

Consolidated Financial Results for the Second Quarter Ended September 30, 2018



1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	80,597	63,645
Notes receivable, accounts receivable from completed construction contracts and other	135,438	138,866
Securities	20,029	-
Real estate for sale	7,400	8,761
Costs on uncompleted construction contracts	12,449	19,320
Other inventories	1,669	3,923
Other	17,442	21,468
Allowance for doubtful accounts	(1,071)	(1,074)
Total current assets	273,956	254,910
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,067	19,060
Machinery, vehicles, tools, furniture and fixtures, net	4,445	2,564
Land	71,670	83,238
Lease assets, net	91	78
Construction in progress	2,111	2,806
Total property, plant and equipment	95,386	107,747
Intangible assets		
Goodwill	658	623
Other	8,284	8,466
Total intangible assets	8,942	9,090
Investments and other assets		
Investment securities	174,775	193,248
Long-term loans receivable	489	453
Net defined benefit asset	1,484	1,162
Deferred tax assets	488	508
Other	3,051	3,698
Allowance for doubtful accounts	(262)	(250)
Total investments and other assets	180,027	198,819
Total noncurrent assets	284,356	315,658
Total assets	558,312	570,568

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	88,499	82,615
Short-term loans payable	25,496	25,990
Income taxes payable	3,723	4,239
Advances received on uncompleted construction contracts	29,657	34,991
Provision for bonuses	7,371	5,734
Provision for warranties for completed construction	4,089	3,779
Provision for loss on construction contracts	444	1,022
Deposits received	23,324	27,749
Other	25,116	14,760
Total current liabilities	207,723	200,883
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	29,979	28,711
Deferred tax liabilities	17,445	22,907
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for directors' retirement benefits	170	184
Provision for share allocation to directors	120	115
Provision for loss on liquidation of subsidiaries and affiliates	104	96
Net defined benefit liability	21,872	21,517
Asset retirement obligations	1,089	1,122
Other	3,139	3,403
Total noncurrent liabilities	101,194	105,332
Total liabilities	308,917	306,215
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,681	25,681
Retained earnings	136,336	138,486
Treasury stock	(9,437)	(9,437)
Total shareholders' equity	175,582	177,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,969	79,786
Deferred gains or losses on hedges	(3)	51
Revaluation reserve for land	5,676	5,648
Foreign currency translation adjustment	(658)	(947)
Remeasurements of defined benefit plans	(1,249)	(1,094)
Total accumulated other comprehensive income	70,734	83,445
Non-controlling interests	3,078	3,176
Total net assets	249,394	264,353
Total liabilities and net assets	558,312	570,568

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Six Months ended September 30, 2017 and 2018

(Millions of yen)

	Six Months ended September 30, 2017 (Apr. 1 through Sept. 30, 2017)	Six Months ended September 30, 2018 (Apr. 1 through Sept. 30, 2018)
Net sales		
Net sales of completed construction contracts	174,616	195,753
Net sales of investment and development business and other	7,080	7,292
Total net sales	181,696	203,046
Cost of sales		
Cost of sales of completed construction contracts	150,692	172,728
Cost of sales on investment and development business and other	5,066	5,104
Total cost of sales	155,759	177,832
Gross profit		
Gross profit on completed construction contracts	23,923	23,025
Gross profit on investment and development business and other	2,013	2,188
Total gross profit	25,937	25,213
Selling, general and administrative expenses	13,635	14,908
Operating income	12,301	10,304
Non-operating income		
Interest income	157	102
Dividend income	1,430	1,629
Other	153	249
Total non-operating income	1,741	1,981
Non-operating expenses		
Interest expenses	418	366
Commission fee	52	46
Other	7	10
Total non-operating expenses	479	423
Ordinary income	13,563	11,862
Extraordinary income		
Gain on sales of investment securities	1,496	921
Other	235	0
Total extraordinary income	1,732	922
Extraordinary loss		
Loss on abandonment of noncurrent assets	255	273
Other	12	78
Total extraordinary losses	268	351
Profit before income taxes	15,027	12,434
Income taxes	4,778	4,028
Profit	10,249	8,405
Profit attributable to non-controlling interests	0	143
Profit attributable to owners of parent	10,248	8,262

Consolidated Statements of Comprehensive Income

Six Months ended September 30, 2017 and 2018

	(Millions of yen)	
	Six Months ended September 30, 2017 (Apr.1 through Sept. 30, 2017)	Six Months ended September 30, 2018 (Apr. 1 through Sept. 30, 2018)
Profit	10,249	8,405
Other comprehensive income		
Valuation difference on available-for-sale securities	5,653	12,817
Deferred gains or losses on hedges	59	54
Foreign currency translation adjustment	(206)	(329)
Remeasurements of defined benefit plans	330	155
Total other comprehensive income	5,836	12,697
Comprehensive income	16,086	21,103
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,070	21,001
Comprehensive income attributable to non-controlling interests	15	101

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six Months ended September 30, 2017 (Apr.1 through Sept. 30, 2017)	Six Months ended September 30, 2018 (Apr. 1 through Sept. 30, 2018)
Net cash provided by (used in) operating activities	15,048	(13,545)
Net cash provided by (used in) investing activities	(3,944)	(16,141)
Net cash provided by (used in) financing activities	(6,030)	(6,949)
Effect of exchange rate change on cash and cash equivalents	(149)	(245)
Net increase (decrease) in cash and cash equivalents	4,924	(36,881)
Cash and cash equivalents at beginning of period	90,986	100,526
Cash and cash equivalents at end of period	95,910	63,645

2. (Reference) Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	66,782	48,415
Notes receivable, accounts receivable from completed construction contracts and other	129,289	131,530
Securities	20,029	-
Real estate for sale	6,570	7,983
Costs on uncompleted construction contracts	11,231	17,003
Other inventories	1,334	3,587
Other	13,518	20,945
Allowance for doubtful accounts	(1,151)	(1,171)
Total current assets	247,605	228,295
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,226	14,301
Machinery, vehicles, tools, furniture and fixtures, net	564	690
Land	64,900	76,560
Lease assets, net	79	63
Construction in progress	635	1,387
Total property, plant and equipment	78,408	93,004
Intangible assets	8,273	8,464
Investments and other assets		
Investment securities	181,936	201,266
Long-term loans receivable	487	451
Prepaid pension cost	2,368	1,954
Other	2,402	2,986
Allowance for doubtful accounts	(262)	(250)
Total investments and other assets	186,932	206,409
Total noncurrent assets	273,613	307,877
Total assets	521,218	536,172

(Millions of yen)

As of March 31, 2018 As of September 30, 2018

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	83,326	78,525
Short-term loans payable	21,631	21,925
Income taxes payable	3,488	3,894
Advances received on uncompleted construction contracts	27,708	31,473
Provision for bonuses	7,058	5,346
Provision for warranties for completed construction	4,001	3,715
Provision for loss on construction contracts	418	1,002
Deposits received	21,534	27,218
Other	21,221	13,404
Total current liabilities	190,389	186,506
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	29,879	28,711
Deferred tax liabilities	17,252	22,704
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for retirement benefits	20,117	19,915
Provision for directors' retirement benefits	122	142
Provision for share allocation to directors	120	115
Provision for loss on business of subsidiaries and affiliates	58	51
Asset retirement obligations	148	183
Other	2,348	2,509
Total noncurrent liabilities	97,320	101,606
Total liabilities	287,709	288,113
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	10,944
Total retained earnings	121,772	123,469
Treasury stock	(9,437)	(9,437)
Total shareholders' equity	160,909	162,606
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	66,926	79,752
Deferred gains or losses on hedges	(3)	51
Revaluation reserve for land	5,676	5,648
Total valuation and translation adjustments	72,599	85,453
Total net assets	233,508	248,059
Total liabilities and net assets	521,218	536,172

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

	(Millions of yen)	
	Six Months ended September 30, 2017 (Apr. 1 through Sept. 30, 2017)	Six Months ended September 30, 2018 (Apr. 1 through Sept. 30, 2018)
Net sales		
Net sales of completed construction contracts	167,686	184,919
Net sales of investment and development business and other	2,896	2,426
Total net sales	170,582	187,345
Cost of sales		
Cost of sales of completed construction contracts	144,612	163,044
Cost of sales on investment and development business and other	1,761	1,488
Total cost of sales	146,374	164,532
Gross profit		
Gross profit on completed construction contracts	23,073	21,875
Gross profit on investment and development business and other	1,134	937
Total gross profit	24,208	22,812
Selling, general and administrative expenses	12,269	13,411
Operating income	11,939	9,401
Non-operating income	1,628	1,890
Non-operating expenses	465	414
Ordinary income	13,102	10,877
Extraordinary income	1,731	922
Extraordinary loss	268	350
Profit before income taxes	14,565	11,449
Income taxes	4,545	3,640
Profit	10,020	7,809

3. Supplementary Information

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Six-month Period from April							Full Year			
	FY2017	FY2018	FY2018	YoY (c)-(a)		vs. Forecast (c)-(b)		FY2017	FY2018	YoY (b)-(a)	
	Actual (a)	Forecast (b)	Actual (c)	Amount	Percentage (%)	Amount	Percentage (%)	Actual (a)	Forecast (b)	Amount	Percentage (%)
Net sales	181,696	215,000	203,046	21,349	11.8	-11,953	-5.6	429,026	514,000	84,973	19.8
Domestic construction business	166,535	193,000	183,331	16,795	10.1	-9,668	-5.0	389,235	463,000	73,764	19.0
Architectural construction	120,236	143,000	141,022	20,785	17.3	-1,977	-1.4	279,971	358,000	78,028	27.9
Civil engineering	46,299	50,000	42,308	-3,990	-8.6	-7,691	-15.4	109,263	105,000	-4,263	-3.9
Investment and development business	2,862	3,000	2,627	-235	-8.2	-372	-12.4	5,637	9,600	3,962	70.3
Domestic Group companies	6,881	8,625	9,016	2,134	31.0	391	4.5	20,092	20,500	407	2.0
New business	56	75	66	9	17.7	-8	-11.7	192	200	7	4.1
Overseas business	5,360	10,300	8,005	2,645	49.3	-2,294	-22.3	13,867	20,700	6,832	49.3
Gross profit	25,937	27,900	25,213	-724	-2.8	-2,686	-9.6	60,341	62,300	1,958	3.2
Profit margin	14.3 %	13.0 %	12.4 %					14.1 %	12.1 %		
SG&A expenses	13,635	15,700	14,908	1,272	9.3	-791	-5.0	29,878	31,300	1,421	4.8
Operating income	12,301	12,200	10,304	-1,997	-16.2	-1,895	-15.5	30,463	31,000	536	1.8
Non-operating income	1,262	1,000	1,558	295	23.4	558	55.8	2,574	2,300	-274	-10.7
Ordinary income	13,563	13,200	11,862	-1,701	-12.5	-1,337	-10.1	33,037	33,300	262	0.8
Extraordinary income	1,463	-	571	-892	-61.0	571	-	2,796	-	-2,796	-
Profit before income taxes	15,027	13,200	12,434	-2,593	-17.3	-765	-5.8	35,834	33,300	-2,534	-7.1
Income taxes	4,778	4,300	4,028	-749	-15.7	-271	-6.3	10,288	11,000	711	6.9
Profit	10,249	8,900	8,405	-1,844	-18.0	-494	-5.6	25,545	22,300	-3,245	-12.7
Profit attributable to non-controlling interests	0	-	143	142	-	143	-	90	-	-90	-
Profit attributable to owners of parent	10,248	8,900	8,262	-1,986	-19.4	-637	-7.2	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)

	Six-month Period from April							Full Year			
	FY2017	FY2018	FY2018	YoY (c)-(a)		vs. Forecast (c)-(b)		FY2017	FY2018	YoY (b)-(a)	
	Actual (a)	Forecast (b)	Actual (c)	Amount	Percentage (%)	Amount	Percentage (%)	Actual (a)	Forecast (b)	Amount	Percentage (%)
Orders received	201,090	202,700	272,855	71,764	35.7	70,155	34.6	449,522	503,000	53,477	11.9
Construction business	198,193	200,000	270,428	72,235	36.4	70,428	35.2	441,447	494,000	52,552	11.9
Domestic architectural construction	156,513	149,000	179,095	22,582	14.4	30,095	20.2	325,900	370,000	44,099	13.5
Domestic civil engineering	40,611	49,000	89,437	48,826	120.2	40,437	82.5	108,933	120,000	11,066	10.2
Overseas	1,068	2,000	1,896	827	77.4	-103	-5.2	6,613	4,000	-2,613	-39.5
Investment and development business and other	2,896	2,700	2,426	-470	-16.2	-273	-10.1	8,075	9,000	924	11.4
Net sales	170,582	198,700	187,345	16,762	9.8	-11,354	-5.7	400,325	478,000	77,674	19.4
Construction business	167,686	196,000	184,919	17,233	10.3	-11,080	-5.7	392,249	469,000	76,750	19.6
Domestic architectural construction	120,237	143,000	141,030	20,793	17.3	-1,969	-1.4	279,982	358,000	78,017	27.9
Domestic civil engineering	46,298	50,000	42,400	-3,898	-8.4	-7,599	-15.2	109,328	105,000	-4,328	-4.0
Overseas	1,149	3,000	1,488	338	29.5	-1,511	-50.4	2,938	6,000	3,061	104.2
Investment and development business and other	2,896	2,700	2,426	-470	-16.2	-273	-10.1	8,075	9,000	924	11.4
Gross profit	24,208	25,400	22,812	-1,395	-5.8	-2,587	-10.2	55,843	57,500	1,656	3.0
Profit margin	14.2 %	12.8 %	12.2 %					13.9 %	12.0 %		
Construction business	23,073	24,500	21,875	-1,198	-5.2	-2,624	-10.7	53,659	55,500	1,840	3.4
Domestic architectural construction	15,932	18,900	15,936	4	0.0	-2,963	-15.7	35,924	41,800	5,875	16.4
Domestic civil engineering	7,216	5,470	6,428	-787	-10.9	958	17.5	18,046	13,435	-4,611	-25.6
Overseas	(74)	130	(490)	-415	-	-620	-	-310	265	575	-
Investment and development business and other	1,134	900	937	-197	-17.4	37	4.2	2,184	2,000	-184	-8.4
Profit margin	39.2%	33.3 %	38.6 %					27.0 %	22.2 %		
SG&A expenses	12,269	14,000	13,411	1,141	9.3	-588	-4.2	26,879	28,000	1,120	4.2
Operating income	11,939	11,400	9,401	-2,537	-21.3	-1,998	-17.5	28,963	29,500	536	1.9
Non-operating income	1,163	1,000	1,476	312	26.9	476	47.6	2,312	2,200	-112	-4.8
Ordinary income	13,102	12,400	10,877	-2,224	-17.0	-1,522	-12.3	31,275	31,700	424	1.4
Extraordinary income	1,462	-	572	-890	-60.9	572	-	2,750	-	-2,750	-
Profit before income taxes	14,565	12,400	11,449	-3,115	-21.4	-950	-7.7	34,026	31,700	-2,326	-6.8
Income taxes	4,545	4,000	3,640	-905	-19.9	-360	-9.0	9,602	10,300	697	7.3
Profit	10,020	8,400	7,809	-2,210	-22.1	-590	-7.0	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	Six-month Period from Apr. 1, 2017 to Sept. 30, 2017		Six-month Period from Apr. 1, 2018 to Sept. 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	15,797	7.9	29,479	10.8	13,682	86.6	27,774	6.2
Private sector	140,716	70.0	149,615	54.8	8,899	6.3	298,125	66.3
Subtotal	156,513	77.8	179,095	65.6	22,582	14.4	325,900	72.5
(b) Civil engineering								
Public sector	26,689	13.3	75,285	27.6	48,595	182.1	88,396	19.7
Private sector	13,921	6.9	14,151	5.2	230	1.7	20,537	4.6
Subtotal	40,611	20.2	89,437	32.8	48,826	120.2	108,933	24.2
(c) Total (a)+(b)								
Public sector	42,487	21.1	104,765	38.4	62,278	146.6	116,170	25.8
Private sector	154,637	76.9	163,767	60.0	9,129	5.9	318,663	70.9
Subtotal	197,124	98.0	268,532	98.4	71,408	36.2	434,833	96.7
(B) Overseas business	1,068	0.5	1,896	0.7	827	77.4	6,613	1.5
(C) Total (A)+(B)	198,193	98.6	270,428	99.1	72,235	36.4	441,447	98.2
II Investment and development business	2,896	1.4	2,426	0.9	-470	-16.2	5,669	1.3
III New business	-	-	-	-	-	-	2,406	0.5
IV Total (I + II + III)	201,090	100.0	272,855	100.0	71,764	35.7	449,522	100.0

2) Net Sales

(Millions of yen)

Business segment/Classification	Six-month Period from Apr. 1, 2017 to Sept. 30, 2017		Six-month Period from Apr. 1, 2018 to Sept. 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	19,256	11.3	19,132	10.2	-123	-0.6	37,576	9.4
Private sector	100,980	59.2	121,897	65.1	20,916	20.7	242,406	60.6
Subtotal	120,237	70.5	141,030	75.3	20,793	17.3	279,982	69.9
(b) Civil engineering								
Public sector	40,332	23.6	35,487	18.9	-4,844	-12.0	93,852	23.4
Private sector	5,966	3.5	6,912	3.7	945	15.9	15,476	3.9
Subtotal	46,298	27.1	42,400	22.6	-3,898	-8.4	109,328	27.3
(c) Total (a)+(b)								
Public sector	59,588	34.9	54,620	29.2	-4,968	-8.3	131,428	32.9
Private sector	106,947	62.7	128,810	68.8	21,862	20.4	257,883	64.4
Subtotal	166,536	97.6	183,430	97.9	16,894	10.1	389,311	97.3
(B) Overseas business	1,149	0.7	1,488	0.8	338	29.5	2,938	0.7
(C) Total (A)+(B)	167,686	98.3	184,919	98.7	17,233	10.3	392,249	98.0
II Investment and development business	2,896	1.7	2,426	1.3	-470	-16.2	5,669	1.4
III New business	-	-	-	-	-	-	2,406	0.6
IV Total (I + II + III)	170,582	100.0	187,345	100.0	16,762	9.8	400,325	100.0

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY 2017 2Q (As of Sept. 30, 2017)		FY 2017 2Q (As of Sept. 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	47,873	7.5	39,401	5.3	-8,471	-17.7	41,531	6.3
Private sector	411,838	64.1	468,016	62.7	56,178	13.6	427,822	64.7
Subtotal	459,712	71.6	507,418	68.0	47,706	10.4	469,353	71.0
(b) Civil engineering								
Public sector	148,797	23.2	201,696	27.0	52,899	35.6	157,056	23.8
Private sector	28,328	4.4	27,759	3.7	-569	-2.0	25,362	3.8
Subtotal	177,125	27.6	229,455	30.7	52,330	29.5	182,418	27.6
(c) Total (a)+(b)								
Public sector	196,670	30.6	241,098	32.3	44,427	22.6	198,587	30.0
Private sector	440,167	68.5	495,776	66.4	55,609	12.6	453,184	68.6
Subtotal	636,837	99.1	736,874	98.7	100,036	15.7	651,772	98.6
(B) Overseas business	5,505	0.9	9,669	1.3	4,163	75.6	9,261	1.4
(C) Total (A)+(B)	642,343	100.0	746,543	100.0	104,200	16.2	661,034	100.0
II Investment and development business	-	-	-	-	-	-	-	-
III New business	-	-	-	-	-	-	-	-
IV Total (I + II + III)	642,343	100.0	746,543	100.0	104,200	16.2	661,034	100.0