

Consolidated Financial Results for the Third Quarter Ended December 31, 2018



1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	80,597	62,199
Notes receivable, accounts receivable from completed construction contracts and other	135,438	164,779
Securities	20,029	-
Real estate for sale	7,400	9,146
Costs on uncompleted construction contracts	12,449	29,758
Other inventories	1,669	4,586
Other	17,442	28,259
Allowance for doubtful accounts	(1,071)	(1,048)
Total current assets	273,956	297,681
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,067	19,152
Machinery, vehicles, tools, furniture and fixtures, net	4,445	2,582
Land	71,670	83,316
Lease assets, net	91	72
Construction in progress	2,111	4,933
Total property, plant and equipment	95,386	110,057
Intangible assets		
Goodwill	658	606
Other	8,284	8,505
Total intangible assets	8,942	9,112
Investments and other assets		
Investment securities	174,775	167,397
Long-term loans receivable	489	435
Net defined benefit asset	1,484	1,030
Deferred tax assets	488	640
Other	3,051	4,384
Allowance for doubtful accounts	(262)	(245)
Total investments and other assets	180,027	173,643
Total noncurrent assets	284,356	292,813
Total assets	558,312	590,495

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	88,499	75,834
Short-term loans payable	25,496	28,988
Commercial papers	-	25,000
Income taxes payable	3,723	5,103
Advances received on uncompleted construction contracts	29,657	44,162
Provision for bonuses	7,371	3,449
Provision for warranties for completed construction	4,089	3,904
Provision for loss on construction contracts	444	1,483
Deposits received	23,324	32,044
Other	25,116	16,422
Total current liabilities	207,723	236,394
Noncurrent liabilities		
Bonds payable	20,000	25,000
Long-term loans payable	29,979	27,833
Deferred tax liabilities	17,445	14,540
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for directors' retirement benefits	170	193
Provision for share allocation to directors	120	115
Provision for loss on liquidation of subsidiaries and affiliates	104	76
Net defined benefit liability	21,872	21,775
Asset retirement obligations	1,089	1,131
Other	3,139	3,507
Total noncurrent liabilities	101,194	101,446
Total liabilities	308,917	337,841
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,681	25,679
Retained earnings	136,336	144,485
Treasury stock	(9,437)	(9,438)
Total shareholders' equity	175,582	183,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,969	60,381
Deferred gains or losses on hedges	(3)	(18)
Revaluation reserve for land	5,676	5,642
Foreign currency translation adjustment	(658)	(762)
Remeasurements of defined benefit plans	(1,249)	(1,016)
Total accumulated other comprehensive income	70,734	64,227
Non-controlling interests	3,078	4,698
Total net assets	249,394	252,654
Total liabilities and net assets	558,312	590,495

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

Nine Months ended December 31, 2017 and 2018

(Millions of yen)

	Nine Months ended December 31, 2017 (Apr. 1 through Dec. 31, 2017)	Nine Months ended December 31, 2018 (Apr. 1 through Dec. 31, 2018)
Net sales		
Net sales of completed construction contracts	279,113	316,402
Net sales of investment and development business and other	10,543	11,419
Total net sales	289,657	327,821
Cost of sales		
Cost of sales of completed construction contracts	241,449	279,303
Cost of sales on investment and development business and other	7,246	8,176
Total cost of sales	248,695	287,479
Gross profit		
Gross profit on completed construction contracts	37,664	37,099
Gross profit on investment and development business and other	3,297	3,242
Total gross profit	40,961	40,342
Selling, general and administrative expenses	20,650	23,136
Operating income	20,310	17,205
Non-operating income		
Interest income	236	146
Dividend income	2,534	2,871
Other	250	372
Total non-operating income	3,022	3,390
Non-operating expenses		
Interest expenses	616	541
Commission fee	144	82
Other	30	71
Total non-operating expenses	791	694
Ordinary income	22,540	19,901
Extraordinary income		
Gain on sales of investment securities	1,761	1,849
Other	257	52
Total extraordinary income	2,019	1,902
Extraordinary loss		
Loss on abandonment of noncurrent assets	383	402
Other	19	78
Total extraordinary losses	402	481
Profit before income taxes	24,157	21,322
Income taxes	7,818	6,917
Profit	16,338	14,405
Profit (loss) attributable to non-controlling interests	(20)	149
Profit attributable to owners of parent	16,358	14,255

Consolidated Statements of Comprehensive Income

Nine Months ended December 31, 2017 and 2018

(Millions of yen)

	Nine Months ended December 31, 2017 (Apr.1 through Dec. 31, 2017)	Nine Months ended December 31, 2018 (Apr. 1 through Dec. 31, 2018)
Profit	16,338	14,405
Other comprehensive income		
Valuation difference on available-for-sale securities	11,331	(6,588)
Deferred gains or losses on hedges	64	(14)
Foreign currency translation adjustment	(63)	(86)
Remeasurements of defined benefit plans	495	232
Total other comprehensive income	11,828	(6,457)
Comprehensive income	28,167	7,948
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,144	7,782
Comprehensive income attributable to non-controlling interests	22	165

2. (Reference) Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	66,782	45,338
Notes receivable, accounts receivable from completed construction contracts and other	129,289	156,891
Securities	20,029	-
Real estate for sale	6,570	7,658
Costs on uncompleted construction contracts	11,231	21,710
Other inventories	1,334	4,236
Other	13,518	25,156
Allowance for doubtful accounts	(1,151)	(1,330)
Total current assets	247,605	259,662
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,226	14,086
Machinery, vehicles, tools, furniture and fixtures, net	564	645
Land	64,900	76,567
Lease assets, net	79	58
Construction in progress	635	3,315
Total property, plant and equipment	78,408	94,674
Intangible assets	8,273	8,499
Investments and other assets		
Investment securities	181,936	178,095
Long-term loans receivable	487	430
Prepaid pension cost	2,368	1,742
Other	2,402	3,015
Allowance for doubtful accounts	(262)	(245)
Total investments and other assets	186,932	183,038
Total noncurrent assets	273,613	286,212
Total assets	521,218	545,874

(Millions of yen)

As of March 31, 2018 As of December 31, 2018

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	83,326	69,460
Short-term loans payable	21,631	23,623
Commercial papers	-	25,000
Income taxes payable	3,488	4,859
Advances received on uncompleted construction contracts	27,708	36,926
Provision for bonuses	7,058	3,022
Provision for warranties for completed construction	4,001	3,836
Provision for loss on construction contracts	418	1,463
Deposits received	21,534	31,095
Other	21,221	14,422
Total current liabilities	190,389	213,709
Noncurrent liabilities		
Bonds payable	20,000	25,000
Long-term loans payable	29,879	27,833
Deferred tax liabilities	17,252	14,386
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for retirement benefits	20,117	20,234
Provision for directors' retirement benefits	122	141
Provision for share allocation to directors	120	115
Provision for loss on business of subsidiaries and affiliates	58	37
Asset retirement obligations	148	184
Other	2,348	2,452
Total noncurrent liabilities	97,320	97,658
Total liabilities	287,709	311,368
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	16,873
Total retained earnings	121,772	129,398
Treasury stock	(9,437)	(9,438)
Total shareholders' equity	160,909	168,535
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	66,926	60,345
Deferred gains or losses on hedges	(3)	(18)
Revaluation reserve for land	5,676	5,642
Total valuation and translation adjustments	72,599	65,970
Total net assets	233,508	234,505
Total liabilities and net assets	521,218	545,874

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

	(Millions of yen)	
	Nine Months ended December 31, 2017 (Apr. 1 through Dec. 31, 2017)	Nine Months ended December 31, 2018 (Apr. 1 through Dec. 31, 2018)
Net sales		
Net sales of completed construction contracts	267,768	300,287
Net sales of investment and development business and other	4,216	3,774
Total net sales	271,984	304,062
Cost of sales		
Cost of sales of completed construction contracts	231,085	264,824
Cost of sales on investment and development business and other	2,619	2,402
Total cost of sales	233,704	267,227
Gross profit		
Gross profit on completed construction contracts	36,683	35,463
Gross profit on investment and development business and other	1,597	1,371
Total gross profit	38,280	36,834
Selling, general and administrative expenses	18,525	20,605
Operating income	19,754	16,228
Non-operating income	2,831	3,224
Non-operating expenses	777	664
Ordinary income	21,808	18,789
Extraordinary income	2,007	1,902
Extraordinary loss	402	548
Profit before income taxes	23,413	20,142
Income taxes	7,460	6,410
Profit	15,953	13,732

3. Supplementary Information

(1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Nine-month Period from April				Full Year						
	FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	FY2018	YoY (c)-(a)		vs. Previous forecast (c)-(b)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Previous forecast (b)	Revised forecast Feb. 8, 2019 (c)	Amount	Percentage (%)	Amount	Percentage (%)
Net sales	289,657	327,821	38,164	13.2	429,026	514,000	507,000	77,973	18.2	-7,000	-1.4
Domestic construction business	265,525	296,971	31,445	11.8	389,235	463,000	450,000	60,764	15.6	-13,000	-2.8
Architectural construction	194,135	231,503	37,368	19.2	279,971	358,000	349,000	69,028	24.7	-9,000	-2.5
Civil engineering	71,389	65,467	-5,922	-8.3	109,263	105,000	101,000	-8,263	-7.6	-4,000	-3.8
Investment and development business	4,184	3,972	-212	-5.1	5,637	9,600	9,900	4,262	75.6	300	3.1
Domestic Group companies	10,518	13,823	3,305	31.4	20,092	20,500	28,700	8,607	42.8	8,200	40.0
New business	112	111	-	-0.7	192	200	150	-42	-21.9	-50	-25.0
Overseas business	9,315	12,942	3,627	38.9	13,867	20,700	18,250	4,382	31.6	-2,450	-11.8
Gross profit	40,961	40,342	-618	-1.5	60,341	62,300	63,400	3,058	5.1	1,100	1.8
Profit margin	14.1 %	12.3 %			14.1 %	12.1 %	12.5 %				
SG&A expenses	20,650	23,136	2,485	12.0	29,878	31,300	33,000	3,121	10.4	1,700	5.4
Operating income	20,310	17,205	-3,104	-15.3	30,463	31,000	30,400	-63	-0.2	-600	-1.9
Non-operating income	2,230	2,695	465	20.9	2,574	2,300	2,800	225	8.8	500	21.7
Ordinary income	22,540	19,901	-2,639	-11.7	33,037	33,300	33,200	162	0.5	-100	-0.3
Extraordinary income	1,616	1,420	-195	-12.1	2,796	-	1,300	-1,496	-53.5	1,300	-
Profit before income taxes	24,157	21,322	-2,834	-11.7	35,834	33,300	34,500	-1,334	-3.7	1,200	3.6
Income taxes	7,818	6,917	-901	-11.5	10,288	11,000	11,500	1,211	11.8	500	4.5
Profit	16,338	14,405	-1,933	-11.8	25,545	22,300	23,000	-2,545	-10.0	700	3.1
Profit attributable to non-controlling interests	(20)	149	169	-	90	-	-	-90	-	-	-
Profit attributable to owners of parent	16,358	14,255	-2,102	-12.9	25,455	22,300	23,000	-2,455	-9.6	700	3.1

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)

	Nine-month period from April				Full Year						
	FY2017	FY2018	YoY (b)-(a)		FY2017	FY2018	FY2018	YoY (c)-(a)		vs. Previous forecast (c)-(b)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Previous forecast (b)	Revised forecast Feb. 8, 2019 (c)	Amount	Percentage (%)	Amount	Percentage (%)
Orders received	304,207	350,790	46,583	15.3	449,522	503,000	514,400	64,877	14.4	11,400	2.3
Construction business	299,991	347,016	47,025	15.7	441,447	494,000	505,000	63,552	14.4	11,000	2.2
Domestic architectural construction	220,460	235,243	14,782	6.7	325,900	370,000	360,000	34,099	10.5	-10,000	-2.7
Domestic civil engineering	72,385	109,975	37,590	51.9	108,933	120,000	143,000	34,066	31.3	23,000	19.2
Overseas	7,145	1,797	-5,347	-74.8	6,613	4,000	2,000	-4,613	-69.8	-2,000	-50.0
Investment and development business and other	4,216	3,774	-442	-10.5	8,075	9,000	9,400	1,324	16.4	400	4.4
Net sales	271,984	304,062	32,077	11.8	400,325	478,000	464,500	64,174	16.0	-13,500	-2.8
Construction business	267,768	300,287	32,519	12.1	392,249	469,000	455,100	62,850	16.0	-13,900	-3.0
Domestic architectural construction	194,138	231,515	37,377	19.3	279,982	358,000	349,000	69,017	24.7	-9,000	-2.5
Domestic civil engineering	71,389	65,467	-5,922	-8.3	109,328	105,000	101,000	-8,328	-7.6	-4,000	-3.8
Overseas	2,240	3,304	1,064	47.5	2,938	6,000	5,100	2,161	73.6	-900	-15.0
Investment and development business and other	4,216	3,774	-442	-10.5	8,075	9,000	9,400	1,324	16.4	400	4.4
Gross profit	38,280	36,834	-1,445	-3.8	55,843	57,500	58,100	2,256	4.0	600	1.0
Profit margin	14.1 %	12.1 %			13.9 %	12.0 %	12.5 %				
Construction business	36,683	35,463	-1,220	-3.3	53,659	55,500	55,850	2,190	4.1	350	0.6
Domestic architectural construction	25,012	26,705	1,692	6.8	35,924	41,800	41,800	5,875	16.4	-	-
Domestic civil engineering	11,698	9,885	-1,813	-15.5	18,046	13,435	15,000	-3,046	-16.9	1,565	11.6
Overseas	(28)	(1,126)	-1,098	-	(310)	265	(950)	-639	-	-1,215	-
Investment and development business and other	1,597	1,371	-225	-14.1	2,184	2,000	2,250	65	3.0	250	12.5
Profit margin	37.9 %	36.3 %			27.0 %	22.2 %	23.9 %				
SG&A expenses	18,525	20,605	2,079	11.2	26,879	28,000	29,400	2,520	9.4	1,400	5.0
Operating income	19,754	16,228	-3,525	-17.8	28,963	29,500	28,700	-263	-0.9	-800	-2.7
Non-operating income	2,053	2,560	506	24.7	2,312	2,200	2,700	387	16.8	500	22.7
Ordinary income	21,808	18,789	-3,019	-13.8	31,275	31,700	31,400	124	0.4	-300	-0.9
Extraordinary income	1,604	1,353	-251	-15.7	2,750	-	1,300	-1,450	-52.7	1,300	-
Profit before income taxes	23,413	20,142	-3,270	-14.0	34,026	31,700	32,700	-1,326	-3.9	1,000	3.2
Income taxes	7,460	6,410	-1,050	-14.1	9,602	10,300	10,400	797	8.3	100	1.0
Profit	15,953	13,732	-2,220	-13.9	24,424	21,400	22,300	-2,124	-8.7	900	4.2
Dividend per share (yen)	-	-	-	-	20.0	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	Nine-month Period from Apr. 1, 2017 to Dec. 31, 2017		Nine-month Period from Apr. 1, 2018 to Dec. 31, 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	25,653	8.4	45,768	13.0	20,115	78.4	27,774	6.2
Private sector	194,807	64.0	189,475	54.0	-5,332	-2.7	298,125	66.3
Subtotal	220,460	72.5	235,243	67.1	14,782	6.7	325,900	72.5
(b) Civil engineering								
Public sector	54,011	17.8	86,790	24.7	32,779	60.7	88,396	19.7
Private sector	18,373	6.0	23,185	6.6	4,811	26.2	20,537	4.6
Subtotal	72,385	23.8	109,975	31.4	37,590	51.9	108,933	24.2
(c) Total (a)+(b)								
Public sector	79,665	26.2	132,559	37.8	52,894	66.4	116,170	25.8
Private sector	213,181	70.1	212,660	60.6	-521	-0.2	318,663	70.9
Subtotal	292,846	96.3	345,219	98.4	52,373	17.9	434,833	96.7
(B) Overseas business	7,145	2.3	1,797	0.5	-5,347	-74.8	6,613	1.5
(C) Total (A)+(B)	299,991	98.6	347,016	98.9	47,025	15.7	441,447	98.2
II Investment and development business	4,216	1.4	3,774	1.1	-442	-10.5	5,669	1.3
III New business	-	-	-	-	-	-	2,406	0.5
IV Total (I + II + III)	304,207	100.0	350,790	100.0	46,583	15.3	449,522	100.0

2) Net Sales

(Millions of yen)

Business segment/Classification	Nine-month Period from Apr. 1, 2017 to Dec. 31, 2017		Nine-month Period from Apr. 1, 2018 to Dec. 31, 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	28,726	10.6	26,135	8.6	-2,590	-9.0	37,576	9.4
Private sector	165,411	60.8	205,380	67.5	39,968	24.2	242,406	60.6
Subtotal	194,138	71.4	231,515	76.1	37,377	19.3	279,982	69.9
(b) Civil engineering								
Public sector	61,570	22.6	53,759	17.7	-7,811	-12.7	93,852	23.4
Private sector	9,819	3.6	11,708	3.9	1,888	19.2	15,476	3.9
Subtotal	71,389	26.2	65,467	21.5	-5,922	-8.3	109,328	27.3
(c) Total (a)+(b)								
Public sector	90,296	33.2	79,894	26.3	-10,402	-11.5	131,428	32.9
Private sector	175,231	64.4	217,088	71.4	41,856	23.9	257,883	64.4
Subtotal	265,528	97.6	296,982	97.7	31,454	11.8	389,311	97.3
(B) Overseas business	2,240	0.8	3,304	1.1	1,064	47.5	2,938	0.7
(C) Total (A)+(B)	267,768	98.4	300,287	98.8	32,519	12.1	392,249	98.0
II Investment and development business	4,216	1.6	3,774	1.2	-442	-10.5	5,669	1.4
III New business	-	-	-	-	-	-	2,406	0.6
IV Total (I + II + III)	271,984	100.0	304,062	100.0	32,077	11.8	400,325	100.0

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY 2017 3Q (As of Dec. 31, 2017)		FY 2018 3Q (As of Dec. 31, 2018)		Change		Previous Fiscal Year (As of Mar. 31, 2018)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	48,260	7.5	48,688	6.9	428	0.9	41,531	6.3
Private sector	401,498	62.3	424,393	60.0	22,894	5.7	427,822	64.7
Subtotal	449,759	69.8	473,081	66.8	23,322	5.2	469,353	71.0
(b) Civil engineering								
Public sector	155,000	24.1	194,930	27.5	39,930	25.8	157,056	23.8
Private sector	28,808	4.5	31,997	4.5	3,188	11.1	25,362	3.8
Subtotal	183,808	28.5	226,927	32.1	43,118	23.5	182,418	27.6
(c) Total (a)+(b)								
Public sector	203,260	31.6	243,618	34.4	40,358	19.9	198,587	30.0
Private sector	430,307	66.8	456,390	64.5	26,083	6.1	453,184	68.6
Subtotal	633,567	98.4	700,009	98.9	66,441	10.5	651,772	98.6
(B) Overseas business	10,491	1.6	7,753	1.1	-2,737	-26.1	9,261	1.4
(C) Total (A)+(B)	644,059	100.0	707,763	100.0	63,703	9.9	661,034	100.0
II Investment and development business	-	-	-	-	-	-	-	-
III New business	-	-	-	-	-	-	-	-
IV Total (I + II + III)	644,059	100.0	707,763	100.0	63,703	9.9	661,034	100.0