

# **Consolidated Financial Results for the First Quarter Ended June 30, 2019**



## 2. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	97,450	111,216
Notes receivable, accounts receivable from completed construction contracts and other	225,685	169,471
Securities	-	9
Real estate for sale	9,162	8,201
Costs on uncompleted construction contracts	16,719	23,064
Other inventories	2,029	1,982
Other	15,336	16,487
Allowance for doubtful accounts	(1,548)	(1,032)
Total current assets	364,835	329,400
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,953	18,430
Machinery, vehicles, tools, furniture and fixtures, net	2,807	3,031
Land	82,199	82,172
Lease assets, net	52	77
Construction in progress	5,420	7,137
Total property, plant and equipment	109,434	110,848
Intangible assets		
Goodwill	589	571
Other	7,373	7,341
Total intangible assets	7,962	7,913
Investments and other assets		
Investment securities	178,643	167,219
Long-term loans receivable	434	404
Net defined benefit asset	1,930	1,744
Deferred tax assets	582	644
Other	4,132	4,490
Allowance for doubtful accounts	(234)	(234)
Total investments and other assets	185,489	174,269
Total noncurrent assets	302,886	293,031
Total assets	667,722	622,432

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	119,264	99,915
Short-term loans payable	29,451	29,139
Commercial papers	50,000	30,000
Income taxes payable	9,882	3,564
Advances received on uncompleted construction contracts	30,059	36,425
Provision for bonuses	6,596	3,311
Provision for warranties for completed construction	4,390	4,465
Provision for loss on construction contracts	3,601	3,469
Deposits received	26,355	31,624
Other	14,227	17,981
<b>Total current liabilities</b>	<b>293,829</b>	<b>259,897</b>
Noncurrent liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	27,573	27,183
Deferred tax liabilities	18,424	14,677
Deferred tax liabilities for land revaluation	7,235	7,235
Provision for directors' retirement benefits	180	181
Provision for share allocation to directors	172	163
Provision for loss on liquidation of subsidiaries and affiliates	42	40
Net defined benefit liability	21,446	21,734
Asset retirement obligations	1,183	1,393
Other	3,441	3,380
<b>Total noncurrent liabilities</b>	<b>104,699</b>	<b>100,990</b>
<b>Total liabilities</b>	<b>398,529</b>	<b>360,887</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	23,001	23,001
Capital surplus	25,743	25,743
Retained earnings	155,875	156,529
Treasury stock	(9,438)	(9,438)
<b>Total shareholders' equity</b>	<b>195,182</b>	<b>195,836</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	67,330	58,936
Deferred gains or losses on hedges	28	(40)
Revaluation reserve for land	5,592	5,567
Foreign currency translation adjustment	(955)	(948)
Remeasurements of defined benefit plans	(1,021)	(913)
<b>Total accumulated other comprehensive income</b>	<b>70,974</b>	<b>62,601</b>
<b>Non-controlling interests</b>	<b>3,035</b>	<b>3,106</b>
<b>Total net assets</b>	<b>269,193</b>	<b>261,544</b>
<b>Total liabilities and net assets</b>	<b>667,722</b>	<b>622,432</b>

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Three Months ended June 30, 2018 and 2019

(Millions of yen)

	Three Months ended June 30, 2018 (April 1 through June 30, 2018)	Three Months ended June 30, 2019 (April 1 through June 30, 2019)
Net sales		
Net sales of completed construction contracts	86,834	115,859
Net sales of investment and development business and other	3,401	3,998
Total net sales	90,236	119,857
Cost of sales		
Cost of sales of completed construction contracts	77,449	101,352
Cost of sales on investment and development business and other	2,265	2,704
Total cost of sales	79,715	104,057
Gross profit		
Gross profit on completed construction contracts	9,385	14,506
Gross profit on investment and development business and other	1,136	1,294
Total gross profit	10,521	15,800
Selling, general and administrative expenses	6,984	7,395
Operating income	3,537	8,404
Non-operating income		
Interest income	52	58
Dividend income	1,319	1,459
Other	99	83
Total non-operating income	1,470	1,600
Non-operating expenses		
Interest expenses	166	168
Commission fee	33	33
Other	8	55
Total non-operating expenses	208	256
Ordinary income	4,799	9,749
Extraordinary income		
Gain on sales of investment securities	526	173
Settlement received	-	174
Other	-	17
Total extraordinary income	526	364
Extraordinary loss		
Loss on abandonment of noncurrent assets	127	28
Loss on valuation of investment securities	-	106
Other	0	0
Total extraordinary losses	127	134
Profit before income taxes	5,198	9,979
Income taxes	1,718	3,163
Profit	3,480	6,816
Profit attributable to non-controlling interests	66	46
Profit attributable to owners of parent	3,413	6,769

## Consolidated Statements of Comprehensive Income

Three Months ended June 30, 2018 and 2019

(Millions of yen)

	Three Months ended June 30, 2018 (April 1 through June 30, 2018)	Three Months ended June 30, 2019 (April 1 through June 30, 2019)
Profit	3,480	6,816
Other comprehensive income		
Valuation difference on available-for-sale securities	7,076	(8,394)
Deferred gains or losses on hedges	24	(69)
Foreign currency translation adjustment	(395)	35
Remeasurements of defined benefit plans	77	107
Total other comprehensive income	6,783	(8,320)
Comprehensive income	10,263	(1,504)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,214	(1,578)
Comprehensive income attributable to non-controlling interests	48	74

3. (Reference) Non-consolidated Financial Statements

(1) (Reference) Non-consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	78,048	87,508
Notes receivable, accounts receivable from completed construction contracts and other	212,884	163,368
Securities	-	9
Real estate for sale	8,270	8,018
Costs on uncompleted construction contracts	13,994	18,281
Other inventories	1,638	1,586
Other	13,910	15,702
Allowance for doubtful accounts	(1,653)	(1,357)
Total current assets	327,093	293,117
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	13,920	13,778
Machinery, vehicles, tools, furniture and fixtures, net	903	1,129
Land	75,255	75,255
Lease assets, net	52	45
Construction in progress	4,368	5,479
Total property, plant and equipment	94,500	95,687
Intangible assets	7,371	7,339
Investments and other assets		
Investment securities	192,046	181,008
Long-term loans receivable	430	400
Prepaid pension cost	2,652	2,396
Other	3,059	3,364
Allowance for doubtful accounts	(234)	(234)
Total investments and other assets	197,955	186,936
Total noncurrent assets	299,827	289,963
Total assets	626,920	583,081

(Millions of yen)

As of March 31, 2019

As of June 30, 2019

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	113,853	94,236
Short-term loans payable	23,586	25,074
Commercial papers	50,000	30,000
Income taxes payable	9,289	3,122
Advances received on uncompleted construction contracts	26,124	30,907
Provision for bonuses	6,105	2,694
Provision for warranties for completed construction	4,288	4,368
Provision for loss on construction contracts	3,526	3,374
Deposits received	24,184	30,695
Other	12,714	17,239
<b>Total current liabilities</b>	<b>273,672</b>	<b>241,714</b>
<b>Noncurrent liabilities</b>		
Bonds payable	25,000	25,000
Long-term loans payable	27,573	27,183
Deferred tax liabilities	18,227	14,623
Deferred tax liabilities for land revaluation	7,235	7,235
Provision for retirement benefits	19,917	20,286
Provision for directors' retirement benefits	124	136
Provision for share allocation to directors	172	163
Provision for loss on business of subsidiaries and affiliates	163	163
Asset retirement obligations	236	236
Other	2,427	2,346
<b>Total noncurrent liabilities</b>	<b>101,078</b>	<b>97,375</b>
<b>Total liabilities</b>	<b>374,750</b>	<b>339,090</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	23,001	23,001
Capital surplus		
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
Other retained earnings		
Reserve for construction	50,000	50,000
General reserve	56,774	71,774
Retained earnings brought forward	27,596	12,890
<b>Total retained earnings</b>	<b>140,121</b>	<b>140,415</b>
Treasury stock	(9,438)	(9,438)
<b>Total shareholders' equity</b>	<b>179,257</b>	<b>179,551</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	67,289	58,911
Deferred gains or losses on hedges	29	(40)
Revaluation reserve for land	5,592	5,567
<b>Total valuation and translation adjustments</b>	<b>72,912</b>	<b>64,439</b>
<b>Total net assets</b>	<b>252,170</b>	<b>243,991</b>
<b>Total liabilities and net assets</b>	<b>626,920</b>	<b>583,081</b>

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

	(Millions of yen)	
	Three Months ended June 30, 2018 (April 1 through June 30, 2018)	Three Months ended June 30, 2019 (April 1 through June 30, 2019)
Net sales		
Net sales of completed construction contracts	81,441	108,075
Net sales of investment and development business and other	1,092	1,536
Total net sales	82,533	109,612
Cost of sales		
Cost of sales of completed construction contracts	72,479	94,307
Cost of sales on investment and development business and other	622	924
Total cost of sales	73,101	95,231
Gross profit		
Gross profit on completed construction contracts	8,962	13,768
Gross profit on investment and development business and other	470	612
Total gross profit	9,432	14,380
Selling, general and administrative expenses	6,245	6,521
Operating income	3,186	7,859
Non-operating income	1,448	1,556
Non-operating expenses	203	252
Ordinary income	4,431	9,163
Extraordinary income	526	350
Extraordinary loss	127	134
Profit before income taxes	4,830	9,379
Income taxes	1,540	2,970
Profit	3,290	6,409



#### 4. Supplementary Information

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

(Millions of yen)

	Three-month Period from April				Six-month Period from April				Full Year			
	FY2018	FY2019	YoY (b)-(a)		FY2018	FY2019	YoY (b)-(a)		FY2018	FY2019	YoY (b)-(a)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)
Net sales	90,236	119,857	29,620	32.8	203,046	241,000	37,953	18.7	510,436	520,000	9,563	1.9
Domestic construction business	81,006	106,959	25,953	32.0	183,331	214,000	30,668	16.7	454,039	457,500	3,460	0.8
Architectural construction	60,433	84,103	23,670	39.2	141,022	164,000	22,977	16.3	355,045	340,000	-15,045	-4.2
Civil engineering	20,572	22,856	2,283	11.1	42,308	50,000	7,691	18.2	98,993	117,500	18,506	18.7
Investment and development business	1,099	2,257	1,157	105.3	2,627	3,200	572	21.8	9,786	8,800	-986	-10.1
Domestic Group companies	4,057	5,594	1,536	37.9	9,016	13,350	4,333	48.1	28,615	32,600	3,984	13.9
New business	36	29	-6	-18.9	66	50	-16	-24.5	212	150	-62	-29.3
Overseas business	4,037	5,016	979	24.3	8,005	10,400	2,394	29.9	17,782	20,950	3,167	17.8
Gross profit	10,521	15,800	5,278	50.2	25,213	28,800	3,586	14.2	67,109	66,200	-909	-1.4
Profit margin	11.7 %	13.2 %			12.4 %	12.0 %			13.1 %	12.7 %		
SG&A expenses	6,984	7,395	411	5.9	14,908	17,000	2,091	14.0	32,591	35,500	2,908	8.9
Operating income	3,537	8,404	4,867	137.6	10,304	11,800	1,495	14.5	34,518	30,700	-3,818	-11.1
Non-operating income	1,261	1,344	82	6.5	1,558	1,000	-558	-35.8	2,975	2,100	-875	-29.4
Ordinary income	4,799	9,749	4,949	103.1	11,862	12,800	937	7.9	37,493	32,800	-4,693	-12.5
Extraordinary income	399	230	-169	-42.3	571	500	-71	-12.5	847	1,000	152	18.0
Profit before income taxes	5,198	9,979	4,780	92.0	12,434	13,300	865	7.0	38,341	33,800	-4,541	-11.8
Income taxes	1,718	3,163	1,444	84.1	4,028	4,300	271	6.7	12,546	11,000	-1,546	-12.3
Profit	3,480	6,816	3,336	95.9	8,405	9,000	594	7.1	25,794	22,800	-2,994	-11.6
Profit attributable to non-controlling interests	66	46	-19	-29.7	143	-	-143	-	199	-	-199	-
Profit attributable to owners of parent	3,413	6,769	3,355	98.3	8,262	9,000	737	8.9	25,595	22,800	-2,795	-10.9

Notes: 1. These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties. Therefore, the actual results of developments may differ from those presented in these forward-looking statements due to the changes in various factors.

2. Net sales are based on business segments and intercompany sales are eliminated.

**(2) Summary of Non-consolidated Results and Forecasts**

(Millions of yen)

	Three-month Period from April				Six-month Period from April				Full Year			
	FY2018	FY2019	YoY (b)-(a)		FY2018	FY2019	YoY (b)-(a)		FY2018	FY2019	YoY (b)-(a)	
	Actual (a)	Actual (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)	Actual (a)	Initial forecast (b)	Amount	Percentage (%)
Orders received	99,022	56,815	-42,207	-42.6	272,855	205,000	-67,855	-24.9	549,233	470,000	-79,233	-14.4
Construction business	97,930	55,278	-42,651	-43.6	270,428	202,500	-67,928	-25.1	539,806	462,000	-77,806	-14.4
Domestic architectural construction	62,483	39,153	-23,330	-37.3	179,095	153,000	-26,095	-14.6	381,711	340,000	-41,711	-10.9
Domestic civil engineering	33,614	14,729	-18,884	-56.2	89,437	46,000	-43,437	-48.6	155,877	115,000	-40,877	-26.2
Overseas	1,831	1,395	-436	-23.8	1,896	3,500	1,603	84.6	2,217	7,000	4,782	215.6
Investment and development business and other	1,092	1,536	444	40.7	2,426	2,500	73	3.0	9,427	8,000	-1,427	-15.1
Net sales	82,533	109,612	27,079	32.8	187,345	219,500	32,154	17.2	468,084	471,500	3,415	0.7
Construction business	81,441	108,075	26,634	32.7	184,919	217,000	32,080	17.3	458,657	463,500	4,842	1.1
Domestic architectural construction	60,439	84,114	23,674	39.2	141,030	164,000	22,969	16.3	355,064	340,000	-15,064	-4.2
Domestic civil engineering	20,572	22,856	2,283	11.1	42,400	50,000	7,599	17.9	99,042	117,500	18,457	18.6
Overseas	428	1,105	677	158.0	1,488	3,000	1,511	101.5	4,550	6,000	1,449	31.8
Investment and development business and other	1,092	1,536	444	40.7	2,426	2,500	73	3.0	9,427	8,000	-1,427	-15.1
Gross profit	9,432	14,380	4,948	52.5	22,812	25,900	3,087	13.5	61,208	60,000	-1,208	-2.0
Profit margin	11.4 %	13.1 %			12.2 %	11.8 %			13.1 %	12.7 %		
Construction business	8,962	13,768	4,806	53.6	21,875	25,100	3,224	14.7	58,731	56,400	-2,331	-4.0
Domestic architectural construction	6,212	10,957	4,744	76.4	15,936	18,500	2,563	16.1	44,412	39,000	-5,412	-12.2
Domestic civil engineering	2,762	2,710	-52	-1.9	6,428	6,400	-28	-0.5	17,521	17,000	-521	-3.0
Overseas	-13	101	114	-	-490	200	690	-	-3,202	400	3,602	-
Investment and development business and other	470	612	141	30.1	937	800	-137	-14.7	2,476	3,600	1,123	45.4
Profit margin	43.1 %	39.8 %			38.6 %	32.0 %			26.3 %	45.0 %		
SG&A expenses	6,245	6,521	275	4.4	13,411	15,000	1,588	11.8	28,992	31,500	2,507	8.6
Operating income	3,186	7,859	4,672	146.6	9,401	10,900	1,498	15.9	32,215	28,500	-3,715	-11.5
Non-operating income	1,244	1,304	59	4.8	1,476	1,000	-476	-32.3	2,814	2,100	-714	-25.4
Ordinary income	4,431	9,163	4,732	106.8	10,877	11,900	1,022	9.4	35,029	30,600	-4,429	-12.6
Extraordinary income	399	216	-183	-45.8	572	500	-72	-12.6	788	1,000	211	26.9
Profit before income taxes	4,830	9,379	4,549	94.2	11,449	12,400	950	8.3	35,817	31,600	-4,217	-11.8
Income taxes	1,540	2,970	1,430	92.9	3,640	3,900	260	7.1	11,412	10,000	-1,412	-12.4
Profit	3,290	6,409	3,119	94.8	7,809	8,500	690	8.8	24,405	21,600	-2,805	-11.5
Dividend per share (yen)	-	-	-	-	-	-	-	-	20.0	22.0	2.0	10.0

Notes: 1. These non-consolidated financial statements, exempt from the quarterly review by auditors for statutory disclosure, were prepared pursuant to Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements, etc.

2. These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties. Therefore, the actual results of developments may differ from those presented in these forward-looking statements due to the changes in various factors.

**(3) Orders Received, Net Sales and Balance Brought Forward (non-consolidated)**
**1) Orders Received**

(Millions of yen)

Business segment/Classification	Three-month Period From April 1, 2018 to June 30, 2018		Three-month Period From April 1, 2019 to June 30, 2019		Change		Previous Fiscal Year (From April 1, 2018 to March 31, 2019)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
<b>I Construction business</b>								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	1,751	1.8	6,372	11.2	4,620	263.8	48,593	8.8
Private sector	60,732	61.3	32,780	57.7	-27,951	-46.0	333,117	60.7
Subtotal	62,483	63.1	39,153	68.9	-23,330	-37.3	381,711	69.5
(b) Civil engineering								
Public sector	27,598	27.9	8,860	15.6	-18,738	-67.9	127,276	23.2
Private sector	6,015	6.1	5,869	10.3	-146	-2.4	28,601	5.2
Subtotal	33,614	33.9	14,729	25.9	-18,884	-56.2	155,877	28.4
(c) Total (a)+(b)								
Public sector	29,350	29.6	15,232	26.8	-14,118	-48.1	175,869	32.0
Private sector	66,748	67.4	38,650	68.0	-28,097	-42.1	361,718	65.9
Subtotal	96,098	97.0	53,883	94.8	-42,215	-43.9	537,588	97.9
(B) Overseas business	1,831	1.8	1,395	2.5	-436	-23.8	2,217	0.4
(C) Total (A)+(B)	97,930	98.9	55,278	97.3	-42,651	-43.6	539,806	98.3
<b>II Investment and development business</b>	1,092	1.1	1,535	2.7	442	40.5	9,378	1.7
<b>III New business</b>	-	-	1	-	1	-	49	0.0
<b>IV Total (I + II + III)</b>	<b>99,022</b>	<b>100.0</b>	<b>56,815</b>	<b>100.0</b>	<b>-42,207</b>	<b>-42.6</b>	<b>549,233</b>	<b>100.0</b>

**2) Net Sales**

(Millions of yen)

Business segment/Classification	Three-month Period From April 1, 2018 to June 30, 2018		Three-month Period From April 1, 2019 to June 30, 2019		Change		Previous Fiscal Year (From April 1, 2018 to March 31, 2019)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
<b>I Construction business</b>								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	8,604	10.4	8,090	7.4	-513	-6.0	32,300	6.9
Private sector	51,835	62.8	76,023	69.4	24,188	46.7	322,763	69.0
Subtotal	60,439	73.2	84,114	76.7	23,674	39.2	355,064	75.9
(b) Civil engineering								
Public sector	17,713	21.5	19,459	17.8	1,746	9.9	80,410	17.2
Private sector	2,859	3.5	3,396	3.1	536	18.8	18,632	4.0
Subtotal	20,572	24.9	22,856	20.9	2,283	11.1	99,042	21.2
(c) Total (a)+(b)								
Public sector	26,317	31.9	27,550	25.1	1,232	4.7	112,711	24.1
Private sector	54,695	66.3	79,419	72.5	24,724	45.2	341,395	72.9
Subtotal	81,012	98.2	106,970	97.6	25,957	32.0	454,106	97.0
(B) Overseas business	428	0.5	1,105	1.0	677	158.0	4,550	1.0
(C) Total (A)+(B)	81,441	98.7	108,075	98.6	26,634	32.7	458,657	98.0
<b>II Investment and development business</b>	1,092	1.3	1,535	1.4	442	40.5	9,378	2.0
<b>III New business</b>	-	-	1	-	1	-	49	0.0
<b>IV Total (I + II + III)</b>	<b>82,533</b>	<b>100.0</b>	<b>109,612</b>	<b>100.0</b>	<b>27,079</b>	<b>32.8</b>	<b>468,084</b>	<b>100.0</b>

3) Balance Brought Forward

(Millions of yen)

Business segment/Classification	FY2018 1Q (As of June 30, 2018)		FY2019 1Q (As of June 30, 2019)		Change		Previous Fiscal Year (As of March 31, 2019)	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Percentage (%)	Amount	Ratio (%)
I Construction business								
(A) Domestic construction business								
(a) Architectural construction								
Public sector	22,202	3.3	43,629	6.3	21,426	96.5	45,347	6.1
Private sector	449,195	66.3	407,410	59.1	-41,785	-9.3	450,653	60.7
Subtotal	471,398	69.6	451,039	65.4	-20,358	-4.3	496,000	66.8
(b) Civil engineering								
Public sector	171,783	25.4	198,164	28.7	26,380	15.4	208,764	28.1
Private sector	23,676	3.5	32,962	4.8	9,286	39.2	30,489	4.1
Subtotal	195,460	28.8	231,127	33.5	35,666	18.2	239,253	32.2
(c) Total (a)+(b)								
Public sector	193,986	28.6	241,794	35.1	47,807	24.6	254,111	34.2
Private sector	472,872	69.8	440,373	63.9	-32,499	-6.9	481,142	64.8
Subtotal	666,858	98.4	682,167	99.0	15,308	2.3	735,254	99.1
(B) Overseas business	10,664	1.6	7,218	1.0	-3,446	-32.3	6,928	0.9
(C) Total (A)+(B)	677,523	100.0	689,385	100.0	11,862	1.8	742,183	100.0
II Investment and development business	-	-	-	-	-	-	-	-
III New business	-	-	-	-	-	-	-	-
IV Total (I + II + III)	677,523	100.0	689,385	100.0	11,862	1.8	742,183	100.0