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Securities code: 1860
Stock listings: First Section of Tokyo Stock Exchange and
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**Notice Regarding Posting of Valuation Loss on Real Estate for Sale, Etc.,
and Reversal of Deferred Tax Assets**

We hereby announce the prospective posting of significant losses and other items for the fiscal year ending March 31, 2012 (fiscal year 2011), as described below.

1. Provision for Loss on Construction Contracts

In TODA CORPORATION (the “Company”)’s mainstay construction business, profitability has increasingly deteriorated owing to intensifying competition with regard to the Company’s efforts to obtain orders. Moreover, the momentum for recovering costs has waned, which has been considerably affected by deteriorating labor conditions and other factors.

To cope with this harsh reality, the Company has reviewed its cost estimation method and the potential profitability of its contract backlog. After careful consideration, the Company has decided to address such factors that could adversely affect profits from construction work undertaken in fiscal year 2012 and beyond, by increasing the provision for loss on construction contracts by approximately ¥3.5 billion, which corresponds to the loss estimated to be generated by the end of fiscal year 2011. The Company thus intends to improve the profitability of its mainstay construction business through careful selection of orders to ensure future profits.

2. Valuation Loss on Real Estate for Sale

The Company newly established the Real Estate Division during fiscal year 2011 to improve the profitability of its real estate business, by enhancing the efficiency of the utilization of real estate holdings through an integrated management structure. The biggest issue of the Company’s real estate business is how to liquidate its long-held properties to raise overall investment efficiency. The Company has determined that it is essential to take radical measures, in particular, those involving large-scale housing lots.

To this end, the Company has addressed calculating the value of available-for-sale real estate on the basis of early sales. As a result, the Company expects to post a valuation loss on real estate for sale (cost of sales in real estate business) of approximately ¥7.3 billion, primarily for large-scale housing lots. In the future, the Company intends to sell early long-held properties and allocate the funds obtained therefrom to new investments with the aim of ensuring stable profits.

3. Loss on Valuation of Investment Securities

For the third quarter of fiscal year 2011, the Company posted an approximately ¥3.3 billion loss on valuation of investment securities, of which approximately ¥2.7 billion accounted for a loss on valuation due to a significant decline in the asset value of a portion of the preferred investment certificates related to the real estate business, in which the Company invests. On a full-year basis, approximately ¥4.0 billion in loss on valuation of investment securities is expected to be recorded for fiscal year 2011, including loss on valuation of other types of investment securities.

4. Reversal of Deferred Tax Assets in Association with Revision in Tax System

Pursuant to the change in corporate tax rates in association with a revision in the tax system, it has become necessary for the Company to conduct a reversal of deferred tax assets. In calculating the amount of the reversal, the Company has decided to conduct a reversal of deferred tax assets of approximately ¥5.2 billion based on a conservative judgment of collectability in view of the harsh business environment.

5. Outlook

Please refer to the “Notice Regarding Revisions to Earnings and Dividend Forecasts,” which was also released today, for the impact on the Company’s forecasts for its full-year business performance.

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