

Results Briefing

for the Year Ended March 31, 2018



May 15, 2018

TODA CORPORATION

This report contains forward-looking statements regarding Toda Corporation and the Group's corporate plans, strategies, and business forecasts.

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 or developments may differ from those presented in these forward-looking statements due to changes in various factors.

Today's Schedule

1. Summary of Financial Results

Executive Manager Yushi Kikutani

2. Management Plan Progress Status

President Masanori Imai

1. Summary of Financial Results



Executive Manager Yushi Kikutani

1-1. Summary of Financial Results for the Year Ended March 31, 2018



Highlights: FY2017

- **Consolidated net sales: ¥429.0 billion, up 1.5% year-on-year**
 - ⋮ Increase in net sales to external customers at the domestic Group companies and a progress in works in hand at overseas subsidiaries increased consolidated net sales by 1.5% year-on-year to ¥429.0 billion.

- **Operating income: ¥30.4 billion, up 21.9% year-on-year**
 - ⋮ Continuous measures toward productivity improvement boosted profitability of the construction business, raising operating income by 21.9% year-on-year to ¥30.4 billion.

- **Orders received (non-consolidated): ¥441.4 billion, down 6.4 % year-on-year**
 - ⋮ Orders for overseas construction rose, but both architectural construction and civil engineering orders fell year-on-year within Japan, bringing down overall orders received by 6.4% to ¥441.4 billion.

Summary: FY2017

(Billions of yen)

	FY2016	FY2017			
		<i>Forecasts (announced in Apr. 2018)</i>	Actuals	Change (year on year)	Difference (vs. forecast)
Consolidated net sales	422.7	<i>428.0</i>	429.0	<i>1.5%</i>	<i>1.0</i>
Operating income	24.9	<i>30.5</i>	30.4	<i>21.9%</i>	<i>-0.0</i>
Ordinary income	27.1	<i>33.0</i>	33.0	<i>21.5%</i>	<i>0.0</i>
Profit attributable to owners of parent	42.0	<i>25.4</i>	25.4	<i>-39.5%</i>	<i>0.0</i>
Orders received (non-consolidated)	471.4	<i>447.0</i>	441.4	<i>-6.4%</i>	<i>-5.5</i>

Main Orders Received

Ordering Parties		Name of Works
Architectural Construction	Mitsubishi Estate Co., Ltd. and others	A Building, Otemachi 2-chome Tokiwabashi district redevelopment
	City of Yokohama, Kanagawa Prefecture	Reconstruction of Clinical Services Building of Yokohama Municipal Citizen's Hospital
	Waseda University	The first stage construction work of Waseda University Research and Development Center
	General Hanamaki Hospital	Relocation and new construction of General Hanamaki Hospital
	New Chitose Airport Terminal Building Co., Ltd.	Construction of international terminal building of New Chitose Airport
	Miyazaki Prefectural Government	Construction of Miyazaki Prefectural Government building for disaster prevention base within fiscal year 2017
Civil Engineering	Kyoto City Sewerage Works Bureau	Construction of headrace tunnel of Shin-Yamashina Purification Plant
	Japan Railway Construction, Transport and Technology Agency	Shiribeshi Tunnel (Shioya), Hokkaido Shinkansen

*Honorific prefixes are omitted. Work names are abbreviations.

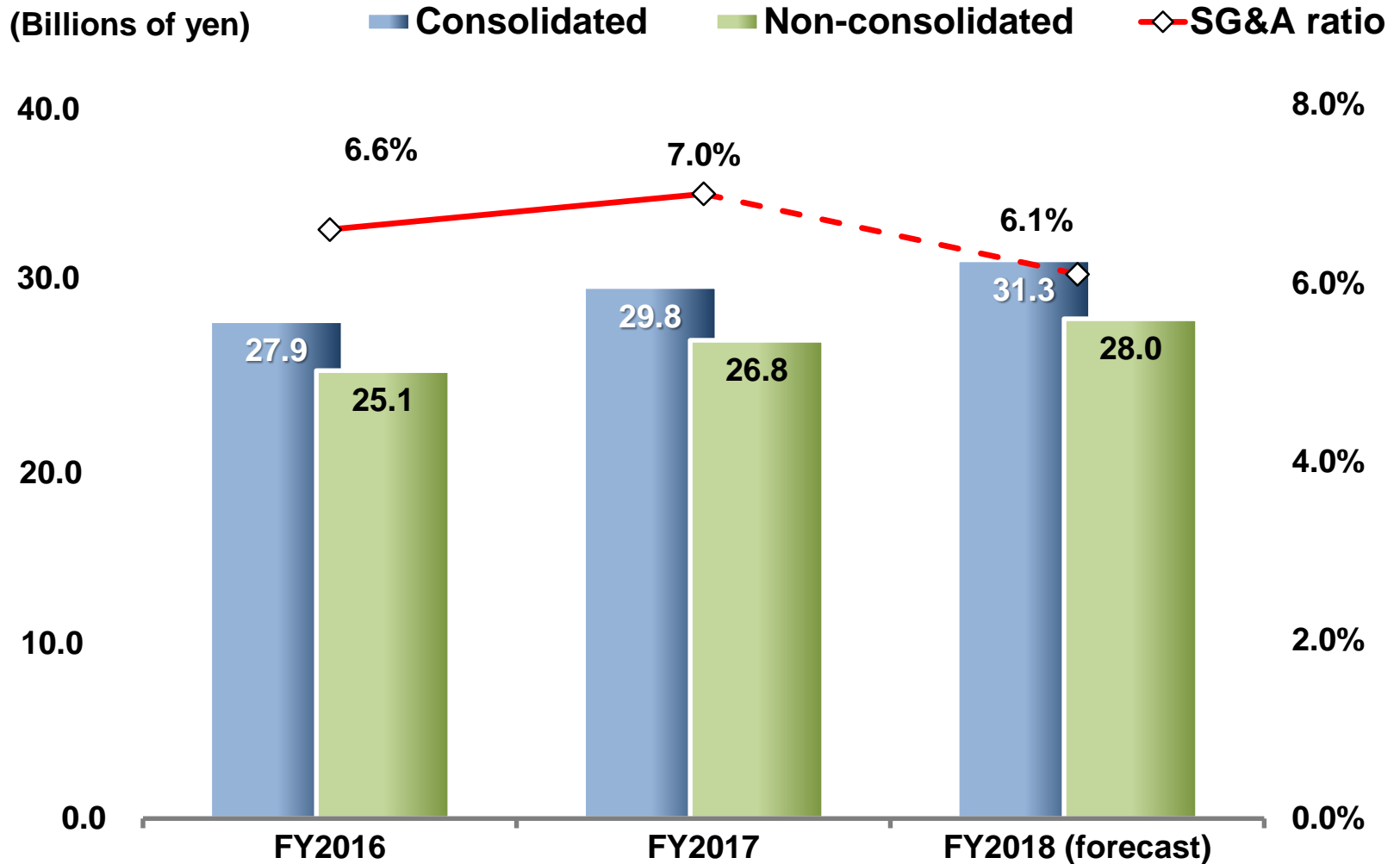
1-2. Details of Financial Results



(Consolidated) Toda Group

Business		Subsidiaries in Japan	Overseas Subsidiaries	18 companies
Construction	Architectural Construction	<p>APEC Engineering Co., Ltd.</p> <p>Chiyoda Kenkou Co., Ltd.</p>	<p>Construtora Toda do Brazil S/A</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p> <p>3 other companies</p>	8 companies
	Civil Engineering	<p>Toda Road Co., Ltd.</p>		1 company
Real Estate		<p>Toda Bldg. Partners Co., Ltd.</p> <p>Nisshin Life Co., Ltd.</p> <p>1 other company</p>	<p>Toda America, Inc.</p>	4 companies
Other		<p>Toda Finance Co., Ltd.</p> <p>Toda Staff Service Co., Ltd.</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p> <p>Goto Floating Wind Power LLC.</p> <p>Offshore Wind Farm Construction LLC</p>		5 companies

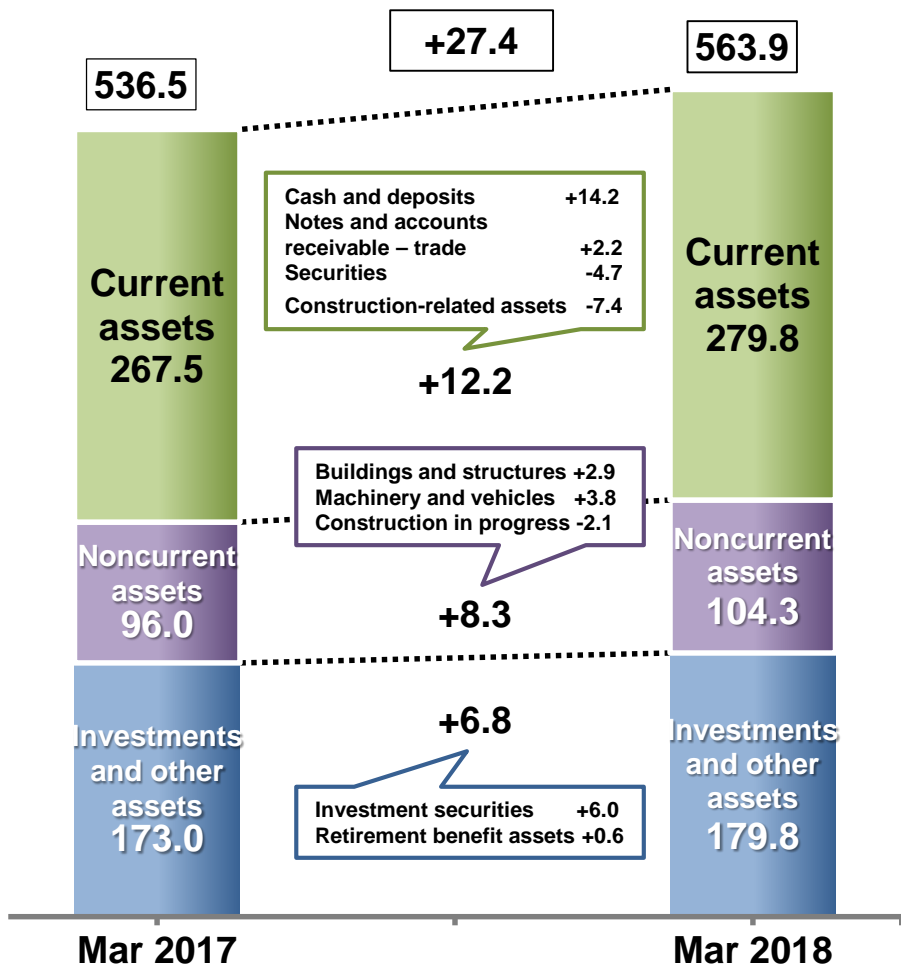
(Consolidated) Change in SG&A



(Consolidated) Balance Sheets

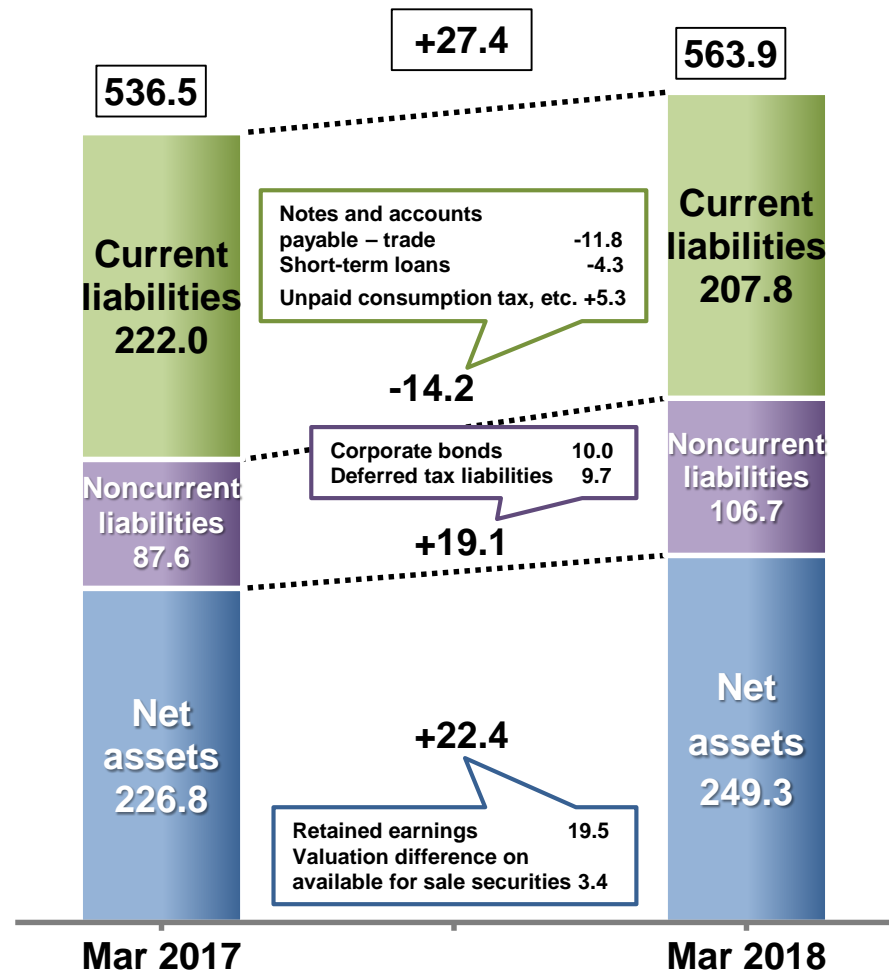
Assets

(Billions of yen)



Liabilities and Net Assets

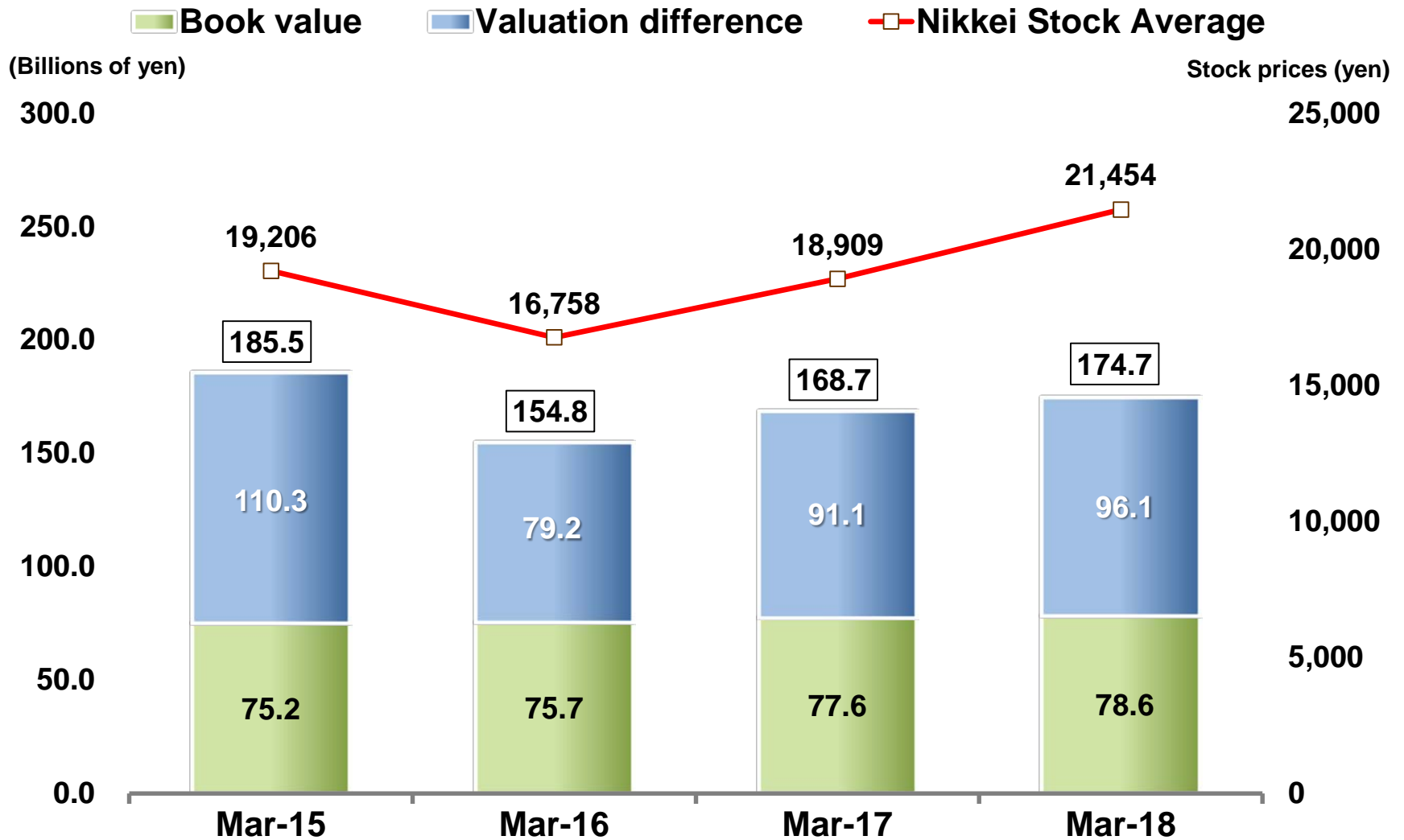
(Billions of yen)



120.5% **Current ratio** 134.6%

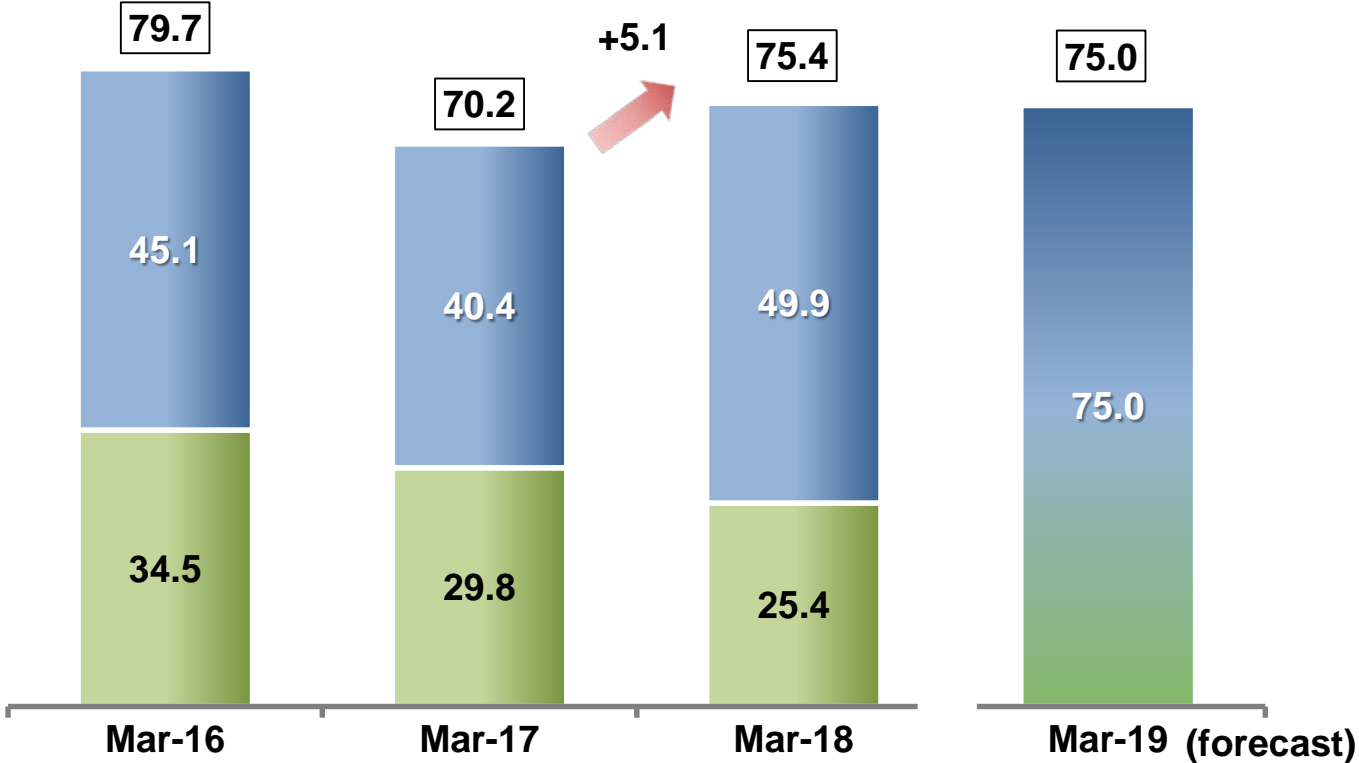
41.7% **Equity ratio** 43.7%

(Consolidated) Change in Investment Securities



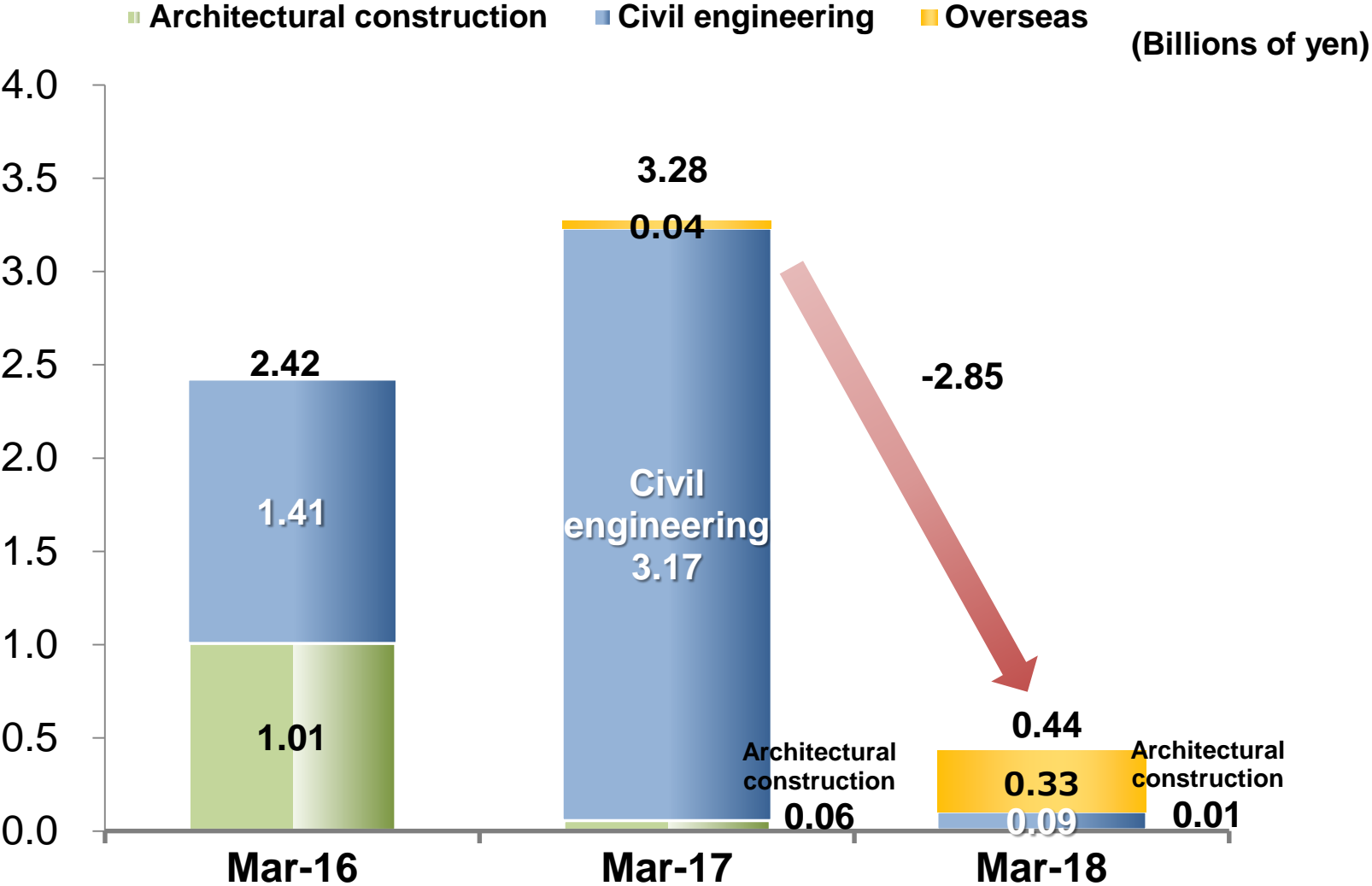
(Consolidated) Change in Interest-Bearing Liabilities

■ Short-term ■ Long-term (Billions of yen)



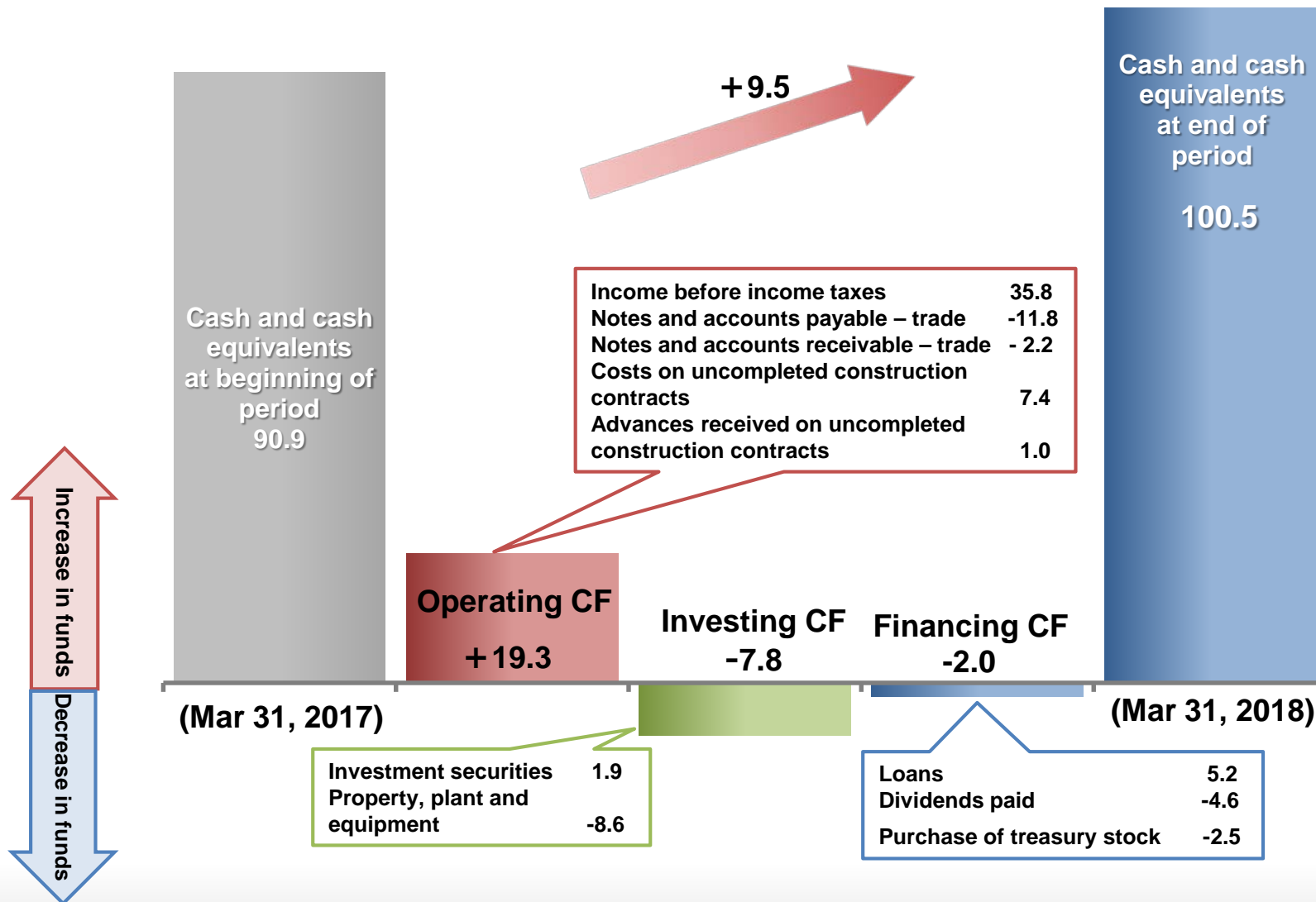
D/E ratio	0.68x	0.45x	0.43x	—
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(Consolidated) Change in Provision for Loss on Construction Contracts



(Consolidated) Statement of Cash Flow

(Billions of yen)



1-3. Performance Forecasts

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Forecasts for FY2018 (Year Ending March 31, 2019)

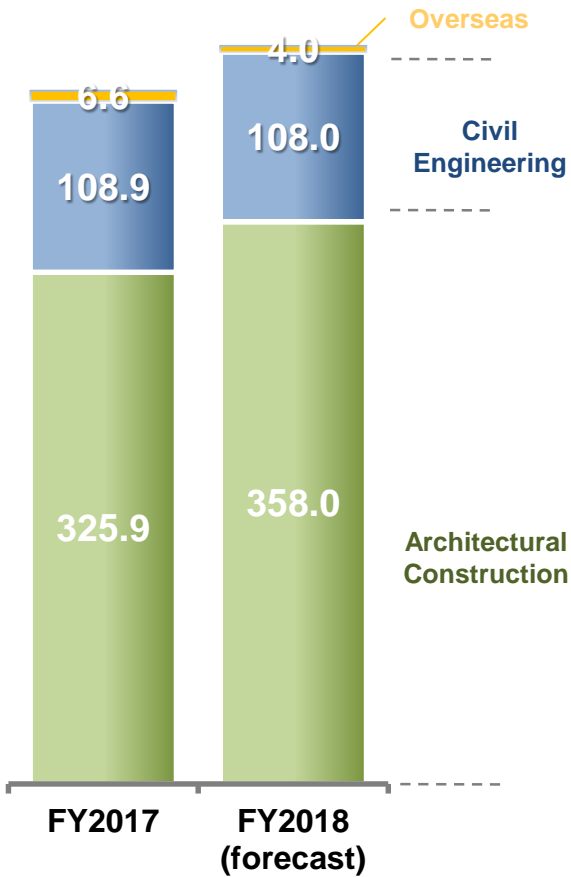
(Billions of yen)

	FY2017	FY2018		
		Forecasts	Change (year-on-year)	
Consolidated net sales	429.0	514.0	19.8%	84.9
Operating income	30.4	31.0	1.8%	0.5
Ordinary income	33.0	33.3	0.8%	0.2
Profit attributable to owners of the parent	25.4	22.3	-12.4%	-3.1
Orders received (Non-consolidated)	441.4	470.0	6.5%	28.5

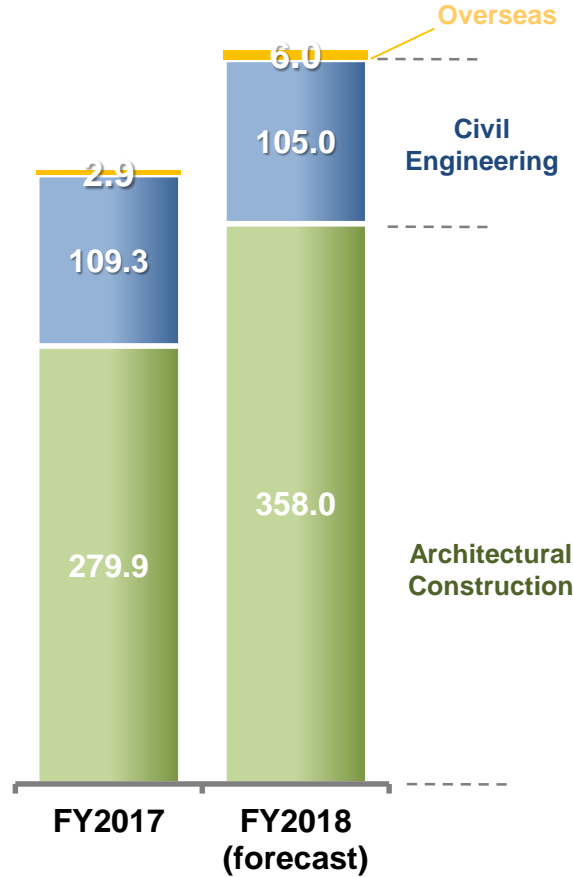
(Non-consolidated) Forecasts for the Construction Business

(Billions of yen)

Orders Received for Construction

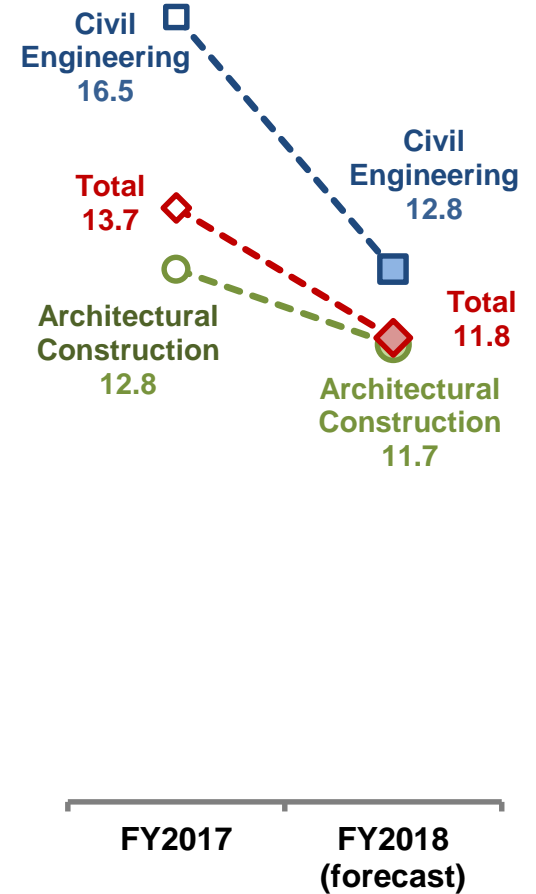


Net Sales of Completed Construction Contracts



(%)

Gross Profit Margin on Completed Construction Contracts



Non-consolidated Forecasts for FY2018

	Amount (billions of yen)	Profitability (%)
Net sales	478.0	
Gross profit	57.5	12.0
Profits in the construction business	55.5	11.8
[Domestic architectural construction]	[41.8]	[11.7]
[Domestic Civil engineering]	[13.4]	[12.8]
[Overseas]	[0.2]	[4.4]
Profits in investment & development business and other	2.0	22.2
Selling, general and administrative expenses	28.0	
Operating income	29.5	6.2
Ordinary income	31.7	6.6
Income taxes	10.3	
Profit	21.4	4.5

2. Management Plan Progress Status

President Masanori Imai

Positioning of Medium-term Management Plan 2019

Toda Group Global Vision
**A corporate group that makes your
success possible**

To a new phase to realize the global vision

FY2015 - FY2016

FY2017 - FY2019

FY2020 -

Phase I

Phase II

**Establishing
growth
foundation**
(business, mindset
reform)

**Building profit base for
continuous growth**
(resource shift and new value
creation)

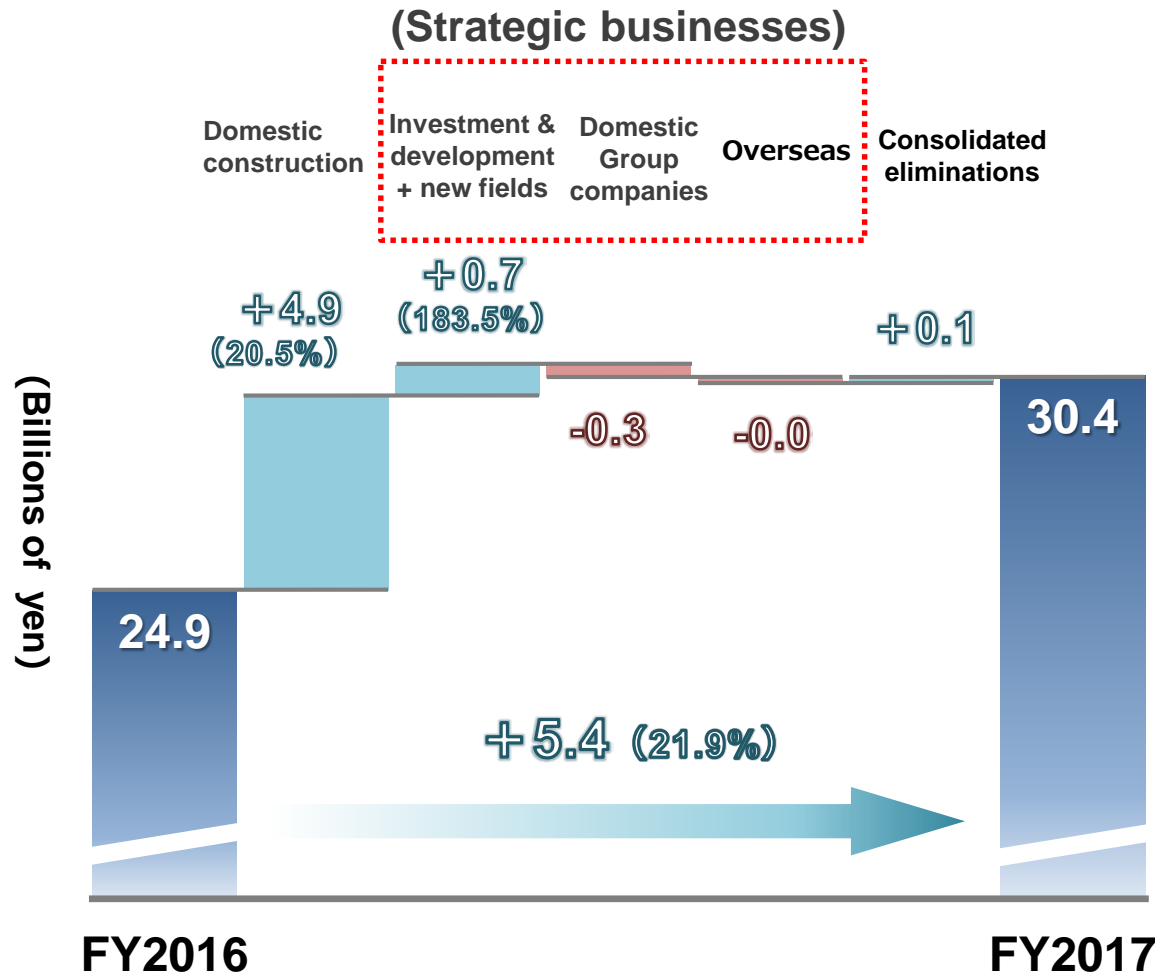
**Continuous
growth**
(tenacity, diversity)

2-1. Achievements and Issues



Changes in Operating Income by Business

Domestic construction business drove profit increases



Domestic Construction Business

- Gross profit margin on completed construction contracts improved due to productivity improvements
- Secured additional construction projects in the civil engineering business

Investment & development + new fields

- Improvements in revenue from real estate sales business

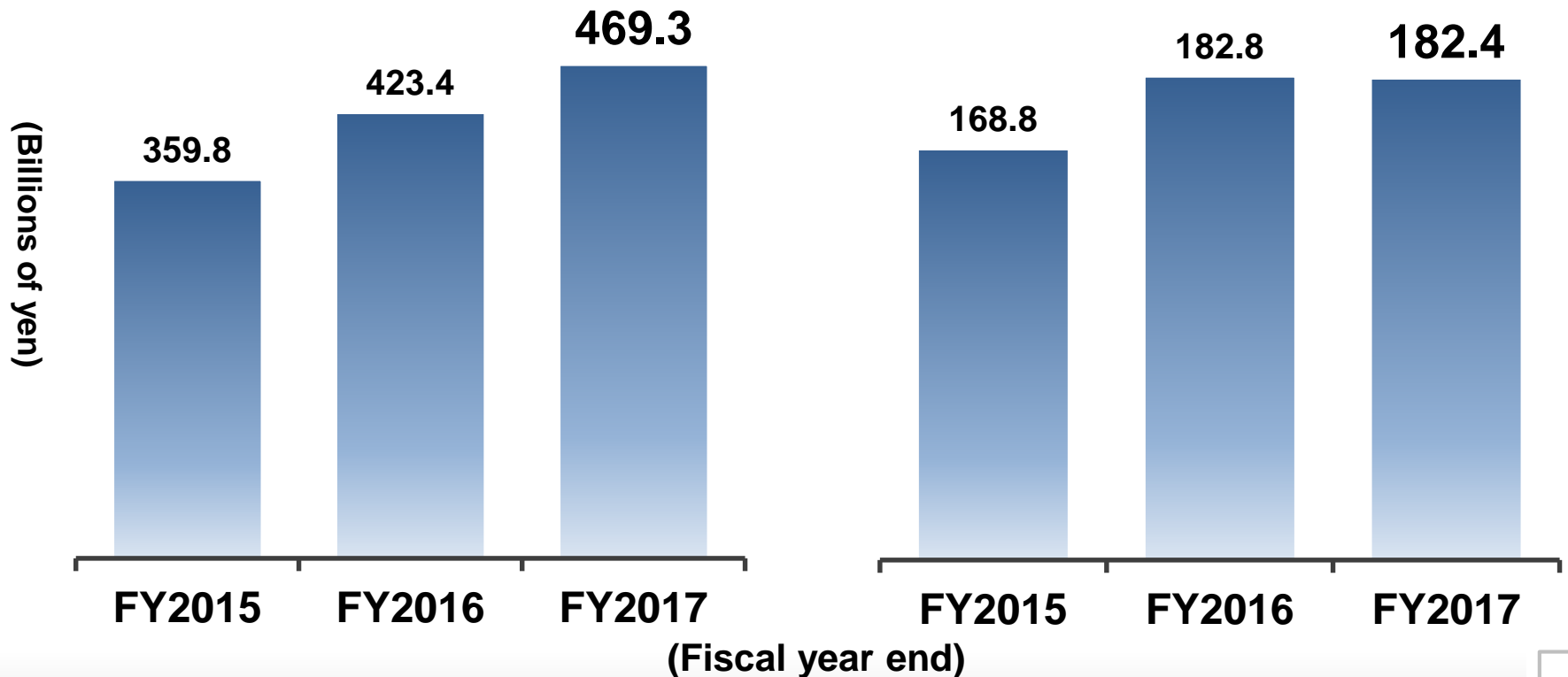
* Figures in parentheses are for previous fiscal year.

Change in Construction Work Carried Forward

Securing high level results and contributing to revenue for next fiscal year onwards

Domestic Architectural Construction

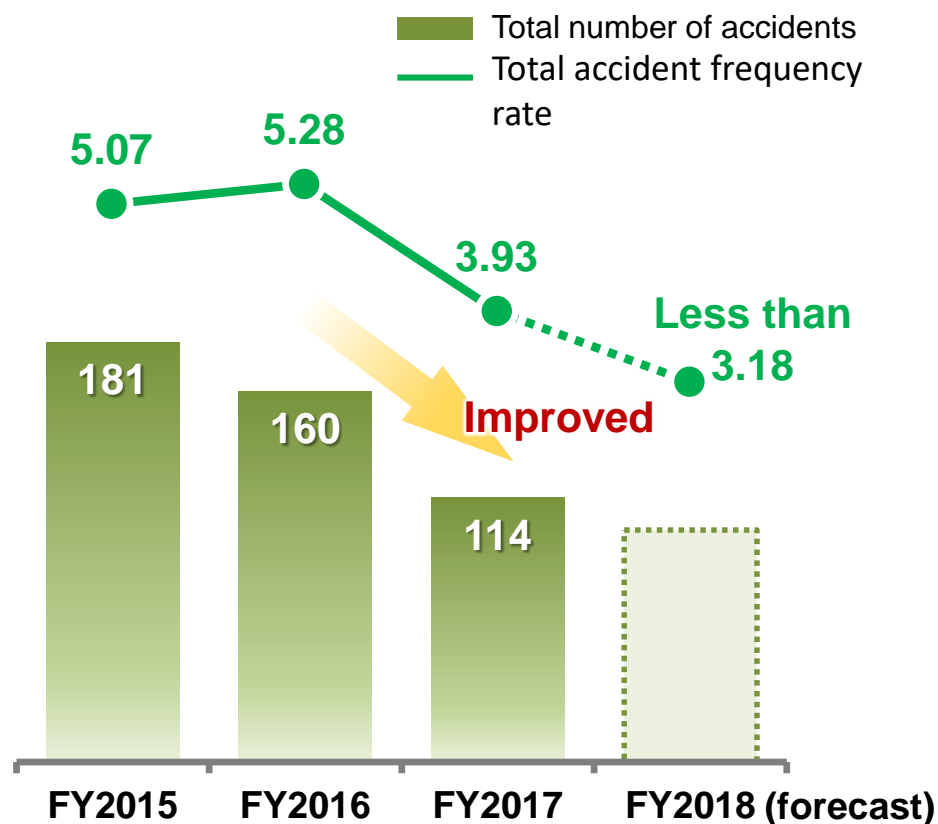
Domestic Civil Engineering



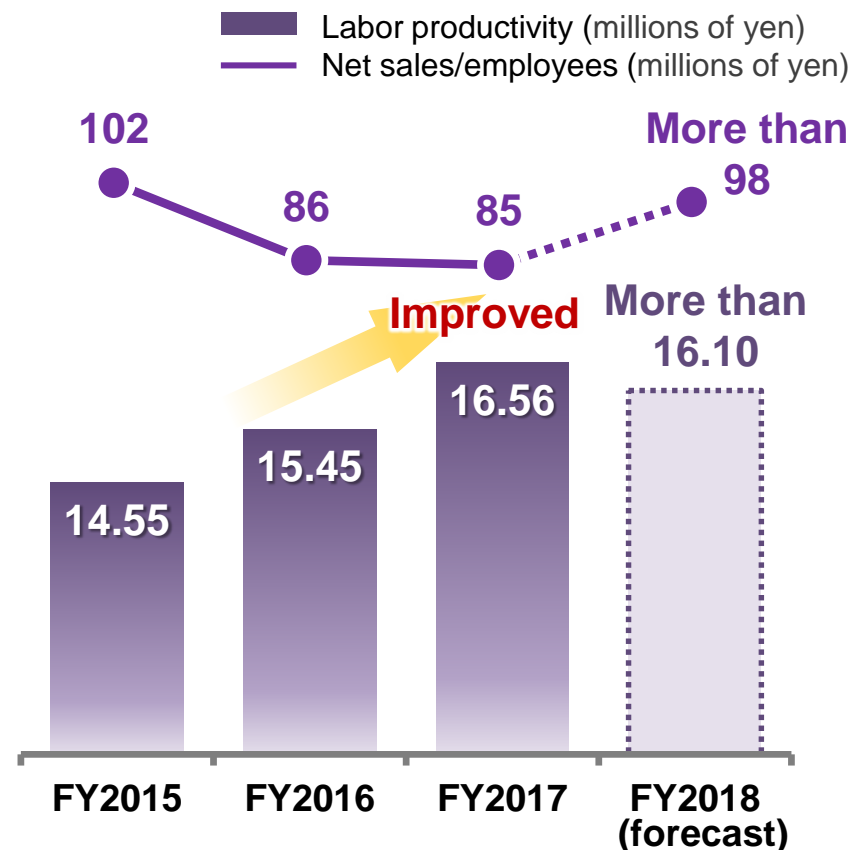
Safety Results and Productivity Indices

Reinforcement of measures aimed at reaching No. 1 in safety and productivity

Safety Results (Domestic Construction Business)



Productivity Indices (non-consolidated)



* Total accident frequency rate = Total number of accidents/one million hours.

* Labor productivity (added value/employees) = Operating income/employees (Net sales/employees x Operating income ratio) + Overall labor cost/employees.

* Number of employees includes temporary staff, etc.

Recognition of Issues

**Taking on the challenge of becoming No. 1
in safety and productivity**

Implementing working style reforms

Business area and revenue base diversification

Creative destruction of existing mechanisms
(organizations, structures, systems, etc.)

Invest in future focused on achieving ideals

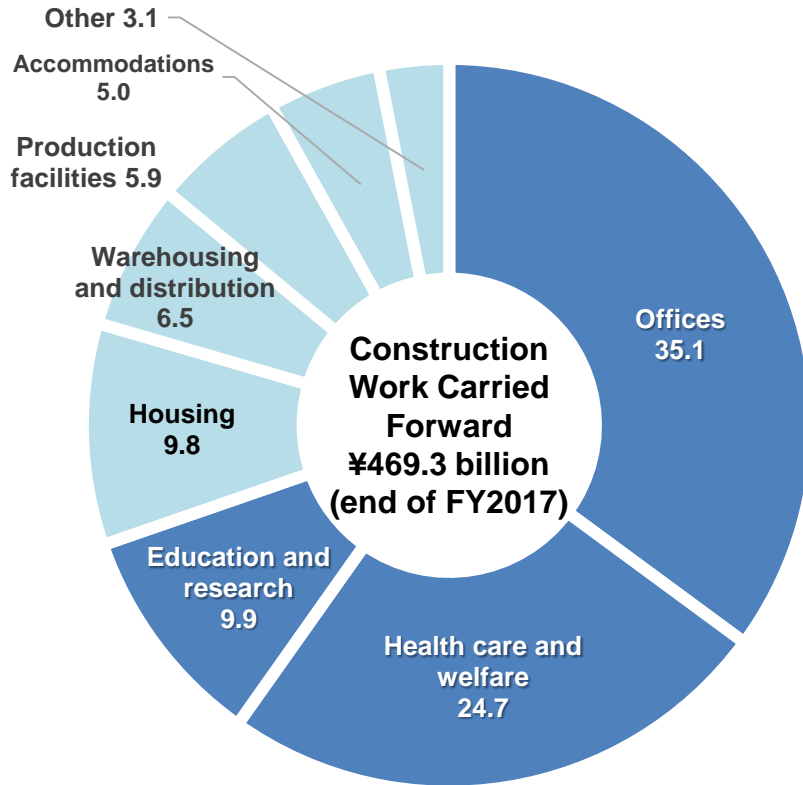
2-2. Direction of Initiatives



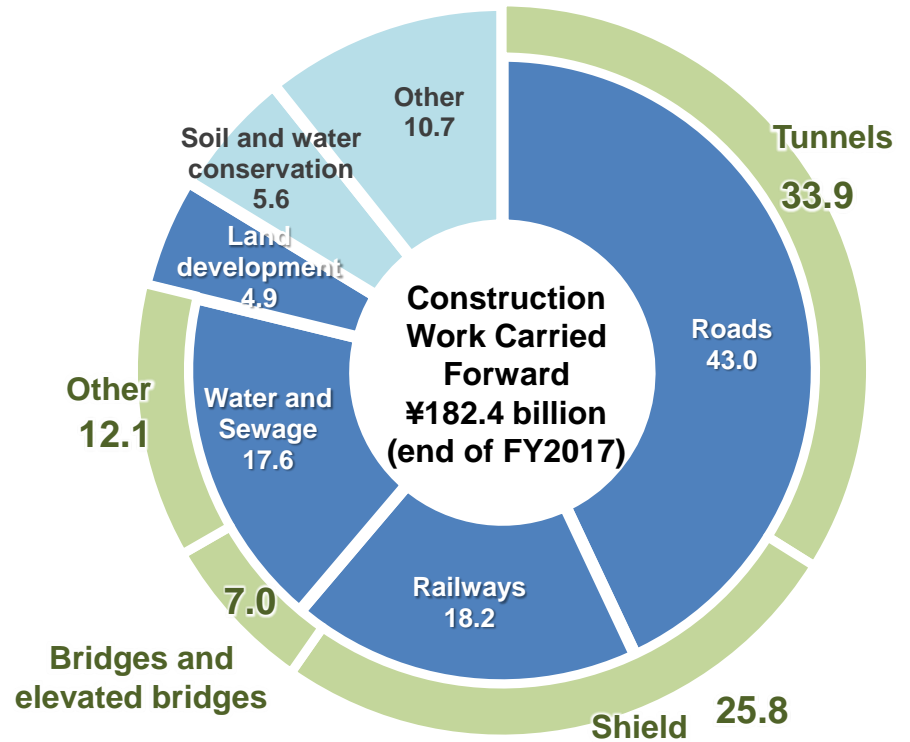
Measures in Key Fields

Promoting the ongoing evolution of the unique value we provide

Domestic Architectural Construction (%)



Domestic Civil Engineering (%)



Main key fields of Medium-term Management Plan

Hospitals and schools

High value added offices

Mountain tunnels and large-scale infrastructure

Lot development

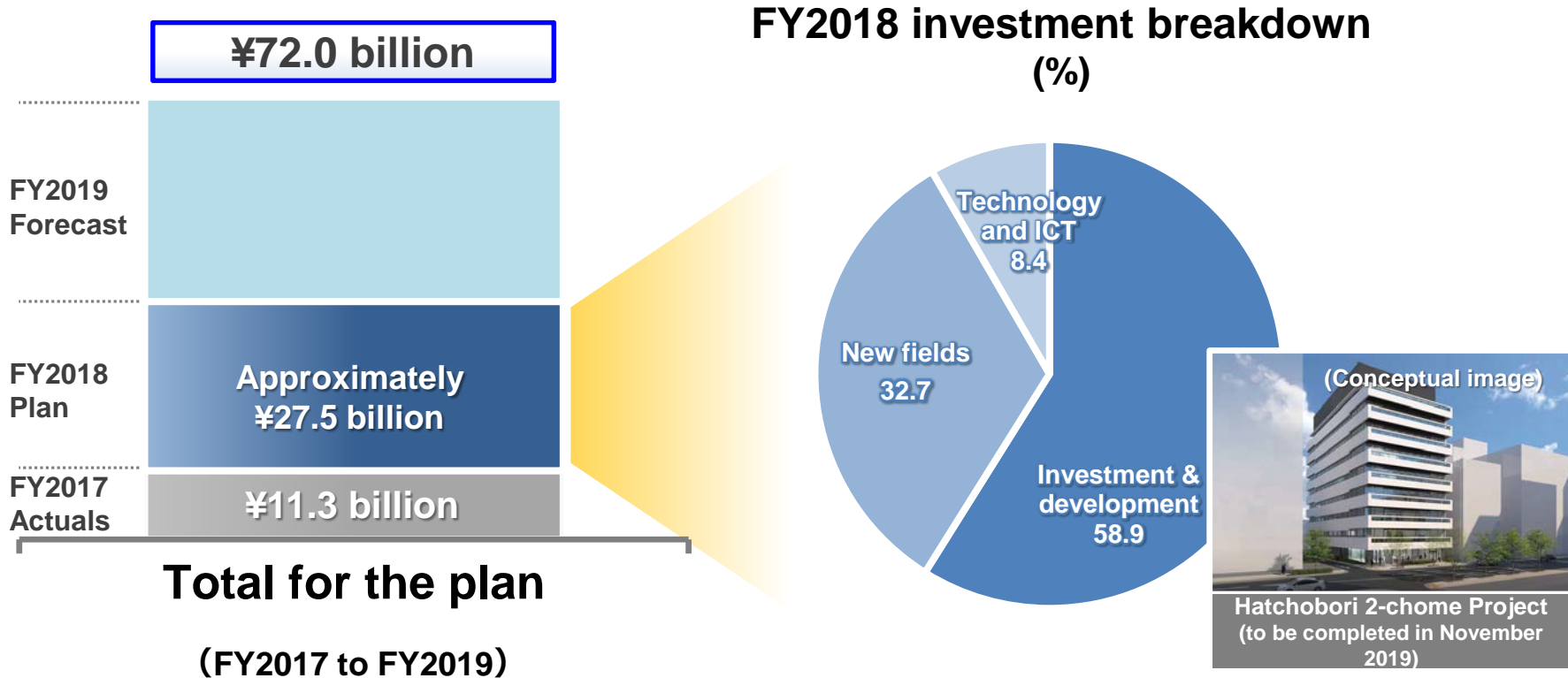
Promoting Working Style Reforms

- Introduction of flex-time system (June 2018)
 - Promotion of flexible work styles based on total work hours (monthly/yearly)
- Work style reforms coinciding with headquarters temporary relocation (end of 2019)
 - Deliberation by Work Style Subcommittee, Working Style Reform Deliberation Committee
- Eight site closures every four weeks (firmly establish by end of FY2021)
 - Promote five-day workweek system action plan

**Achieve vision through autonomous work approach
(Productivity and creativity improvement)**

Investment Plan Progress Status

Investment aimed at acquiring stable revenue and value through differentiation



[Breakdown]

	[FY2017]	[FY2018]	[Total for the plan]
Investment & development (real estate, etc.)	66	162	420
New fields (energy, etc.)	26	90	240
Technology and ICT	20	23	60

Main investments (FY2018 plan)

- Effective utilization and development of assets owned
- Energy-related and sixth-order agriculture industrialization business
- Redevelopment of Tsukuba Institute of Construction Technology, etc.

Enhancement of Strategic Businesses

Active promotion of management resource shifting

Investment & development + new fields

- **Creation of new Energy Business Division**
 - Enhancement of implementation structure for full-fledged engagement in floating offshore wind turbine generator business
 - Establish the "Green Energy Toda" brand
- **Creation of new Strategic Business Promotion Offices in each branch and appoint staff**



Semi-submersible barge
FLOAT RAISER (Hataage)

Promote floating offshore wind turbine generator cost reductions by greatly streamlining and improving the efficiency of installation work processes.

The completed vessel was unveiled on May 12, 2018, in Goto City, Nagasaki Prefecture.

Domestic Group companies

- **Enhanced collaboration with Toda Corporation**
- **Reinforced and expanded business foundation and business area through M&As, etc.**

Overseas

- **Enhancement of sales structure**
 - ┌ Brazil: Establish new Paraguay branch
 - └ Vietnam: Increase number of sales personnel
- **Measures targeting non-construction business**

2-3. Business Result Forecast by Business



Net Sales and Operating Income by Business

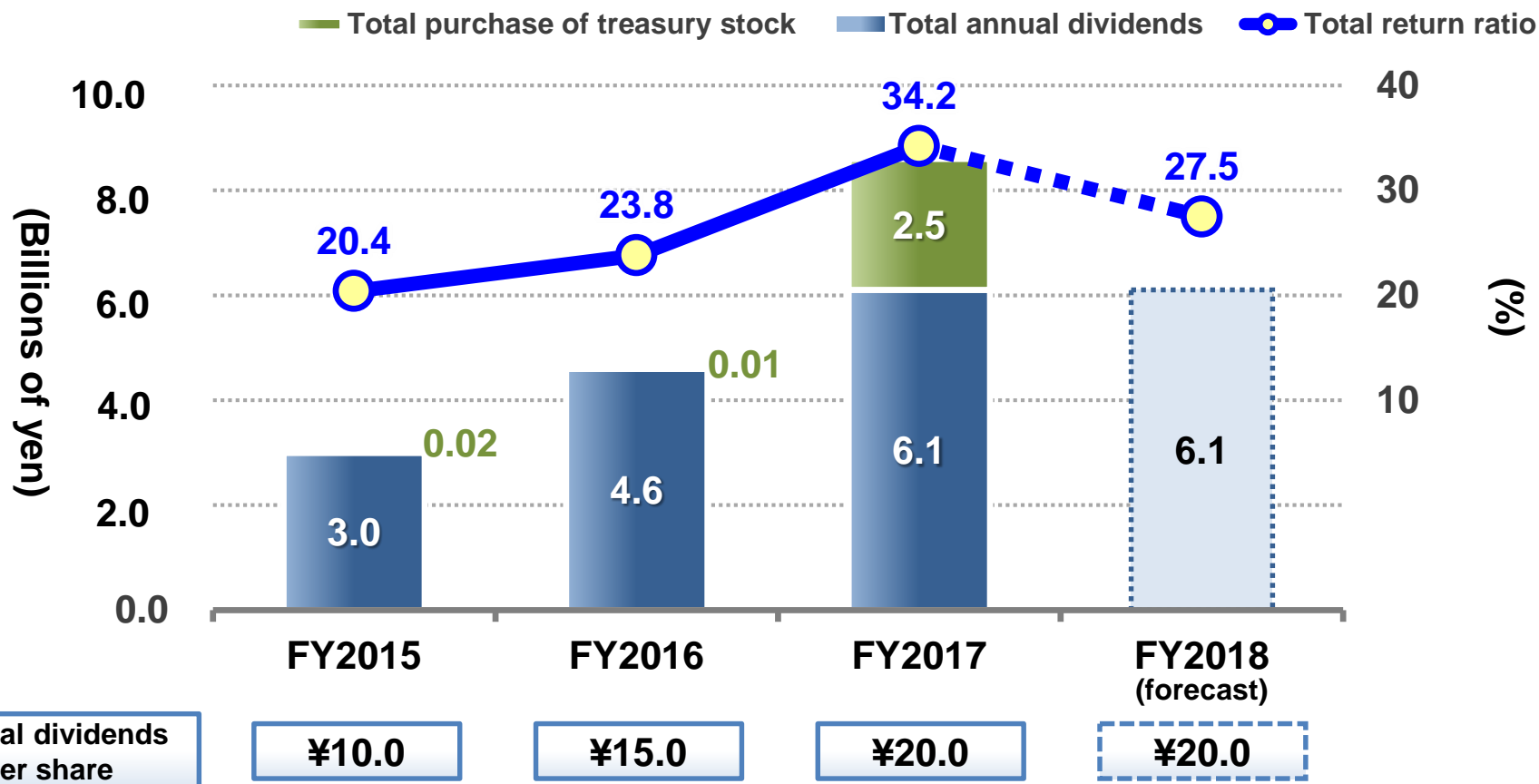
(Billions of yen)

Upper: Net sales Lower: Operating income	FY2017 Actuals		FY2018 Forecast	
Domestic architectural construction	281.3		358.0	
	17.8	6.4%	23.0	6.4%
Domestic civil engineering	109.3		105.0	
	11.7	10.8%	7.3	7.0%
Investment & development + new fields	6.8		9.8	
	1.2	18.2%	0.0	0.5%
Domestic Group companies	33.8		36.2	
	0.8	2.6%	1.1	3.2%
Overseas	13.8		20.7	
	-1.1	–	-0.5	–
Total	429.0		514.0	
	30.4	7.1%	31.0	6.0%

* Percentages indicate operating income ratios. Consolidated eliminations are reflected in totals.

Shareholder Returns

Total shareholder returns · total return ratio



* Total return ratios for FY2015 and FY2016 are calculated by multiplying profit before income taxes by the effective statutory tax rate.

* Total purchase of treasury stock for FY2017 includes acquisition amount related to Toda Mirai Foundation (¥2,490 million).

* The total return ratio for FY2018 does not take into account the purchase of treasury stock.

**A corporate group that makes
your success possible**

