

Consolidated Financial Results for the First Quarter Ended June 30, 2018



1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	80,597	75,595
Notes receivable, accounts receivable from completed construction contracts and other	135,438	106,234
Securities	20,029	20,629
Real estate for sale	7,400	9,102
Costs on uncompleted construction contracts	12,449	17,240
Other inventories	1,669	2,036
Other	17,442	15,661
Allowance for doubtful accounts	(1,071)	(881)
Total current assets	273,956	245,619
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,067	19,239
Machinery, vehicles, tools, furniture and fixtures, net	4,445	2,565
Land	71,670	83,240
Lease assets, net	91	80
Construction in progress	2,111	2,601
Total property, plant and equipment	95,386	107,727
Intangible assets		
Goodwill	658	641
Other	8,284	8,450
Total intangible assets	8,942	9,091
Investments and other assets		
Investment securities	174,775	184,891
Long-term loans receivable	489	456
Net defined benefit asset	1,484	1,316
Deferred tax assets	488	508
Other	3,051	3,136
Allowance for doubtful accounts	(262)	(262)
Total investments and other assets	180,027	190,047
Total noncurrent assets	284,356	306,866
Total assets	558,312	552,486

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	88,499	69,919
Short-term loans payable	25,496	26,848
Income taxes payable	3,723	1,787
Advances received on uncompleted construction contracts	29,657	40,077
Provision for bonuses	7,371	2,962
Provision for warranties for completed construction	4,089	3,788
Provision for loss on construction contracts	444	523
Deposits received	23,324	31,805
Other	25,116	17,048
Total current liabilities	207,723	194,761
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	29,979	29,533
Deferred tax liabilities	17,445	20,482
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for directors' retirement benefits	170	170
Provision for share allocation to directors	120	121
Provision for loss on liquidation of subsidiaries and affiliates	104	90
Net defined benefit liability	21,872	22,039
Asset retirement obligations	1,089	1,102
Other	3,139	3,402
Total noncurrent liabilities	101,194	104,215
Total liabilities	308,917	298,977
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,681	25,681
Retained earnings	136,336	133,610
Treasury stock	(9,437)	(9,442)
Total shareholders' equity	175,582	172,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,969	74,045
Deferred gains or losses on hedges	(3)	21
Revaluation reserve for land	5,676	5,676
Foreign currency translation adjustment	(658)	(1,036)
Remeasurements of defined benefit plans	(1,249)	(1,171)
Total accumulated other comprehensive income	70,734	77,535
Non-controlling interests	3,078	3,123
Total net assets	249,394	253,508
Total liabilities and net assets	558,312	552,486

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Three Months ended June 30, 2017 and 2018

(Millions of yen)

	Three Months ended June 30, 2017 (Apr. 1 through Jun. 30, 2017)	Three Months ended June 30, 2018 (Apr. 1 through Jun. 30, 2018)
Net sales		
Net sales of completed construction contracts	87,240	86,834
Net sales of investment and development business and other	3,505	3,401
Total net sales	90,746	90,236
Cost of sales		
Cost of sales of completed construction contracts	75,066	77,449
Cost of sales on investment and development business and other	2,390	2,265
Total cost of sales	77,457	79,715
Gross profit		
Gross profit on completed construction contracts	12,173	9,385
Gross profit on investment and development business and other	1,114	1,136
Total gross profit	13,288	10,521
Selling, general and administrative expenses	6,400	6,984
Operating income	6,887	3,537
Non-operating income		
Interest income	83	52
Dividend income	1,174	1,319
Other	67	99
Total non-operating income	1,326	1,470
Non-operating expenses		
Interest expenses	177	166
Commission fee	31	33
Other	8	8
Total non-operating expenses	216	208
Ordinary income	7,996	4,799
Extraordinary income		
Gain on sales of investment securities	316	526
Other	7	-
Total extraordinary income	324	526
Extraordinary loss		
Loss on abandonment of noncurrent assets	145	127
Other	44	0
Total extraordinary losses	189	127
Profit before income taxes	8,131	5,198
Income taxes	2,625	1,718
Profit	5,505	3,480
Profit attributable to non-controlling interests	3	66
Profit attributable to owners of parent	5,502	3,413

Consolidated Statements of Comprehensive Income

Three Months ended June 30, 2017 and 2018

	(Millions of yen)	
	Three Months ended June 30, 2017 (Apr.1 through Jun. 30, 2017)	Three Months ended June 30, 2018 (Apr. 1 through Jun. 30, 2018)
Profit	5,505	3,480
Other comprehensive income		
Valuation difference on available-for-sale securities	6,193	7,076
Deferred gains or losses on hedges	39	24
Foreign currency translation adjustment	(158)	(395)
Remeasurements of defined benefit plans	165	77
Total other comprehensive income	6,239	6,783
Comprehensive income	11,745	10,263
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,736	10,214
Comprehensive income attributable to non-controlling interests	9	48

2. (Reference) Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	66,782	61,312
Notes receivable, accounts receivable from completed construction contracts and other	129,289	99,391
Securities	20,029	20,029
Real estate for sale	6,570	8,123
Costs on uncompleted construction contracts	11,231	14,909
Other inventories	1,334	1,731
Other	13,518	15,154
Allowance for doubtful accounts	(1,151)	(974)
Total current assets	247,605	219,678
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,226	14,500
Machinery, vehicles, tools, furniture and fixtures, net	564	683
Land	64,900	76,559
Lease assets, net	79	69
Construction in progress	635	1,275
Total property, plant and equipment	78,408	93,089
Intangible assets	8,273	8,443
Investments and other assets		
Investment securities	181,936	193,143
Long-term loans receivable	487	454
Prepaid pension cost	2,368	2,155
Other	2,402	2,489
Allowance for doubtful accounts	(262)	(262)
Total investments and other assets	186,932	197,979
Total noncurrent assets	273,613	299,513
Total assets	521,218	519,191

(Millions of yen)

As of March 31, 2018

As of June 30, 2018

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	83,326	65,233
Short-term loans payable	21,631	22,883
Income taxes payable	3,488	1,633
Advances received on uncompleted construction contracts	27,708	37,500
Provision for bonuses	7,058	2,676
Provision for warranties for completed construction	4,001	3,724
Provision for loss on construction contracts	418	515
Deposits received	21,534	31,186
Other	21,221	15,696
Total current liabilities	190,389	181,051
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	29,879	29,433
Deferred tax liabilities	17,252	20,241
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for retirement benefits	20,117	20,354
Provision for directors' retirement benefits	122	130
Provision for share allocation to directors	120	121
Provision for loss on business of subsidiaries and affiliates	58	57
Asset retirement obligations	148	163
Other	2,348	2,606
Total noncurrent liabilities	97,320	100,380
Total liabilities	287,709	281,432
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	35,000	50,000
General reserve	56,774	56,774
Retained earnings brought forward	24,247	6,397
Total retained earnings	121,772	118,922
Treasury stock	(9,437)	(9,442)
Total shareholders' equity	160,909	158,055
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	66,926	74,006
Deferred gains or losses on hedges	(3)	21
Revaluation reserve for land	5,676	5,676
Total valuation and translation adjustments	72,599	79,704
Total net assets	233,508	237,759
Total liabilities and net assets	521,218	519,191

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

	(Millions of yen)	
	Three Months ended June 30, 2017 (Apr. 1 through Jun. 30, 2017)	Three Months ended June 30, 2018 (Apr. 1 through Jun. 30, 2018)
Net sales		
Net sales of completed construction contracts	83,872	81,441
Net sales of investment and development business and other	1,726	1,092
Total net sales	85,598	82,533
Cost of sales		
Cost of sales of completed construction contracts	72,054	72,479
Cost of sales on investment and development business and other	1,014	622
Total cost of sales	73,068	73,101
Gross profit		
Gross profit on completed construction contracts	11,818	8,962
Gross profit on investment and development business and other	711	470
Total gross profit	12,530	9,432
Selling, general and administrative expenses	5,731	6,245
Operating income	6,798	3,186
Non-operating income	1,292	1,448
Non-operating expenses	206	203
Ordinary income	7,884	4,431
Extraordinary income	323	526
Extraordinary loss	189	127
Profit before income taxes	8,019	4,830
Income taxes	2,505	1,540
Profit	5,514	3,290

3. Supplementary Information

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Three-month Period from April				Six-month Period from April				Full Year			
	FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	YoY (b)-(a)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)
Net sales	90,746	90,236	-509	-0.6	181,696	215,000	33,303	18.3	429,026	514,000	84,973	19.8
Domestic construction business	83,413	81,006	-2,407	-2.9	166,535	193,000	26,464	15.9	389,235	463,000	73,764	19.0
Architectural construction	60,629	60,433	-195	-0.3	120,236	143,000	22,763	18.9	279,971	358,000	78,028	27.9
Civil engineering	22,784	20,572	-2,211	-9.7	46,299	50,000	3,700	8.0	109,263	105,000	-4,263	-3.9
Investment and development business	1,709	1,099	-610	-35.7	2,862	3,000	137	4.8	5,637	9,600	3,962	70.3
Domestic Group companies	3,246	4,057	810	25.0	6,881	8,625	1,743	25.3	20,092	20,500	407	2.0
New business	26	36	9	37.2	56	75	18	33.3	192	200	7	4.1
Overseas business	2,349	4,037	1,687	71.8	5,360	10,300	4,939	92.1	13,867	20,700	6,832	49.3
Gross profit	13,288	10,521	-2,766	-20.8	25,937	27,900	1,962	7.6	60,341	62,300	1,958	3.2
Profit margin	14.6 %	11.7 %			14.3 %	13.0 %			14.1 %	12.1 %		
SG&A expenses	6,400	6,984	583	9.1	13,635	15,700	2,064	15.1	29,878	31,300	1,421	4.8
Operating income	6,887	3,537	-3,350	-48.6	12,301	12,200	-101	-0.8	30,463	31,000	536	1.8
Non-operating income	1,109	1,261	152	13.7	1,262	1,000	-262	-20.8	2,574	2,300	-274	-10.7
Ordinary income	7,996	4,799	-3,197	-40.0	13,563	13,200	-363	-2.7	33,037	33,300	262	0.8
Extraordinary income	134	399	264	196.6	1,463	-	-1,463	-	2,796	-	-2,796	-
Profit before income taxes	8,131	5,198	-2,932	-36.1	15,027	13,200	-1,827	-12.2	35,834	33,300	-2,534	-7.1
Income taxes	2,625	1,718	-907	-34.6	4,778	4,300	-478	-10.0	10,288	11,000	711	6.9
Profit	5,505	3,480	-2,025	-36.8	10,249	8,900	-1,349	-13.2	25,545	22,300	-3,245	-12.7
Profit attributable to non-controlling interests	3	66	63	-	0	-	0	-	90	-	-90	-
Profit attributable to owners of parent	5,502	3,413	-2,088	-38.0	10,248	8,900	-1,348	-13.2	25,455	22,300	-3,155	-12.4

Notes: 1. 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. Net sales are based on business segments and intercompany sales are eliminated.

(2) Summary of Non-consolidated Results and Forecasts

(Millions of yen)

	Three-month Period from April				Six-month Period from April				Full Year			
	FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	YoY (b)-(a)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)
Orders received	63,177	99,022	35,845	56.7	201,090	202,700	1,609	0.8	449,522	479,000	29,477	6.6
Construction business	61,451	97,930	36,478	59.4	198,193	200,000	1,806	0.9	441,447	470,000	28,552	6.5
Domestic architectural construction	47,095	62,483	15,388	32.7	156,513	149,000	-7,513	-4.8	325,900	358,000	32,099	9.8
Domestic civil engineering	14,313	33,614	19,301	134.8	40,611	49,000	8,388	20.7	108,933	108,000	-933	-0.9
Overseas	42	1,831	1,789	-	1,068	2,000	931	87.1	6,613	4,000	-2,613	-39.5
Investment and development business and other	1,726	1,092	-633	-36.7	2,896	2,700	-196	-6.8	8,075	9,000	924	11.4
Net sales	85,598	82,533	-3,065	-3.6	170,582	198,700	28,117	16.5	400,325	478,000	77,674	19.4
Construction business	83,872	81,441	-2,431	-2.9	167,686	196,000	28,313	16.9	392,249	469,000	76,750	19.6
Domestic architectural construction	60,629	60,439	-190	-0.3	120,237	143,000	22,762	18.9	279,982	358,000	78,017	27.9
Domestic civil engineering	22,784	20,572	-2,211	-9.7	46,298	50,000	3,701	8.0	109,328	105,000	-4,328	-4.0
Overseas	458	428	-30	-6.5	1,149	3,000	1,850	160.9	2,938	6,000	3,061	104.2
Investment and development business and other	1,726	1,092	-633	-36.7	2,896	2,700	-196	-6.8	8,075	9,000	924	11.4
Gross profit	12,530	9,432	-3,097	-24.7	24,208	25,400	1,191	4.9	55,843	57,500	1,656	3.0
Profit margin	14.6 %	11.4 %			14.2 %	12.8 %			13.9 %	12.0 %		
Construction business	11,818	8,962	-2,856	-24.2	23,073	24,500	1,426	6.2	53,659	55,500	1,840	3.4
Domestic architectural construction	8,083	6,212	-1,870	-23.1	15,932	18,900	2,967	18.6	35,924	41,800	5,875	16.4
Domestic civil engineering	3,733	2,762	-971	-26.0	7,216	5,470	-1,746	-24.2	18,046	13,435	-4,611	-25.6
Overseas	0	(13)	-13	-	(74)	130	204	-	(310)	265	575	-
Investment and development business and other	711	470	-241	-33.9	1,134	900	-234	-20.7	2,184	2,000	-184	-8.4
Profit margin	41.2 %	43.1 %			39.2 %	33.3 %			27.0 %	22.2 %		
SG&A expenses	5,731	6,245	514	9.0	12,269	14,000	1,730	14.1	26,879	28,000	1,120	4.2
Operating income	6,798	3,186	-3,611	-53.1	11,939	11,400	-539	-4.5	28,963	29,500	536	1.9
Non-operating income	1,086	1,244	158	14.6	1,163	1,000	-163	-14.1	2,312	2,200	-112	-4.8
Ordinary income	7,884	4,431	-3,453	-43.8	13,102	12,400	-702	-5.4	31,275	31,700	424	1.4
Extraordinary income	134	399	265	197.3	1,462	-	-1,462	-	2,750	-	-2,750	-
Profit before income taxes	8,019	4,830	-3,188	-39.8	14,565	12,400	-2,165	-14.9	34,026	31,700	-2,326	-6.8
Income taxes	2,505	1,540	-965	-38.5	4,545	4,000	-545	-12.0	9,602	10,300	697	7.3
Profit	5,514	3,290	-2,223	-40.3	10,020	8,400	-1,620	-16.2	24,424	21,400	-3,024	-12.4
Dividend per share (yen)	-	-	-	-	-	-	-	-	20.0	20.0	-	-

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	Three-month Period from Apr. 1, 2017 to Jun. 30, 2017		Three-month Period from Apr. 1, 2018 to Jun. 30, 2018		Change		Previous Fiscal Year (from Apr. 1, 2017 to Mar. 31, 2018)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	2,357	3.7	1,751	1.8	-605	-25.7	27,774	6.2
Private sector	44,737	70.8	60,732	61.3	15,994	35.8	298,125	66.3
Subtotal	47,095	74.5	62,483	63.1	15,388	32.7	325,900	72.5
(b) Civil engineering								
Public sector	7,539	11.9	27,598	27.9	20,059	266.0	88,396	19.7
Private sector	6,773	10.7	6,015	6.1	-758	-11.2	20,537	4.6
Subtotal	14,313	22.7	33,614	33.9	19,301	134.8	108,933	24.2
(c) Total (a)+(b)								
Public sector	9,897	15.7	29,350	29.6	19,453	196.6	116,170	25.8
Private sector	51,511	81.5	66,748	67.4	15,236	29.6	318,663	70.9
Subtotal	61,408	97.2	96,098	97.0	34,689	56.5	434,833	96.7
(B) Overseas business	42	0.1	1,831	1.8	1,789	-	6,613	1.5
(C) Total (A)+(B)	61,451	97.3	97,930	98.9	36,478	59.4	441,447	98.2
II Investment and development business	1,726	2.7	1,092	1.1	-633	-36.7	5,669	1.3
III New business	-	-	-	-	-	-	2,406	0.5
IV Total (I + II + III)	63,177	100.0	99,022	100.0	35,845	56.7	449,522	100.0

2) Net Sales

(Millions of yen)

Business segment/Classification	Three-month Period from Apr. 1, 2017 to Jun. 30, 2017		Three-month Period from Apr. 1, 2018 to Jun. 30, 2018		Change		Previous Fiscal Year (from Apr. 1, 2017 to Mar. 31, 2018)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	9,462	11.1	8,604	10.4	-858	-9.1	37,576	9.4
Private sector	51,167	59.8	51,835	62.8	668	1.3	242,406	60.6
Subtotal	60,629	70.8	60,439	73.2	-190	-0.3	279,982	69.9
(b) Civil engineering								
Public sector	20,106	23.5	17,713	21.5	-2,392	-11.9	93,852	23.4
Private sector	2,678	3.1	2,859	3.5	181	6.8	15,476	3.9
Subtotal	22,784	26.6	20,572	24.9	-2,211	-9.7	109,328	27.3
(c) Total (a)+(b)								
Public sector	29,568	34.5	26,317	32.0	-3,250	-11.0	131,428	32.9
Private sector	53,845	62.9	54,695	66.3	849	1.6	257,883	64.4
Subtotal	83,414	97.4	81,012	98.3	-2,401	-2.9	389,311	97.3
(B) Overseas business	458	0.5	428	0.5	-30	-6.5	2,938	0.7
(C) Total (A)+(B)	83,872	98.0	81,441	98.7	-2,431	-2.9	392,249	98.0
II Investment and development business	1,726	2.0	1,092	1.3	-633	-36.7	5,669	1.4
III New business	-	-	-	-	-	-	2,406	0.6
IV Total (I + II + III)	85,598	100.0	82,533	100.0	-3,065	-3.6	400,325	100.0

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	Three-month Period from Apr. 1, 2017 to Jun. 30, 2017		Three-month Period from Apr. 1, 2018 to Jun. 30, 2018		Change		Previous Fiscal Year (from Apr. 1, 2017 to Mar. 31, 2018)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	44,228	7.5	22,202	3.3	-22,026	-49.8	41,531	6.3
Private sector	365,673	62.0	449,195	66.3	83,522	22.8	427,822	64.7
Subtotal	409,901	69.5	471,398	69.6	61,496	15.0	469,353	71.0
(b) Civil engineering								
Public sector	154,420	26.2	171,783	25.4	17,363	11.2	157,056	23.8
Private sector	19,922	3.4	23,676	3.5	3,754	18.8	25,362	3.8
Subtotal	174,342	29.6	195,460	28.8	21,117	12.1	182,418	27.6
(c) Total (a)+(b)								
Public sector	198,648	33.7	193,986	28.6	-4,662	-2.3	198,587	30.0
Private sector	385,595	65.4	472,872	69.8	87,276	22.6	453,184	68.6
Subtotal	584,244	99.1	666,858	98.4	82,614	14.1	651,772	98.6
(B) Overseas business	5,170	0.9	10,664	1.6	5,494	106.3	9,261	1.4
(C) Total (A)+(B)	589,415	100.0	677,523	100.0	88,108	14.9	661,034	100.0
II Investment and development business	-	-	-	-	-	-	-	-
III New business	-	-	-	-	-	-	-	-
IV Total (I + II + III)	589,415	100.0	677,523	100.0	88,108	14.9	661,034	100.0