

Consolidated Financial Results for the Third Quarter Ended December 31, 2017



1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	66,386	64,380
Notes receivable, accounts receivable from completed construction contracts and other	133,206	120,530
Securities	24,749	10,069
Real estate for sale	7,974	7,459
Costs on uncompleted construction contracts	19,881	26,999
Other inventories	867	1,532
Deferred tax assets	4,178	4,159
Other	11,494	16,211
Allowance for doubtful accounts	(1,200)	(958)
Total current assets	267,538	250,385
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,135	15,431
Machinery, vehicles, tools, furniture and fixtures, net	585	694
Land	70,001	71,166
Lease assets, net	102	92
Construction in progress	4,300	6,657
Total property, plant and equipment	89,125	94,041
Intangible assets		
Goodwill	-	675
Other	6,878	7,328
Total intangible assets	6,878	8,004
Investments and other assets		
Investment securities	168,738	185,549
Long-term loans receivable	555	493
Net defined benefit asset	824	344
Deferred tax assets	154	248
Other	2,900	3,098
Allowance for doubtful accounts	(131)	(294)
Total investments and other assets	173,041	189,439
Total noncurrent assets	269,044	291,485
Total assets	536,582	541,871

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	100,366	72,864
Short-term loans payable	29,855	30,066
Income taxes payable	3,523	6,333
Advances received on uncompleted construction contracts	28,580	29,386
Provision for bonuses	6,754	2,538
Provision for warranties for completed construction	4,089	4,066
Provision for loss on construction contracts	3,289	4,180
Deposits received	17,933	24,749
Other	27,661	15,394
Total current liabilities	222,054	189,580
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	30,421	29,823
Deferred tax liabilities	13,302	19,292
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for directors' retirement benefits	144	177
Provision for share allocation to directors	60	58
Provision for loss on liquidation of subsidiaries and affiliates	188	110
Net defined benefit liability	22,084	22,184
Asset retirement obligations	1,095	1,089
Other	3,061	3,117
Total noncurrent liabilities	87,633	103,126
Total liabilities	309,687	292,707
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,682	25,681
Retained earnings	116,816	127,240
Treasury stock	(8,233)	(8,183)
Total shareholders' equity	157,267	167,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63,513	74,844
Deferred gains or losses on hedges	1	66
Revaluation reserve for land	5,676	5,676
Foreign currency translation adjustment	(542)	(646)
Remeasurements of defined benefit plans	(1,957)	(1,462)
Total accumulated other comprehensive income	66,691	78,477
Non-controlling interests	2,937	2,945
Total net assets	226,895	249,163
Total liabilities and net assets	536,582	541,871

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

Nine Months ended December 31, 2016 and 2017

(Millions of yen)

	Nine Months ended December 31, 2016 (Apr. 1 through Dec. 31, 2016)	Nine Months ended December 31, 2017 (Apr. 1 through Dec. 31, 2017)
Net sales		
Net sales of completed construction contracts	297,805	279,113
Net sales of real estate business and other	9,936	10,543
Total net sales	307,742	289,657
Cost of sales		
Cost of sales of completed construction contracts	261,204	241,449
Cost of sales on real estate business and other	7,683	7,246
Total cost of sales	268,887	248,695
Gross profit		
Gross profit on completed construction contracts	36,600	37,664
Gross profit on real estate business and other	2,253	3,297
Total gross profit	38,854	40,961
Selling, general and administrative expenses	19,472	20,650
Operating income	19,382	20,310
Non-operating income		
Interest income	251	236
Dividend income	2,284	2,534
Other	182	250
Total non-operating income	2,718	3,022
Non-operating expenses		
Interest expenses	653	616
Commission fee	185	144
Other	56	30
Total non-operating expenses	895	791
Ordinary income	21,206	22,540
Extraordinary income		
Gain on sales of noncurrent assets	3	24
Gain on sales of investment securities	2,279	1,761
Other	5	233
Total extraordinary income	2,288	2,019
Extraordinary loss		
Loss on abandonment of noncurrent assets	189	383
Other	63	19
Total extraordinary losses	252	402
Profit before income taxes	23,242	24,157
Income taxes	2,880	7,818
Profit	20,362	16,338
Profit (loss) attributable to non-controlling interests	47	(20)
Profit attributable to owners of parent	20,315	16,358

Consolidated Statements of Comprehensive Income

Nine Months ended December 31, 2016 and 2017

(Millions of yen)

	Nine Months ended December 31, 2016 (Apr. 1 through Dec. 31, 2016)	Nine Months ended December 31, 2017 (Apr. 1 through Dec. 31, 2017)
Profit	20,362	16,338
Other comprehensive income		
Valuation difference on available-for-sale securities	10,603	11,331
Deferred gains or losses on hedges	68	64
Foreign currency translation adjustment	(977)	(63)
Remeasurements of defined benefit plans	785	495
Total other comprehensive income	10,480	11,828
Comprehensive income	30,842	28,167
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,921	28,144
Comprehensive income attributable to non-controlling interests	(79)	22

2. (Reference) Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	56,329	48,607
Notes receivable, accounts receivable from completed construction contracts and other	127,386	115,622
Securities	20,049	10,069
Real estate for sale	7,971	7,006
Costs on uncompleted construction contracts	18,153	23,287
Other inventories	486	1,184
Deferred tax assets	4,001	3,971
Other	11,171	15,401
Allowance for doubtful accounts	(1,322)	(1,068)
Total current assets	244,228	224,083
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	11,361	12,240
Machinery, vehicles, tools, furniture and fixtures, net	470	586
Land	64,602	64,789
Lease assets, net	101	86
Construction in progress	1,187	542
Total property, plant and equipment	77,722	78,244
Intangible assets	6,849	7,316
Investments and other assets		
Investment securities	169,188	192,772
Long-term loans receivable	550	491
Prepaid pension cost	2,323	1,501
Other	2,316	2,367
Allowance for doubtful accounts	(310)	(294)
Total investments and other assets	174,067	196,838
Total noncurrent assets	258,640	282,399
Total assets	502,868	506,482
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	97,065	68,591
Short-term loans payable	23,393	23,701
Income taxes payable	3,194	6,364
Advances received on uncompleted construction contracts	27,011	26,540
Provision for bonuses	6,437	2,342
Provision for warranties for completed construction	4,018	3,971
Provision for loss on construction contracts	3,276	4,177
Deposits received	16,036	24,303
Other	24,928	12,932
Total current liabilities	205,362	172,923
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	30,421	29,723
Deferred tax liabilities	14,306	19,192
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for retirement benefits	19,970	20,394

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Provision for directors' retirement benefits	98	133
Provision for share allocation to directors	60	58
Provision for loss on business of subsidiaries and affiliates	118	58
Asset retirement obligations	153	147
Other	2,321	2,341
Total noncurrent liabilities	84,724	99,323
Total liabilities	290,087	272,247
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	35,000
General reserve	36,774	56,774
Retained earnings brought forward	45,757	15,776
Total retained earnings	103,282	113,301
Treasury stock	(8,233)	(8,183)
Total shareholders' equity	143,624	153,693
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	63,480	74,799
Deferred gains or losses on hedges	(0)	66
Revaluation reserve for land	5,676	5,676
Total valuation and translation adjustments	69,156	80,542
Total net assets	212,780	234,235
Total liabilities and net assets	502,868	506,482

(2) (Reference) Non-consolidated Statements of Income

(Millions of yen)

	Nine Months ended December 31, 2016 (Apr. 1 through Dec. 31, 2016)	Nine Months ended December 31, 2017 (Apr. 1 through Dec. 31, 2017)
Net sales		
Net sales of completed construction contracts	286,387	267,768
Net sales of real estate business	4,032	4,216
Total net sales	290,420	271,984
Cost of sales		
Cost of sales of completed construction contracts	251,460	231,085
Cost of sales on real estate business	2,778	2,619
Total cost of sales	254,239	233,704
Gross profit		
Gross profit on completed construction contracts	34,926	36,683
Gross profit on real estate business	1,254	1,597
Total gross profit	36,180	38,280
Selling, general and administrative expenses	17,434	18,525
Operating income	18,746	19,754
Non-operating income	2,502	2,831
Non-operating expenses	869	777
Ordinary income	20,379	21,808
Extraordinary income	2,286	2,007
Extraordinary loss	236	402
Profit before income taxes	22,429	23,413
Income taxes	2,580	7,460
Profit	19,849	15,953

Notes: 1. These non-consolidated financial statements are exempt from the quarterly review by auditors for statutory disclosure.
2. These non-consolidated financial statements were prepared pursuant to *Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.* and presented in accordance with *Ordinance for Enforcement of the Construction Business Act*, with some condensing of account entries.

3. Supplementary Information
(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Nine-month Period from April				Full Year							
	FY2016	FY2017	YoY (b)-(a)		FY2016	FY2017	FY2017	YoY (c)-(a)		vs. Previous forecast (c)-(b)		
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Previous forecast Nov. 10, 2017 (b)	Revised forecast (c)	Amount	Percentage (%)	Amount	Percentage (%)	
Net sales	307,742	289,657	-18,085	-5.9	422,722	417,000	421,000	-1,722	-0.4	4,000	1.0	
Construction business	297,805	279,113	-18,692	-6.3	409,238	403,000	406,000	-3,238	-0.8	3,000	0.7	
Domestic	291,583	270,665	-20,918	-7.2	400,312	393,200	396,200	-4,112	-1.0	3,000	0.8	
Overseas	6,221	8,447	2,225	35.8	8,925	9,800	9,800	874	9.8	-	-	
Real estate business	9,936	10,543	606	6.1	13,483	14,000	15,000	1,516	11.2	1,000	7.1	
Domestic	9,459	9,675	216	2.3	12,750	12,750	13,750	999	7.8	1,000	7.8	
Overseas	477	867	390	81.8	733	1,250	1,250	516	70.4	-	-	
Gross profit	38,854	40,961	2,106	5.4	52,942	50,400	54,600	1,657	3.1	4,200	8.3	
Profit margin	12.6%	14.1%			12.5%	12.1%	13.0%					
Construction business	36,600	37,664	1,063	2.9	49,544	46,000	50,100	555	1.1	4,100	8.9	
Profit margin	12.3%	13.5%			12.1%	11.4%	12.3%					
Real estate business	2,253	3,297	1,043	46.3	3,398	4,400	4,500	1,101	32.4	100	2.3	
Profit margin	22.7%	31.3%			25.2%	31.4%	30.0%					
SG&A expenses	19,472	20,650	1,178	6.1	27,944	29,700	29,800	1,855	6.6	100	0.3	
Operating income	19,382	20,310	928	4.8	24,998	20,700	24,800	-198	-0.8	4,100	19.8	
Non-operating income	1,823	2,230	406	22.3	2,199	2,300	2,400	200	9.1	100	4.3	
Ordinary income	21,206	22,540	1,334	6.3	27,197	23,000	27,200	2	0.0	4,200	18.3	
Extraordinary income	2,036	1,616	-420	-20.6	1,164	2,600	2,600	1,435	123.2	-	-	
Profit before income taxes	23,242	24,157	914	3.9	28,362	25,600	29,800	1,437	5.1	4,200	16.4	
Income taxes	2,880	7,818	4,938	171.5	(13,898)	8,600	10,000	23,898	-	1,400	16.3	
Profit	20,362	16,338	-4,024	-19.8	42,261	17,000	19,800	-22,461	-53.1	2,800	16.5	
Profit (loss) attributable to non-controlling interests	47	(20)	-67	-	169	-	-	-169	-	-	-	
Profit attributable to owners of parent	20,315	16,358	-3,957	-19.5	42,091	17,000	19,800	-22,291	-53.0	2,800	16.5	

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)

	Nine-month Period from April				Full Year						
	FY2016	FY2017	YoY (b)-(a)		FY2016	FY2017	FY2017	YoY (c)-(a)		vs. Previous forecast (c)-(b)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Previous forecast Nov. 10, 2017 (b)	Revised forecast (c)	Amount	Percentage (%)	Amount	Percentage (%)
Orders received	310,785	304,207	-6,577	-2.1	478,587	452,000	452,700	-25,887	-5.4	700	0.2
Domestic	308,689	297,062	-11,627	-3.8	475,046	445,000	445,500	-29,546	-6.2	500	0.1
Overseas	2,095	7,145	5,049	241.0	3,540	7,000	7,200	3,659	103.3	200	2.9
Construction business	306,752	299,991	-6,760	-2.2	473,335	447,000	447,000	-26,335	-5.6	-	-
Architectural construction	238,801	220,637	-18,163	-7.6	358,852	350,000	350,000	-8,852	-2.5	-	-
Civil engineering	67,950	79,353	11,402	16.8	114,483	97,000	97,000	-17,483	-15.3	-	-
Real estate business	4,032	4,216	183	4.6	5,251	5,000	5,700	448	8.5	700	14.0
Net sales	290,420	271,984	-18,435	-6.3	399,578	387,000	390,700	-8,878	-2.2	3,700	1.0
Construction business	286,387	267,768	-18,619	-6.5	394,327	382,000	385,000	-9,327	-2.4	3,000	0.8
Architectural construction	217,483	195,769	-21,713	-10.0	292,908	280,000	276,500	-16,408	-5.6	-3,500	-1.3
Domestic	216,897	194,138	-22,758	-10.5	291,762	277,600	274,300	-17,462	-6.0	-3,300	-1.2
Overseas	586	1,631	1,044	178.2	1,164	2,400	2,200	1,035	89.0	-200	-8.3
Civil engineering	68,904	71,998	3,094	4.5	101,418	102,000	108,500	7,081	7.0	6,500	6.4
Domestic	68,548	71,389	2,841	4.1	100,549	100,500	107,100	6,550	6.5	6,600	6.6
Overseas	355	608	252	71.1	869	1,500	1,400	530	61.0	-100	-6.7
Real estate business	4,032	4,216	183	4.6	5,251	5,000	5,700	448	8.5	700	14.0
Gross profit	36,180	38,280	2,099	5.8	48,610	45,900	50,100	1,489	3.1	4,200	9.2
Profit margin	12.5%	14.1%			12.2%	11.9%	12.8%				
Construction business	34,926	36,683	1,756	5.0	46,912	44,000	48,000	1,087	2.3	4,000	9.1
Architectural construction	29,025	25,005	-4,020	-13.9	36,579	32,000	33,000	-3,579	-9.8	1,000	3.1
Domestic	28,801	24,881	-3,920	-13.6	36,254	31,600	32,600	-3,654	-11.6	1,000	3.1
Overseas	224	5,124	4,900	218.8	325	4,400	4,400	1,145	263.1	-	-
Civil engineering	5,901	11,677	5,776	97.9	10,333	12,000	15,000	4,666	45.2	3,000	25.0
Domestic	5,853	11,629	5,776	97.9	10,285	11,900	14,900	4,615	45.3	3,000	25.0
Overseas	48	48	-	-	48	100	100	51	106.0	-	-
Real estate business	1,254	1,597	343	27.4	1,698	1,900	2,100	401	23.7	200	10.5
Profit margin	31.1%	37.9%			32.3%	38.0%	36.8%				
SG&A expenses	17,434	18,525	1,091	6.3	25,199	26,600	26,700	1,500	6.0	100	0.4
Operating income	18,746	19,754	1,007	5.4	23,411	19,300	23,400	-11	-0.1	4,100	21.2
Non-operating income	1,632	2,053	421	25.8	1,949	2,100	2,200	250	12.8	100	4.8
Ordinary income	20,379	21,808	1,429	7.0	25,361	21,400	25,600	238	0.9	4,200	19.6
Extraordinary income	2,050	1,604	-445	-21.7	1,209	2,600	2,600	1,390	115.0	-	-
Profit before income taxes	22,429	23,413	983	4.4	26,570	24,000	28,200	1,629	6.1	4,200	17.5
Income taxes	2,580	7,460	4,880	189.1	(14,530)	8,000	9,400	23,930	-	1,400	17.5
Profit	19,849	15,953	-3,896	-19.6	41,100	16,000	18,800	-22,300	-54.3	2,800	17.5
Dividend per share (yen)	-	-	-	-	15.0	12.0	12.0	-3.0	-20.0	0	0

Notes: 1. These non-consolidated financial statements, exempt from the quarterly review by auditors for statutory disclosure, were prepared pursuant to Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.
2. 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	Nine-month Period from Apr. 1, 2016 to Dec. 31, 2016		Nine-month Period from Apr. 1, 2017 to Dec. 31, 2017		Change		Previous Fiscal Year (from Apr. 1, 2016 to Mar. 31, 2017)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Architectural construction								
Domestic public sector	31,151	10.0	25,653	8.4	-5,498	-17.6	40,516	8.5
Domestic private sector	205,563	66.1	194,807	64.0	-10,755	-5.2	314,803	65.8
Overseas	2,086	0.7	176	0.1	-1,909	-91.5	3,532	0.7
Subtotal	238,801	76.8	220,637	72.5	-18,163	-7.6	358,852	75.0
(B) Civil engineering								
Domestic public sector	60,002	19.3	54,011	17.8	-5,991	-10.0	99,152	20.7
Domestic private sector	7,939	2.6	18,373	6.0	10,434	131.4	15,322	3.2
Overseas	8	0.0	6,968	2.3	6,959	-	8	0.0
Subtotal	67,950	21.9	79,353	26.1	11,402	16.8	114,483	23.9
(C) Total (A)+(B)								
Domestic public sector	91,154	29.3	79,665	26.2	-11,489	-12.6	139,669	29.2
Domestic private sector	213,502	68.7	213,181	70.1	-321	-0.2	330,125	69.0
Overseas	2,095	0.7	7,145	2.3	5,049	241.0	3,540	0.7
Subtotal	306,752	98.7	299,991	98.6	-6,760	-2.2	473,335	98.9
II Real estate business	4,032	1.4	4,216	1.4	183	4.6	5,251	1.1
III Total (I + II)	310,785	100.0	304,207	100.0	-6,577	-2.1	478,587	100.0

2) Net Sales

(Millions of yen)

Business segment/Classification	Nine-month Period from Apr. 1, 2016 to Dec. 31, 2016		Nine-month Period from Apr. 1, 2017 to Dec. 31, 2017		Change		Previous Fiscal Year (from Apr. 1, 2016 to Mar. 31, 2017)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Architectural construction								
Domestic public sector	34,553	11.9	28,726	10.6	-5,827	-16.9	49,284	12.3
Domestic private sector	182,344	62.8	165,411	60.8	-16,932	-9.3	242,459	60.7
Overseas	585	0.2	1,631	0.6	1,045	178.5	1,164	0.3
Subtotal	217,483	74.9	195,769	72.0	-21,713	-10.0	292,908	73.3
(B) Civil engineering								
Domestic public sector	58,713	20.2	61,570	22.6	2,856	4.9	86,475	21.6
Domestic private sector	9,834	3.4	9,819	3.6	-14	-0.1	14,073	3.5
Overseas	355	0.1	608	0.2	252	71.1	869	0.2
Subtotal	68,904	23.7	71,998	26.5	3,094	4.5	101,418	25.4
(C) Total (A)+(B)								
Domestic public sector	93,267	32.1	90,296	33.2	-2,970	-3.2	135,759	34.0
Domestic private sector	192,178	66.2	175,231	64.4	-16,946	-8.8	256,533	64.2
Overseas	941	0.3	2,240	0.8	1,298	137.9	2,033	0.5
Subtotal	286,387	98.6	267,768	98.4	-18,619	-6.5	394,327	98.7
II Real estate business	4,032	1.4	4,216	1.6	183	4.6	5,251	1.3
III Total (I + II)	290,420	100.0	271,984	100.0	-18,435	-6.3	399,578	100.0

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY 2016 3Q (As of Dec. 31, 2016)		FY 2017 3Q (As of Dec. 31, 2017)		Change		Previous Fiscal Year (As of Mar. 31, 2017)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Architectural construction								
Domestic public sector	56,698	10.2	48,260	7.5	-8,438	-14.9	51,333	8.4
Domestic private sector	322,979	58.4	401,498	62.3	78,519	24.3	372,103	60.8
Overseas	2,055	0.4	1,468	0.2	-587	-28.6	2,922	0.5
Subtotal	381,733	69.0	451,227	70.1	69,493	18.2	426,359	69.7
(B) Civil engineering								
Domestic public sector	150,854	27.3	155,000	24.1	4,145	2.7	162,242	26.5
Domestic private sector	17,427	3.2	28,808	4.5	11,381	65.3	20,570	3.4
Overseas	3,177	0.6	9,023	1.4	5,845	184.0	2,663	0.4
Subtotal	171,458	31.0	192,832	29.9	21,373	12.5	185,477	30.3
(C) Total (A)+(B)								
Domestic public sector	207,553	37.5	203,260	31.6	-4,293	-2.1	213,575	34.9
Domestic private sector	340,406	61.5	430,307	66.8	89,901	26.4	392,673	64.2
Overseas	5,232	0.9	10,491	1.6	5,258	100.5	5,586	0.9
Subtotal	553,192	100.0	644,059	100.0	90,867	16.4	611,836	100.0
II Real estate business	-	-	-	-	-	-	-	-
III Total (I + II)	553,192	100.0	644,059	100.0	90,867	16.4	611,836	100.0