
	March 31, 2014		
	Short-term debt	Corporate bonds	Long-term debt
2015	¥ 18,851	¥ 13,000	¥ 8,350
2016	—	10,000	3,600
2017	—	5,000	3,275
2018	—	—	11,000
2019	—	—	—
2020 and thereafter	—	—	—
Total	¥ 18,851	¥ 28,000	¥ 26,225

Year ending March 31	Millions of yen		
	March 31, 2015		
	Short-term debt	Corporate bonds	Long-term debt
2016	¥ 13,789	¥ 10,000	¥ 425
2017	—	5,000	3,400
2018	—	—	11,125
2019	—	—	10,115
2020	—	10,000	6,000
2021 and thereafter	—	—	—
Total	¥ 13,789	¥ 25,000	¥ 31,065

Year ending March 31	Thousands of U.S. dollars		
	March 31, 2015		
	Short-term debt	Corporate bonds	Long-term debt
2016	\$ 114,746	\$ 83,215	\$ 3,537
2017	—	41,609	28,293
2018	—	—	92,577
2019	—	—	84,173
2020	—	83,215	49,929
2021 and thereafter	—	—	—
Total	\$ 114,746	\$ 208,039	\$ 258,509

Notes to the Consolidated Financial Statements

The assets pledged as collateral for short-term debt and long-term debt as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Securities	¥ —	¥ 100	\$ 832
Other current assets	—	127	1,057
Buildings and structures	5,753	765	6,366
Land	5,325	389	3,237
Investments in securities	2,456	3,169	26,371
Long-term loan	—	1,710	14,230
Total	¥ 13,534	¥ 6,260	\$ 52,093

The secured liabilities as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Short-term loans	¥ 5,300	¥ 5,225	\$ 43,480
Trade payables	8	9	74
Long-term loans	3,875	640	5,326
Other long-term liabilities	245	235	1,956
Total	¥ 9,428	¥ 6,109	\$ 50,837

The Company entered into committed loan facility agreements in the total amount of ¥20,000 million (\$166,431 thousand) with 5 banks. There is no outstanding balance under those agreements as of March 31, 2015.

11 Lease Transactions

Finance lease contracts that do not transfer ownership

The finance lease contracts that do not transfer ownership commencing on or before March 31, 2008, are omitted from the consolidated balance sheet as of March 31, 2015, due their immateriality.

Finance lease contracts: (as lessee)

Finance lease contracts that do not transfer ownership

Leased assets include:

tangible assets, which mainly consist of machinery for rent in the construction machinery sales and related service business of a consolidated subsidiary Maeda Seisakusho Co., Ltd.

Depreciation cost of leased assets is computed by:

the straight-line method over the lease term of the leased assets with a zero residual value.

Operating lease contracts:

Outstanding minimum lease payments under non-cancelable operating lease contracts

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
(As lessee)			
Minimum lease payments			
Within one year	¥ 91	¥ 227	\$ 1,889
Over one year	292	416	3,462
	¥ 383	¥ 643	\$ 5,351
(As lessor)			
Minimum lease payments			
Within one year	511	518	4,311
Over one year	710	210	1,748
Total	¥ 1,221	¥ 728	\$ 6,059

12 Retirement Benefit Plans

The Company and its consolidated subsidiaries have a corporate pension plan and an employees' pension plan as a defined benefit pension plan, in addition to a defined contribution pension plan and a lump sum payment plan.

The Company and its consolidated subsidiaries may provide extra severance payments, which are not subject to the pension obligation calculated in accordance with the retirement benefit accounting, to employees upon retirement and in other circumstances.

As of March 31, 2015, the Company and its consolidated subsidiaries, as a group, have a single corporate pension fund and a single employees' pension fund, and 8 companies of the group have the lump sum payment plan.

Defined benefit plans

The changes in the retirement benefit obligation for the years ended March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at the beginning of the year	¥ 53,165	¥ 52,130	\$ 433,802
Cumulative effect of change in accounting principle	—	(1,923)	(16,002)
Restated balance at the beginning of the year	53,165	50,207	417,800
Service cost	1,502	1,394	11,600
Interest cost	529	400	3,329
Actuarial gain and loss	(591)	936	7,789
Retirement benefit paid	(2,475)	(2,475)	(20,596)
Balance at the end of the year	¥ 52,130	¥ 50,462	\$ 419,922

The changes in plan assets for the years ended March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at the beginning of the year	¥ 26,297	¥ 28,496	\$ 237,131
Expected return on plan assets	526	285	2,372
Actuarial gain and loss	1,005	1,768	14,712
Contributions by the Company	2,340	2,367	19,697
Retirement benefit paid	(1,672)	(1,700)	(14,147)
Balance at the end of the year	¥ 28,496	¥ 31,216	\$ 259,765

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2014 and 2015 for the Company's and the consolidated subsidiaries' defined benefit plans:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Funded retirement benefit obligation	¥ 40,691	¥ 39,350	\$ 327,453
Plan assets at fair value	(28,496)	(31,216)	(259,764)
	12,195	8,134	67,687
Unfunded retirement benefit obligation	11,391	11,112	92,469
Net liability for retirement benefits in the balance sheets	23,586	19,246	160,156
Liability for retirement benefits	23,586	19,246	160,156
Net liability for retirement benefits in the balance sheets	¥ 23,586	¥ 19,246	\$ 160,156

Notes to the Consolidated Financial Statements

The components of retirement benefit expense for the years ended March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Service cost	¥ 1,502	¥ 1,394	\$ 11,600
Interest cost	529	400	3,329
Expected return on plan assets	(526)	(285)	(2,372)
Amortization of actuarial gain and loss	2,316	2,160	17,975
Amortization of prior service cost	(983)	(983)	(8,180)
Retirement benefit expense	¥ 2,838	¥ 2,686	\$ 22,352

The components of retirement benefits liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Prior service cost	¥ —	¥ 983	\$ 8,180
Actuarial gain and loss	—	(2,993)	(24,906)
Total	¥ —	¥ (2,010)	\$ (16,726)

The components of retirement benefits liability adjustments included in accumulated other comprehensive income (before tax effect) as of March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrecognized prior service cost	¥ 4,948	¥ 3,964	\$ 32,987
Unrecognized actuarial gain and loss	(11,079)	(8,084)	(67,272)
Total	¥ (6,131)	¥ (4,120)	\$ (34,285)

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2014 and 2015 are as follows:

March 31	2014	2015
Bonds	58.3%	59.1%
Stocks	28.8%	28.5%
Cash on hand in banks	2.9%	3.1%
Other	10.0%	9.3%
Total	100.0%	100.0%

The expected return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumptions used in accounting for the above plans were as follows:

March 31	2014	2015
Discount rates ^(*)	0.9% – 1.0%	0.8%
Discount rates of a subsidiary ^(**)		0.6%
Expected rates of return on plan assets	2.0%	1.0%
Expected rates of salary increase	—	4.6%
Expected rates of salary increase of a subsidiary		1.5% – 2.0%

Notes: 1. The rates are presented based on the benefit formula method, using a weighted-average discount rates reflecting the expected timing and amount of benefit payments.

2. The subsidiary employs the benefit formula method, using a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

The Company and its consolidated subsidiaries contributions for the years ended March 31, 2014 and 2015 were ¥495 million and ¥493 million (\$4,102 thousand), respectively, to the defined pension plans.

The subsidiary participates in a multi-employer pension plan. The funded status of the multi-employer pension plan for the years ended March 31, 2014 and 2015, for which contributions are recorded as net periodic retirement benefit costs, is as follows.

Contributions made to the multi-employer pension plan for the years ended March 31, 2014 and 2015 were ¥76 million and ¥82 million (\$682 thousand), respectively.

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Fair value of plan assets	¥ 225,553	¥ 245,222	\$ 2,040,626
Total amount of actuarial loss on past service liability and minimum actuarial reserve (*)	230,627	242,526	2,018,191
Difference	¥ (5,074)	¥ 2,696	\$ 22,435

Note: This item was presented as policy reserve for the year ended March 31, 2014.

The subsidiary's contribution ratios for the multi-employer pension plan for the years ended March 31, 2014 and 2015 were 1.02% and 1.03%, respectively.

The above difference for the year ended March 31, 2014 was due to the actuarial loss on past service liability of ¥12,188 million and the voluntary reserve of ¥7,114 million, and for the year ended March 31, 2015 was due to the actuarial loss on past service liability of ¥11,199 million (\$93,193 thousand) and the voluntary reserve of ¥13,895 million (\$115,628 thousand).

The amortization of past service liability of the plan is amortized by the straight-line method, and the Company and its consolidated subsidiaries present the amortization as special cost of ¥14 million and ¥14 million (\$117 thousand) for the years ended March 31, 2014 and 2015, respectively, on the consolidated financial statements for the year ended March 31, 2015. The contribution ratios described above do not match the actual percentage of contributions made by the Company and its consolidated subsidiaries.

13 Income Taxes

Significant components of deferred tax assets and liabilities as of March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax assets:			
Net loss carried forward	¥ 11,191	¥ 6,332	\$ 52,692
Liability for retirement benefits	6,337	5,018	41,758
Write-down of inventories and other	4,764	4,363	36,307
Impairment loss on fixed assets	3,464	3,254	27,078
Allowance for doubtful accounts	2,313	2,011	16,735
Allowance for losses on construction contracts	1,342	1,209	10,061
Unrealized inter-company profit of fixed assets	201	231	1,922
Other	4,161	3,944	32,820
Total	33,773	26,362	219,373
Less – Valuation allowance	(33,351)	(25,525)	(212,408)
Deferred tax assets	422	837	6,965
Deferred tax liabilities:			
Unrealized gain on investment	(10,074)	(13,866)	(115,387)
Other	(27)	(191)	(1,589)
Total deferred tax liabilities	(10,101)	(14,057)	(116,976)
Net deferred tax liabilities	¥ (9,679)	¥ (13,220)	\$ (110,011)

Notes to the Consolidated Financial Statements

The details of the difference between the statutory tax rate and effective income tax rate for the years ended March 31, 2014 and 2015 are as follows:

March 31	2014	2015
Statutory tax rate	38.0%	35.6%
Changes in the tax rate resulting from:		
Non-deductible expenses	4.6	1.9
Non-taxable income	(1.1)	(0.8)
Per capita levy	1.7	1.2
Investment profit on equity method	(11.3)	(7.9)
Less-Valuation allowance and other	(15.8)	(11.2)
Effective income tax rate	16.1%	18.8%

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 9 of 2015) and the “Act for Partial Amendment of the Local Tax Act, etc.” were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company’s deferred tax assets and liabilities was changed from 35.6% to 33.1% and 32.3% for the temporary differences expected to be realized or settled during the year ended March 31, 2016, and from April 1, 2016, respectively. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets, after offsetting deferred tax liabilities, by ¥1,385 million (\$11,525 thousand) and increase unrealized gain on securities by ¥1,414 million (\$11,767 thousand) and deferred income tax expense by ¥30 million (\$250 thousand) as of and for the year ended March 31, 2015.

14 Shareholders’ Equity

The Corporation Law of Japan provides that an amount equivalent to 10% of the amount of the deduction from surplus as a result of the payment of dividends of surplus be recorded as capital reserves or retained earnings reserves, until the sum of the capital reserves and the retained earnings reserves equals 25% of the capital stock amount. Such a distribution of dividends of surplus can be made by resolution of a shareholders meeting, or by the Board of Directors if certain conditions are met.

15 Commitments and Contingent Liabilities

The contingent liabilities of the Company as of March 31, 2014 and 2015 are summarized as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Endorsed trade notes receivable	¥ 666	¥ 1,197	\$ 9,961
Guarantees on securitized trade notes receivable	3,270	2,292	19,073
Loan guarantee for Asai Construction Co., Ltd.	1,495	1,435	11,941
Letters of guarantee for affiliates			
Toyo Construction Co., Ltd.	6,447	4,993	41,550
Maeda Vietnam Co., Ltd.	511	243	2,022
Maeda Corporation India Pvt. Ltd.	205	—	—
Down payment guarantee for condominium-purchaser Takara Leven Co., Ltd.	300	—	—
Total	¥ 12,894	¥ 10,160	\$ 84,547

16 Selling, General and Administrative Expenses

Major items of selling, general and administrative expenses in the consolidated statements of income for the years ended March 31, 2014 and 2015 are as follows:

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Salaries to employees	¥ 8,701	¥ 9,228	¥ 76,791
Retirement benefit expenses	987	994	8,272
Provision for bonuses for employees	984	1,125	9,362
Provision for doubtful accounts	(86)	(216)	(1,797)
Provision for bonuses for directors	68	99	824

17 Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses and manufacturing costs for the years ended March 31, 2014 and 2015 are as follows:

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Research and development expenses	¥ 1,622	¥ 1,812	\$ 15,079

18 Allowance for Loss on Construction Contracts

Provision of allowance for loss on construction contracts included in cost of sales for the years ended March 31, 2014 and 2015 amounted to ¥3,054 million and ¥1,271 million (\$10,577 thousand), respectively.

19 Gain on Sale of Fixed Assets

The details of gain on sale of fixed assets for the years ended March 31, 2014 and 2015 are as follows:

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Building	¥ —	¥ 2,445	\$ 20,346
Land	3,177	183	1,523
Others	0	0	0
Total	¥ 3,177	¥ 2,628	\$ 21,869

Notes to the Consolidated Financial Statements

20 Consolidated Statements of Comprehensive Income

The reclassification adjustments and tax effects associated with other comprehensive income for the years ended March 31, 2014 and 2015 are as follows:

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrealized gain on investments in securities			
Recognized amount for the year	¥ 9,126	¥ 15,656	\$ 130,282
Amount of reclassification adjustments	27	(257)	(2,139)
Before tax effect adjustment	¥ 9,153	¥ 15,399	\$ 128,143
Amount of tax effect	(3,166)	(3,932)	(32,720)
Sub-total	¥ 5,987	¥ 11,467	\$ 95,423
Foreign currency translation adjustment			
Recognized amount for the year	(4)	118	982
Amount of reclassification adjustments	1	—	—
Sub-total	¥ (3)	¥ 118	\$ 982
Liability for retirement benefits adjustment			
Recognized amount for the year	¥ —	¥ 784	\$ 6,524
Amount of reclassification adjustments	—	1,226	10,202
Before tax effect adjustment	¥ —	¥ 2,010	\$ 16,726
Amount of tax effect	—	—	—
Sub-total	¥ —	¥ 2,010	\$ 16,726
Share of other comprehensive income of the companies accounted for by equity method			
Recognized amount for the year	¥ 228	¥ 523	\$ 4,352
Amount of reclassification adjustments	(21)	338	2,813
Sub-total	¥ 207	¥ 861	\$ 7,165
Total other comprehensive income	¥ 6,191	¥ 14,456	\$ 120,296

21 Consolidated Statements of Changes in Net Assets

(1) Type and number of outstanding stock and treasury stock

	Thousands of shares	
	Outstanding stock	Treasury stock
	Type	Common stock
Number of shares as of April 1, 2013	185,214	7,936
Increase during the year	—	5
Decrease during the year	—	—
Number of shares as of March 31, 2014	185,214	7,941

Note: The increase in treasury stock of 5,000 shares of common stock consisted of 4,000 due to the purchase of less-than-one-unit shares and 1,000 due to the change of the Company's equity holdings in subsidiaries and affiliates.

	Thousands of shares	
	Outstanding stock	Treasury stock
	Type	Common stock
Number of shares as of April 1, 2014	185,214	7,941
Increase during the year	—	3
Decrease during the year	—	—
Number of shares as of March 31, 2015	185,214	7,944

Note: The increase in treasury stock of 3,000 shares of common stock consisted of 3,000 due to the purchase of less-than-one-unit shares and 1,000 due to the change of the Company's equity holdings in subsidiaries and affiliates.

(2) Zero coupon convertible bonds

The Company issued yen zero coupon convertible bonds due in 2018 as follows:

	Thousands of shares	
	Type	Common stock
Number of shares as of March 31, 2014		12,706
Increase during the year		—
Decrease during the year		—
Number of shares as of March 31, 2015		12,706

Notes: 1. Yen zero coupon convertible bonds are not accounted for separately.

2. The number of shares reserved for yen zero coupon convertible bonds is based on the number of shares that would be needed in the event that stock options were exercised.

(3) Dividends

Cash dividends distributed during the year ended March 31, 2014

Cash dividends of ¥7.0 per common share at March 31, 2013 in a total amount of ¥1,241 million out of retained earnings were distributed to shareholders subject to the resolution of the general shareholders meeting held on June 26, 2013.

Cash dividends distributed during the year ended March 31, 2015

Cash dividends of ¥7.0 (\$0.07) per common share at March 31, 2014 in a total amount of ¥1,241 million (\$10,327 thousand) out of retained earnings were distributed to shareholders subject to the resolution of the general shareholders meeting held on June 26, 2014.

Cash dividends to be distributed during the year ending March 31, 2015

Cash dividends of ¥9.0 (\$0.07) per common share at March 31, 2015 in a total amount of ¥1,595 million (\$13,273 thousand) out of retained earnings are to be distributed to shareholders subject to the resolution of the general shareholders meeting held on June 24, 2015.

Note: The total amounts of cash dividends are after deduction of the dividends to the stocks held by the affiliates.

22 Consolidated Statements of Cash Flows

(1) Cash and cash equivalents at year end

The balances of "Cash and time deposits" in the consolidated balance sheets are reconciled to "Cash and cash equivalents at end of the year" in the consolidated statements of cash flows for the years ended March 31, 2014 and 2015 as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
"Cash and time deposits"	¥ 21,174	¥ 26,252	\$ 218,457
Less—Time deposits over 3 months	(270)	(273)	(2,272)
Cash and cash equivalents at end of the year	¥ 20,904	¥ 25,979	\$ 216,185

23 Investment and Rental Properties

The Company and its consolidated subsidiaries own rental properties such as office buildings, complex facilities and others in Tokyo, Osaka prefecture, and the other major cities throughout Japan. Profits on rental properties are ¥928 million and ¥406 million (\$3,379 thousand), gain on sale of fixed assets are ¥3,177 million and ¥2,609 million (\$21,711 thousand), and impairment loss on fixed assets are ¥2,092 million and ¥530 million (\$4,410 thousand) for the years ended March 31, 2014 and 2015, respectively.

The book value, increase or decrease in book value during the year, and fair value of rental properties for the years ended March 31, 2014 and 2015 are as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Book value as of March 31, 2013	¥ 22,359		
Increase (decrease) during the year	8,532		
Book value as of March 31, 2014	¥ 30,891	¥ 30,891	\$ 257,061
Increase (decrease) during the year		(12,882)	(107,198)
Book value as of March 31, 2015		¥ 18,009	\$ 149,863
Fair value as of the year end	¥ 33,984	¥ 28,253	\$ 235,109

- Notes: 1. Book value represents the acquisition cost less accumulated depreciation cost and cumulative impairment loss
2. Decrease in book value results mainly from the sale of rental land in the amount of ¥849 million, and impairment loss in the amount of ¥2,092 million for the year ended March 31, 2014. Increase in book value results mainly from transfer to rental office building from real estate hold for sale in the amount of ¥10,191 million for the year ended March 31, 2014. Decrease in book value results mainly from the sale of rental building in the amount of ¥13,325 million (\$110,885 thousand), and impairment loss in the amount of ¥530 million (\$4,410 thousand) for the year ended March 31, 2015. Increase in book value results mainly from acquisition of rental building in the amount of ¥1,236 million (\$10,285 thousand) for the year ended March 31, 2015.
3. Fair values of main properties are based on real property appraisal from independent real estate appraisers.

24. Segment Information

(1) Segment information

1) Summary of reportable segments:

The reportable segments of the Company's group are components for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors of the Company to make decisions about resource allocation and assess performance.

The operations of the Company's group consist of the business and services operated by the operational divisions of the Company and consolidated subsidiaries, and are composed of four operating segments as follows:

Building..... Contract work for building and other related services
 Civil engineering Contract work for civil engineering and other related services
 Real estate Sales and renting of real estates and other related services
 Other..... Production and sales of construction machinery and concrete secondary products, and other related services

2) Net sales, profit (loss), and other by segment

The accounting policies of the reportable operating segments are substantially the same as those described in "Summary of Significant Accounting Policies". Profit (loss) of reportable segments is evaluated based on operating profit (loss). Inter-segment sales are among the consolidated subsidiaries, and are recorded at the same prices used in transactions with third parties.

3) Reportable segments information

Millions of yen							Consolidated statements of income
Year ended March 31, 2014	Building	Civil engineering	Real estate	Other	Adjustment		
Net sales							
Sales to outside customers	¥ 227,418	¥ 127,453	¥ 10,234	¥ 30,468	¥ —	¥ 395,573	
Inter-segment sales	6,183	433	12	3,244	(9,872)	—	
Total	233,601	127,886	10,246	33,712	(9,872)	395,573	
Profit (loss) by segment	¥ 2,439	¥ 3,507	¥ 1,691	¥ 928	¥ (711)	¥ 7,854	
Other							
Depreciation	¥ 1,394	¥ 880	¥ 409	¥ 1,512	¥ (27)	¥ 4,168	
Impairment loss on fixed assets	—	—	2,091	1	—	2,092	

Notes: 1. "Adjustment" of "Profit (loss) by segment" included ¥711 million of inter-segment transactions.
2. "Profit (loss) by segment" was adjusted in accordance with the Operating profit (loss) of Consolidated Statements of Income.
3. The amount of assets in each segment was not listed since corporate assets were not allocated to each segment.

Millions of yen							Consolidated statements of income
Year ended March 31, 2015	Building	Civil engineering	Real estate	Other	Adjustment		
Net sales							
Sales to outside customers	¥ 245,344	¥ 124,818	¥ 2,867	¥ 32,348	¥ —	¥ 405,377	
Inter-segment sales	928	354	16	3,236	(4,534)	—	
Total	246,272	125,172	2,883	35,584	(4,534)	405,377	
Profit (loss) by segment	¥ 6,290	¥ 3,760	¥ (206)	¥ 1,296	¥ (161)	¥ 10,979	
Other							
Depreciation	¥ 1,548	¥ 929	¥ 351	¥ 1,721	¥ (35)	¥ 4,514	
Impairment loss on fixed assets	—	—	530	0	—	530	

Thousands of U.S. dollars							Consolidated statements of income
Year ended March 31, 2015	Building	Civil engineering	Real estate	Other	Adjustment		
Net sales							
Sales to outside customers	\$ 2,041,641	\$ 1,038,679	\$ 23,858	\$ 269,185	\$ —	\$ 3,373,363	
Inter-segment sales	7,722	2,946	133	26,929	(37,730)	—	
Total	2,049,363	1,041,625	23,991	296,114	(37,730)	3,373,363	
Profit (loss) by segment	\$ 52,343	\$ 31,289	\$ (1,714)	\$ 10,785	\$ (1,340)	\$ 91,363	
Other							
Depreciation	\$ 12,882	\$ 7,730	\$ 2,921	\$ 14,321	\$ (291)	\$ 37,563	
Impairment loss on fixed assets	—	—	4,410	0	—	4,410	

Notes: 1. "Adjustment" of "Profit (loss) by segment" includes ¥161 million (\$1,340 thousand) of inter-segment transactions.
2. "Profit (loss) by segment" is adjusted in accordance with the Operating profit (loss) of Consolidated Statements of Income.
3. The amount of assets in each segment is not listed since corporate assets were not allocated to each segment.

Notes to the Consolidated Financial Statements

(2) Related information

1) Products and services segment information

Description is omitted since it is described previously in (1) Segment information.

2) Geographic segment information

(a) Sales

The disclosure of geographic segment information is omitted since the amount of sales to outside customers in Japan for the years ended March 31, 2014 and 2015 exceeds 90% of the sales in the Consolidated Statements of Income.

(b) Fixed assets

The disclosure of geographic segment information is omitted since the amount of fixed assets in Japan as of March 31, 2014 and 2015 exceeds 90% of fixed assets in the Consolidated Balance Sheets.

3) Major customer segment information

The disclosure of major customer segment information is omitted since the amount of sales to any customer for the years ended March 31, 2014 and 2015 is not more than 10% of the sales to outside customers in the Consolidated Statements of Income.

(3) Impairment loss on fixed assets by segment

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Building	¥ —	¥ —	\$ —
Civil engineering	—	—	—
Real estate	2,091	530	4,410
Other	1	0	0
Adjustment	—	—	—
Total	¥ 2,092	¥ 530	\$ 4,410

(4) Amortization and residual value of goodwill information

Segment information of amortization and residual value of goodwill is omitted since the amount is immaterial.

(5) Profit on negative goodwill information

Segment information of profit on negative goodwill is omitted since the amount is immaterial.

25. Related Party Information

(1) Related party transactions

Transactions with a related party for the years ended March 31, 2014 and 2015 are as follows:

For the year ended March 31, 2014;

Related party : Toyo Construction Co., Ltd.

Classification : Affiliate

Location : Chuo-ku, Osaka, Japan

Capital : ¥10,683 million

Type of business : Construction

Voting rights held : 20.2% directly by the Company/

0.1% of the Company directly by Toyo Construction Co., Ltd.

Nature of transaction : Debt guarantee*

Amount of transaction : ¥6,446 million

For the year ended March 31, 2015;

Related party : Fukkoshidaichi Wind Development Co., Ltd.
 Classification : Subsidiary
 Location : Chiyoda-ku, Tokyo, Japan
 Capital : ¥505 million (\$4,202 thousand)
 Type of business : Electricity generation
 Voting rights held : 60.0% directly by the Company
 Nature of transaction : Facility construction
 Amount of transaction : ¥10,838 million (\$90,189 thousand)
 Account : Advances on construction work in progress
 Balance at end of year : ¥4,840 million (\$40,276 thousand)

Related party : Anonymous Association—Goyozan Solar Power
 Classification : Subsidiary
 Location : Ofunato-shi, Iwate, Japan
 Type of business : Electricity generation
 Nature of transaction : Facility construction
 Amount of transaction : ¥6,402 million (\$53,275 thousand)
 Account : Advances on construction work in progress
 Balance at end of year : ¥6,024 million (\$50,129 thousand)

Related party : Toyo Construction Co., Ltd.
 Classification : Affiliate
 Location : Chuo-ku, Osaka, Japan
 Capital : ¥14,049 million (\$116,909 thousand)
 Type of business : Construction
 Voting rights held : 20.2% directly by the Company/
 0.1% of the Company directly by Toyo Construction Co., Ltd.
 Nature of transaction : Debt guarantee*
 Amount of transaction : ¥4,993 million (\$41,549 thousand)

*The Company undertakes joint and several guarantees for tender bonds, performance bonds and others of the construction contracts awarded to Toyo Construction Co., Ltd.

(2) Major affiliate

Maeda Road Construction Co., Ltd. is a major affiliate as of March 31, 2014 and 2015, and a summary of its financial statements as of March 31, 2014 and 2015 and for the years then ended is as follows:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Total current assets	¥ 119,809	¥ 128,728	\$ 1,071,216
Total non-current assets	88,093	91,839	764,242
Total current liabilities	¥ 46,739	¥ 45,248	\$ 376,533
Total long-term liabilities	9,765	10,713	89,149
Total net assets	¥ 151,397	¥ 164,606	\$ 1,369,776
Net sales	¥ 221,439	¥ 224,607	\$ 1,869,077
Profit before income taxes	20,665	21,990	182,991
Net profit	12,441	13,443	111,867

Notes to the Consolidated Financial Statements

26. Per Share Information

March 31	Yen		U.S. dollars
	2014	2015	2015
Net assets per share	¥ 701.46	¥ 861.93	\$ 7.17
Earnings per share	52.27	76.74	0.64
Diluted earnings per share	50.27	71.57	0.60

The above information is calculated based on the following:

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net profit	¥ 9,266	¥ 13,603	\$ 113,198
Amount not attributable to common shareholders	—	—	—
Net profit attributable to common shareholders	¥ 9,266	¥ 13,603	\$ 113,198

	Thousands of shares	
	For the years ended March 31	
	2014	2015
Average number of shares	177,276	177,271

March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Adjustment to diluted earnings per share	¥ 3	¥ 6	\$ 50
Interest received	(3)	(6)	(50)

	Thousands of shares	
	For the years ended March 31	
	2014	2015
Increase in number of shares	6,962	12,706
Zero coupon convertible bonds	(6,962)	(12,706)
Overview of residual securities not included in the calculation of diluted earnings per share as they have no dilutive effect	—	—



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Independent Auditor's Report

The Board of Directors
Maeda Corporation

We have audited the accompanying consolidated financial statements of Maeda Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015 and 2014, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Maeda Corporation and its consolidated subsidiaries as at March 31, 2015 and 2014, and their consolidated financial performance and cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 4.

Ernst & Young ShinNihon LLC

June 23, 2015
Tokyo, Japan

Corporate Information

Outline of the Corporation

(As of March 31, 2015)

Name in English

Maeda Corporation

Establishment

In January 1919

Incorporation

In November 1946

Registered Address

2-10-2, Fujimi, Chiyoda-ku,
Tokyo 102-8151, Japan
Tel: (81)-3-3265-5551
Fax: (81)-3-5276-5220
URL: <http://www.maeda.co.jp/>

Company Registration No.

0100-01-008789
(With Tokyo Legal Affairs Bureau)

Number of Employees

2,821 (Non-consolidated)

Paid-in Capital

¥23,455 million

Stock Listing

On the First Section of the
Tokyo Stock Exchange

Board of Directors

(As of June 24, 2015)

President and Representative Director

Koichi Obara

Representative Director

Executive Vice President

Kojiro Fukuta

Directors and

Senior Managing Officers

Soji Maeda
Makoto Nagao
Yoshihiko Hayasaka
Shogo Sekimoto
Toshiaki Shoji
Hiromi Adachi
Seiichi Kondo

Directors and Managing Officers

Masakazu Kawanobe

Outside Directors

Toru Hambayashi
Akira Watanabe

Executive Officers

(As of June 24, 2015)

Senior Managing Officer

Yuji Hatakama

Managing Officers

Yasuhiko Imaizumi
Kazunari Kibe
Tadayuki Kozakai
Shigemi Shoji
Naoya Okawa

Executive Officers

Toshihisa Aoki
Yoshiyasu Nomura
Tetsuji Nishimoto
Masaharu Katsumata
Hiroyuki Yanagita
Nobuya Hirakawa
Yoichi Kawashima
Masakazu Noguchi
Akira Fujiwara
Masamori Nagashige
Takao Nakanishi
Katsuzo Kamikuri
Nobuyuki Nakashima
Michio Yamada
Toshimasa Suwa
Katsumi Igarashi

Board of Auditors

(As of June 24, 2015)

Corporate Auditors

Yutaka Tokui (Outside Auditor)
Hideyuki Wada
Shiro Ogasahara
Masaru Matsuzaki (Outside Auditor)
Motohiro Sato (Outside Auditor)

Directory

Directory Overseas

Hong Kong Office

Rooms 1601-1605 New East Ocean
Centre, 9 Science Museum Road,
T.S.T. East, Kowloon, Hong Kong, China
Tel: 852-2369-9267
Fax: 852-2724-4046

Taiwan Office

4F., No.1-1, Sec. 1, Chongqing N. Road,
Datong District, Taipei City 10349,
Taiwan
Tel: 886-2-2558-6380
Fax: 886-2-2558-6390

Hanoi Office

4F, 45 Trieu Viet Vuong Street,
Hai Ba Trung Dist., Hanoi, Vietnam
Tel: 84-4-3943-6311/2
Fax: 84-4-3943-6314

Phnom Penh Office

#53 E0 E1 E2, Street 01A,
Touk Thlar Village, Touk Thlar Commune,
Khan Sen Sok, Phnom Penh, Cambodia
Tel: 855-23-884-456/7
Fax: 855-23-884-458

Bangkok Office

18th Floor Thaniya Plaza Building,
52 Silom Road, Suriyawong, Bangrak,
Bangkok 10500, Thailand
Tel: 66-2-231-2470/2
Fax: 66-2-231-2473

Yangon Office

Room 601, Wizaya Plaza, Corner of
Dhammazedhi Street & U Wisara Road,
Bahan Township, Yangon, Myanmar
Tel: 95-1-513-758
Fax: 95-1-513-758

Jakarta Office

Summitmas II, 19th Floor,
Jl. Jend. Sudirman Kav. 61-62,
Jakarta 12190 Indonesia
Tel: 62-21-252-6833
Fax: 62-21-252-6834

Sri Lanka Office

No.71/6, Barns Place, Colombo 07,
Sri Lanka
Tel: 94-11-269-7041
Fax: 94-11-452-8260

Guam Office

Room D, Maeda Pacific Corporation
Bldg., 150 Harmon Sink Road,
Tamuning, Guam 96911, U.S.A.
Tel: 1-671-649-7617
Fax: 1-671-649-7620

U.S.A. Office

39209 West Six Mile Road, Suite 204,
Livonia, Michigan, 48152-2660, U.S.A.
Tel: 1-734-462-2230
Fax: 1-734-462-2232

Mexico Office

Av. Aguascalientes Sur #2729 Fracc.
Jardines de las Fuentes Edificio
Sanantial 2do. Piso, Int.
15 Aguascalientes, Ags. 20278, Mexico
Tel: 52-449-925-19-75
EXT. 2015

Principal Subsidiaries and Affiliates

Overseas:

MAEDA VIETNAM CO., LTD.

Room 9 (Area B), 19th Floor,
Vincom Center, 72 Le Thanh Ton Street,
Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam
Tel: 84-8-3936-9000/9132/9133
Fax: 84-8-3936-9111

THAI MAEDA CORPORATION LTD.

18th Floor Thaniya Plaza Building,
52 Silom Road, Suriyawong, Bangrak,
Bangkok 10500, Thailand
Tel: 66-2-231-2470/2
Fax: 66-2-231-2473

MAEDA CORPORATION INDIA PRIVATE LTD.

401-402, 4/F., DLF South Court,
Saket, New Delhi-110 017, India
Tel: 91-11-4973-8888
Fax: 91-11-4973-8899

MAEDA (SHENZHEN) CONSTRUCTION TECHNOLOGY CO.,LTD

Room B1117 Annex Golden Central
Tower, 3037 Jintian Rd, Futian District,
Shenzhen 518048, China
Tel: 86-755-8278-4910
Fax: 86-755-8278-4920

GKMC Construction and Consulting Inc.

Tekstilkent Koza Plaza A Blok K:34
34235 Esenler/Istanbul, Turkey
Tel: 90-212-467-2901/2902
Fax: 90-212-438-2409/2410

Domestic:

- Maeda Road Construction Co., Ltd.
- Toyo Construction Co.,Ltd.
- Maeda Seisakusho Co., Ltd.
- Hikarigaoka Corporation
- Fujimi Koken Co., Ltd.
- Seiyu Estate Co., Ltd.
- FBS Co., Ltd.
- Miyama Kogyo Co., Ltd.
- JM Corporation
- Koho Co., Ltd.



M A E D A

Maeda Corporation

2-10-2, Fujimi, Chiyoda-ku,

Tokyo 102-8151, Japan

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<http://www.maeda.co.jp/>