

**Consolidated Financial Results  
for the FY2017  
Ended March 31, 2018**



## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year ended March 31, 2018

During the fiscal year ended March 31, 2018, the Japanese economy was on a gradual recovery course, supported by an improving employment and income environment and a resultant rebound in personal consumption and exports. In the construction industry, overall conditions remained unchanged from the previous year, with orders from the private sector exceeding previous year levels, although orders from the public sector fell below previous year levels.

Under these circumstances, the Toda Group's consolidated results were as follows.

Consolidated net sales increased 1.5% year on year to ¥429.0 billion, mainly owing to an increase in net sales to external customers at the domestic Group companies and a progress in works in hand at overseas subsidiaries.

In terms of operating income and loss, gross profit increased 14.0% year on year to ¥60.3 billion, as we managed to boost profitability of the construction business through continuous efforts toward productivity improvement. Meanwhile, while selling, general and administrative expenses rose 6.9% year on year to ¥29.8 billion, consolidated operating income increased 21.9% year on year to ¥30.4 billion.

Ordinary income increased 21.5% year on year to ¥33.0 billion, with a solid contribution from interest income and dividend income on investment securities and other factors.

Profit attributable to owners of parent decreased to ¥25.4 billion, a 39.5% decline over the previous year, in part due to an increase in income taxes.

The results for each segment are as follows.

The Group has changed its reportable segments from the fiscal year ended March 31, 2018. Comparison with and analysis of the previous year are based on segment classification after the change. For details, please refer to "1. Overview of reportable segments" of "3. Consolidated Financial Statements," "(5) Notes to Consolidated Financial Statements" (Segment information, etc.).

Segment results include internal sales or transfers between segments.

#### **Domestic Architectural Construction**

The segment recorded net sales of ¥281.3 billion, down 4.2% year on year. Segment operating income came to ¥17.8 billion, down 7.2%.

On a non-consolidated basis, overall orders received decreased 8.3% year on year to ¥325.9 billion, as orders from the private sector decreased 5.3% year on year.

#### **Domestic Civil Engineering**

The segment recorded net sales of ¥109.3 billion, up 10.8% year on year, and operating income of ¥11.7 billion, up 176.9%.

On a non-consolidated basis, overall orders received decreased 3.2% year on year to ¥108.9 billion. Orders from the private sector increased 34.9% year on year, boosted by orders for large projects, while orders from the public sector decreased 8.4% year on year.

#### **Investment and Development**

The segment recorded net sales of ¥6.6 billion, up 7.2% year on year, and operating income of ¥1.5 billion, up 3.7% year on year.

#### **Domestic Group Companies**

The segment recorded net sales of ¥33.8 billion, down 3.5% year on year, and operating income of ¥0.8

billion, down 38.7% year on year.

#### **Other**

Net sales from other totaled ¥14.0 billion, up 43.4% year on year. The segment recorded an operating loss of ¥1.5 billion, compared to the previous year's ¥1.2 billion loss.

### **(2) Overview of Financial Position for the Fiscal Year ended March 31, 2018**

#### **Assets, liabilities, and net assets**

##### **Assets**

Total assets as of March 31, 2018, were ¥563.9 billion, up 5.1% or a ¥27.4 billion increase from the end of the previous fiscal year. The increase mainly reflects increases of ¥14.2 billion in cash and deposits and ¥6.0 billion in investment securities, despite a decrease of ¥7.4 billion in costs on uncompleted construction contracts.

##### **Liabilities**

Total liabilities as of March 31, 2018, were ¥314.6 billion, up 1.6% or a ¥4.9 billion increase from the end of the previous fiscal year. The major contributors to this increase in liabilities were a ¥10.0 billion increase in bonds payable and a ¥9.7 billion increase in deferred tax liabilities, which were only partially offset by a decrease of ¥11.8 billion in notes payable, accounts payable for construction contracts and other.

##### **Net assets**

Total net assets as of March 31, 2018, were ¥249.3 billion, up 9.9% or a ¥22.4 billion increase from the end of the previous fiscal year, mainly due to an increase of ¥3.4 billion in valuation difference on available-for-sale securities as a result of the rising fair value of shares held and posting of ¥25.4 billion in profit attributable to owners of parent. The equity capital ratio accordingly rose to 43.7%.

### **(3) Overview of Cash Flows for the Fiscal Year ended March 31, 2018**

Cash and cash equivalents at the end of the fiscal year totaled ¥100.5 billion, ¥9.5 billion more than at the end of the previous fiscal year.

#### **Cash Flows from Operating Activities**

Net cash provided by operating activities came to ¥19.3 billion, compared with net cash provided totaling ¥58.8 billion in the previous fiscal year. The main inflows from operating activities were ¥35.8 billion in profit before income taxes and a ¥7.4 billion decrease in costs on uncompleted construction contracts. Outflows included an ¥11.8 billion decrease in notes and accounts payable-trade and a ¥2.2 billion increase in notes and accounts receivable-trade.

#### **Cash Flows from Investing Activities**

Net cash used in investing activities was ¥7.8 billion, compared with the ¥9.7 billion used in the previous fiscal year. The main inflow was the ¥6.9 billion from sales and redemption of investment securities. The main outflows were purchases of property, plant and equipment totaling ¥6.7 billion and purchases of investment securities totaling ¥5.0 billion.

#### **Cash Flows from Financing Activities**

Net cash used in financing activities totaled to ¥2.0 billion, compared with ¥12.6 billion in net cash used in the previous fiscal year. The main inflow was ¥10.0 billion from proceeds from issuance of bonds. The main outflows were purchases of treasury stock totaling ¥2.5 billion and repayment of long-term loans payable totaling ¥10.1 billion.

The Group's cash flow indicators are as follows.

For years ended March 31	2014	2015	2016	2017	2018
Equity ratio	29.1%	36.4%	31.9%	41.7%	43.7%
Equity ratio on a market price basis	22.3%	31.4%	30.4%	38.3%	41.9%
Number of years to redeem debt	5.4 years	—	—	1.2 years	3.9 years
Interest coverage ratio	14.1 times	—	—	68.3 times	23.8 times

Notes: Equity ratio = shareholders' equity / total assets

Equity ratio on a market price basis = market capitalization / total assets

Number of years to redeem debt = interest-bearing debt / cash flows

Interest coverage ratio = cash flows / interest payments

\*The indices are calculated based on consolidated financial figures.

\* Market capitalization is calculated by multiplying the stock price at the end of the fiscal year by the number of outstanding shares at the end of the fiscal year excluding treasury stock.

\*Cash flows from operating activities are used for cash flows.

\*Interest-bearing debt is all of the liabilities recorded on the consolidated balance sheets for which the Company is paying interest

#### (4) Future Outlook

The Japanese economy is expected to remain in a moderate recovery mode, with both employment and incomes continuing to improve. Meanwhile, uncertainties in the overseas economy and the impacts of fluctuations in the financial and capital markets will require attention. The construction industry expects to continue seeing a firm market environment but the outlook remains clouded by uncertainties, including private-sector business sentiment and the possibility of construction costs being pushed up by a tight labor market.

We forecast consolidated net sales of ¥514.0 billion (up 19.8% year on year), operating income of ¥31.0 billion (up 1.8%), ordinary income of ¥33.3 billion (up 0.8%), and profit attributable to owners of parent of ¥22.3 billion (down 12.4%).

On a non-consolidated basis, we expect orders received to total ¥479.0 billion (up 6.6% year on year), net sales of ¥478.0 billion (up 19.4%), operating income of ¥29.5 billion (up 1.9%), ordinary income of ¥31.7 billion (up 1.4%), and profit of ¥21.4 billion (down 12.4%).

#### (5) Basic Policy on Profit Distribution and Dividends in the Fiscal Year ended March 31, 2018 and the Fiscal Year ending March 31, 2019

The Company's basic policy is to distribute profit based on business results and the business environment after giving consideration to the provision of continuous and stable dividends to shareholders and the need to secure sufficient retained earnings essential for improving the Company's competitiveness and its financial position.

In line with this basic policy, for the fiscal year ended March 31, 2018, the Company will pay an annual dividend of ¥20 per share. The Company also plans to maintain the annual dividend at ¥20 per share for the fiscal year ending March 31, 2019.

## **2. Basic Rational for Selection of Accounting Standards**

The Toda Group intends to continue producing consolidated financial statements based on Japanese accounting standards to enable comparisons of the Group's consolidated statements from different fiscal years and comparisons with other companies.

The Group also intends to make an appropriate response to the International Financial Reporting Standards (IFRS) based on considerations of the situation in Japan and abroad.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	66,386	80,597
Notes receivable, accounts receivable from completed construction contracts and other	133,206	135,438
Securities	24,749	20,029
Real estate for sale	7,974	7,400
Costs on uncompleted construction contracts	19,881	12,449
Other inventories	867	1,669
Deferred tax assets	4,178	5,846
Other	11,494	17,442
Allowance for doubtful accounts	(1,200)	(1,071)
Total current assets	267,538	279,802
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	14,135	17,067
Machinery, vehicles, tools, furniture and fixtures, net	585	4,445
Land	70,001	71,670
Lease assets, net	102	91
Construction in progress	4,300	2,111
Total property, plant and equipment	89,125	95,386
Intangible assets		
Goodwill	-	658
Other	6,878	8,284
Total intangible assets	6,878	8,942
Investments and other assets		
Investment securities	168,738	174,775
Long-term loans receivable	555	489
Net defined benefit asset	824	1,484
Deferred tax assets	154	323
Other	2,900	3,051
Allowance for doubtful accounts	(131)	(262)
Total investments and other assets	173,041	179,862
Total noncurrent assets	269,044	284,191
Total assets	536,582	563,994

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	100,366	88,499
Short-term loans payable	29,855	25,496
Income taxes payable	3,523	3,723
Advances received on uncompleted construction contracts	28,580	29,657
Provision for bonuses	6,754	7,371
Provision for warranties for completed construction	4,089	4,089
Provision for loss on construction contracts	3,289	444
Deposits received	17,933	23,324
Other	27,661	25,221
Total current liabilities	222,054	207,827
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	30,421	29,979
Deferred tax liabilities	13,302	23,023
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for directors' retirement benefits	144	170
Provision for share allocation to directors	60	120
Provision for loss on liquidation of subsidiaries and affiliates	188	104
Net defined benefit liability	22,084	21,872
Asset retirement obligations	1,095	1,089
Other	3,061	3,139
Total noncurrent liabilities	87,633	106,772
Total liabilities	309,687	314,600
Net assets		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,682	25,681
Retained earnings	116,816	136,336
Treasury stock	(8,233)	(9,437)
Total shareholders' equity	157,267	175,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63,513	66,969
Deferred gains or losses on hedges	1	(3)
Revaluation reserve for land	5,676	5,676
Foreign currency translation adjustment	(542)	(658)
Remeasurements of defined benefit plans	(1,957)	(1,249)
Total accumulated other comprehensive income	66,691	70,734
Non-controlling interests	2,937	3,078
Total net assets	226,895	249,394
Total liabilities and net assets	536,582	563,994

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Years ended March 31, 2017 and 2018

(Millions of yen)

	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)	Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)
<b>Net sales</b>		
Net sales of completed construction contracts	409,238	414,177
Net sales of investment and development business and other	13,483	14,848
Total net sales	422,722	429,026
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	359,694	358,408
Cost of sales on investment and development business and other	10,085	10,276
Total cost of sales	369,779	368,684
<b>Gross profit</b>		
Gross profit on completed construction contracts	49,544	55,769
Gross profit on investment and development business and other	3,398	4,572
Total gross profit	52,942	60,341
Selling, general and administrative expenses	27,944	29,878
Operating income	24,998	30,463
<b>Non-operating income</b>		
Interest income	329	318
Dividend income	2,482	2,755
Dividend income of insurance	261	240
Other	258	334
Total non-operating income	3,332	3,649
<b>Non-operating expenses</b>		
Interest expenses	875	823
Commission fee	194	109
Other	63	142
Total non-operating expenses	1,133	1,075
Ordinary income	27,197	33,037
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	4	24
Gain on sales of investment securities	2,329	2,991
Other	117	268
Total extraordinary income	2,451	3,284
<b>Extraordinary loss</b>		
Loss on abandonment of noncurrent assets	323	452
Impairment loss	913	-
Other	48	35
Total extraordinary losses	1,286	488
Profit before income taxes	28,362	35,834
Income taxes-current	4,470	4,985
Income taxes-deferred	(18,369)	5,302
Total income taxes	(13,898)	10,288
Profit	42,261	25,545
Profit attributable to non-controlling interests	169	90
Profit attributable to owners of parent	42,091	25,455



## Consolidated Statements of Comprehensive Income

Years ended March 31, 2017 and 2018

	(Millions of yen)	
	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)	Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)
Profit	42,261	25,545
Other comprehensive income		
Valuation difference on available-for-sale securities	8,474	3,456
Deferred gains or losses on hedges	27	(5)
Foreign currency translation adjustment	(24)	(53)
Remeasurements of defined benefit plans	1,334	708
Total other comprehensive income	9,811	4,106
Comprehensive income	52,073	29,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	51,931	29,498
Comprehensive income attributable to non-controlling interests	141	154

**(3) Consolidated Statements of Changes in Net Assets**

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	23,001	25,587	76,825	(8,236)	117,178
Changes during period					
Dividends from surplus			(3,070)		(3,070)
Profit attributable to owners of parent			42,091		42,091
Disposal of treasury stock		(19)		240	221
Purchase of treasury stock				(238)	(238)
Transfer of loss on disposal of treasury stock		19	(19)		-
Capital increase of consolidated subsidiaries		95			95
Reversal of revaluation reserve for land			989		989
Net changes other than shareholders' equity					
Total changes during period	-	95	39,990	2	40,088
Balance at end of period	23,001	25,682	116,816	(8,233)	157,267

	Accumulated other comprehensive income						Non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	55,038	(25)	6,665	(545)	(3,292)	57,840	2,398	177,417
Changes during period								
Dividends from surplus								(3,070)
Profit attributable to owners of parent								42,091
Disposal of treasury stock								221
Purchase of treasury stock								(238)
Transfer of loss on disposal of treasury stock								-
Capital increase of consolidated subsidiaries								95
Reversal of revaluation reserve for land								989
Net changes other than shareholders' equity	8,474	27	(989)	3	1,334	8,850	538	9,388
Total changes during period	8,474	27	(989)	3	1,334	8,850	538	49,477
Balance at end of period	63,513	1	5,676	(542)	(1,957)	66,691	2,937	226,895

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	23,001	25,682	116,816	(8,233)	157,267
Changes during period					
Dividends from surplus			(4,612)		(4,612)
Profit attributable to owners of parent			25,455		25,455
Disposal of treasury stock		(1,321)		1,326	4
Purchase of treasury stock				(2,530)	(2,530)
Transfer of loss on disposal of treasury stock		1,321	(1,321)		-
Capital increase of consolidated subsidiaries		(0)			(0)
Reversal of revaluation reserve for land					-
Net changes other than shareholders' equity					
Total changes during period	-	(0)	19,520	(1,204)	18,315
Balance at end of period	23,001	25,681	136,336	(9,437)	175,582

	Accumulated other comprehensive income						Non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	63,513	1	5,676	(542)	(1,957)	66,691	2,937	226,895
Changes during period								
Dividends from surplus								(4,612)
Profit attributable to owners of parent								25,455
Disposal of treasury stock								4
Purchase of treasury stock								(2,530)
Transfer of loss on disposal of treasury stock								-
Capital increase of consolidated subsidiaries								(0)
Reversal of revaluation reserve for land								-
Net changes other than shareholders' equity	3,455	(5)	-	(116)	708	4,042	140	4,183
Total changes during period	3,455	(5)	-	(116)	708	4,042	140	22,499
Balance at end of period	66,969	(3)	5,676	(658)	(1,249)	70,734	3,078	249,394

**(4) Consolidated Statements of Cash Flows**

	(Millions of yen)	
	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)	Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)
Net cash provided by (used in) operating activities	58,874	19,331
Net cash provided by (used in) investing activities	(9,797)	(7,812)
Net cash provided by (used in) financing activities	(12,608)	(2,015)
Effect of exchange rate change on cash and cash equivalents	(133)	35
Net increase (decrease) in cash and cash equivalents	36,336	9,539
Cash and cash equivalents at beginning of period	54,650	90,986
Cash and cash equivalents at end of period	90,986	100,526

## 4. Non-consolidated Financial Statements

## (1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	56,329	66,782
Notes receivable-trade	1,427	1,181
Electronically recorded monetary claims – operating	707	1,093
Accounts receivable from completed construction contracts	125,251	127,014
Securities	20,049	20,029
Real estate for sale	7,971	6,570
Costs on uncompleted construction contracts	18,153	11,231
Costs on real estate business	145	665
Raw materials and supplies	340	669
Deferred tax assets	4,001	5,668
Accounts receivable-other	2,553	1,501
Advances paid	4,938	10,518
Other	3,679	1,498
Allowance for doubtful accounts	(1,322)	(1,151)
Total current assets	244,228	253,273
Noncurrent assets		
Property, plant and equipment		
Buildings	32,841	34,194
Accumulated depreciation	(21,769)	(22,282)
Buildings, net	11,072	11,911
Structures	1,546	1,618
Accumulated depreciation	(1,256)	(1,303)
Structures, net	289	315
Machinery and equipment	6,700	6,708
Accumulated depreciation	(6,533)	(6,428)
Machinery and equipment, net	166	280
Vehicles	93	92
Accumulated depreciation	(93)	(92)
Vehicles, net	0	0
Tools, furniture and fixtures	1,744	1,710
Accumulated depreciation	(1,441)	(1,425)
Tools, furniture and fixtures, net	303	284
Land	64,602	64,900
Lease assets	320	297
Accumulated depreciation	(219)	(217)
Lease assets, net	101	79
Construction in progress	1,187	635
Total property, plant and equipment	77,722	78,408
Intangible assets		
Leasehold right	4,865	5,075
Software	1,004	1,302
Other	979	1,894
Total intangible assets	6,849	8,273

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Investments and other assets</b>		
Investment securities	162,047	167,791
Stocks of subsidiaries and affiliates	5,612	12,651
Investments in other securities of subsidiaries and affiliates	1,528	1,493
Investments in capital	1	1
Long-term loans receivable	3	3
Long-term loans receivable from employees	3	3
Long-term loans receivable from subsidiaries and affiliates	542	480
Claims provable in bankruptcy, claims provable in rehabilitation and other	-	6
Long-term prepaid expenses	19	87
Long-term non-operating accounts receivable	9	0
Prepaid pension cost	2,323	2,368
Other	2,285	2,306
Allowance for doubtful accounts	(310)	(262)
<b>Total investments and other assets</b>	<b>174,067</b>	<b>186,932</b>
<b>Total noncurrent assets</b>	<b>258,640</b>	<b>273,613</b>
<b>Total assets</b>	<b>502,868</b>	<b>526,887</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	4,276	2,227
Electronically recorded obligations - operating	31,782	17,259
Accounts payable for construction contracts	61,006	63,839
Short-term loans payable	23,393	21,631
Lease obligations	51	38
Accounts payable-other	3,222	4,621
Income taxes payable	3,194	3,488
Advances received on uncompleted construction contracts	27,011	27,708
Deposits received	16,036	21,534
Provision for bonuses	6,437	7,058
Provision for warranties for completed construction	4,018	4,001
Provision for loss on construction contracts	3,276	418
Deposits received from employees	6,740	7,787
Other	14,914	8,774
<b>Total current liabilities</b>	<b>205,362</b>	<b>190,389</b>

	As of March 31, 2017	As of March 31, 2018
<b>Noncurrent liabilities</b>		
Bonds payable	10,000	20,000
Long-term loans payable	30,421	29,879
Lease obligations	51	37
Deferred tax liabilities	14,306	22,921
Deferred tax liabilities for land revaluation	7,272	7,272
Provision for retirement benefits	19,970	20,117
Provision for directors' retirement benefits	98	122
Provision for share allocation to directors	60	120
Provision for loss on business of subsidiaries and affiliates	118	58
Asset retirement obligations	153	148
Other	2,270	2,310
<b>Total noncurrent liabilities</b>	<b>84,724</b>	<b>102,989</b>
<b>Total liabilities</b>	<b>290,087</b>	<b>293,378</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,001	23,001
<b>Capital surplus</b>		
Legal capital surplus	25,573	25,573
<b>Total capital surplus</b>	<b>25,573</b>	<b>25,573</b>
<b>Retained earnings</b>		
Legal retained earnings	5,750	5,750
<b>Other retained earnings</b>		
Reserve for construction	15,000	35,000
General reserve	36,774	56,774
Retained earnings brought forward	45,757	24,247
<b>Total retained earnings</b>	<b>103,282</b>	<b>121,772</b>
Treasury stock	(8,233)	(9,437)
<b>Total shareholders' equity</b>	<b>143,624</b>	<b>160,909</b>
<b>Valuation and translation adjustment</b>		
Valuation difference on available-for-sale securities	63,480	66,926
Deferred gains or losses on hedges	(0)	(3)
Revaluation reserve for land	5,676	5,676
<b>Total valuation and translation adjustment</b>	<b>69,156</b>	<b>72,599</b>
<b>Total net assets</b>	<b>212,780</b>	<b>233,508</b>
<b>Total liabilities and net assets</b>	<b>502,868</b>	<b>526,887</b>

(2) Non-consolidated Statements of Income

	(Millions of yen)	
	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)	Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)
<b>Net sales</b>		
Net sales of completed construction contracts	392,442	392,249
Net sales of investment and development business and other	7,135	8,075
<b>Total net sales</b>	<b>399,578</b>	<b>400,325</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	345,615	338,590
Cost of sales on investment and development business and other	5,352	5,891
<b>Total cost of sales</b>	<b>350,967</b>	<b>344,481</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	46,827	53,659
Gross profit on investment and development business and other	1,783	2,184
<b>Total gross profit</b>	<b>48,610</b>	<b>55,843</b>
<b>Selling, general and administrative expenses</b>		
Directors' compensations	375	365
Provision for stock payments for directors	60	61
Employees' salaries and allowances	9,160	9,633
Provision for bonuses	4,071	4,338
Provision for directors' retirement benefits	43	46
Retirement benefit expenses	969	1,002
Legal welfare expenses	1,372	1,444
Welfare expenses	621	629
Repair and maintenance	362	245
Stationery expenses	1,293	1,593
Correspondence and transportation expenses	901	1,035
Power utilities expenses	108	108
Research study expenses	904	899
Advertising expenses	148	167
Provision of allowance for doubtful accounts	(516)	(4)
Entertainment expenses	644	622
Contribution	122	72
Rents	975	1,071
Depreciation	297	238
Taxes and dues	1,527	1,428
Insurance expenses	27	35
Miscellaneous expenses	1,725	1,842
<b>Total selling, general and administrative expenses</b>	<b>25,199</b>	<b>26,879</b>
<b>Operating income</b>	<b>23,411</b>	<b>28,963</b>



(Millions of yen)

	Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)	Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)
<b>Non-operating income</b>		
Interest income	43	27
Interest on securities	1	1
Dividend income	2,508	2,780
Dividend income of insurance	261	240
Miscellaneous income	227	309
<b>Total non-operating income</b>	<b>3,041</b>	<b>3,360</b>
<b>Non-operating expenses</b>		
Interest expenses	785	741
Interest on bonds	58	65
Commission fee	194	109
Miscellaneous expenses	54	131
<b>Total non-operating expenses</b>	<b>1,092</b>	<b>1,048</b>
Ordinary income	25,361	31,275
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	2	12
Gain on sales of investment securities	2,329	2,991
Other	117	233
<b>Total extraordinary income</b>	<b>2,449</b>	<b>3,237</b>
<b>Extraordinary loss</b>		
Loss on abandonment of noncurrent assets	279	452
Loss on valuation of stocks of subsidiaries and affiliates	912	-
Other	47	34
<b>Total extraordinary losses</b>	<b>1,240</b>	<b>486</b>
<b>Profit before income taxes</b>	<b>26,570</b>	<b>34,026</b>
Income taxes-current	3,908	4,230
Income taxes-deferred	(18,438)	5,372
<b>Total income taxes</b>	<b>(14,530)</b>	<b>9,602</b>
<b>Profit</b>	<b>41,100</b>	<b>24,424</b>

**(3) Non-consolidated Statements of Changes in Net Assets**

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for construction	General reserve	Retained earnings brought forward	
Balance at beginning of period	23,001	25,573	-	25,573	5,750	-	36,774	21,758	64,283
Changes during period									
Provision of general reserve									
Provision of reserve for construction						15,000		(15,000)	
Dividends from surplus								(3,070)	(3,070)
Profit								41,100	41,100
Disposal of treasury stock			(19)	(19)					
Purchase of treasury stock									
Transfer of loss on disposal of treasury stock			19	19				(19)	(19)
Reversal of revaluation reserve for land								989	989
Net changes other than shareholders' equity									
Total changes during period	-	-	-	-	-	15,000	-	23,999	38,999
Balance at end of period	23,001	25,573	-	25,573	5,750	15,000	36,774	45,757	103,282

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,236)	104,622	55,014	(25)	6,665	61,654	166,276
Changes during period							
Provision of general reserve		-					-
Provision of reserve for construction		-					-
Dividends from surplus		(3,070)					(3,070)
Profit		41,100					41,100
Disposal of treasury stock	240	221					221
Purchase of treasury stock	(238)	(238)					(238)
Transfer of loss on disposal of treasury stock		-					-
Reversal of revaluation reserve for land		989					989
Net changes other than shareholders' equity			8,465	25	(989)	7,502	7,502
Total changes during period	2	39,001	8,465	25	(989)	7,502	46,504
Balance at end of period	(8,233)	143,624	63,480	(0)	5,676	69,156	212,780

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

(Millions of yen)

	Shareholders' equity								Total retained earnings
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			
						Reserve for construction	General reserve		
Balance at beginning of period	23,001	25,573	-	25,573	5,750	15,000	36,774	45,757	103,282
Changes during period									
Provision of general reserve							20,000	(20,000)	
Provision of reserve for construction						20,000		(20,000)	-
Dividends from surplus								(4,612)	(4,612)
Profit								24,424	24,424
Disposal of treasury stock			(1,321)	(1,321)					
Purchase of treasury stock									
Transfer of loss on disposal of treasury stock			1,321	1,321				(1,321)	(1,321)
Reversal of revaluation reserve for land									
Net changes other than shareholders' equity									
Total changes during period	-	-	-	-	-	20,000	20,000	(21,510)	18,489
Balance at end of period	23,001	25,573	-	25,573	5,750	35,000	56,774	24,247	121,772

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(8,233)	143,624	63,480	(0)	5,676	69,156	212,780
Changes during period							
Provision of general reserve		-					-
Provision of reserve for construction		-					-
Dividends from surplus		(4,612)					(4,612)
Profit		24,424					24,424
Disposal of treasury stock	1,326	4					4
Purchase of treasury stock	(2,530)	(2,530)					(2,530)
Transfer of loss on disposal of treasury stock		-					-
Reversal of revaluation reserve for land		-					-
Net changes other than shareholders' equity			3,445	(3)	-	3,442	3,442
Total changes during period	(1,204)	17,285	3,445	(3)	-	3,442	20,727
Balance at end of period	(9,437)	160,909	66,926	(3)	5,676	72,599	233,508

## 5. Other

### (1) Summary of Consolidated Results and Forecasts

(Millions of yen)

	Six-month Period from April					Full Year							
	FY2016	FY2017	FY2018	YoY (b)-(a)		FY2016	FY2017	FY2017	YoY (b)-(a)		FY2018	YoY (c)-(b)	
	Actual	Actual (a)	Forecast (b)	Amount	Percentage (%)	Actual (a)	Revised forecast Apr. 17, 2018	Actual (b)	Amount	Percentage (%)	Forecast (c)	Amount	Percentage (%)
Net sales	204,176	181,696	215,000	33,303	18.3	422,722	428,000	429,026	6,304	1.5	514,000	84,973	19.8
Domestic construction business	189,379	166,535	193,000	26,464	15.9	390,314	391,550	389,235	-1,079	-0.3	463,000	73,764	19.0
Architectural construction	145,447	120,236	143,000	22,763	18.9	291,739	280,000	279,971	-11,767	-4.0	358,000	78,028	27.9
Civil engineering	43,932	46,299	50,000	3,700	8.0	98,575	111,550	109,263	10,688	10.8	105,000	-4,263	-3.9
Investment and development business	2,804	2,862	3,000	137	4.8	5,191	5,650	5,637	446	8.6	9,600	3,962	70.3
Domestic Group companies	7,349	6,881	8,625	1,743	25.3	17,413	16,940	20,092	2,678	15.4	20,500	407	2.0
New business	39	56	75	18	33.3	143	160	192	48	34.1	200	7	4.1
Overseas business	4,603	5,360	10,300	4,939	92.1	9,659	13,700	13,867	4,208	43.6	20,700	6,832	49.3
Gross profit	25,034	25,937	27,900	1,962	7.6	52,942	60,400	60,341	7,398	14.0	62,300	1,958	3.2
Profit margin	12.3 %	14.3 %	13.0 %			12.5 %	14.1 %	14.1 %			12.1 %		
SG&A expenses	12,897	13,635	15,700	2,064	15.1	27,944	29,900	29,878	1,934	6.9	31,300	1,421	4.8
Operating income	12,137	12,301	12,200	-101	-0.8	24,998	30,500	30,463	5,464	21.9	31,000	536	1.8
Non-operating income	985	1,262	1,000	-262	-20.8	2,199	2,500	2,574	375	17.1	2,300	-274	-10.7
Ordinary income	13,122	13,563	13,200	-363	-2.7	27,197	33,000	33,037	5,839	21.5	33,300	262	0.8
Extraordinary income (loss)	(31)	1,463	-	-1,463	-	1,164	2,800	2,796	1,631	140.1	-	-2,796	-
Profit before income taxes	13,091	15,027	13,200	-1,827	-12.2	28,362	35,800	35,834	7,471	26.3	33,300	-2,534	-7.1
Income taxes	1,614	4,778	4,300	-478	-10.0	(13,898)	10,400	10,288	24,187	-	11,000	711	6.9
Profit	11,476	10,249	8,900	-1,349	-13.2	42,261	25,400	25,545	-16,715	-39.6	22,300	-3,245	-12.7
Profit attributable to non-controlling interests	19	0	-	-	-	169	-	90	-79	-46.6	-	-90	-
Profit attributable to owners of parent	11,456	10,248	8,900	-1,348	-13.2	42,091	25,400	25,455	-16,636	-39.5	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							
	FY2016	FY2017	FY2018	YoY (b)-(a)		FY2016	FY2017	FY2017	YoY (b)-(a)		FY2018	YoY (c)-(b)	
	Actual	Actual (a)	Forecast (b)	Amount	Percentage (%)	Actual (a)	Revised forecast Apr. 17, 2018	Actual (b)	Amount	Percentage (%)	Forecast (c)	Amount	Percentage (%)
Orders received	207,512	201,090	202,700	1,609	0.8	478,587	452,700	449,522	-29,064	-6.1	479,000	29,477	6.6
Construction business	204,677	198,193	200,000	1,806	0.9	471,451	447,000	441,447	-30,004	-6.4	470,000	28,552	6.5
Domestic architectural construction	166,615	156,513	149,000	-7,513	-4.8	355,320	350,000	325,900	-29,419	-8.3	358,000	32,099	9.8
Domestic civil engineering	35,997	40,611	49,000	8,388	20.7	112,590	89,800	108,933	-3,656	-3.2	108,000	-933	-0.9
Overseas	2,065	1,068	2,000	931	87.1	3,540	7,200	6,613	3,072	86.8	4,000	-2,613	-39.5
Investment and development business and other	2,834	2,896	2,700	-196	-6.8	7,135	5,700	8,075	939	13.2	9,000	924	11.4
Net sales	192,929	170,582	198,700	28,117	16.5	399,578	400,000	400,325	746	0.2	478,000	77,674	19.4
Construction business	190,094	167,686	196,000	28,313	16.9	392,442	394,400	392,249	-193	-0.0	469,000	76,750	19.6
Domestic architectural construction	145,448	120,237	143,000	22,762	18.9	291,744	280,000	279,982	-11,761	-4.0	358,000	78,017	27.9
Domestic civil engineering	43,932	46,298	50,000	3,701	8.0	98,664	111,550	109,328	10,663	10.8	105,000	-4,328	-4.0
Overseas	713	1,149	3,000	1,850	160.9	2,033	2,850	2,938	904	44.5	6,000	3,061	104.2
Investment and development business and other	2,834	2,896	2,700	-196	-6.8	7,135	5,600	8,075	939	13.2	9,000	924	11.4
Gross profit	23,402	24,208	25,400	1,191	4.9	48,610	55,800	55,843	7,233	14.9	57,500	1,656	3.0
Profit margin	12.1 %	14.2 %	12.8 %			12.2 %	14.0 %	13.9 %			12.0 %		
Construction business	22,540	23,073	24,500	1,426	6.2	46,827	53,650	53,659	6,832	14.6	55,500	1,840	3.4
Domestic architectural construction	19,479	15,932	18,900	2,967	18.6	36,627	35,877	35,924	-703	-1.9	41,800	5,875	16.4
Domestic civil engineering	3,033	7,216	5,470	-1,746	-24.2	10,231	18,084	18,046	7,814	76.4	13,435	-4,611	-25.6
Overseas	26	(74)	130	204	-	(31)	(311)	(310)	-279	-	265	575	-
Investment and development business and other	862	1,134	900	-234	-20.7	1,783	2,150	2,184	400	22.5	2,000	-184	-8.4
Profit margin	30.4 %	39.2 %	33.3 %			25.0 %	38.4 %	27.0 %			22.2 %		
SG&A expenses	11,534	12,269	14,000	1,730	14.1	25,199	26,900	26,879	1,680	6.7	28,000	1,120	4.2
Operating income	11,868	11,939	11,400	-539	-4.5	23,411	28,900	28,963	5,552	23.7	29,500	536	1.9
Non-operating income	874	1,163	1,000	-163	-14.1	1,949	2,400	2,312	362	18.6	2,200	-112	-4.8
Ordinary income	12,742	13,102	12,400	-702	-5.4	25,361	31,300	31,275	5,914	23.3	31,700	424	1.4
Extraordinary income (loss)	(27)	1,462	-	-1,462	-	1,209	2,700	2,750	1,541	127.5	-	-2,750	-
Profit before income taxes	12,714	14,565	12,400	-2,165	-14.9	26,570	34,000	34,026	7,456	28.1	31,700	-2,326	-6.8
Income taxes	1,463	4,545	4,000	-545	-12.0	(14,530)	9,600	9,602	24,132	-	10,300	697	7.3
Profit	11,251	10,020	8,400	-1,620	-16.2	41,100	24,400	24,424	-16,676	-40.6	21,400	-3,024	-12.4
Dividend per share (yen)	-	-	-	-	-	15.0	12.0	20.0	5.0	33.3	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	FY2016 From Apr. 1, 2016 to Mar. 31, 2017		FY2017 From Apr. 1, 2017 to Mar. 31, 2018		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Domestic construction business						
(a) Architectural construction						
Public sector	40,516	8.5	27,774	6.2	-12,742	-31.4
Private sector	314,803	65.8	298,125	66.3	-16,677	-5.3
Subtotal	355,320	74.2	325,900	72.5	-29,419	-8.3
(b) Civil engineering						
Public sector	99,152	20.7	90,802	20.2	-8,350	-8.4
Private sector	13,438	2.8	18,131	4.0	4,693	34.9
Subtotal	112,590	23.5	108,933	24.2	-3,656	-3.2
(c) Total (a)+(b)						
Public sector	139,669	29.2	118,576	26.4	-21,092	-15.1
Private sector	328,241	68.6	316,257	70.4	-11,984	-3.7
Subtotal	467,910	97.8	434,833	96.7	-33,076	-7.1
(B) Overseas business	3,540	0.7	6,613	1.5	3,072	86.8
(C) Total (A)+(B)	471,451	98.5	441,447	98.2	-30,004	-6.4
II Investment and development business	5,251	1.1	5,669	1.3	417	8.0
III New business	1,884	0.4	2,406	0.5	522	27.7
IV Total (I + II + III)	478,587	100.0	449,522	100.0	-29,064	-6.1

2) Net Sales

(Millions of yen)

Business segment/Classification	FY2016 From Apr. 1, 2016 to Mar. 31, 2017		FY2017 From Apr. 1, 2017 to Mar. 31, 2018		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Domestic construction business						
(a) Architectural construction						
Public sector	49,284	12.3	37,576	9.4	-11,708	-23.8
Private sector	242,459	60.7	242,406	60.6	-52	0.0
Subtotal	291,744	73.0	279,982	69.9	-11,761	-4.0
(b) Civil engineering						
Public sector	86,475	21.6	96,258	24.0	9,783	11.3
Private sector	12,189	3.1	13,070	3.3	880	7.2
Subtotal	98,664	24.7	109,328	27.3	10,663	10.8
(c) Total (a)+(b)						
Public sector	135,759	34.0	133,834	33.5	-1,925	-1.4
Private sector	254,649	63.7	255,476	63.8	827	0.3
Subtotal	390,409	97.7	389,311	97.3	-1,098	-0.3
(B) Overseas business	2,033	0.5	2,938	0.7	904	44.5
(C) Total (A)+(B)	392,442	98.2	392,249	98.0	-193	0.0
II Investment and development business	5,251	1.3	5,669	1.4	417	8.0
III New business	1,884	0.5	2,406	0.6	522	27.7
IV Total (I + II + III)	399,578	100.0	400,325	100.0	746	0.2

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY2016 (As of March 31, 2017)		FY2017 (As of March 31, 2018)		Change	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)
I Construction business						
(A) Domestic construction business						
(a) Architectural construction						
Public sector	51,333	8.4	41,531	6.3	-9,801	-19.1
Private sector	372,103	60.8	427,822	64.7	55,719	15.0
Subtotal	423,436	69.2	469,353	71.0	45,917	10.8
(b) Civil engineering						
Public sector	162,242	26.5	157,056	23.8	-5,186	-3.2
Private sector	20,570	3.4	25,362	3.8	4,791	23.3
Subtotal	182,813	29.9	182,418	27.6	-394	-0.2
(c) Total (a)+(b)						
Public sector	213,575	34.9	198,587	30.0	-14,988	-7.0
Private sector	392,673	64.2	453,184	68.6	60,510	15.4
Subtotal	606,249	99.1	651,772	98.6	45,522	7.5
(B) Overseas business	5,586	0.9	9,261	1.4	3,675	65.8
(C) Total (A)+(B)	611,836	100.0	661,034	100.0	49,197	8.0
II Investment and development business	-	-	-	-	-	-
III New business	-	-	-	-	-	-
IV Total (I + II + III)	611,836	100.0	661,034	100.0	49,197	8.0