

Results Briefing

for the Second Quarter Ended September 30, 2015

November 16, 2015

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. Progress in Implementation of Management Plan

President Masanori Imai

1. Summary of Financial Results



Executive Manager Yushi Kikutani

1-1. Summary of Financial Results for the Second Quarter



Highlights: FY2015 2Q

- **Consolidated Net Sales: ¥218.4 billion, up 16.3% year-on-year**
 - ∴ Net sales rose 16.3% year-on-year to ¥218.4 billion, as completed construction contracts increased.

- **Operating Income: ¥10.9 billion, up 61.5% year-on-year**
 - ∴ Operating income increased 61.5% year on year, to ¥10.9 billion, as gross profit on completed construction contracts improved .

- **Orders Received (non-consolidated): ¥167.4 billion, down 24.2% year on year**
 - ∴ Orders for architectural construction fell 24.3% year on year, as both public and private sector orders declined. Orders for civil engineering fell 24.0% year on year due to the impact of large public sector projects received in the previous fiscal year.

Summary:FY2015 2Q

(Billions of yen)

	Apr-Sep FY2014	Apr-Sep FY2015			
		<i>Forecasts at the beginning of the term</i>	Actuals	<i>Change (year on year)</i>	<i>Difference (vs. forecast)</i>
Consolidated net sales	187.8	200.0	218.4	16.3%	18.4
Operating income	6.8	4.5	10.9	61.5%	6.4
Ordinary income	7.6	5.2	11.9	56.2%	6.7
Profit attributable to owners of parent	7.9	4.6	11.3	42.5%	6.7
Orders received (non-consolidated)	220.9	160.0	167.4	-24.2%	7.4

Main Orders Received

	Ordering Parties	Name of Works
Architectural Construction	Kuwana City Medical Center	Kuwana City Medical Center
	Hyogo Prefecture	New particle radio therapy facility
	Toyo University	Akabanedai Campus new school building
	ORIX Corp., The Sankei Building Co., Ltd.	Sanno Project
	Kamaishi City, Iwate Prefecture	Kamaishi Civic Hall
Civil Engineering	Ministry of the Environment	FY2015 Namie decontamination, etc.
	Miyagi Prefecture	Tsuya River non-statutory river disaster restoration
	Chugoku Regional Development Bureau	Nagato-Tawarayama Road Taineiji Temple Tunnel No. 1
	Eurus Energy (Date Kogane Wind Farm)	Wind farm

*Honorific prefixes are omitted. Work names are abbreviations.

Main Works Completed

	Ordering Parties	Name of Works
Architectural Construction	Dokkyo Gakuen	Dokkyo Medical University teaching staff quarters
	Nagasaki Tadewara Solar LLC	Nagasaki Mega Solar Power Plant
	Asahishuzo Co., Ltd.	New sake storehouse construction
	Azabu University	Construction of new Block No. 5, new cafeteria
	Myojo Foods Co., Ltd.	Higashi Nippon Myojo Saitama Plant expansion
Civil Engineering	Tohoku Regional Development Bureau	National Highway 45 Yamoto Ishinomaki Road substructure work
	Kochi City	Enokuchi stormwater storage pipe construction work
	Kinki Regional Development Bureau	Second Hanwa National Highway Otani Nishi area improvement
	Kinki Regional Development Bureau	Wakayama Misaki Road Hirai Tunnel

*Honorific prefixes are omitted. Work names are abbreviations.

1-2. Details of Financial Results



(Consolidated) Toda Group

Business		Subsidiaries in Japan	Overseas Subsidiaries	14 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>Toda Construction (Shanghai) Co., Ltd.</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p> <p>TODA Philippines, Inc. ABTD, inc.</p>	8 companies
	Civil Engineering	<p>Toda Road Co., Ltd.</p>		1 company
Real Estate		<p>Toda Bldg. Partners Co., Ltd.</p>	<p>Toda America, Inc.</p>	2 companies
Other		<p>Toda Finance Co., Ltd.</p> <p>Chiyoda Staff Service Co., Ltd.</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p>		3 companies

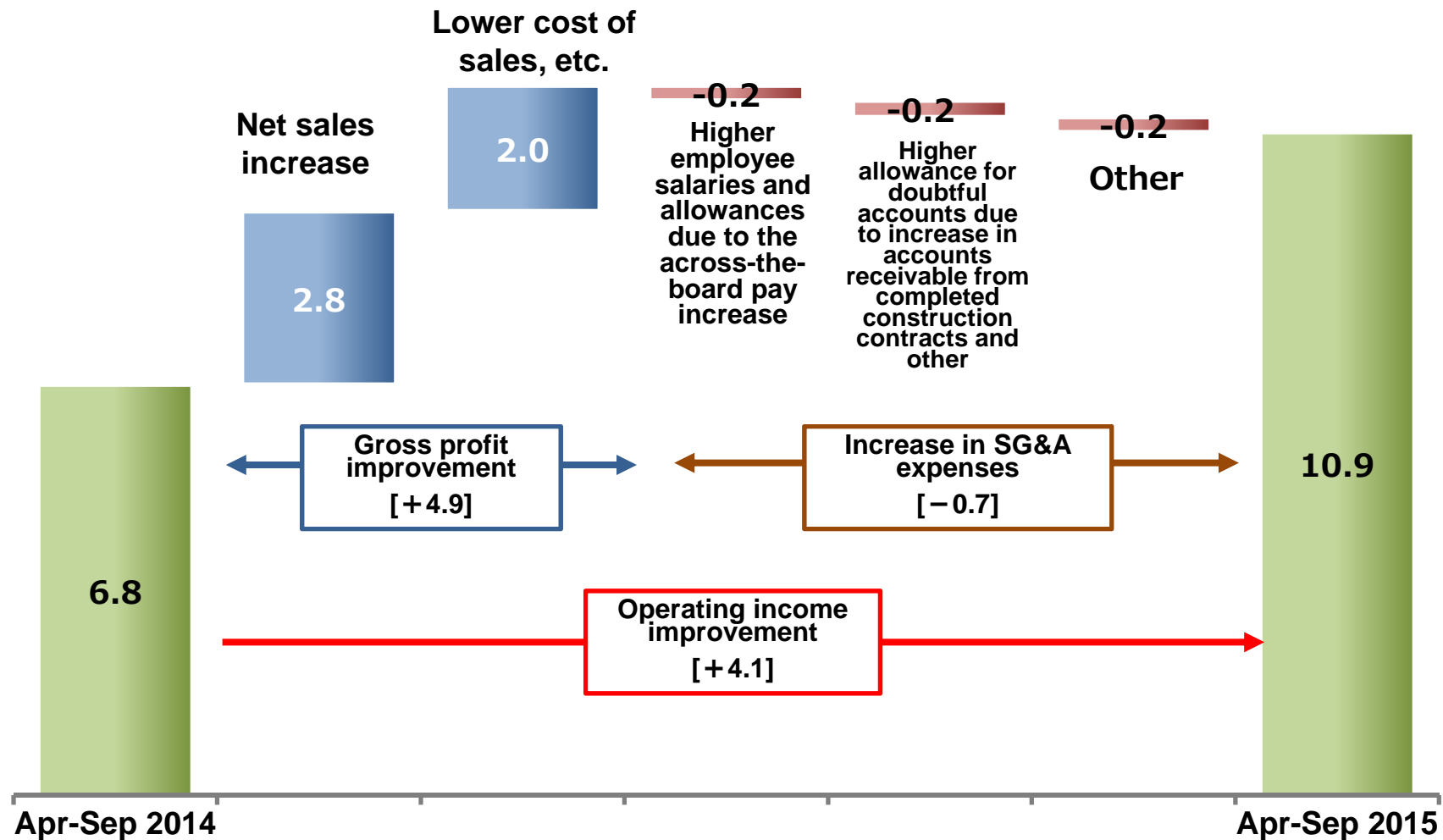
(Consolidated) Summary of Group Performance

Apr-Sep FY2015 Billions of yen	Toda Corporation		Subsidiaries total		Consolidated		Ratio of consolidated to non-consolidated
		Profit margin		Profit margin		Profit margin	
Net sales	205.2		21.7		218.4		1.06
Gross profit	21.2	10.4	1.3	6.4	22.5	10.3	1.06
Selling, general and administrative expenses	10.2		1.3		11.5		
Operating income	10.9	5.4	0.0	0.1	10.9	5.0	1.00
Non-operating income	0.8		0.1		0.9		
Ordinary income	11.8	5.8	0.1	0.8	11.9	5.5	1.01
Extraordinary income	0.6		0.0		0.7		
Profit before income taxes	12.4		0.2		12.6		
Income taxes	1.3		(0.0)		1.3		
Profit income	11.0	5.4	0.2	1.3	11.3	5.2	1.02

*Profit margin: %

(Consolidated) Factors Contributing to Changes in Operating Income

(Billions of yen)



(Consolidated) Balance Sheets

Assets

(Billions of yen)

+11.9

495.4

Current assets
228.0

Noncurrent assets
267.3

Mar 2015

Notes receivable, accounts receivable from completed construction contracts and other +26.4
Securities +8.0

+31.3

-19.3

Investment securities -19.2

507.3

Current assets
259.4

Noncurrent assets
247.9

Sep 2015

119.4%

Current ratio

135.9%

Liabilities and Net Assets

(Billions of yen)

+11.9

495.4

Current liabilities
208.7

Noncurrent liabilities
103.6

Net assets
182.9

Mar 2015

Notes payable, accounts payable for construction contracts and other -4.5
Provision for loss on construction contracts -3.3
Advances received on uncompleted construction contracts +11.8

+8.3

Corporate bonds +10.0

+7.2

-3.6

Retained earnings +8.8
Valuation difference on available-for-sale securities -12.6

507.3

Current liabilities
217.1

Noncurrent liabilities
110.9

Net assets
179.3

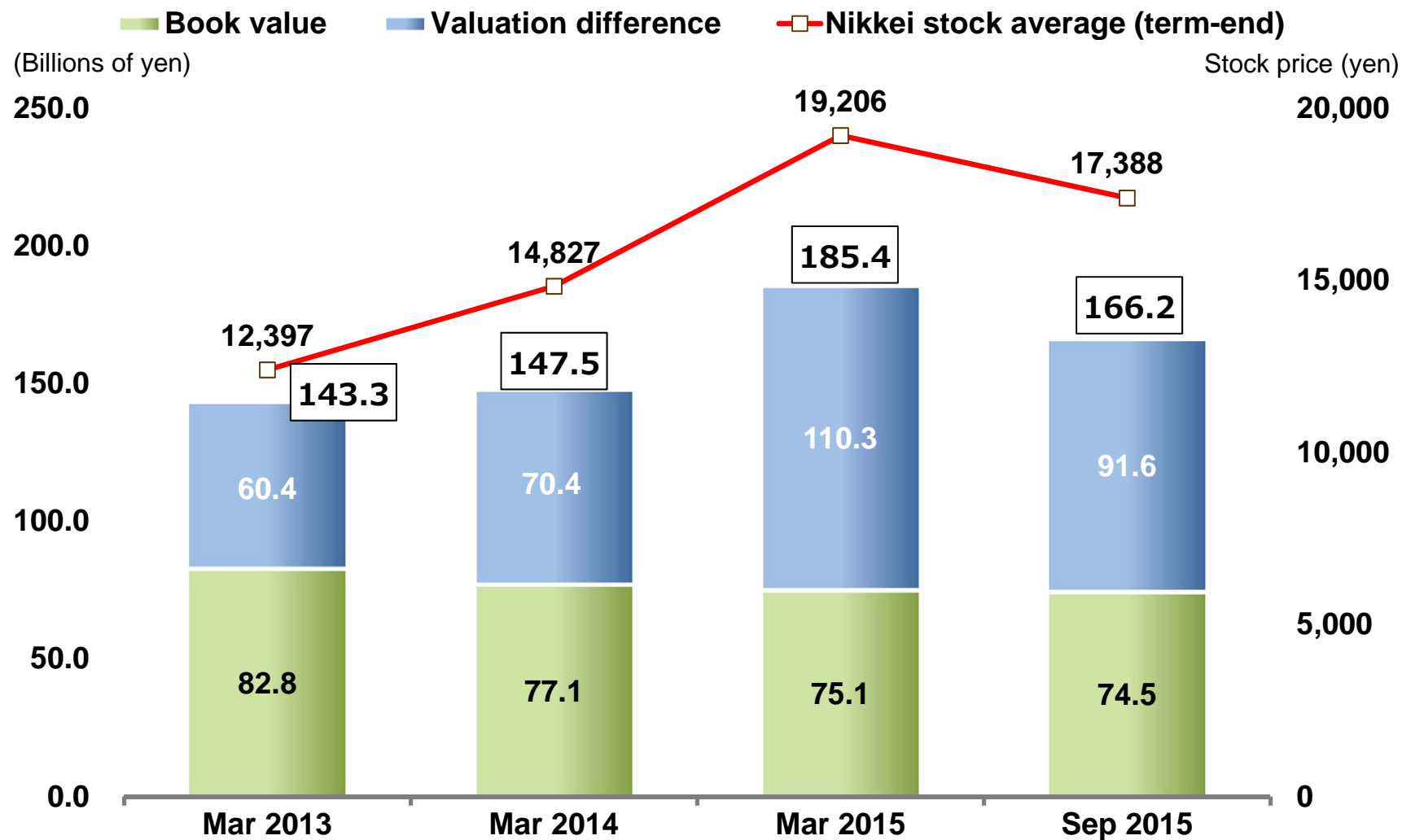
Sep 2015

36.4%

Equity ratio

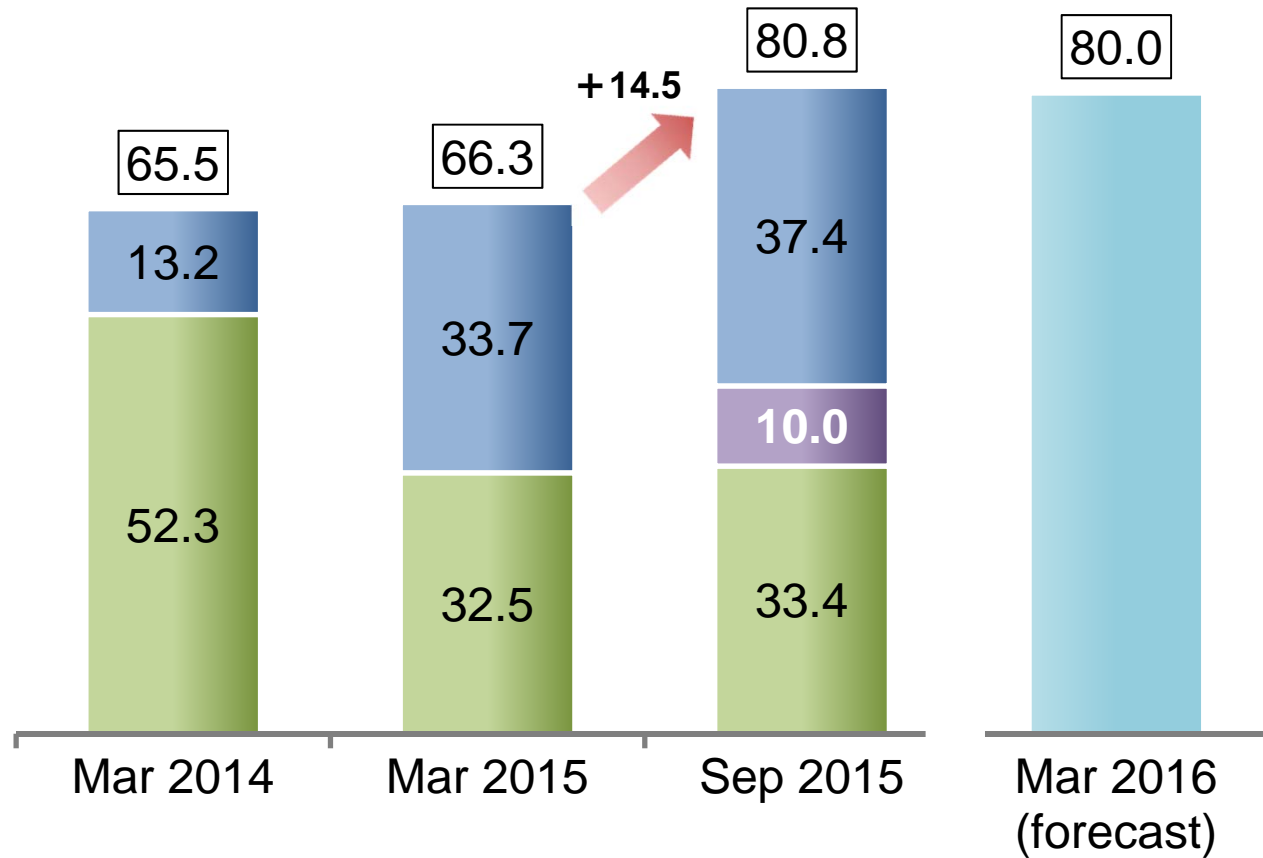
34.9%

(Consolidated) Change in Investment Securities



(Consolidated) Change in Interest-Bearing Liabilities

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



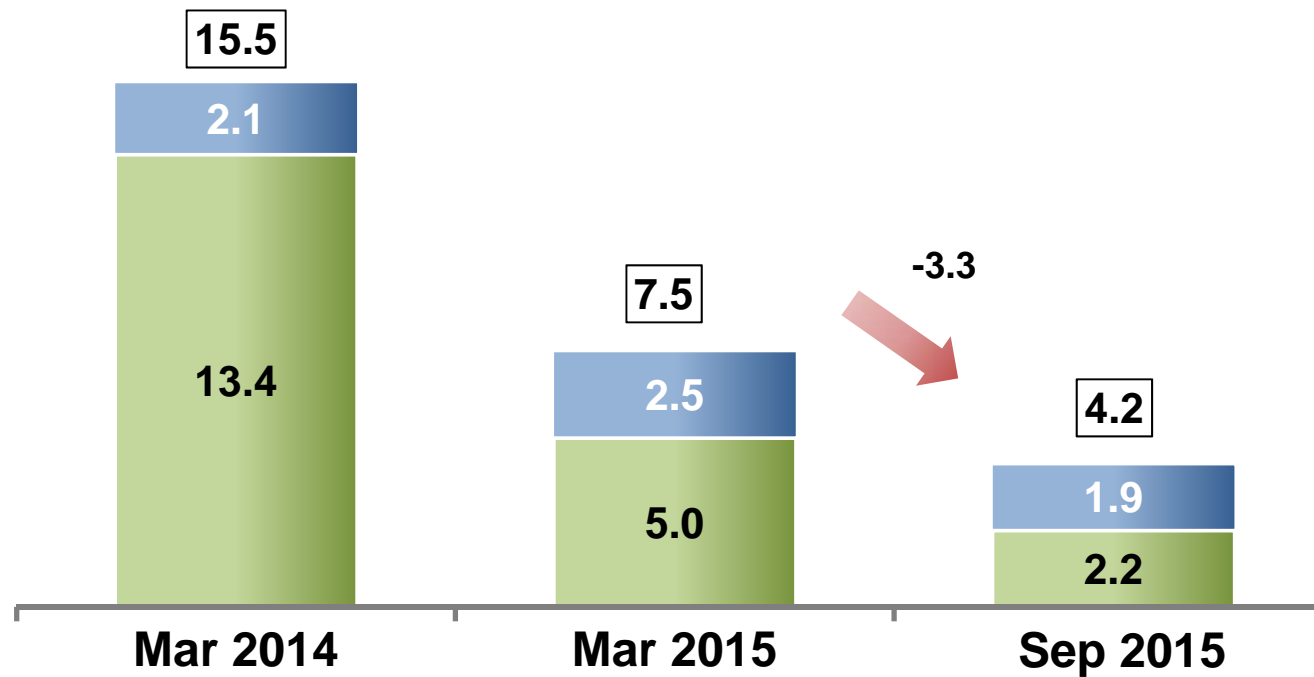
D/E ratio	0.48x	0.37x	0.46x
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(Consolidated) Change in Provision for Loss on Construction Contracts

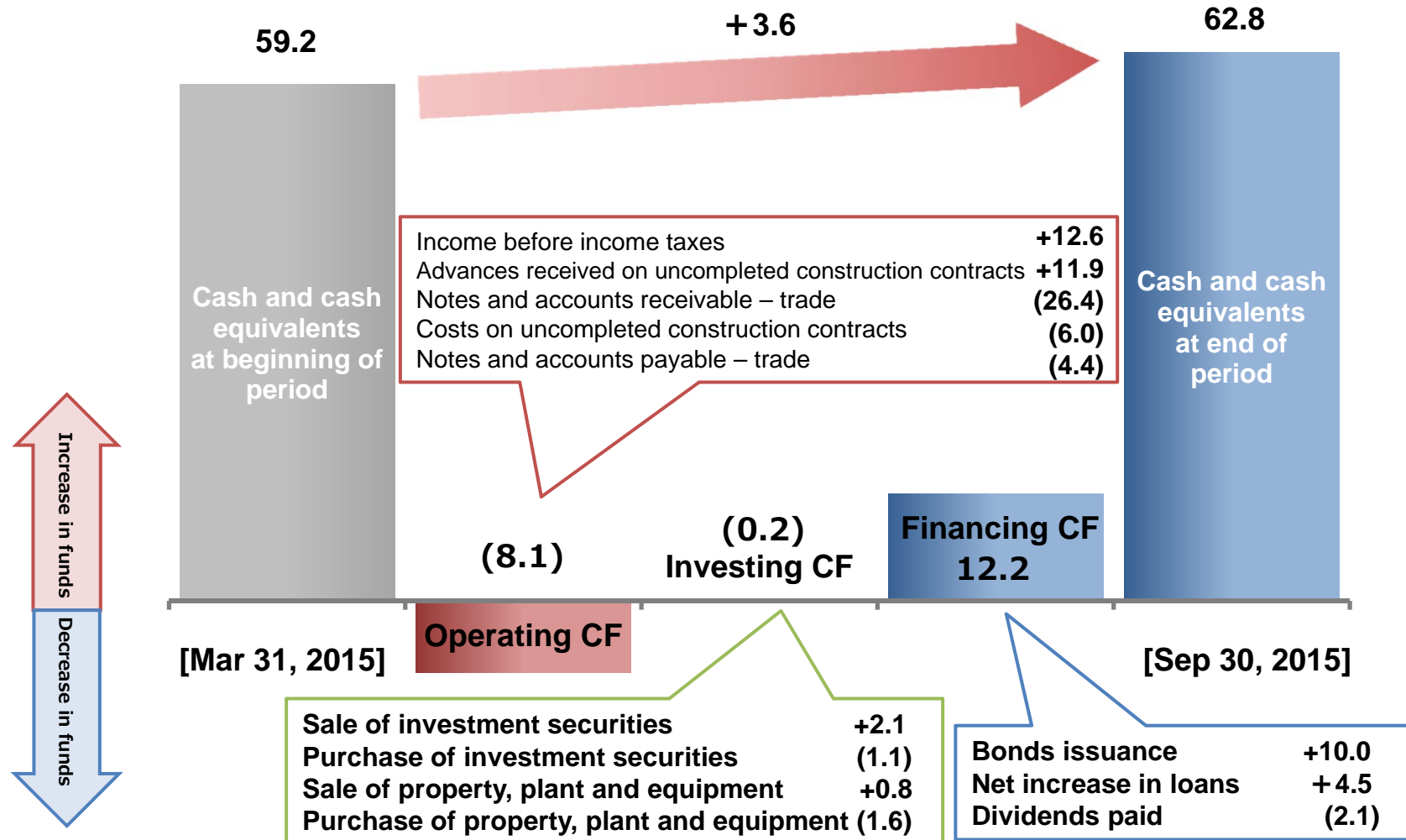
■ Architectural construction ■ Civil engineering

(Billions of yen)



(Consolidated) Statement of Cash Flow

(Billions of yen)



1-3. Performance Forecasts

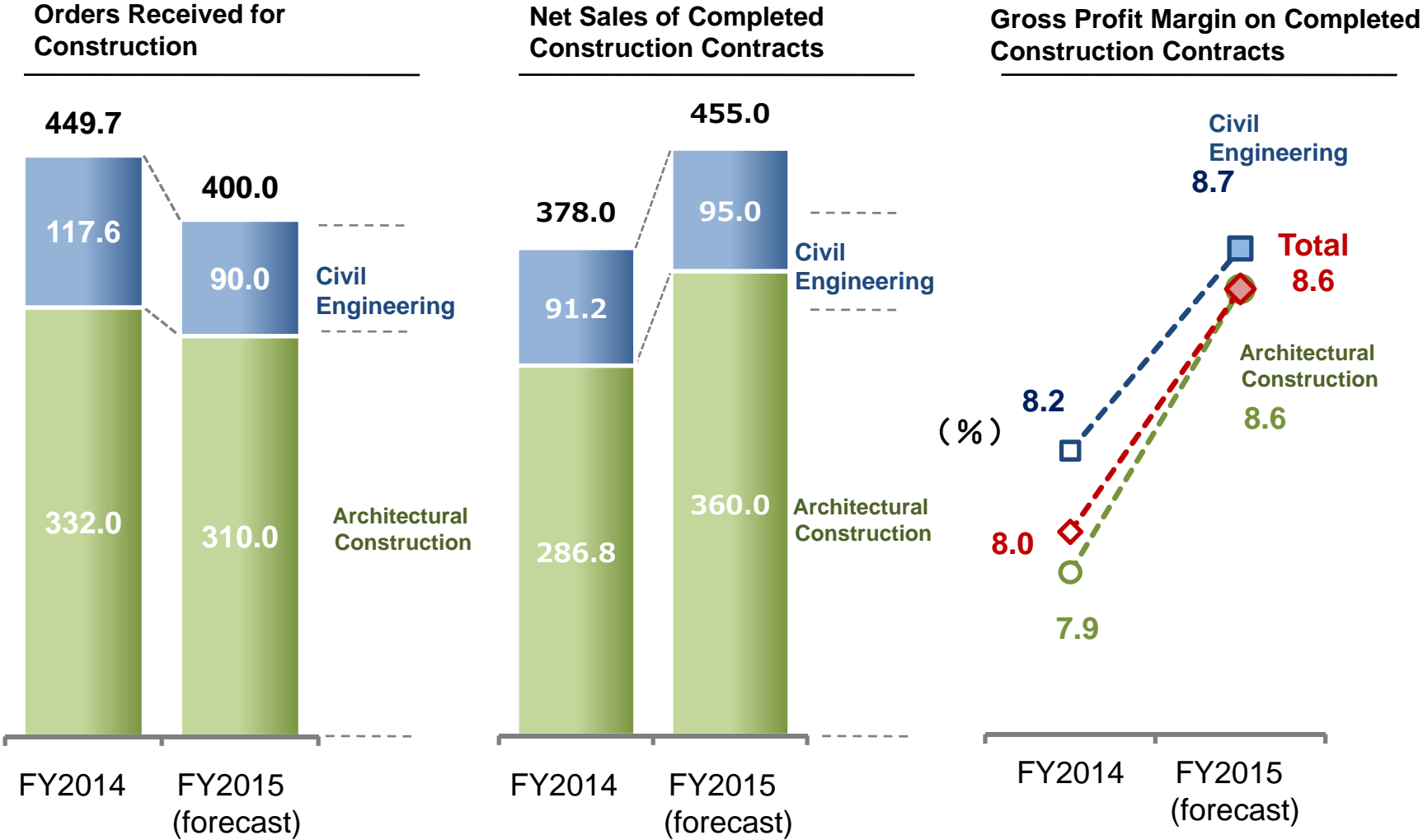


Forecasts for FY2015 (Year Ending March 31, 2016)

(Billions of yen)	FY2014	FY2015		
		Forecasts	Change (year on year)	
Consolidated net sales	420.3	496.0	75.6	18.0%
Operating income	12.9	19.1	6.1	47.2%
Ordinary income	14.8	21.0	6.1	41.8%
Profit attributable to owners of parent	14.0	18.8	4.7	34.0%
Orders received (non-consolidated)	449.7	400.0	-49.7	-11.1%
Annual dividends (yen)	7	9	2	—

(Non-consolidated) Forecasts for the Construction Business

(Billions of yen)



Non-consolidated Forecasts for FY2015

	Amount (billions of yen)	Profitability (%)
Net sales	462.5	
Gross profit	41.0	8.9
Profits in the construction business	39.3	8.6
[Architectural construction]	[31.0]	[8.6]
[Civil engineering]	[8.3]	[8.7]
Profits in the real estate business	1.7	22.7
Selling, general and administrative expenses	22.6	
Operating income	18.4	4.0
Ordinary income	20.1	4.3
Extraordinary income	18.0	3.9

2. Progress in Implementation of Management Plan



President Masanori Imai

Focus of Medium-term Management Plan 2017

- **Break away from conventional concepts and create new value and systems –**

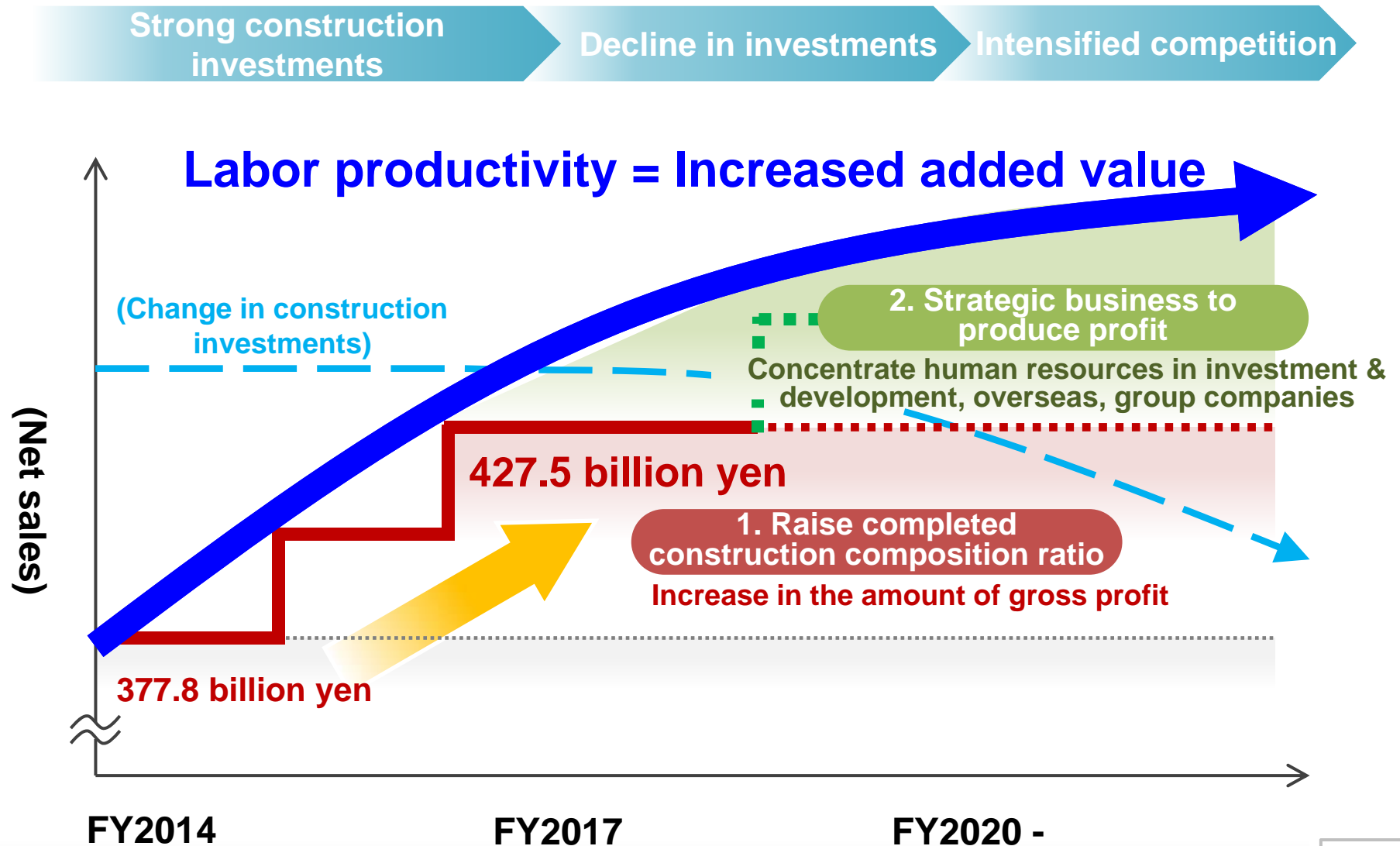
No.1 in Productivity

Establish the highest level of productivity in the general construction sector

Foundation for Growth

Pursue synergies between business domain expansion and construction

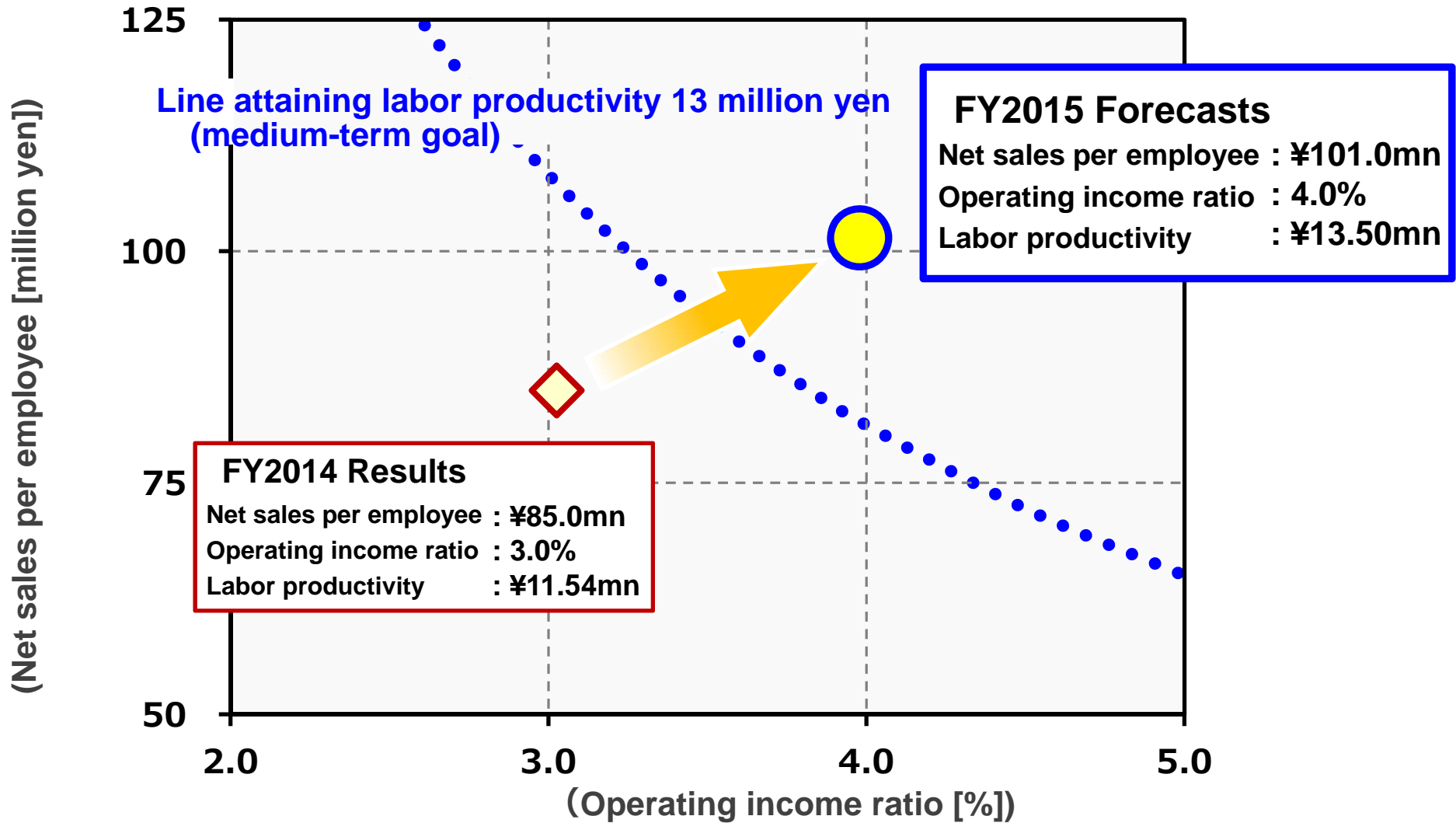
Concept of Business Strategy



2-1. Efforts in First Half



Productivity-related Efforts



*The figures are non-consolidated basis.

*Labor productivity (added value/employee) = Operating income/employee (Net sales/employee × Operating income) + Overall labor cost/employee

No.1 in
productivity

No. 1 Productivity Promotion Committee

Promotes Business Process Re-engineering (BPR) and technological development efforts

- Business flow review, group-wide lateral spread and implementation
- Development and spread of new ICT, construction technology and procurement system

No. 1 Productivity Promotion Committee

BPR implementation
project

Group-wide
implementation
based on
business flow
review

ICT rebuilding project

Promotion of
initiatives for
ICT renewal

Construction
technology innovation
project

Innovative
technological
development,
introduction in
the field

Strategic procurement
project

Promotion of
standardization
of order method
and
specifications

Initiatives in Strategic Investments

Redevelopment Kyobashi 1-chome East Side

- To form an open art and cultural base in the town
- Block redevelopment, strengthening of disaster response capability, reduction of environment burden

Block A: FY2016 - FY2019

Block B (the headquarters building of the company): FY2021 - FY2023

Block C: FY2016 - FY2018



Headquarters Building Reconstruction Project



Headquarters building (Block B)

Disseminating company stance and securing stable income

- Improving and concentrating technical ability
- Social contribution *Low-rise portion
- Securing stable income after completion

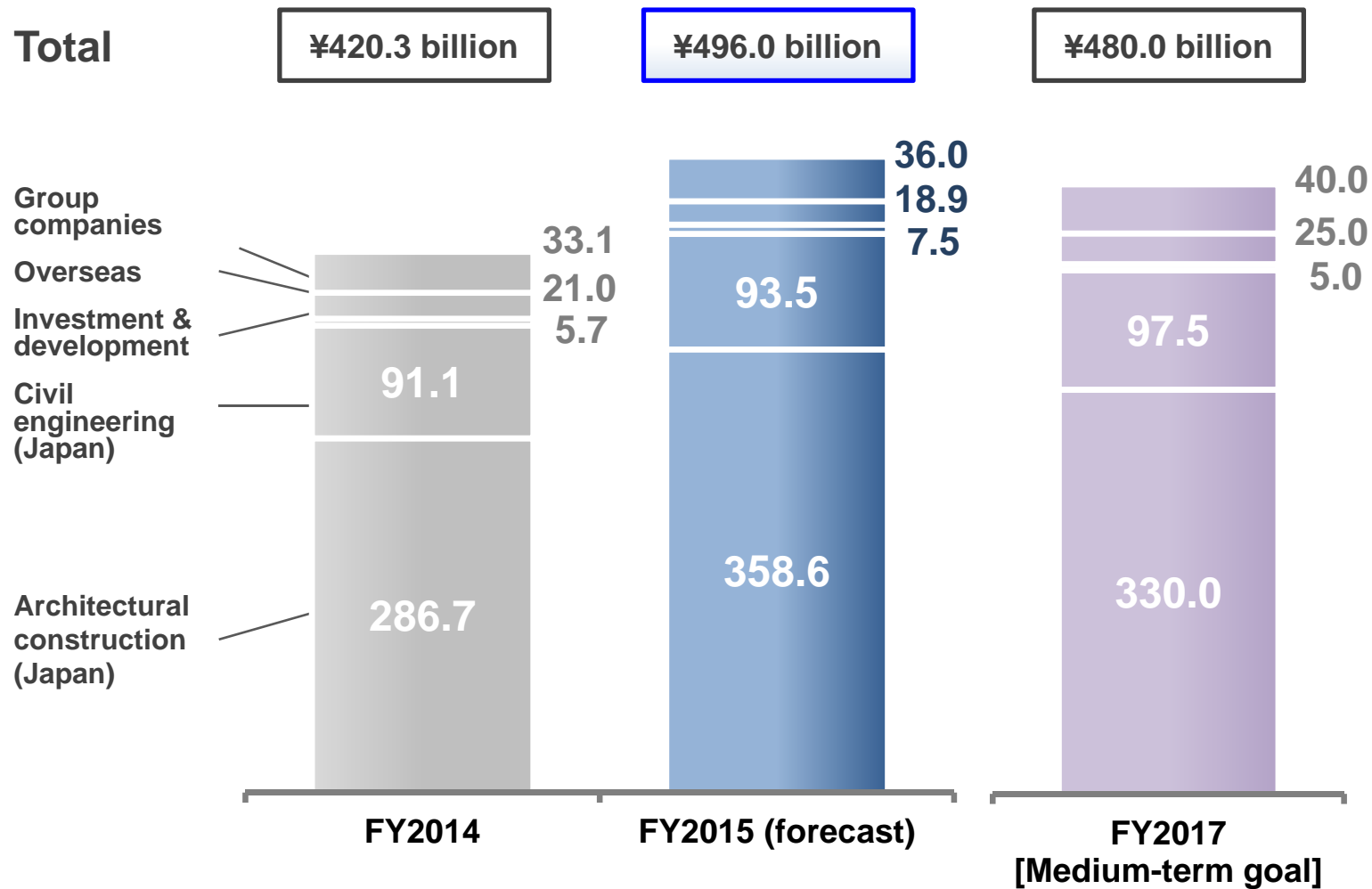
Application: Office, retail outlets, cultural facilities, etc.

Scale: 28 floors above ground, 3 floors below, GL+173m

2-2. Performance by Business (Forecast)



Net Sales by Business



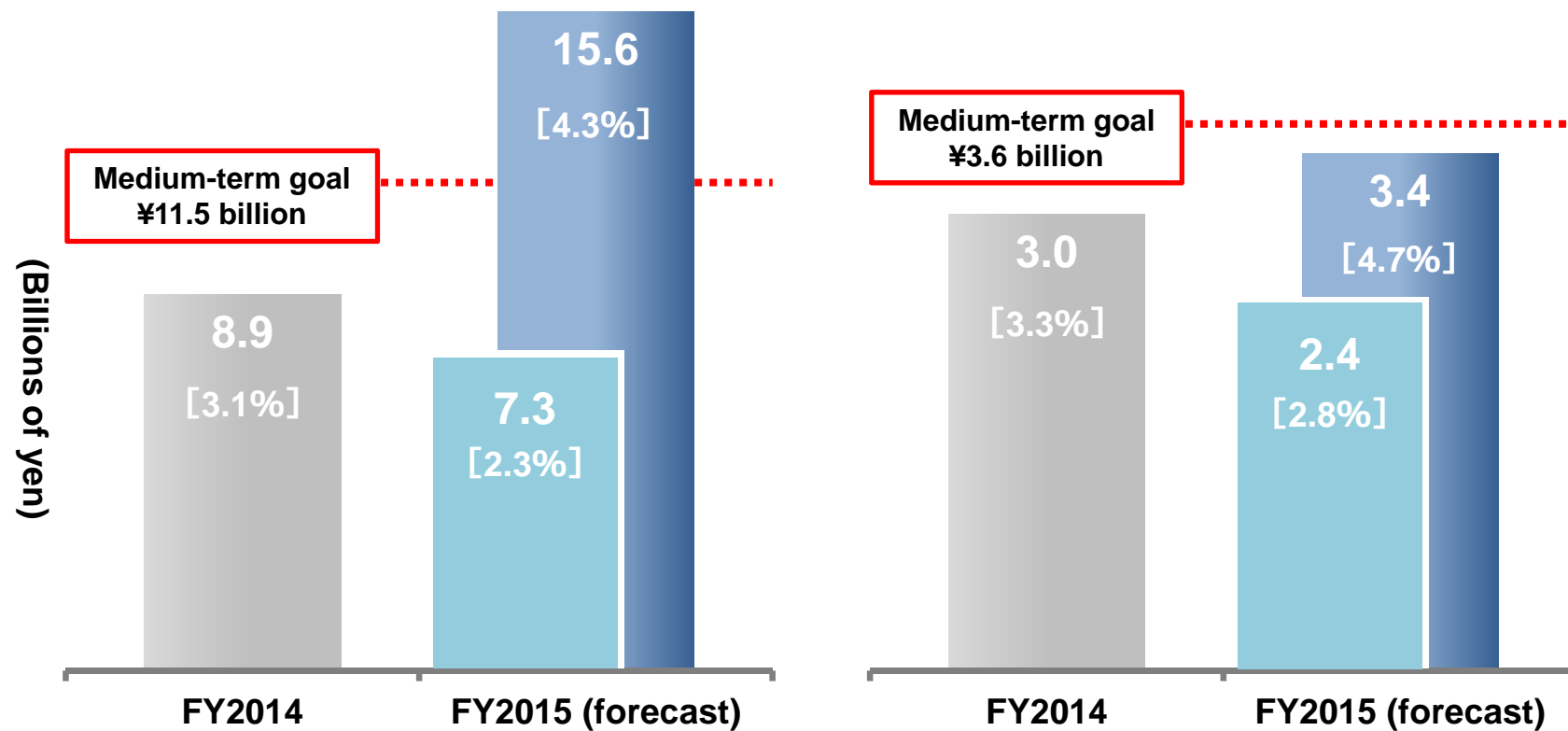
*Figures include consolidated eliminations

Operating Income (Domestic Construction Business)

Initial forecast
Revised forecast

Architectural construction (Japan)

Civil engineering (Japan)



*Figures do not include consolidated eliminations.
Operating income ratio [].

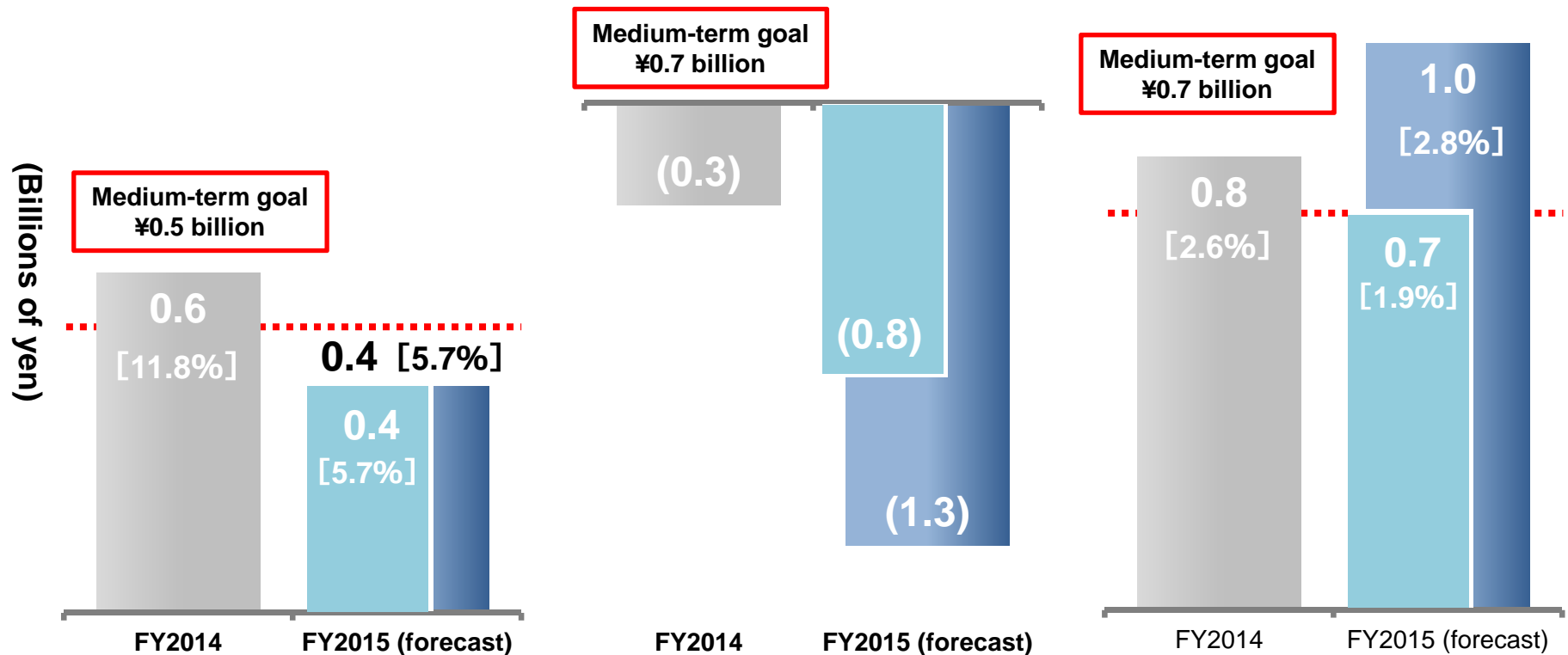
Operating Income (Strategic Businesses)

Initial forecast
Revised forecast

Investment & development

Overseas

Group companies



*Figures do not include consolidated eliminations.
Operating income ratio [].

2-3. Second Half Policy



Recognition of Issues and Measures

Accelerate productivity improvement and strengthen personnel base

Issues

Uncertainties regarding construction investment outlook

Further strengthening initiatives in strategic businesses

Productivity improvement

- Improving profit level
- Shifting resources to strategic businesses

Strengthening personnel ability

- Nurturing employees who are self-starters
- Fair assessment of job performance

Towards Further Growth

Promote initiatives to crystallize the growth strategy



Where are the strengths?
What needs to be strengthened?



Bolstering and building “strengths”

No.1 in toughness

- Further strengthen strong fields
- Build a strong business model

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

