

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

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 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	561,400	13.2	34,298	38.0	35,804	38.1	24,149	2.9
Nine months ended December 31, 2022	495,831	2.8	24,855	41.6	25,935	44.2	23,475	119.3

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥39,676 million [121.2%]

Nine months ended December 31, 2022: ¥17,934 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	96.24		–	
Nine months ended December 31, 2022	89.92		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	1,046,927	372,486	34.6
As of March 31, 2023	926,563	362,315	38.1

(Reference) Equity: As of December 31, 2023: ¥362,658 million

As of March 31, 2023: ¥352,692 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, 2023	–	0.00	–	55.00	55.00
Fiscal year ending March 31, 2024	–	25.00	–		
Fiscal year ending March 31, 2024 (Forecast)				30.00	55.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Business profit		Operating profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
[IFRS] Full year	768,200	–	48,100	–	48,000	–	31,700	–	126.33

	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
[Japanese GAAP] Full year	762,900	7.5	41,300	2.0	42,500	1.8	27,500	(23.3)	109.59

- (Notes)
- Revision to the forecast of consolidated financial results announced most recently: No
 - Since the Company has decided to voluntarily adopt International Financial Reporting Standards (hereinafter “IFRS”) effective from the consolidated financial statements for the fiscal year ending March 31, 2024, figures calculated based on IFRS have been disclosed in addition to the consolidated financial results forecast based on Japanese accounting standards. Year-on-year changes from the fiscal year ended March 31, 2023, for which Japanese standards have been applied, are not stated.
 - Business profit is a profit indicator that measures the performance of the Company’s recurring businesses, calculated by deducting cost of sales and selling, general and administrative expenses from net sales, and adding share of loss (profit) of entities accounted for using equity method.

* Notes

- Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- Application of special accounting methods for preparing quarterly consolidated financial statements: No
- Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2023	274,845,024 shares	As of March 31, 2023	274,845,024 shares
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2) Number of treasury shares at the end of the period

As of December 31, 2023	28,003,529 shares	As of March 31, 2023	22,329,791 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	250,938,861 shares	Nine months ended December 31, 2022	261,077,548 shares
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- (Notes)
- 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 (2,285,200 shares at the end of the nine months ended December 31, 2023, and 3,267,300 shares at the end of the fiscal year ended March 31, 2023). 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 (2,822,590 shares at the end of the nine months ended December 31, 2023, and 3,833,250 shares at the end of the nine months ended December 31, 2022).
 - The Company’s shares held by Board Benefit Trust (BBT) are included in the number of treasury shares at the end of the period (2,806,300 shares at the end of the nine months ended December 31, 2023, and 377,500 shares at the end of the fiscal year ended March 31, 2023). 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 (1,591,900 shares at the end of the nine months ended December 31, 2023, and 517,500 shares at the end of the nine months ended December 31, 2022).
 - The Company’s shares held by the Stock Benefit Trust (J-ESOP) are included in the number of treasury shares at the end of the period (2,967,300 shares at the end of the nine months ended December 31, 2023). The Company’s shares held by the Stock Benefit Trust (J-ESOP) are included in the number of treasury shares deducted in the calculation of the average number of shares during the period (1,483,650 shares at the end of the nine months ended December 31, 2023).

* 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, 2023, the outlook of the Japanese economy remained uncertain amid persisting concerns about monetary tightening across the globe, fluctuations in foreign exchange rates, a steep rise in raw material and energy prices, rising commodity price and other factors putting downward pressure on the Japanese economy in the unstable international situation. However, the Japanese economy generally and moderately recovered in corporate earnings, employment, and personal consumption, being supported by the materialization of pent-up demand following the reclassification of the status of the novel coronavirus infection (COVID-19) to “Class 5” and other factors.

In the construction industry, while housing construction remained stagnant, a pickup of capital investment was slowing down. Public investment remained firm due to the execution of the related government budgets.

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, 2023, net sales increased by ¥65.5 billion (13.2%) year on year to ¥561.4 billion. Operating profit increased by ¥9.4 billion (38.0%) year on year to ¥34.2 billion, ordinary profit increased by ¥9.8 billion (38.1%) year on year to ¥35.8 billion, and profit attributable to owners of parent increased by ¥0.6 billion (2.9%) year on year to ¥24.1 billion.

Performance results by business segment are as follows.

[Building Construction]

In the building construction business, net sales increased by ¥37.6 billion (26.6%) year on year to ¥179.1 billion and segment loss was ¥1.1 billion (a profit of ¥2.0 billion in the same period of the previous fiscal year).

[Civil Engineering]

In the civil engineering business, net sales increased by ¥17.9 billion (16.5%) year on year to ¥126.7 billion and segment profit increased by ¥13.8 billion (108.3%) year on year to ¥26.5 billion.

[Road Civil Engineering]

In the road civil engineering business, net sales increased by ¥8.8 billion (5.1%) year on year to ¥183.5 billion and segment profit increased by ¥6.1 billion (745.5%) year on year to ¥6.9 billion.

[Machinery]

In the machinery business, net sales increased by ¥4.5 billion (18.3%) year on year to ¥29.6 billion and segment profit increased by ¥1.1 billion (170.5%) year on year to ¥1.8 billion.

[Infrastructure Management]

In the infrastructure management business, net sales decreased by ¥6.1 billion (32.9%) year on year to ¥12.5 billion and segment loss was ¥0.3 billion (a profit of ¥7.4 billion in the same period of the previous fiscal year).

[Others]

In the others business segment, net sales increased by ¥2.6 billion (9.7%) year on year to ¥29.7 billion and segment profit decreased by ¥0.3 billion (42.9%) year on year to ¥0.4 billion.

(2) Explanation of Financial Position

Total assets as of December 31, 2023 were ¥1,046.9 billion, an increase of ¥120.3 billion (13.0%) from the end of the previous fiscal year, mainly due to an increase in notes receivable and accounts receivable from completed construction contracts. Liabilities stood at ¥674.4 billion, an increase of ¥110.1 billion (19.5%) from the end of the previous fiscal year, mainly due to an increase in short-term borrowings. Net assets amounted to ¥372.4 billion, an increase of ¥10.1 billion (2.8%) from the end of the previous fiscal year. As a result of the above, equity, which is net assets minus non-controlling interests, amounted to ¥362.6 billion, and the equity ratio declined from 38.1% at the end of the previous fiscal year to 34.6%.

(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 10, 2023.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	88,800	119,734
Notes receivable, accounts receivable from completed construction contracts and other	296,088	330,013
Securities	30	–
Real estate for sale	1,894	1,894
Merchandise and finished goods	2,341	3,268
Costs on construction contracts in progress	30,003	45,385
Raw materials and supplies	3,815	4,196
Other	51,900	47,445
Allowance for doubtful accounts	(140)	(186)
Total current assets	474,732	551,753
Non-current assets		
Property, plant and equipment	156,264	158,588
Intangible assets		
Right to operate public facilities	105,144	100,606
Assets related to replacement investment to operate public facilities	27,158	31,755
Goodwill	13,159	8,260
Other	13,651	14,250
Total intangible assets	159,113	154,872
Investments and other assets		
Investment securities	100,429	145,220
Deferred tax assets	1,077	1,301
Retirement benefit asset	16,567	17,660
Other	18,621	17,757
Allowance for doubtful accounts	(268)	(270)
Total investments and other assets	136,428	181,669
Total non-current assets	451,805	495,129
Deferred assets	24	44
Total assets	926,563	1,046,927

(Millions of yen)

As of March 31, 2023

As of December 31, 2023

Liabilities	As of March 31, 2023	As of December 31, 2023
Current liabilities		
Electronically recorded obligations - operating	25,752	17,623
Account payable for works in progress and other	116,170	98,878
Short-term borrowings	36,688	139,642
Current portion of non-recourse loans	922	724
Current portion of bonds payable	10,000	5,000
Income taxes payable	10,272	4,838
Advances received on construction contracts in progress	37,807	53,236
Provision for loss on construction contracts	342	887
Other provisions	9,989	4,465
Liabilities related to right to operate public facilities	4,664	4,691
Liabilities related to replacement investment to operate public facilities	1,030	1,600
Other	44,634	38,447
Total current liabilities	298,273	370,035
Non-current liabilities		
Bonds payable	48,000	43,000
Long-term borrowings	54,886	86,350
Non-recourse loans	3,893	3,497
Deferred tax liabilities	10,018	17,702
Retirement benefit liability	17,055	17,192
Other provisions	169	1,962
Liabilities related to right to operate public facilities	99,590	97,270
Liabilities related to replacement investment to operate public facilities	28,225	33,343
Other	4,134	4,087
Total non-current liabilities	265,974	304,406
Total liabilities	564,248	674,441
Net assets		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	106,455	108,088
Retained earnings	234,129	237,704
Treasury shares	(18,395)	(28,766)
Total shareholders' equity	342,189	337,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,850	22,729
Deferred gains or losses on hedges	(453)	1,615
Foreign currency translation adjustment	191	214
Remeasurements of defined benefit plans	915	1,072
Total accumulated other comprehensive income	10,502	25,632
Non-controlling interests	9,622	9,827
Total net assets	362,315	372,486
Total liabilities and net assets	926,563	1,046,927

(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, 2022	Nine months ended December 31, 2023
Net sales		
Net sales of completed construction contracts	273,812	331,278
Sales in other businesses	222,019	230,122
Total net sales	495,831	561,400
Cost of sales		
Cost of sales of completed construction contracts	237,887	280,867
Cost of sales in other businesses	191,337	198,698
Total cost of sales	429,225	479,566
Gross profit		
Gross profit on completed construction contracts	35,924	50,410
Gross profit - other business	30,681	31,423
Total gross profit	66,606	81,834
Selling, general and administrative expenses	41,751	47,536
Operating profit	24,855	34,298
Non-operating income		
Interest income	184	272
Dividend income	2,063	1,781
Share of profit of entities accounted for using equity method	450	949
Other	855	551
Total non-operating income	3,554	3,554
Non-operating expenses		
Interest expenses	1,681	1,679
Other	792	370
Total non-operating expenses	2,474	2,049
Ordinary profit	25,935	35,804
Extraordinary income		
Gain on sale of non-current assets	184	74
Gain on sale of investment securities	8,099	1,971
Other	182	197
Total extraordinary income	8,466	2,243
Extraordinary losses		
Loss on retirement of non-current assets	195	384
Loss on valuation of investment securities	258	-
Other	482	31
Total extraordinary losses	936	416
Profit before income taxes	33,465	37,631
Income taxes - current	8,647	11,903
Income taxes - deferred	696	1,237
Total income taxes	9,344	13,141
Profit	24,120	24,490
Profit attributable to non-controlling interests	645	341
Profit attributable to owners of parent	23,475	24,149

Quarterly consolidated statement of comprehensive income
 Nine months ended December 31

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	24,120	24,490
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,064)	12,876
Deferred gains or losses on hedges	(366)	2,067
Foreign currency translation adjustment	(73)	45
Remeasurements of defined benefit plans, net of tax	291	139
Share of other comprehensive income of entities accounted for using equity method	25	57
Total other comprehensive income	(6,186)	15,185
Comprehensive income	17,934	39,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,237	39,279
Comprehensive income attributable to non-controlling interests	696	397

(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, SEKI CO., LTD and KANEIKOGYO CO., LTD, whose shares were newly acquired, as well as Miura Sewerage & Concession Co., Ltd., the importance of which increased, were included in the scope of consolidation.

In the third quarter of the current fiscal year, KANEIKOGYO 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 SEKI CO., LTD.

Significant changes in scope of application of equity method

From the first quarter of the current fiscal year, BVN THANH CHUONG JOINT STOCK COMPANY, whose shares were newly acquired, was included in the scope of application of equity method.

(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 ¥3,355 million and 3,267 thousand shares, respectively. As of December 31, 2023, the book value and number of shares of the relevant treasury shares were ¥2,346 million and 2,285 thousand shares, respectively.

3. Book value of borrowings recorded using the gross method

Borrowings at the end of the previous fiscal year amounted to ¥3,621 million and as of December 31, 2023 amounted to ¥2,597 million.

(2) Board Benefit Trust (BBT)

The Company introduced a performance-based stock compensation plan called “Board Benefit Trust” (hereinafter “BBT”) for directors (excluding outside directors) and executive officers of the Company, as well as directors and executive officers of three business companies (Maeda Corporation, Maeda Road Construction Co., Ltd. and Maeda Seisakusho Co., Ltd.) (hereinafter 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.

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 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 ¥303 million and 377 thousand shares, respectively. As of December 31, 2023, the book value and number of shares of the relevant treasury shares were ¥3,577 million and 2,806 thousand shares, respectively.

(3) The Stock Benefit Trust (J-ESOP)

The Company introduced the “Stock Benefit Trust (J-ESOP)” (hereinafter “J-ESOP”), an incentive plan to provide all employees of the Company and its subsidiaries who satisfy certain requirements with shares in the Company, in order to foster a sense of unity throughout the Group and enhance employees’ motivation and morale to contribute to the increase in the Company’s share price and the improvement of the Group’s consolidated business performance by further linking the Company’s share price and business performance with employee compensation in such a way that employees share economic interests with shareholders.

1. Descriptions of transactions

The J-ESOP is a trust-type plan modeled on the Employee Stock Ownership Plan (ESOP) in the United States. Under this plan, the Company provides employees with its shares in accordance with the Regulations on Stock Benefits prescribed by the Company and its subsidiaries that satisfy certain requirements (hereinafter, collectively with the Company, the “Eligible Companies”).

The Eligible Companies grant points to employees based on the Group’s consolidated performance and other factors for each fiscal year, and provide them with the Company’s shares equivalent to the points granted when they acquire the right to receive benefits under certain conditions. Shares to be granted to employees, including those to be granted in the future, shall be acquired by money established in advance as a trust and separately managed as trust assets.

2. The Company’s shares remaining in trust

The Company’s shares remaining in trust are recorded as treasury shares in the net assets section at the book value in trust (excluding the amount as ancillary expenses). As of December 31, 2023, the book value and number of shares of the relevant treasury shares were ¥3,999 million and 2,967 thousand shares, respectively.

(Segment information)

I 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						Others (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.

II For the nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

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

(Millions of yen)

	Reportable Segment						Others (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	5,182	1,436	140,289	25,426	12,574	184,909	23,108	208,017	—	208,017
Goods transferred over time	172,784	125,263	43,090	134	—	341,272	6,691	347,963	—	347,963
Income from contracts with customers	177,967	126,700	183,379	25,560	12,574	526,181	29,799	555,981	—	555,981
Other income	1,213	—	132	4,072	—	5,419	—	5,419	—	5,419
Net sales to outside customers	179,180	126,700	183,512	29,633	12,574	531,601	29,799	561,400	—	561,400
Inter-segment net sales or transfers	1,401	8	3,196	1,523	—	6,128	8,424	14,553	(14,553)	—
Total	180,581	126,708	186,708	31,156	12,574	537,729	38,224	575,954	(14,553)	561,400
Segment profit (loss)	(1,145)	26,573	6,947	1,846	(327)	33,894	429	34,324	(25)	34,298

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

2. Adjustment of segment profit (loss) includes inter-segment transactions of ¥(25) million.

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

(Significant subsequent event)

Business combination through acquisition

At the extraordinary meeting of the Board of Directors held on December 12, 2023, the Company approved a resolution concerning the acquisition of all shares of JWD Holdings3 K.K., which owns all shares of Japan Wind Development Co., Ltd. (hereinafter “JWD”), and making JWD Holdings3 K.K. the Company’s subsidiary. The Company acquired the shares as of January 31, 2024.

(1) Descriptions of business combination

1. Name and business details of acquired company

Name of acquired company: JWD Holdings3 K.K.

Business details: Pure holding company for the purpose of holding and managing shares of JWD (Development of wind farms and sale of electricity from wind power generation)

2. Main reason for business combination

JWD is a leading wind power company that has consistently specialized in wind power to this day since the dawn of wind power projects in Japan. With a prominent development track record as an independent operator, JWD has developed 293 turbines around the world with a combined generation capacity of 570,850kW (as of April 2023). Besides development projects, JWD offers operations and management (hereinafter “O&M”), boasting the largest share in the wind farm O&M market in Japan. JWD also offers extraordinary O&M knowhow and delivers O&M service not only for development projects within the group but for other companies' projects, which makes JWD stand out from its competitors.

Building on the extensive development track record and O&M knowhow, JWD has significant growth potential with upcoming wind power projects with a combined generation capacity of approximately 3,600MW (including replacement of existing turbines and some pipelines) as of December 2023.

In such a position, JWD delivers comprehensive service from development through operations, maintenance and management of wind power projects, which is in line with the Company's business model. Therefore, the Company believes that the partnership with JWD is meaningful for generating great synergies and further expanding the renewable energy business of the two companies.

The Company and JWD will strive to address all kinds of social challenges associated with achieving carbon neutrality and grow together as a one-of-its-kind group that is capable of broadly operating comprehensive renewable energy business, and as the No. 1 business group, both in name and reality, in the wind power market, which is expected to grow further, by complementing and mutually leveraging each other's knowhow, technologies, networks, and other capabilities and strengths in the wind power business.

3. Business combination date

January 31, 2024

4. Legal form of business combination

Acquisition of shares for cash consideration

5. Company name after combination

No change.

6. Ratio of voting rights acquired

100%

7. Basis for determining acquiring company

The Company acquired the shares for cash consideration.

(2) Acquisition cost of acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	¥202,093 million
Acquisition cost		¥202,093 million

(Note) Funds for the acquisition of shares were procured mainly through borrowings from financial institutions.

(3) Amount of goodwill occurred, cause for the occurrence, and method and period for amortization

Not yet determined.

- (4) Amount of assets accepted and liabilities assumed on the date of business combination, and major breakdown thereof
Not yet determined.

Significant borrowings of funds

At the extraordinary meeting of the Board of Directors held on January 17, 2024, the Company approved a resolution concerning the borrowing of funds as follows and executed the borrowings on January 31, 2024.

(1) Reason for borrowing the funds

The Company executed the borrowings for the acquisition of the shares of JWD Holdings3 K.K., which owns all shares of JWD; the equity interests in silent partnership with multiple business SPCs that are JWD's subsidiaries; the equity interests in silent partnership with multiple business SPCs which have been sold to third parties, or the contractual status, rights, and obligations under the share transfer agreement regarding the transfer of shares; and the equity interests in silent partnership with multiple business SPCs which are scheduled to be sold to third parties, and the contractual status, rights, and obligations under the share transfer agreement regarding the transfer.

(2) Descriptions of borrowing

1. Lender	Three financial institutions (Note)
2. Borrowing amount	¥218,400 million
3. Borrowing date	January 31, 2024
4. Use of funds	Funds for the acquisition of the shares of JWD Holdings3 K.K., which owns all shares of JWD; the equity interests in silent partnership with multiple business SPCs that are JWD's subsidiaries; the equity interests in silent partnership with multiple business SPCs which have been sold to third parties, or the contractual status, rights, and obligations under the share transfer agreement regarding the transfer of shares; and the equity interests in silent partnership with multiple business SPCs which are scheduled to be sold to third parties, and the contractual status, rights, and obligations under the share transfer agreement regarding the transfer
5. Collateral	No

(Note) The Company will refrain from disclosing this information in accordance with confidentiality obligations with the financial institutions.

(2) Future outlook

The Company plans to refinance the borrowings within one year from the borrowing date.

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, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	26,276	19.0%	24,055	11.1%	(2,220)	(8.5)%
Private Works	111,724	80.6%	184,030	84.8%	72,306	64.7%
Overseas	587	0.4%	9,057	4.2%	8,469	—%
Total	138,588	100.0%	217,143	100.0%	78,554	56.7%

2. Net Sales

(Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	22,295	15.6%	35,774	19.8%	13,479	60.5%
Private Works	120,182	84.0%	143,997	79.8%	23,815	19.8%
Overseas	621	0.4%	778	0.4%	156	25.2%
Total	143,098	100.0%	180,550	100.0%	37,451	26.2%

3. Backlog

(Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	83,222	21.3%	89,943	18.9%	6,720	8.1%
Private Works	306,839	78.6%	378,213	79.4%	71,374	23.3%
Overseas	325	0.1%	8,394	1.8%	8,068	—%
Total	390,388	100.0%	476,552	100.0%	86,163	22.1%

(Note) Net sales 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, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	37,633	59.7%	49,028	59.3%	11,395	30.3%
Private Works	25,418	40.3%	33,580	40.6%	8,162	32.1%
Overseas	21	0.0%	87	0.1%	66	316.5%
Total	63,072	100.0%	82,697	100.0%	19,624	31.1%

2. Net Sales

(Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	58,879	54.5%	65,436	51.9%	6,557	11.1%
Private Works	49,213	45.5%	60,365	47.8%	11,152	22.7%
Overseas	12	0.0%	358	0.3%	345	—%
Total	108,105	100.0%	126,159	100.0%	18,054	16.7%

3. Backlog (Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Public Works	124,408	44.7%	117,105	49.8%	(7,302)	(5.9) %
Private Works	153,470	55.1%	117,754	50.1%	(35,715)	(23.3) %
Overseas	568	0.2%	215	0.1%	(352)	(62.0) %
Total	278,447	100.0%	235,076	100.0%	(43,370)	(15.6) %

(Note) Net sales 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, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	106,287	57.5%	112,519	57.8%	6,231	5.9%
Civil Engineering Works	22,479	12.2%	23,238	11.9%	759	3.4%
Manufacturing/Sales	55,655	30.1%	58,547	30.1%	2,892	5.2%
Other	441	0.2%	514	0.3%	72	16.5%
Total	184,863	100.0%	194,819	100.0%	9,956	5.4%

2. Net Sales (Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	99,603	55.9%	106,401	57.0%	6,797	6.8%
Civil Engineering Works	22,588	12.7%	21,245	11.4%	(1,343)	(5.9) %
Manufacturing/Sales	55,655	31.2%	58,547	31.4%	2,892	5.2%
Other	441	0.2%	514	0.3%	72	16.5%
Total	178,288	100.0%	186,708	100.0%	8,419	4.7%

3. Backlog (Millions of yen)

	Nine months ended December 31, 2022		Nine months ended December 31, 2023		YoY change	
	Amount	%	Amount	%	Amount	%
Pavement Construction	52,838	80.5%	59,474	82.5%	6,635	12.6%
Civil Engineering Works	12,791	19.5%	12,603	17.5%	(188)	(1.5) %
Manufacturing/Sales	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	65,630	100.0%	72,077	100.0%	6,447	9.8%

(Note) Net sales include inter-segment transactions.

(4) Summary of Forecast of Consolidated Financial Results

[IFRS]	(Millions of yen)
	Fiscal year ending March 31, 2024
	Full-year forecast
Net sales	768,200
Building Construction	242,000
Civil Engineering	163,800
Road Civil Engineering	244,300
Machinery	39,300
Infrastructure Management	32,500
Others	46,300
Gross profit	109,400
	14.2%
Building Construction	22,200
	9.2%
Civil Engineering	40,800
	24.9%
Road Civil Engineering	30,100
	12.3%
Machinery	8,600
	21.9%
Infrastructure Management	3,100
	9.5%
Others	4,600
	9.9%
Selling, general and administrative expenses	62,600
Share of loss (profit) of entities accounted for using equity method	1,300
Business profit	48,100
Operating profit	48,000
Profit attributable to owners of parent	31,700

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

[Japanese GAAP]

(Millions of yen)

	Nine months ended December 31, 2023			Fiscal year ending March 31, 2024		
	Results for the previous period	Results for the current period	YoY change	Full-year forecast	YoY change	Progress
Net sales	495,831	561,400	65,569	762,900	53,258	73.6%
Building Construction	141,494	179,180	37,686	259,600	44,134	69.0%
Civil Engineering	108,746	126,700	17,953	164,000	11,967	77.3%
Road Civil Engineering	174,643	183,512	8,869	244,900	1,202	74.9%
Machinery	25,053	29,633	4,580	39,400	2,059	75.2%
Infrastructure Management	18,732	12,574	(6,158)	18,400	(4,106)	68.3%
Others	27,161	29,799	2,638	36,600	(1,998)	81.4%
Gross profit	66,606	81,834	15,228	109,300	11,175	74.9%
	13.4%	14.6%	1.1%	14.3%	0.5%	
Building Construction	12,991	12,518	(473)	22,600	(1,125)	55.4%
	9.2%	7.0%	(2.2) %	8.7%	(2.3) %	
Civil Engineering	21,136	35,882	14,745	40,800	12,254	87.9%
	19.4%	28.3%	8.9%	24.9%	6.1%	
Road Civil Engineering	15,461	22,767	7,305	30,300	6,192	75.1%
	8.9%	12.4%	3.6%	12.4%	2.5%	
Machinery	5,358	6,434	1,075	8,600	841	74.8%
	21.4%	21.7%	0.3%	21.8%	1.1%	
Infrastructure Management	9,060	1,643	(7,417)	3,000	(7,090)	54.8%
	48.4%	13.1%	(35.3) %	16.3%	(28.5) %	
Others	2,596	2,588	(8)	4,000	102	64.7%
	9.6%	8.7%	(0.9) %	10.9%	0.8%	
Selling, general and administrative expenses	41,751	47,536	5,784	68,000	10,371	69.9%
Operating profit	24,855	34,298	9,443	41,300	804	83.0%
Ordinary profit	25,935	35,804	9,868	42,500	731	84.2%
Profit attributable to owners of parent	23,475	24,149	674	27,500	(8,370)	87.8%

(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, 2023			Fiscal year ending March 31, 2024		
	Results for the previous period	Results for the current period	YoY change	Full-year forecast		Progress
					YoY change	
Net sales	258,189	306,720	48,530	423,900	48,024	72.4%
Construction Total	249,783	305,496	55,712	422,100	55,304	72.4%
Building Construction	141,678	179,336	37,658	258,300	42,921	69.4%
Civil Engineering	108,105	126,159	18,054	163,800	12,382	77.0%
Infrastructure Management	6,985	10	(6,975)	100	(7,124)	10.3%
Real Estate	1,420	1,213	(206)	1,700	(155)	71.4%
Gross profit	40,550	48,799	8,249	63,900	4,988	76.4%
	15.7%	15.9%	0.2%	15.1%	(0.6) %	
Construction Total	32,876	48,302	15,426	63,090	12,265	76.6%
	13.2%	15.8%	2.7%	14.9%	1.1%	
Building Construction	12,366	12,299	(67)	22,290	(619)	55.2%
	8.7%	6.9%	(1.9) %	8.6%	(2.0) %	
Civil Engineering	20,509	36,002	15,493	40,800	12,885	88.2%
	19.0%	28.5%	9.6%	24.9%	6.5%	
Infrastructure Management	6,979	2	(6,976)	100	(7,085)	3.0%
	99.9%	28.9%	(71.0) %	100.0%	0.5%	
Real Estate	694	494	(200)	710	(190)	69.6%
	48.9%	40.7%	(8.2) %	41.8%	(6.8) %	
Selling, general and administrative expenses	21,153	24,585	3,431	33,800	4,798	72.7%
Operating profit	19,396	24,214	4,817	30,100	189	80.4%
Ordinary profit	21,722	26,290	4,568	32,000	(273)	82.2%
Profit	21,961	19,321	(2,639)	24,620	(5,586)	78.5%

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

2) Non-consolidated forecast of orders received

(Millions of yen)

	Fiscal year ending March 31, 2024		Nine months ended December 31, 2023	
	Full-year forecast	YoY change	Results for the current period	Progress
Building Construction	280,000	7.5%	217,143	77.6%
Civil Engineering	163,000	53.1%	82,697	50.7%
Total	443,000	20.7%	299,840	67.7%