

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February, 14, 2023

Company name: INFRONEER Holdings Inc.
 Stock exchange listing: Tokyo
 Stock code: 5076 URL <https://www.infroneer.com>
 Representative: Representative Executive Officer and Kazunari Kibe
 President
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 Scheduled date to file Quarterly Securities Report: February 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-----------------|-----|------------------|------|-----------------|------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended December 31, 2022 | 495,831 | 2.8 | 24,855 | 41.6 | 25,935 | 44.2 | 23,475 | 119.3 |
| Nine months ended December 31, 2021 | 482,288 | – | 17,557 | – | 17,980 | – | 10,703 | – |

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥17,934 million [–%]

Nine months ended December 31, 2021: ¥1,089 million [–%]

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2022 | 89.92 | | – | |
| Nine months ended December 31, 2021 | 37.59 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 918,398 | 354,799 | 37.6 |
| As of March 31, 2022 | 926,432 | 355,865 | 37.4 |

(Reference) Equity: As of December 31, 2022: ¥345,478 million

As of March 31, 2022: ¥346,911 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2022 | – | 0.00 | – | 40.00 | 40.00 |
| Fiscal year ending March 31, 2023 | – | 0.00 | – | | |
| Fiscal year ending March 31, 2023 (Forecast) | | | | 40.00 | 40.00 |

(Note) Revision to the forecast of dividends announced most recently: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|-----|------------------|-------|-----------------|-------|---|------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 705,000 | 3.2 | 35,000 | (6.6) | 36,800 | (3.3) | 31,500 | 18.0 | 121.50 |

(Note) Revision to the forecast of consolidated financial results announced most recently: No

* Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(Note) Please refer to “(Changes to accounting policies)” of “2. (3) Notes to Quarterly Consolidated Financial Statements” on page 10 for details.

(4) Number of issued shares (common shares)

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

| | | | |
|-------------------------|--------------------|----------------------|--------------------|
| As of December 31, 2022 | 274,845,024 shares | As of March 31, 2022 | 291,070,502 shares |
|-------------------------|--------------------|----------------------|--------------------|

2) Number of treasury shares at the end of the period

| | | | |
|-------------------------|-------------------|----------------------|-------------------|
| As of December 31, 2022 | 18,393,136 shares | As of March 31, 2022 | 26,694,723 shares |
|-------------------------|-------------------|----------------------|-------------------|

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Nine months ended December 31, 2022 | 261,077,548 shares | Nine months ended December 31, 2021 | 284,753,178 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

(Notes) 1. The Company’s shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan Trust are included in the number of treasury shares at the end of the period (3,420,700 shares at the end of the nine months ended December 31, 2022, and 4,221,300 shares at the end of the fiscal year ended March 31, 2022). The Company’s shares held by the Stock Benefit Trust Disposition-type Employee Stock Ownership Plan Trust are included in the number of treasury shares deducted in the calculation of the average number of shares during the period (3,833,250 shares at the end of the nine months ended December 31, 2022, and 324,715 shares at the end of the fiscal year ended March 31, 2022).

2. The Company’s shares held by Board Benefit Trust (BBT) are included in the number of treasury shares at the end of the period (377,500 shares at the end of the nine months ended December 31, 2022, and 657,500 shares at the end of the fiscal year ended March 31, 2022). The Company’s shares held by Board Benefit Trust (BBT) are included in the number of treasury shares deducted in the calculation of the average number of shares during the period (517,500 shares at the end of the nine months ended December 31, 2022, and 657,500 shares at the end of the fiscal year ended March 31, 2022).

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

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

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

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2022, the Japanese economy generally and moderately recovered in corporate earnings, employment, and personal consumption, as normalization of economic and social activities progressed under coexistence with the novel coronavirus infection (COVID-19), despite persisting concerns about rising prices due to a steep rise in oil prices and the rapid depreciation of the yen putting downward pressure on the Japanese economy in the context of the prolonged situation in Ukraine and the continued monetary tightening across the globe, among other situations.

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

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

For the nine months ended December 31, 2022, net sales increased by ¥13.5 billion (2.8%) year on year to ¥495.8 billion. Operating profit increased by ¥7.2 billion (41.6%) year on year to ¥24.8 billion, ordinary profit increased by ¥7.9 billion (44.2%) year on year to ¥25.9 billion, and profit attributable to owners of parent increased by ¥12.7 billion (119.3%) year on year to ¥23.4 billion.

Performance results by business segment are as follows.

[Building Construction]

In the building construction business, net sales decreased by ¥11.0 billion (7.3%) year on year to ¥141.4 billion and segment profit decreased by ¥0.5 billion (22.2%) year on year to ¥2.0 billion.

[Civil Engineering]

In the civil engineering business, net sales increased by ¥9.5 billion (9.6%) year on year to ¥108.7 billion and segment profit increased by ¥3.8 billion (44.0%) year on year to ¥12.7 billion.

[Road Civil Engineering]

In the road civil engineering business, net sales increased by ¥7.4 billion (4.4%) year on year to ¥174.6 billion and segment profit decreased by ¥0.3 billion (32.1%) year on year to ¥0.8 billion.

[Machinery]

In the machinery business, net sales increased by ¥0.1 billion (0.6%) year on year to ¥25.0 billion and segment profit decreased by ¥0.4 billion (41.7%) year on year to ¥0.6 billion.

[Infrastructure Management]

In the infrastructure management business, net sales increased by ¥6.8 billion (57.8%) year on year to ¥18.7 billion and segment profit increased by ¥5.7 billion (335.6%) year on year to ¥7.4 billion.

[Others]

In the others business segment, net sales increased by ¥0.6 billion (2.6%) year on year to ¥27.1 billion and segment profit decreased by ¥0.4 billion (37.0%) year on year to ¥0.7 billion.

(2) Explanation of Financial Position

Total assets as of December 31, 2022 were ¥918.3 billion, down ¥8.0 billion (0.9%) compared to the end of the previous fiscal year, mainly due to a decrease in notes receivable and accounts receivable from completed construction contracts. Liabilities stood at ¥563.5 billion, a decrease of ¥6.9 billion (1.2%) compared to the end of the previous fiscal year, mainly due to a decrease in short-term borrowings. Net assets amounted to ¥354.7 billion, down ¥1.0 billion (0.3%) compared to the end of the previous fiscal year. As a result of the above, equity, which is net assets minus non-controlling interests, amounted to ¥345.4 billion, and the equity ratio increased from 37.4% at the end of the previous fiscal year to 37.6%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

There is no change from the financial results forecast announced at the time of the financial results announcement on November 11, 2022.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

| | (Millions of yen) | |
|---|----------------------|-------------------------|
| | As of March 31, 2022 | As of December 31, 2022 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 78,035 | 94,822 |
| Notes receivable, accounts receivable from completed construction contracts and other | 310,801 | 267,420 |
| Securities | 30 | 30 |
| Real estate for sale | 1,987 | 1,894 |
| Merchandise and finished goods | 1,573 | 2,657 |
| Costs on construction contracts in progress | 13,698 | 30,226 |
| Raw materials and supplies | 3,444 | 3,695 |
| Other | 43,149 | 52,538 |
| Allowance for doubtful accounts | (117) | (156) |
| Total current assets | 452,602 | 453,129 |
| Non-current assets | | |
| Property, plant and equipment | 163,578 | 158,627 |
| Intangible assets | | |
| Right to operate public facilities | 109,721 | 106,352 |
| Assets related to replacement investment to operate public facilities | 24,122 | 27,724 |
| Goodwill | 19,891 | 14,842 |
| Other | 14,988 | 13,606 |
| Total intangible assets | 168,724 | 162,526 |
| Investments and other assets | | |
| Investment securities | 120,123 | 107,084 |
| Deferred tax assets | 840 | 874 |
| Retirement benefit asset | 14,907 | 16,235 |
| Other | 5,994 | 20,271 |
| Allowance for doubtful accounts | (402) | (375) |
| Total investments and other assets | 141,464 | 144,089 |
| Total non-current assets | 473,767 | 465,243 |
| Deferred assets | 62 | 26 |
| Total assets | 926,432 | 918,398 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations - operating | 6,933 | 24,719 |
| Account payable for works in progress and other | 110,997 | 95,402 |
| Short-term borrowings | 84,492 | 65,182 |
| Current portion of non-recourse loans | 1,194 | 1,116 |
| Current portion of bonds payable | – | 10,000 |
| Income taxes payable | 10,896 | 3,138 |
| Advances received on construction contracts in progress | 34,862 | 37,171 |
| Provision for loss on construction contracts | 836 | 371 |
| Other provisions | 10,132 | 4,341 |
| Liabilities related to right to operate public facilities | 4,555 | 4,631 |
| Liabilities related to replacement investment to operate public facilities | 1,016 | 506 |
| Other | 33,319 | 40,407 |
| Total current liabilities | 299,236 | 286,990 |
| Non-current liabilities | | |
| Bonds payable | 45,000 | 48,000 |
| Long-term borrowings | 52,851 | 59,662 |
| Non-recourse loans | 9,947 | 4,222 |
| Deferred tax liabilities | 14,305 | 12,316 |
| Retirement benefit liability | 16,767 | 17,047 |
| Other provisions | – | 112 |
| Liabilities related to right to operate public facilities | 103,843 | 101,914 |
| Liabilities related to replacement investment to operate public facilities | 24,588 | 29,193 |
| Other | 4,025 | 4,139 |
| Total non-current liabilities | 271,330 | 276,609 |
| Total liabilities | 570,566 | 563,599 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 20,000 | 20,000 |
| Capital surplus | 134,117 | 106,378 |
| Retained earnings | 198,273 | 221,733 |
| Treasury shares | (24,342) | (15,259) |
| Total shareholders' equity | 328,048 | 332,852 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18,275 | 12,200 |
| Deferred gains or losses on hedges | 3 | (384) |
| Foreign currency translation adjustment | (95) | (178) |
| Remeasurements of defined benefit plans | 680 | 989 |
| Total accumulated other comprehensive income | 18,863 | 12,626 |
| Non-controlling interests | 8,953 | 9,321 |
| Total net assets | 355,865 | 354,799 |
| Total liabilities and net assets | 926,432 | 918,398 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statement of income

Nine months ended December 31

| | (Millions of yen) | |
|---|--|--|
| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
| Net sales | | |
| Net sales of completed construction contracts | 274,153 | 273,812 |
| Sales in other businesses | 208,134 | 222,019 |
| Total net sales | 482,288 | 495,831 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 241,524 | 237,887 |
| Cost of sales in other businesses | 182,406 | 191,337 |
| Total cost of sales | 423,930 | 429,225 |
| Gross profit | | |
| Gross profit on completed construction contracts | 32,628 | 35,924 |
| Gross profit - other business | 25,728 | 30,681 |
| Total gross profit | 58,357 | 66,606 |
| Selling, general and administrative expenses | 40,800 | 41,751 |
| Operating profit | 17,557 | 24,855 |
| Non-operating income | | |
| Interest income | 174 | 184 |
| Dividend income | 2,049 | 2,063 |
| Share of profit of entities accounted for using equity method | 311 | 450 |
| Other | 482 | 855 |
| Total non-operating income | 3,017 | 3,554 |
| Non-operating expenses | | |
| Interest expenses | 1,889 | 1,681 |
| Other | 705 | 792 |
| Total non-operating expenses | 2,594 | 2,474 |
| Ordinary profit | 17,980 | 25,935 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 126 | 184 |
| Gain on sale of investment securities | 3,321 | 8,099 |
| Other | 319 | 182 |
| Total extraordinary income | 3,767 | 8,466 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 287 | 195 |
| Loss on valuation of investment securities | 0 | 258 |
| Impairment losses | 15 | 383 |
| Other | 120 | 98 |
| Total extraordinary losses | 423 | 936 |
| Profit before income taxes | 21,324 | 33,465 |
| Income taxes - current | 5,294 | 8,647 |
| Income taxes - deferred | 2,665 | 696 |
| Total income taxes | 7,959 | 9,344 |
| Profit | 13,364 | 24,120 |
| Profit attributable to non-controlling interests | 2,661 | 645 |
| Profit attributable to owners of parent | 10,703 | 23,475 |

Quarterly consolidated statement of comprehensive income
 Nine months ended December 31

| | (Millions of yen) | |
|--|--|--|
| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
| Profit | 13,364 | 24,120 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (12,019) | (6,064) |
| Deferred gains or losses on hedges | 29 | (366) |
| Foreign currency translation adjustment | (31) | (73) |
| Remeasurements of defined benefit plans, net of tax | (289) | 291 |
| Share of other comprehensive income of entities accounted for using equity method | 35 | 25 |
| Total other comprehensive income | (12,275) | (6,186) |
| Comprehensive income | 1,089 | 17,934 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,829 | 17,237 |
| Comprehensive income attributable to non-controlling interests | (739) | 696 |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in amount of shareholders' equity)

Not applicable.

(Changes in scope of consolidation and application of equity method)

Significant changes in scope of consolidation

From the first quarter of the current fiscal year, the newly established MAEDA AMERICA Inc. and INFRONEER Digital Solutions Inc., as well as Mio Tsukushi Industrial Water Concession Co., the importance of which increased, were included in the scope of consolidation.

In the first quarter of the current fiscal year, Aoisangyo CO., Ltd, which was a consolidated subsidiary, was excluded from the scope of consolidation because it was dissolved in an absorption-type merger with a consolidated subsidiary Aonokensetsu CO., Ltd

In addition, in the first quarter of the current fiscal year, consolidated subsidiary Anonymous Association Happo Wind Development, was excluded from the scope of consolidation due to the sale of the equity interest in the anonymous association it held.

In the third quarter of the current fiscal year, Keihinrecyclecenter CO.,Ltd, which was a consolidated subsidiary, was excluded from the scope of consolidation because it was dissolved in an absorption-type merger with a consolidated subsidiary Maeda Road Construction Co., Ltd.

In addition, in the third quarter of the current fiscal year, the newly established JAPAN BIO FUEL Co.,Ltd. was included in the scope of consolidation.

(Changes to accounting policies)

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

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

(Additional information)

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

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

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

1. Descriptions of transactions

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

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

is to repay any such remaining borrowings pursuant to a guarantee agreement, in the event there are any remaining borrowings equivalent to losses on sales of shares due to a downturn in the price of Company's shares up until termination of the ESOP Trust.

2. Company's shares remaining in trust

The Company's shares remaining in trust were recorded as treasury shares in the net assets section at the book value in trust (excluding the amount as ancillary expenses). At the end of the previous fiscal year, the book value and number of shares of the relevant treasury shares were ¥4,501 million and 4,221 thousand shares, respectively. As of December 31, 2022, the book value and number of shares of the relevant treasury shares were ¥3,513 million and 3,420 thousand shares, respectively.

3. Book value of borrowings recorded using the gross method

Borrowings at the end of the previous fiscal year amounted to ¥4,545 million and as of December 31, 2022 amounted to ¥3,886 million.

(2) Board Benefit Trust (BBT)

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

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

1. Descriptions of transactions

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

2. The Company's shares remaining in trust

The Company's shares remaining in trust are recorded as treasury shares in the consolidated balance sheet at the book value in trust (excluding the amount as ancillary expenses). At the end of the previous fiscal year, the book value and number of shares of the relevant treasury shares were ¥549 million and 657 thousand shares, respectively. As of December 31, 2022, the book value and number of shares of the relevant treasury shares were ¥303 million and 377 thousand shares, respectively.

(Segment information)

I For the nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

Information on sales, profit or loss by reportable segment and decomposition of income

(Millions of yen)

| | Reportable Segment | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in quarterly consolidated statement of income (Note 3) |
|--------------------------------------|--------------------------|----------------------|---------------------------|-----------|--|---------|-------------------|---------|------------------------|--|
| | Building Construction | Civil Engineering | Road Civil Engineering | Machinery | Infrastruc- ture Manage- ment | Total | | | | |
| Net sales | | | | | | | | | | |
| Goods transferred at a point in time | 5,388 | 1,779 | 129,719 | 16,976 | 11,815 | 165,679 | 18,805 | 184,484 | — | 184,484 |
| Goods transferred over time | 145,921 | 97,466 | 37,361 | 3,871 | — | 284,622 | 7,664 | 292,286 | — | 292,286 |
| Income from contracts with customers | 151,310 | 99,246 | 167,080 | 20,848 | 11,815 | 450,302 | 26,469 | 476,771 | — | 476,771 |
| Other income | 1,281 | — | 123 | 4,058 | 52 | 5,516 | — | 5,516 | — | 5,516 |
| Net sales to outside customers | 152,592 | 99,246 | 167,204 | 24,907 | 11,867 | 455,819 | 26,469 | 482,288 | — | 482,288 |
| Inter-segment net sales or transfers | 1,231 | 822 | 1,895 | 1,045 | — | 4,995 | 11,035 | 16,030 | (16,030) | — |
| Total | 153,824 | 100,068 | 169,100 | 25,953 | 11,867 | 460,814 | 37,504 | 498,319 | (16,030) | 482,288 |
| Segment profit | 2,684 | 8,859 | 1,210 | 1,171 | 1,713 | 15,638 | 1,193 | 16,832 | 725 | 17,557 |

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

2. Adjustment of segment profit includes inter-segment transactions of ¥725 million.

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

II For the nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

Information on sales, profit or loss by reportable segment and decomposition of income

(Millions of yen)

| | Reportable Segment | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in quarterly consolidated statement of income (Note 3) |
|--------------------------------------|--------------------------|----------------------|---------------------------|-----------|--|---------|-------------------|---------|------------------------|--|
| | Building Construction | Civil Engineering | Road Civil Engineering | Machinery | Infrastruc- ture Manage- ment | Total | | | | |
| Net sales | | | | | | | | | | |
| Goods transferred at a point in time | 5,282 | 715 | 136,562 | 21,252 | 11,787 | 175,599 | 19,027 | 194,627 | — | 194,627 |
| Goods transferred over time | 134,791 | 108,031 | 37,950 | 242 | — | 281,015 | 8,133 | 289,149 | — | 289,149 |
| Income from contracts with customers | 140,073 | 108,746 | 174,512 | 21,495 | 11,787 | 456,615 | 27,161 | 483,777 | — | 483,777 |
| Other income | 1,420 | — | 130 | 3,558 | 6,945 | 12,054 | — | 12,054 | — | 12,054 |
| Net sales to outside customers | 141,494 | 108,746 | 174,643 | 25,053 | 18,732 | 468,670 | 27,161 | 495,831 | — | 495,831 |
| Inter-segment net sales or transfers | 1,697 | 29 | 3,645 | 1,448 | — | 6,821 | 8,883 | 15,704 | (15,704) | — |
| Total | 143,191 | 108,776 | 178,288 | 26,502 | 18,732 | 475,491 | 36,045 | 511,536 | (15,704) | 495,831 |
| Segment profit | 2,088 | 12,759 | 821 | 682 | 7,462 | 23,814 | 752 | 24,566 | 288 | 24,855 |

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

2. Adjustment of segment profit includes inter-segment transactions of ¥288 million.

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

(Significant subsequent event)

Not applicable.

3. Supplementary Information

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

1. Orders Received (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 65,751 | 36.3% | 26,276 | 19.0% | (39,474) | (60.0)% |
| Private Works | 115,312 | 63.6% | 111,724 | 80.6% | (3,588) | (3.1)% |
| Overseas | 133 | 0.1% | 587 | 0.4% | 454 | 340.6% |
| Total | 181,197 | 100.0% | 138,588 | 100.0% | (42,608) | (23.5)% |

2. Net Sales (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 26,538 | 17.3% | 22,295 | 15.6% | (4,243) | (16.0)% |
| Private Works | 127,274 | 82.7% | 120,182 | 84.0% | (7,092) | (5.6)% |
| Overseas | 10 | 0.0% | 621 | 0.4% | 611 | —% |
| Total | 153,824 | 100.0% | 143,098 | 100.0% | (10,725) | (7.0)% |

3. Backlog (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 83,251 | 22.0% | 83,222 | 21.3% | (28) | (0.0)% |
| Private Works | 295,549 | 78.0% | 306,839 | 78.6% | 11,289 | 3.8% |
| Overseas | 134 | 0.0% | 325 | 0.1% | 191 | 142.7% |
| Total | 378,935 | 100.0% | 390,388 | 100.0% | 11,453 | 3.0% |

(Note) Net sales are before adjustment and include inter-segment transactions.

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

1. Orders Received (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 23,471 | 31.2% | 37,633 | 59.7% | 14,161 | 60.3% |
| Private Works | 50,252 | 66.9% | 25,418 | 40.3% | (24,834) | (49.4)% |
| Overseas | 1,397 | 1.9% | 21 | 0.0% | (1,376) | (98.5)% |
| Total | 75,122 | 100.0% | 63,072 | 100.0% | (12,049) | (16.0)% |

2. Net Sales (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 56,469 | 56.4% | 58,879 | 54.5% | 2,410 | 4.3% |
| Private Works | 42,138 | 42.1% | 49,213 | 45.5% | 7,074 | 16.8% |
| Overseas | 1,461 | 1.5% | 12 | 0.0% | (1,448) | (99.1)% |
| Total | 100,068 | 100.0% | 108,105 | 100.0% | 8,036 | 8.0% |

3. Backlog (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|---------------|--|--------|--|--------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Public Works | 126,893 | 45.4% | 124,408 | 44.7% | (2,485) | (2.0)% |
| Private Works | 152,115 | 54.4% | 153,470 | 55.1% | 1,354 | 0.9% |
| Overseas | 603 | 0.2% | 568 | 0.2% | (34) | (5.7)% |
| Total | 279,612 | 100.0% | 278,447 | 100.0% | (1,165) | (0.4)% |

(Note) Net sales are before adjustment and include inter-segment transactions.

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

1. Orders Received (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|----------------------------|--|--------|--|--------|------------|------|
| | Amount | % | Amount | % | Amount | % |
| Pavement Construction | 99,353 | 57.0% | 106,287 | 57.5% | 6,933 | 7.0% |
| Civil Engineering Works | 21,710 | 12.5% | 22,479 | 12.2% | 769 | 3.5% |
| Manufacturing/Sales | 52,877 | 30.3% | 55,655 | 30.1% | 2,777 | 5.3% |
| Other | 419 | 0.2% | 441 | 0.2% | 21 | 5.2% |
| Total | 174,361 | 100.0% | 184,863 | 100.0% | 10,501 | 6.0% |

2. Net Sales (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|----------------------------|--|--------|--|--------|------------|------|
| | Amount | % | Amount | % | Amount | % |
| Pavement Construction | 94,783 | 56.1% | 99,603 | 55.9% | 4,820 | 5.1% |
| Civil Engineering Works | 21,019 | 12.4% | 22,588 | 12.7% | 1,569 | 7.5% |
| Manufacturing/Sales | 52,877 | 31.3% | 55,655 | 31.2% | 2,777 | 5.3% |
| Other | 419 | 0.2% | 441 | 0.2% | 21 | 5.2% |
| Total | 169,100 | 100.0% | 178,288 | 100.0% | 9,188 | 5.4% |

3. Backlog (Millions of yen)

| | Nine months ended December 31, 2021 | | Nine months ended December 31, 2022 | | YoY change | |
|----------------------------|--|--------|--|--------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Pavement Construction | 51,249 | 79.6% | 52,838 | 80.5% | 1,589 | 3.1% |
| Civil Engineering Works | 13,141 | 20.4% | 12,791 | 19.5% | (349) | (2.7)% |
| Manufacturing/Sales | — | — | — | — | — | — |
| Other | — | — | — | — | — | — |
| Total | 64,390 | 100.0% | 65,630 | 100.0% | 1,239 | 1.9% |

(Note) Net sales are before adjustment and include inter-segment transactions.

(4) Summary of Forecast of Consolidated Financial Results

(Millions of yen)

| | Nine months ended December 31, 2022 | | | Fiscal year ending March 31, 2023 | | |
|--|-------------------------------------|--------------------------------|------------|-----------------------------------|------------|----------|
| | Results for the previous period | Results for the current period | YoY change | Full-year forecast | YoY change | Progress |
| | | | | | | |
| Net sales | 482,288 | 495,831 | 13,543 | 705,000 | 22,087 | 70.3% |
| Building Construction | 152,592 | 141,494 | (11,098) | 228,400 | 12,297 | 62.0% |
| Civil Engineering | 99,246 | 108,746 | 9,500 | 147,000 | 4,360 | 74.0% |
| Road Civil Engineering | 167,204 | 174,643 | 7,438 | 236,000 | 3,232 | 74.0% |
| Machinery | 24,907 | 25,053 | 146 | 35,500 | 177 | 70.6% |
| Infrastructure Management | 11,867 | 18,732 | 6,864 | 21,500 | 2,826 | 87.1% |
| Other | 26,469 | 27,161 | 692 | 36,600 | (807) | 74.2% |
| Gross profit | 58,357 | 66,606 | 8,248 | 92,100 | 489 | 72.3% |
| | 12.1% | 13.4% | 1.3% | 13.1% | (0.4)% | |
| Building Construction | 14,313 | 12,991 | (1,321) | 24,000 | 596 | 54.1% |
| | 9.4% | 9.2% | (0.2)% | 10.5% | (0.3)% | |
| Civil Engineering | 16,814 | 21,136 | 4,321 | 25,400 | (636) | 83.2% |
| | 16.9% | 19.4% | 2.5% | 17.3% | (1.0)% | |
| Road Civil Engineering | 15,662 | 15,461 | (200) | 21,000 | (1,462) | 73.6% |
| | 9.4% | 8.9% | (0.5)% | 8.9% | (0.8)% | |
| Machinery | 5,315 | 5,358 | 42 | 7,500 | 132 | 71.5% |
| | 21.3% | 21.4% | 0.0% | 21.1% | 0.3% | |
| Infrastructure Management | 2,967 | 9,060 | 6,093 | 10,000 | 2,416 | 90.6% |
| | 25.0% | 48.4% | 23.4% | 46.5% | 5.9% | |
| Other | 3,283 | 2,596 | (686) | 4,200 | (556) | 61.8% |
| | 12.4% | 9.6% | (2.8)% | 11.5% | (1.2)% | |
| Selling, general and administrative expenses | 40,800 | 41,751 | 951 | 57,100 | 2,979 | 73.1% |
| Operating profit | 17,557 | 24,855 | 7,297 | 35,000 | (2,489) | 71.0% |
| Ordinary profit | 17,980 | 25,935 | 7,955 | 36,800 | (1,236) | 70.5% |
| Profit attributable to owners of parent | 10,703 | 23,475 | 12,771 | 31,500 | 4,810 | 74.5% |

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

(Reference) Maeda Corporation: Supplementary Information

1) Summary of non-consolidated financial results forecast

(Millions of yen)

| | Nine months ended December 31, 2022 | | | Fiscal year ending March 31, 2023 | | |
|--|-------------------------------------|--------------------------------|------------|-----------------------------------|------------|----------|
| | Results for the previous period | Results for the current period | YoY change | Full-year forecast | | Progress |
| | | | | | YoY change | |
| Net sales | 254,814 | 258,189 | 3,374 | 383,900 | 18,127 | 67.3% |
| Construction Total | 251,588 | 249,783 | (1,805) | 374,800 | 16,477 | 66.6% |
| Building Construction | 152,542 | 141,678 | (10,864) | 228,300 | 11,457 | 62.1% |
| Civil Engineering | 99,046 | 108,105 | 9,059 | 146,500 | 5,019 | 73.8% |
| Infrastructure Management | 796 | 6,985 | 6,188 | 7,400 | 2,819 | 94.4% |
| Real Estate | 2,429 | 1,420 | (1,008) | 1,700 | (1,168) | 83.6% |
| Gross profit | 32,402 | 40,550 | 8,147 | 56,300 | 2,163 | 72.0% |
| | 12.7% | 15.7% | 3.0% | 14.7% | (0.1)% | |
| Construction Total | 30,247 | 32,876 | 2,628 | 48,100 | 88 | 68.4% |
| | 12.0% | 13.2% | 1.1% | 12.8% | (0.6)% | |
| Building Construction | 13,992 | 12,366 | (1,626) | 23,200 | 537 | 53.3% |
| | 9.2% | 8.7% | (0.4)% | 10.2% | (0.3)% | |
| Civil Engineering | 16,254 | 20,509 | 4,254 | 24,900 | (449) | 82.4% |
| | 16.4% | 19.0% | 2.6% | 17.0% | (0.9)% | |
| Infrastructure Management | 791 | 6,979 | 6,187 | 7,400 | 2,863 | 94.3% |
| | 99.3% | 99.9% | 0.6% | 100.0% | 1.0% | |
| Real Estate | 1,363 | 694 | (668) | 800 | (789) | 86.8% |
| | 56.1% | 48.9% | (7.2)% | 47.1% | (8.3)% | |
| Selling, general and administrative expenses | 20,749 | 21,153 | 403 | 28,500 | 1,683 | 74.2% |
| Operating profit | 11,652 | 19,396 | 7,743 | 27,800 | 479 | 69.8% |
| Ordinary profit | 19,341 | 21,722 | 2,381 | 30,200 | (4,994) | 71.9% |
| Profit | 14,713 | 21,961 | 7,247 | 28,700 | 187 | 76.5% |

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

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

(Millions of yen)

| | Fiscal year ending March 31, 2023 | | Nine months ended December 31, 2022 | |
|-----------------------|-----------------------------------|------------|-------------------------------------|----------|
| | Full-year forecast | YoY change | Results for the current period | Progress |
| Building Construction | 260,000 | (0.1)% | 137,199 | 52.8% |
| Civil Engineering | 160,000 | (0.2)% | 63,072 | 39.4% |
| Total | 420,000 | (0.1)% | 200,272 | 47.7% |