

Consolidated Financial Results
for the FY2016
Ended March 31, 2017



1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Operating Results for the Fiscal Year ended March 31, 2017

During the fiscal year ended March 31, 2017, the Japanese economy remained on gradual recovery course, supported by an improving employment and income environment and a resultant rebound in personal consumption.

The construction industry enjoyed a solid earnings environment, with orders from both the public and private sectors exceeding previous year levels.

Under these circumstances, the Toda Group's consolidated results were as follows.

Consolidated net sales decreased 14.2% year on year to ¥422.7 billion, mainly owing to a decline in completed construction contracts.

In terms of operating income and loss, gross profit increased 10.7% to ¥52.9 billion and the gross profit margin increased to 12.5%, 2.8 points higher than in the previous fiscal year, as we managed to boost the gross profit margin on completed construction contracts, reflecting the success of strict adherence to our policy of focusing on profitable orders in our core construction business, which continues to face an uncertain business environment.

Meanwhile, selling, general and administrative expenses rose 6.8% year on year to ¥27.9 billion. As a result, consolidated operating income increased 15.6% to ¥24.9 billion.

Ordinary income increased 14.6% year on year to ¥27.1 billion, with a solid contribution from interest income and dividend income on investment securities and other factors.

Profit attributable to owners of parent expanded to ¥42.0 billion, a 110.0% increase over the previous year, in part due to tax expenses associated with the posting of deferred tax assets.

The results for each segment are as follows. Segment results include internal sales or transfers between segments.

Architectural Construction Business

The segment recorded net sales of ¥311.2 billion, down 18.9% year on year. Segment operating income came to ¥19.5 billion, up 13.5%.

On a non-consolidated basis, overall orders received (including overseas) increased 16.0% year on year to ¥358.8 billion. At the Japan business, a 19.1% decline in public sector orders was more than offset by a 21.5% increase in orders from the private sector, boosted by some orders for large projects.

Civil Engineering Business

The segment recorded net sales of ¥103.6 billion, up 8.4% year on year, and operating income of ¥4.6 billion, up 20.7%.

On a non-consolidated basis, overall orders received (including overseas) increased 10.5% to ¥114.4 billion. In Japan, orders from the private sector increased 1.1% while orders from the public sector expanded 12.2% year on year.

Real Estate Business

Segment net sales came to ¥13.3 billion, down 17.3% year on year, but operating income rebounded to ¥0.9 billion, an 82.9% increase over the FY2015 result.

Other Businesses

Net sales from other businesses totaled ¥1.2 billion, up 15.9% year on year. The segment recorded an operating loss of ¥41 million, compared the previous year's ¥3 million loss.

2) Outlook for the Fiscal Year ending March 31, 2018

The Japanese economy is expected to remain in a moderate recovery mode, with both employment and incomes continuing to improve. The construction industry expects to see a recovery in demand for new home construction and other private sector construction but the outlook remains clouded by uncertainties, including private-sector business sentiment and the possibility of construction costs being pushed up by a tight labor market.

Considering this operating environment, the next fiscal year's forecast for the Toda Group is as follows.

We forecast consolidated net sales of ¥437.0 billion (up 3.4% year on year), operating income of ¥19.0 billion (down 24.0%), ordinary income of ¥21.0 billion (down 22.8%), and profit attributable to owners of parent of ¥14.0 billion (down 66.7%).

On a non-consolidated basis, we expect orders received to total ¥449.5 billion (down 6.1% year on year), net sales of ¥404.5 billion (up 1.2%), operating income of ¥17.1 billion (down 27.0%), ordinary income of ¥18.9 billion (down 25.5%), and net income of ¥12.7 billion (down 69.1%).

(2) Analysis of Financial Position

1) Assets, liabilities, and net assets

Assets

Total assets as of March 31, 2017, were ¥536.5 billion, ¥12.1 billion less than a year earlier. The decline mainly reflects a ¥78.0 billion decrease in notes receivable, accounts receivable from completed construction contracts and other, which was only partially offset by increases in other items, including ¥24.6 billion for securities, ¥13.8 billion for investment securities, and ¥10.2 billion for land.

Liabilities

Total liabilities as of March 31, 2017, were ¥309.6 billion, ¥61.6 billion less than a year earlier. The major contributors to this decrease in liabilities were a ¥49.2 billion decrease in notes payable, accounts payable for construction contracts and other, and a ¥9.8 billion contraction in advances received on uncompleted construction contracts.

Net assets

Total net assets as of March 31, 2017, were ¥226.8 billion, a ¥49.4 billion increase from the end of the previous fiscal year, mainly due to the increase in retained earnings upon posting of ¥42.0 billion in profit attributable to owners of parent, which was supported by an ¥8.4 billion increase in valuation difference on available-for-sale securities. The equity capital ratio accordingly rose to 41.7%.

2) Cash flows

Cash and cash equivalents at the end of the fiscal year totaled ¥90.9 billion, ¥36.3 billion more than at the end of the previous fiscal year.

Cash Flows from Operating Activities

Net cash provided by operating activities came to ¥58.8 billion, compared with net cash used totaling ¥8.8 billion in the previous fiscal year. The main inflows from operating activities were ¥28.3 billion in profit before income taxes and a ¥78.0 billion decrease in notes and accounts receivable-trade. Outflows included a ¥49.2 billion decrease in notes and accounts payable-trade and a ¥9.8 billion decrease in advances received on uncompleted construction contracts.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥9.7 billion, compared with the ¥6.0 billion used in the previous fiscal year. The main inflow was the ¥5.3 billion from sales and redemption of investment securities. The main outflows were purchases of property, plant and equipment totaling ¥10.5 billion and purchases of investment securities totaling ¥3.2 billion.

Cash Flows from Financing Activities

Net cash used in financing activities totaled to ¥12.6 billion, compared with ¥11.1 billion in net cash provided in the previous fiscal year. The main outflows were the ¥9.4 billion decrease in loans payable and ¥3.0 billion for payment of cash dividends.

The Group's cash flow indicators are as follows.

For years ended March 31	2013	2014	2015	2016	2017
Equity ratio	24.7%	29.1%	36.4%	31.9%	41.7%
Equity ratio on a market price basis	13.8%	22.3%	31.4%	30.4%	38.3%
Number of years to redeem debt	—	5.4 years	—	—	1.2 years
Interest coverage ratio	—	14.1 times	—	—	68.3 times

Notes: Equity ratio = shareholders' equity / total assets

Equity ratio on a market price basis = market capitalization / total assets

Number of years to redeem debt = interest-bearing debt / cash flows

Interest coverage ratio = cash flows / interest payments

*The indices are calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the stock price at the end of the fiscal year by the number of outstanding shares at the end of the fiscal year excluding treasury stock.

*Cash flows from operating activities are used for cash flows.

*Interest-bearing debt is all of the liabilities recorded on the consolidated balance sheets for which the Company is paying interest

(3) Basic Policy on Profit Distribution and Dividends in the Fiscal Year ended March 31, 2017 and the Fiscal Year ending March 31, 2018

The Company's basic policy is to distribute profit based on business results and the business environment after giving consideration to the provision of continuous and stable dividends to shareholders and the need to secure sufficient retained earnings essential for improving the Company's competitiveness and its financial position.

In line with this basic policy, for the fiscal year ended March 31, 2017, the Company will pay a regular dividend of ¥12 per share plus a special dividend of ¥3 per share for an annual dividend of ¥15 per share. The Company also plans to maintain the annual dividend at ¥12 per share for the fiscal year ending March 31, 2018.

(4) Business Risks

The major risks affecting the Group's business that are believed likely to have a material impact on the decisions of investors are described below. Note that matters related to future developments mentioned in this section are judgments of the Group that were made as of the end of the fiscal year under review.

1) Trends in Construction Investments and Prices

The Group's earnings could be affected by a significant decrease in construction investment owing to deterioration in economic conditions or by the occurrence of unexpected events. The Group's earnings also could be affected by a rise in the prices of major construction materials and difficulty passing these increases into contract prices.

2) Construction Work Risks

The Group's earnings could be affected by troubles or damages caused by major flaws in properties designed or constructed by the Group. In addition, Group earnings could be affected by a major unexpected accident during construction.

3) Counterparty Credit Risk

Construction companies often have not received payment for all work completed at the time the completed project is delivered to the customer. Consequently, Group earnings could be affected by a counterparty credit event that makes it impossible to collect payment for completed work. In addition, earnings could be affected by credit events at suppliers or subcontractors.

4) Legal and Compliance Risks

The Group's business is subject to various legal regulations, including the Construction Industry Act, the Building Standards Act, the City Planning Act, the Companies Act, the Financial Instruments and Exchange Act, and the Antimonopoly Act. Group earnings could be affected by violations of these laws or by the amendment or abolishment of existing laws, the establishment of new laws, or changes to application standards.

5) Disaster Risk

The Group's earnings could be affected by natural disasters, such as earthquakes, or man-made disasters that result in a serious hindrance to business continuity.

6) Country Risk

The Group conducts business in various countries, and Group earnings could therefore be affected by drastic changes in political or economic conditions, significant fluctuations in exchange rates, and unexpected changes to legal regulations.

2. Management Policy

(1) Basic Management Policy

Based on the management policy first established in 1967, we have conducted our corporate activities in a manner that placed great emphasis on building relationships of trust with our customers and all stakeholders. Meanwhile, social conditions and social needs as well as our business structure have changed profoundly over the past 50 years. It has therefore become necessary for us to clarify the basic guidelines under which we operate, while also reaffirming the values and spirit that have been cultivated throughout our history.

Considering our current circumstances, we have revised our corporate philosophy with a view toward realizing sustainable growth and strengthening our management structure.

The revised philosophy remains based on the previous concepts, which we have supplemented with some simple and concise statements that express our views on CSR (Corporate Social Responsibility) and CSV (Creating Shared Value). In addition, we have expanded the scope of application of management policy from the Parent Company to the entire Group. Accordingly, we have now established a corporate philosophy system that features our revised Corporate Behavior Charter, which guides our corporate actions, with the Global Vision we established in 2015.

While anticipating changes in our business environment, we will generate a strong driving force for realizing sustainable growth by creating a common awareness of purpose across the Group as we strive to meet the various challenges facing our business. By promoting activities based on our corporate philosophy, we will enhance the existence value of the Toda Group and contribute to the development of society.

(2) Medium and Long-term Corporate Management Strategy and Issues to be Addressed

The Toda Group has been promoting its Medium-term Management Plan 2017, with a scheduled completion at the end of FY2017 (to March 31, 2018). We achieved one of the plan's main goals—an operating income ratio of at least 4.2% a year in advance in FY2016 and expect to maintain or improve upon that figure in FY2017. Over the past fiscal year, we also made steady progress in the implementation of measures toward attainment of our goals of being “No. 1 in Productivity” and establishing a “Foundation for Growth.” At the same time, we are focusing on longer-term management challenges, such as an expected decline in construction investment expected after 2020 and changes in social structure due to the declining birthrate and aging population. We therefore realize the need to take early action to secure sustainable growth in the future.

Accordingly, we decided end to our previous medium-term management plan one year ahead of schedule and start Medium-term Management Plan 2019—Phase II of the Toda Group Global Vision—from FY2017.

*For details of the major policies and measures in the new plan, please refer to the press release on "Formulation of the Toda Group" Medium-Term Management Plan 2019" that was released on May 12, 2017.

3. Basic Rational for Selection of Accounting Standards

The Toda Group intends to continue producing consolidated financial statements based on Japanese accounting standards to enable comparisons of the Group's consolidated statements from different fiscal years and comparisons with other companies.

The Group also intends to make an appropriate response to the International Financial Reporting Standards (IFRS) based on considerations of the situation in Japan and abroad.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	54,768	66,386
Notes receivable, accounts receivable from completed construction contracts and other	211,237	133,206
Securities	119	24,749
Real estate for sale	15,830	7,974
Costs on uncompleted construction contracts	16,120	19,881
Other inventories	990	867
Deferred tax assets	195	4,178
Other	14,093	11,494
Allowance for doubtful accounts	(1,608)	(1,200)
Total current assets	311,747	267,538
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	11,560	14,135
Machinery, vehicles, tools, furniture and fixtures, net	625	585
Land	59,743	70,001
Lease assets, net	159	102
Construction in progress	255	4,300
Total property, plant and equipment	72,344	89,125
Intangible assets	6,075	6,878
Investments and other assets		
Investment securities	154,840	168,738
Long-term loans receivable	614	555
Net defined benefit asset	240	824
Deferred tax assets	389	154
Other	2,923	2,900
Allowance for doubtful accounts	(463)	(131)
Total investments and other assets	158,544	173,041
Total noncurrent assets	236,964	269,044
Total assets	548,711	536,582

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	149,638	100,366
Short-term loans payable	34,588	29,855
Income taxes payable	2,774	3,523
Advances received on uncompleted construction contracts	38,455	28,580
Provision for bonuses	6,320	6,754
Provision for warranties for completed construction	2,237	4,089
Provision for loss on construction contracts	2,421	3,289
Deposits received	18,134	17,933
Other	13,497	27,661
Total current liabilities	268,069	222,054
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	35,131	30,421
Deferred tax liabilities	24,224	13,302
Deferred tax liabilities for land revaluation	7,708	7,272
Provision for directors' retirement benefits	149	144
Provision for share allocation to directors	-	60
Provision for loss on liquidation of subsidiaries and affiliates	400	188
Net defined benefit liability	22,515	22,084
Asset retirement obligations	182	1,095
Other	2,910	3,061
Total noncurrent liabilities	103,224	87,633
Total liabilities	371,293	309,687
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,587	25,682
Retained earnings	76,825	116,816
Treasury stock	(8,236)	(8,233)
Total shareholders' equity	117,178	157,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,038	63,513
Deferred gains or losses on hedges	(25)	1
Revaluation reserve for land	6,665	5,676
Foreign currency translation adjustment	(545)	(542)
Remeasurements of defined benefit plans	(3,292)	(1,957)
Total accumulated other comprehensive income	57,840	66,691
Non-controlling interests	2,398	2,937
Total net assets	177,417	226,895
Total liabilities and net assets	548,711	536,582

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

Year ended March 31, 2016 and 2017

(Millions of yen)

	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Net sales		
Net sales of completed construction contracts	475,433	409,238
Net sales of real estate business and other	17,188	13,483
Total net sales	492,621	422,722
Cost of sales		
Cost of sales of completed construction contracts	430,601	359,694
Cost of sales on real estate business and other	14,214	10,085
Total cost of sales	444,815	369,779
Gross profit		
Gross profit on completed construction contracts	44,831	49,544
Gross profit on real estate business and other	2,974	3,398
Total gross profit	47,805	52,942
Selling, general and administrative expenses	26,176	27,944
Operating income	21,629	24,998
Non-operating income		
Interest income	389	329
Dividend income	2,306	2,482
Dividend income of insurance	224	261
Other	379	258
Total non-operating income	3,299	3,332
Non-operating expenses		
Interest expenses	963	875
Commission fee	179	194
Other	62	63
Total non-operating expenses	1,205	1,133
Ordinary income	23,723	27,197
Extraordinary income		
Gain on sales of noncurrent assets	277	4
Gain on sales of investment securities	563	2,329
Reversal of provision for loss on litigation	281	-
Other	21	117
Total extraordinary income	1,144	2,451

(Millions of yen)

	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Extraordinary loss		
Loss on sales of noncurrent assets	11	0
Loss on abandonment of noncurrent assets	573	323
Impairment loss	1,271	913
Loss on sales of investment securities	17	0
Loss on valuation of investment securities	64	4
Other	0	43
Total extraordinary losses	1,937	1,286
Profit before income taxes	22,929	28,362
Income taxes-current	3,058	4,470
Income taxes-deferred	(314)	(18,369)
Total income taxes	2,744	(13,898)
Profit	20,185	42,261
Profit attributable to non-controlling interests	145	169
Profit attributable to owners of parent	20,039	42,091

Consolidated Statements of Comprehensive Income

Year ended March 31, 2016 and 2017

	(Millions of yen)	
	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Profit	20,185	42,261
Other comprehensive income		
Valuation difference on available-for-sale securities	(19,902)	8,474
Deferred gains or losses on hedges	(29)	27
Foreign currency translation adjustment	(679)	(24)
Revaluation reserve for land	428	-
Remeasurements of defined benefit plans	(3,383)	1,334
Total other comprehensive income	(23,566)	9,811
Comprehensive income	(3,381)	52,073
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,434)	51,931
Comprehensive income attributable to non-controlling interests	53	141

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	23,001	25,504	59,155	(8,212)	99,449
Changes during period					
Dividends from surplus			(2,149)		(2,149)
Profit attributable to owners of parent			20,039		20,039
Disposal of treasury stock					
Purchase of treasury stock				(23)	(23)
Transfer of loss on disposal of treasury stock					
Change in equity arising from transactions with non-controlling shareholders		82			82
Capital increase of consolidated subsidiaries					
Reversal of revaluation reserve for land			(219)		(219)
Net changes other than shareholders' equity					
Total changes during period	-	82	17,669	(23)	17,729
Balance at end of period	23,001	25,587	76,825	(8,236)	117,178

	Accumulated other comprehensive income						Non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	74,942	3	6,017	40	91	81,095	2,443	182,988
Changes during period								
Dividends from surplus								(2,149)
Profit attributable to owners of parent								20,039
Disposal of treasury stock								
Purchase of treasury stock								(23)
Transfer of loss on disposal of treasury stock								
Change in equity arising from transactions with non-controlling shareholders								82
Capital increase of consolidated subsidiaries								
Reversal of revaluation reserve for land								(219)
Net changes other than shareholders' equity	(19,903)	(29)	647	(586)	(3,383)	(23,254)	(44)	(23,299)
Total changes during period	(19,903)	(29)	647	(586)	(3,383)	(23,254)	(44)	(5,570)
Balance at end of period	55,038	(25)	6,665	(545)	(3,292)	57,840	2,398	177,417

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	23,001	25,587	76,825	(8,236)	117,178
Changes during period					
Dividends from surplus			(3,070)		(3,070)
Profit attributable to owners of parent			42,091		42,091
Disposal of treasury stock		(19)		240	221
Purchase of treasury stock				(238)	(238)
Transfer of loss on disposal of treasury stock		19	(19)		-
Change in equity arising from transactions with non-controlling shareholders					-
Capital increase of consolidated subsidiaries		95			95
Reversal of revaluation reserve for land			989		989
Net changes other than shareholders' equity					
Total changes during period	—	95	39,990	2	40,088
Balance at end of period	23,001	25,682	116,816	(8,233)	157,267

	Accumulated other comprehensive income						Non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	55,038	(25)	6,665	(545)	(3,292)	57,840	2,398	177,417
Changes during period								
Dividends from surplus								(3,070)
Profit attributable to owners of parent								42,091
Disposal of treasury stock								221
Purchase of treasury stock								(238)
Transfer of loss on disposal of treasury stock								-
Change in equity arising from transactions with non-controlling shareholders								-
Capital increase of consolidated subsidiaries								95
Reversal of revaluation reserve for land								989
Net changes other than shareholders' equity	8,474	27	(989)	3	1,334	8,850	538	9,388
Total changes during period	8,474	27	(989)	3	1,334	8,850	538	49,477
Balance at end of period	63,513	1	5,676	(542)	(1,957)	66,691	2,937	226,895

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	(Millions of yen)
	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Net cash provided by (used in) operating activities	(8,863)	58,874
Net cash provided by (used in) investing activities	(6,099)	(9,797)
Net cash provided by (used in) financing activities	11,148	(12,608)
Effect of exchange rate change on cash and cash equivalents	(780)	(133)
Net increase (decrease) in cash and cash equivalents	(4,595)	36,336
Cash and cash equivalents at beginning of period	59,245	54,650
Cash and cash equivalents at end of period	54,650	90,986

5. Non-Consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	40,686	56,329
Notes receivable-trade	2,477	1,427
Electronically recorded monetary claims – operating	250	707
Accounts receivable from completed construction contracts	203,785	125,251
Securities	119	20,049
Real estate for sale	14,215	7,971
Costs on uncompleted construction contracts	13,644	18,153
Costs on real estate business	237	145
Raw materials and supplies	317	340
Deferred tax assets	-	4,001
Accounts receivable-other	1,015	2,553
Advances paid	6,865	4,938
Other	5,788	3,679
Allowance for doubtful accounts	(1,670)	(1,322)
Total current assets	287,735	244,228
Noncurrent assets		
Property, plant and equipment		
Buildings	28,690	32,794
Accumulated depreciation	(19,447)	(21,722)
Buildings, net	9,242	11,072
Structures	1,498	1,546
Accumulated depreciation	(1,211)	(1,256)
Structures, net	287	289
Machinery and equipment	7,297	6,700
Accumulated depreciation	(7,079)	(6,533)
Machinery and equipment, net	217	166
Vehicles	99	93
Accumulated depreciation	(98)	(93)
Vehicles, net	1	0
Tools, furniture and fixtures	1,666	1,744
Accumulated depreciation	(1,381)	(1,441)
Tools, furniture and fixtures, net	285	303
Land	55,539	64,602
Lease assets	355	320
Accumulated depreciation	(198)	(219)
Lease assets, net	156	101
Construction in progress	221	1,187
Total property, plant and equipment	65,952	77,722
Intangible assets		
Leasehold right	4,863	4,865
Software	942	1,004
Other	256	979
Total intangible assets	6,061	6,849

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Investments and other assets		
Investment securities	149,266	162,047
Stocks of subsidiaries and affiliates	4,386	5,612
Investments in other securities of subsidiaries and affiliates	1,551	1,528
Investments in capital	2	1
Long-term loans receivable	4	3
Long-term loans receivable from employees	3	3
Long-term loans receivable from subsidiaries and affiliates	708	542
Long-term prepaid expenses	14	19
Long-term non-operating accounts receivable	160	9
Prepaid pension cost	2,255	2,323
Other	2,126	2,285
Allowance for doubtful accounts	(575)	(310)
Total investments and other assets	159,903	174,067
Total noncurrent assets	231,918	258,640
Total assets	519,653	502,868
Liabilities		
Current liabilities		
Notes payable-trade	6,623	4,276
Electronically recorded obligations - operating	38,631	31,782
Accounts payable for construction contracts	100,346	61,006
Short-term loans payable	31,155	23,393
Lease obligations	61	51
Accounts payable-other	1,851	3,222
Income taxes payable	2,389	3,194
Advances received on uncompleted construction contracts	37,164	27,011
Deposits received	16,845	16,036
Provision for bonuses	6,060	6,437
Provision for warranties for completed construction	2,135	4,018
Provision for loss on construction contracts	2,399	3,276
Deposits received from employees	6,014	6,740
Other	5,010	14,914
Total current liabilities	256,690	205,362

	As of March 31, 2016	As of March 31, 2017
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	31,722	30,421
Lease obligations	97	51
Deferred tax liabilities	24,812	14,306
Deferred tax liabilities for land revaluation	7,708	7,272
Provision for retirement benefits	19,846	19,970
Provision for directors' retirement benefits	100	98
Provision for share allocation to directors	-	60
Provision for loss on business of subsidiaries and affiliates	189	118
Asset retirement obligations	146	153
Other	2,061	2,270
Total noncurrent liabilities	96,685	84,724
Total liabilities	353,376	290,087
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus		
Legal capital surplus	25,573	25,573
Total capital surplus	25,573	25,573
Retained earnings		
Legal retained earnings	5,750	5,750
Other retained earnings		
Reserve for construction	-	15,000
General reserve	36,774	36,774
Retained earnings brought forward	21,758	45,757
Total retained earnings	64,283	103,282
Treasury stock	(8,236)	(8,233)
Total shareholders' equity	104,622	143,624
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	55,014	63,480
Deferred gains or losses on hedges	(25)	(0)
Revaluation reserve for land	6,665	5,676
Total valuation and translation adjustment	61,654	69,156
Total net assets	166,276	212,780
Total liabilities and net assets	519,653	502,868

(2) Non-consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Net sales		
Net sales of completed construction contracts	455,565	394,327
Net sales of real estate business	7,910	5,251
Total net sales	463,476	399,578
Cost of sales		
Cost of sales of completed construction contracts	412,791	347,414
Cost of sales on real estate business	6,622	3,553
Total cost of sales	419,414	350,967
Gross profit		
Gross profit on completed construction contracts	42,774	46,912
Gross profit on real estate business	1,287	1,698
Total gross profit	44,062	48,610
Selling, general and administrative expenses		
Directors' compensations	343	488
Employees' salaries and allowances	8,825	9,160
Provision for bonuses	3,584	4,019
Provision for directors' retirement benefits	40	43
Retirement benefit expenses	705	969
Legal welfare expenses	1,298	1,372
Welfare expenses	687	621
Repair and maintenance	263	362
Stationery expenses	1,216	1,293
Correspondence and transportation expenses	798	901
Power utilities expenses	88	108
Research study expenses	644	904
Advertising expenses	129	148
Provision of allowance for doubtful accounts	507	(516)
Entertainment expenses	539	644
Contribution	77	122
Rents	795	975
Depreciation	478	297
Taxes and dues	949	1,527
Insurance expenses	25	27
Miscellaneous expenses	1,580	1,725
Total selling, general and administrative expenses	23,581	25,199
Operating income	20,480	23,411

(Millions of yen)

	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)
Non-operating income		
Interest income	37	43
Interest on securities	16	1
Dividend income	2,357	2,508
Dividend income of insurance	224	261
Miscellaneous income	352	227
Total non-operating income	2,989	3,041
Non-operating expenses		
Interest expenses	913	843
Commission fee	175	194
Miscellaneous expenses	67	54
Total non-operating expenses	1,156	1,092
Ordinary income	22,312	25,361
Extraordinary income		
Gain on sales of noncurrent assets	90	2
Gain on sales of investment securities	563	2,329
Reversal of provision for loss on litigation	281	-
Other	19	117
Total extraordinary income	954	2,449
Extraordinary loss		
Loss on sales of noncurrent assets	11	-
Loss on abandonment of noncurrent assets	556	279
Impairment loss	1,235	1
Loss on sales of investment securities	17	0
Loss on valuation of investment securities	44	4
Loss on valuation of stocks of subsidiaries and affiliates	103	912
Other	0	41
Total extraordinary losses	1,968	1,240
Profit before income taxes	21,299	26,570
Income taxes-current	2,426	3,908
Income taxes-deferred	4	(18,438)
Total income taxes	2,431	(14,530)
Profit	18,867	41,100

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Retained earnings brought forward	
	General reserve	Reserve for construction							
Balance at beginning of period	23,001	25,573	-	25,573	5,750	26,774	-	15,260	47,785
Changes during period									
Provision of general reserve				-		10,000		(10,000)	-
Provision of reserve for construction				-					-
Dividends from surplus				-				(2,149)	(2,149)
Profit				-				18,867	18,867
Disposal of treasury stock				-					-
Purchase of treasury stock				-					-
Transfer of loss on disposal of treasury stock				-					-
Reversal of revaluation reserve for land				-				(219)	(219)
Net changes other than shareholders' equity									
Total changes during period	-	-	-	-	-	10,000	-	6,498	16,498
Balance at end of period	23,001	25,573	-	25,573	5,750	36,774	-	21,758	64,283

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,212)	88,147	74,932	3	6,017	80,953	169,100
Changes during period							
Provision of general reserve		-					-
Provision of reserve for construction		-					-
Dividends from surplus		(2,149)					(2,149)
Profit		18,867					18,867
Disposal of treasury stock		-					-
Purchase of treasury stock	(23)	(23)					(23)
Transfer of loss on disposal of treasury stock		-					-
Reversal of revaluation reserve for land		(219)					(219)
Net changes other than shareholders' equity			(19,917)	(29)	647	(19,298)	(19,298)
Total changes during period	(23)	16,474	(19,917)	(29)	647	(19,298)	(2,823)
Balance at end of period	(8,236)	104,622	55,014	(25)	6,665	61,654	166,276

Year ended March 31, 2016 (April 1, 2016 through March 31, 2017)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			
						General reserve	Reserve for construction		
Balance at beginning of period	23,001	25,573	-	25,573	5,750	36,774	-	21,758	64,283
Changes during period									
Provision of general reserve									-
Provision of reserve for construction							15,000	(15,000)	-
Dividends from surplus								(3,070)	(3,070)
Profit								41,100	41,100
Disposal of treasury stock			(19)	(19)					-
Purchase of treasury stock									-
Transfer of loss on disposal of treasury stock			19	19				(19)	(19)
Reversal of revaluation reserve for land								989	989
Net changes other than shareholders' equity									
Total changes during period	-	-	-	-	-	-	15,000	23,999	38,999
Balance at end of period	23,001	25,573	-	25,573	5,750	36,774	15,000	45,757	103,282

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,236)	104,622	55,014	(25)	6,665	61,654	166,276
Changes during period							
Provision of general reserve		-					-
Provision of reserve for construction		-					-
Dividends from surplus		(3,070)					(3,070)
Profit		41,100					41,100
Disposal of treasury stock	240	221					221
Purchase of treasury stock	(238)	(238)					(238)
Transfer of loss on disposal of treasury stock		-					-
Reversal of revaluation reserve for land		989					989
Net changes other than shareholders' equity			8,465	25	(989)	7,502	7,502
Total changes during period	2	39,001	8,465	25	(989)	7,502	46,504
Balance at end of period	(8,233)	143,624	63,480	(0)	5,676	69,156	212,780

6. Other

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Six-month Period from April					Full year							
	FY2015	FY2016	FY2017	YoY (b)-(a)		FY2015	FY2016	FY2016	YoY (b)-(a)		FY2017	YoY (c)-(b)	
	Actual	Actual (a)	Forecast (b)	Amount	Percentage (%)	Actual (a)	Revised forecast Apr. 7, 2017	Actual (b)	Amount	Percentage (%)	Forecast (c)	Amount	Percentage (%)
Net sales	218,491	204,176	187,000	-17,176	-8.4	492,621	420,000	422,722	-69,899	-14.2	437,000	14,277	3.4
Construction business	209,587	197,607	180,000	-17,607	-8.9	475,433	407,000	409,238	-66,194	-13.9	423,000	13,761	3.4
Domestic	203,359	193,329	172,200	-21,129	-10.9	463,340	400,300	401,606	-61,733	-13.3	407,000	5,393	1.3
Overseas	6,228	4,277	7,800	3,523	82.4	12,092	6,700	7,632	-4,460	-36.9	16,000	8,368	109.6
Real estate business	8,903	6,569	7,000	430	6.5	17,188	13,000	13,483	-3,705	-21.6	14,000	516	3.8
Domestic	8,650	6,244	6,400	155	2.5	15,407	12,210	12,750	-2,656	-17.2	12,750	-	(0.0)
Overseas	253	325	600	274	84.3	1,781	790	733	-1,048	-58.9	1,250	517	70.5
Gross profit	22,576	25,034	23,500	-1,534	-6.1	47,805	51,500	52,942	5,136	10.7	48,000	-4,942	-9.3
Profit margin	10.3 %	12.3 %	12.6 %			9.7 %	12.3 %	12.5 %			11.0		
Construction business	20,732	23,609	21,500	-2,109	-8.9	44,831	48,000	49,544	4,713	10.5	44,000	-5,544	-11.2
Profit margin	9.9 %	11.9 %	11.9 %			9.4 %	11.3 %	12.1 %			10.8		
Real estate business	1,843	1,425	2,000	574	40.3	2,974	3,500	3,398	424	14.3	4,000	601	17.7
Profit margin	20.7 %	21.7 %	28.6 %			17.3 %	26.9 %	25.2 %			28.6		
SG&A expenses	11,585	12,897	14,500	1,602	12.4	26,176	28,500	27,944	1,768	6.8	29,000	1,055	3.8
Operating income	10,990	12,137	9,000	-3,137	-25.8	21,629	23,000	24,998	3,368	15.6	19,000	-5,998	-24.0
Non-operating income	972	985	1,000	14	1.5	2,093	2,000	2,199	105	5.0	2,000	-199	-9.0
Ordinary income	11,962	13,122	10,000	-3,122	-23.8	23,723	25,000	27,197	3,474	14.6	21,000	-6,197	-22.8
Extraordinary income (loss)	701	(31)	-	31	-	(793)	900	1,164	1,958	-	-	-1,164	-
Profit before income taxes	12,664	13,091	10,000	-3,091	-23.6	22,929	25,900	28,362	5,432	23.7	21,000	-7,362	-26.0
Income taxes	1,349	1,614	3,300	1,685	104.3	2,744	(13,600)	(13,898)	-16,643	-	7,000	20,898	-
Profit	11,315	11,476	6,700	-4,776	-41.6	20,185	39,500	42,261	22,076	109.4	14,000	-28,261	-66.9
Profit (loss) attributable to non-controlling interests	(20)	19	-	-19	-	145	-	169	24	16.6	-	-169	-
Profit attributable to owners of parent	11,335	11,456	6,700	-4,756	-41.5	20,039	39,500	42,091	22,052	110.0	14,000	-28,091	-66.7

Note: These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties. Therefore, the actual results of developments may differ from those presented in these forward-looking statements due to the changes in various factors.

(2) Summary of Non-consolidated Results and Forecasts

(Millions of yen)

	Six-month Period from April					Full Year							
	FY2015	FY2016	FY2017	YoY (b)-(a)		FY2015	FY2016	FY2016	YoY (b)-(a)		FY2017	YoY (c)-(b)	
	Actual	Actual (a)	Forecast (b)	Amount	Percentage (%)	Actual (a)	Revised forecast Apr. 7, 2017	Actual (b)	Amount	Percentage (%)	Forecast (c)	Amount	Percentage (%)
Orders received	172,839	207,512	207,200	-312	-0.2	420,769	455,000	478,587	57,817	13.7	449,500	-29,087	-6.1
Domestic	172,747	205,446	204,200	-1,247	-0.6	420,507	450,600	475,046	54,538	13.0	444,000	-31,046	-6.5
Overseas	92	2,065	3,000	935	45.3	261	4,400	3,540	3,278	-	5,500	1,960	55.4
Construction business	167,446	204,677	205,000	322	0.2	412,859	450,000	473,335	60,476	14.6	445,000	-28,335	-6.0
Architectural construction	121,411	168,671	160,000	-8,671	-5.1	309,289	350,000	358,852	49,562	16.0	350,000	-8,852	-2.5
Civil engineering	46,035	36,005	45,000	8,994	25.0	103,569	100,000	114,483	10,914	10.5	95,000	-19,483	-17.0
Real estate business	5,393	2,834	2,200	-634	-22.4	7,910	5,000	5,251	-2,658	-33.6	4,500	-751	-14.3
Net sales	205,295	192,929	172,200	-20,729	-10.7	463,476	395,000	399,578	-63,897	-13.8	404,500	4,921	1.2
Construction business	199,901	190,094	170,000	-20,094	-10.6	455,565	390,000	394,327	-61,238	-13.4	400,000	5,672	1.4
Architectural construction	158,947	145,920	120,000	-25,920	-17.8	362,290	290,000	292,908	-69,382	-19.2	300,000	7,091	2.4
Domestic	158,567	145,448	119,000	-26,448	-18.2	361,428	289,000	291,762	-69,665	-19.3	298,000	6,237	2.1
Overseas	379	471	1,000	528	112.0	862	1,000	1,164	301	34.9	2,000	835	71.8
Civil engineering	40,954	44,174	50,000	5,825	13.2	93,274	100,000	101,418	8,143	8.7	100,000	-1,418	-1.4
Domestic	40,436	43,932	48,750	4,817	11.0	92,074	99,200	100,549	8,474	9.2	97,250	-3,299	-3.3
Overseas	518	242	1,250	1,007	416.5	1,200	800	869	-330	-27.5	2,750	1,880	216.3
Real estate business	5,393	2,834	2,200	-634	-22.4	7,910	5,000	5,251	-2,658	-33.6	4,500	-751	-14.3
Gross profit	21,278	23,402	21,300	-2,102	-9.0	44,062	47,500	48,610	4,548	10.3	43,100	-5,510	-11.3
Profit margin	10.4 %	12.1 %	12.4 %			9.5 %	12.0 %	12.2 %			10.7 %		
Construction business	20,056	22,540	20,500	-2,040	-9.1	42,774	46,000	46,912	4,138	9.7	41,500	-5,412	-11.5
Profit margin	10.0 %	11.9 %	12.1 %			9.4 %	11.8 %	11.9 %			10.4 %		
Architectural construction	15,568	19,496	15,000	-4,496	-23.1	33,976	36,300	36,579	2,603	7.7	30,500	-6,079	-16.6
Profit margin	9.8 %	13.4 %	12.5 %			9.4 %	12.5 %	12.5 %			10.2 %		
Civil engineering	4,487	3,044	5,500	2,455	80.7	8,798	9,700	10,333	1,534	17.4	11,000	666	6.5
Profit margin	11.0 %	6.9 %	11.0 %			9.4 %	9.7 %	10.2 %			11.0 %		
Real estate business	1,222	862	800	-62	-7.2	1,287	1,500	1,698	410	31.9	1,600	-98	-5.8
Profit margin	22.7 %	30.4 %	36.4 %			16.3 %	30.0 %	32.3 %			35.6 %		
SG&A expenses	10,290	11,534	13,000	1,465	12.7	23,581	25,500	25,199	1,617	6.9	26,000	800	3.2
Operating income	10,988	11,868	8,300	-3,568	-30.1	20,480	22,000	23,411	2,931	14.3	17,100	-6,311	-27.0
Non-operating income	846	874	950	75	8.7	1,832	1,900	1,949	116	6.4	1,800	-149	-7.7
Ordinary income	11,834	12,742	9,250	-3,492	-27.4	22,312	23,900	25,361	3,048	13.7	18,900	-6,461	-25.5
Extraordinary income (loss)	604	(27)	-	27	-	(1,013)	1,000	1,209	2,223	-	-	-1,209	-
Profit before income taxes	12,439	12,714	9,250	-3,464	-27.2	21,299	24,900	26,570	5,271	24.7	18,900	-7,670	-28.9
Income taxes	1,369	1,463	3,000	1,537	105.1	2,431	(14,100)	(14,530)	-16,961	-	6,200	20,730	-
Profit	11,070	11,251	6,250	-5,001	-44.5	18,867	39,000	41,100	22,232	117.8	12,700	-28,400	-69.1
Dividend per share (yen)	-	-	-	-	-	10.0	12.0	15.0	5.0	50.0	12.0	-3.0	-20.0

Note: These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties. Therefore, the actual results of developments may differ from those presented in these forward-looking statements due to the changes in various factors.

(3) Orders Received, Net Sales and Balance Brought Forward (non-consolidated)

1) Orders Received

(Millions of yen)

Business segment/Classification	FY2015 From Apr. 1, 2015 to Mar. 31, 2016		FY2016 From Apr. 1, 2016 to Mar. 31, 2017		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Architectural construction						
Domestic public sector	50,069	11.9	40,516	8.5	-9,552	-19.1
Domestic private sector	258,990	61.6	314,803	65.8	55,812	21.5
Overseas	229	0.1	3,532	0.7	3,302	1,438.8
Subtotal	309,289	73.5	358,852	75.0	49,562	16.0
(B) Civil engineering						
Domestic public sector	88,384	21.0	99,152	20.7	10,768	12.2
Domestic private sector	15,153	3.6	15,322	3.2	169	1.1
Overseas	32	0.0	8	0.0	-23	-73.0
Subtotal	103,569	24.6	114,483	23.9	10,914	10.5
(C) Total (A)+(B)						
Domestic public sector	138,453	32.9	139,669	29.2	1,216	0.9
Domestic private sector	274,144	65.2	330,125	69.0	55,981	20.4
Overseas	261	0.1	3,540	0.7	3,279	1,252.6
Subtotal	412,859	98.1	473,335	98.9	60,476	14.6
II Real estate business	7,910	1.9	5,251	1.1	-2,658	-33.6
III Total (I + II)	420,769	100.0	478,587	100.0	57,817	13.7

2) Net Sales

(Millions of yen)

Business segment/Classification	FY2015 From Apr. 1, 2015 to Mar. 31, 2016		FY2016 From Apr. 1, 2016 to Mar. 31, 2017		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Architectural construction						
Domestic public sector	43,607	9.4	49,284	12.3	5,677	13.0
Domestic private sector	317,820	68.6	242,459	60.7	-75,361	-23.7
Overseas	862	0.2	1,164	0.3	301	34.9
Subtotal	362,290	78.2	292,908	73.3	-69,382	-19.2
(B) Civil engineering						
Domestic public sector	72,631	15.7	86,475	21.6	13,844	19.1
Domestic private sector	19,443	4.2	14,073	3.5	-5,369	-27.6
Overseas	1,200	0.3	869	0.2	-330	-27.6
Subtotal	93,274	20.1	101,418	25.4	8,143	8.7
(C) Total (A)+(B)						
Domestic public sector	116,238	25.1	135,759	34.0	19,521	16.8
Domestic private sector	337,264	72.8	256,533	64.2	-80,730	-23.9
Overseas	2,063	0.4	2,033	0.5	-29	-1.4
Subtotal	455,565	98.3	394,327	98.7	-61,238	-13.4
II Real estate business	7,910	1.7	5,251	1.3	-2,658	-33.6
III Total (I + II)	463,476	100.0	399,578	100.0	-63,897	-13.8

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY2015 (As of March 31, 2016)		FY2016 (As of March 31, 2017)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Architectural construction						
Domestic public sector	60,100	11.3	51,333	8.4	-8,767	-14.6
Domestic private sector	299,759	56.3	372,103	60.8	72,343	24.1
Overseas	554	0.1	2,922	0.5	2,368	426.9
Subtotal	360,415	67.6	426,359	69.7	65,943	18.3
(B) Civil engineering						
Domestic public sector	154,321	29.0	162,242	26.5	7,921	5.1
Domestic private sector	14,566	2.7	20,570	3.4	6,004	41.2
Overseas	3,524	0.7	2,663	0.4	-860	-24.4
Subtotal	172,412	32.4	185,477	30.3	13,065	7.6
(C) Total (A)+(B)						
Domestic public sector	214,421	40.2	213,575	34.9	-846	-0.4
Domestic private sector	314,326	59.0	392,673	64.2	78,347	24.9
Overseas	4,079	0.8	5,586	0.9	1,507	36.9
Subtotal	532,827	100.0	611,836	100.0	79,008	14.8
II Real estate business	-	-	-	-	-	-
III Total (I + II)	532,827	100.0	611,836	100.0	79,008	14.8