

ANNUAL REPORT

FOR THE YEAR ENDED
MARCH 31, 2012

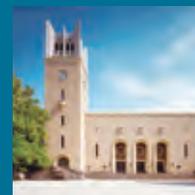
2012



Profile

Since its foundation in 1881, Toda Corporation has remained steadfastly committed to construction that contributes to safe, secure, and comfortable communities guided by our motto of realizing high-quality construction, safely and on time. Today, together with our Group Companies in Japan and overseas, and led by our primary segments of construction and civil engineering, we continue to grow as a business that places our priority on quality and trust.

Today's business climate is one of drastic change, and our clients want more value as their needs become more diverse and complex. To give our clients what they need in this new business climate, Toda Corporation is evolving into a full-service construction firm that applies its technology and expertise to providing solutions that accurately address our client's construction issues across the entire building lifecycle. We also place a high priority on fulfilling our corporate social responsibility, and we intend to continue the efforts that maintain the trust of our clients and broader society, including addressing environmental concerns such as reducing CO₂ emissions and promoting reusable energy, making efficient use of social capital stock, and promoting seismic safety and recovery and reconstruction assistance.



*Okuma Auditorium,
Waseda University
(1927)*



*Pacifico Yokohama
(1991)*



*Marunouchi oazo
Marunouchi
Kitaguchi Building
(2004)*



*Haneda Airport
International Flight
Passenger Terminal
(North Wing) (2010)*



About Cover Photo



Kumamoto Shintoshin Plaza
Location: Kumamoto, Japan
Client: Kumamoto City

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Forward-looking Statements

This report contains forward-looking statements regarding Toda Corporation's corporate plans, strategies, forecasts and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which Toda Corporation operates. As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including and without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing, financial instruments and financial resources, actual results may differ materially from those presented in these forward-looking statements.

Toda Corporation, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements and, further, that Toda Corporation undertakes no obligation to update any forward-looking statements as a result of new information, or other future developments.

Financial Highlights

Toda Corporation and Consolidated Subsidiaries—Years ended March 31

	Millions of yen				Thousands of U.S. Dollars (Note 1)	
	2008*	2009*	2010*	2011*	2012	2012
<i>Consolidated</i>						
Net sales	¥467,113	¥464,762	¥475,653	¥452,499	¥489,385	\$5,954,319
Ordinary income (loss)	6,372	5,480	7,460	7,265	(6,690)	(81,397)
Net income (loss)	3,358	2,533	2,906	3,567	(19,872)	(241,790)
Comprehensive income (loss)	—	—	—	(2,586)	(17,167)	(208,879)
Total net assets	214,814	179,851	194,859	189,581	171,537	2,087,081
Total assets	608,102	540,856	501,189	499,111	487,160	5,927,250
<i>Per share of common stock: (in yen and U.S. dollars)</i>						
Net assets	¥ 675.51	¥ 563.76	¥ 617.42	¥ 602.35	¥ 537.53	\$ 6.540
Net income (loss)	10.63	8.10	9.36	11.53	(64.28)	(0.782)
Cash dividends applicable to the year	7.00	7.00	7.00	7.00	6.00	0.073
Net cash provided by (used in) operating activities	¥ 6,669	¥ (8,577)	¥ 32,152	¥ 10,379	¥ (48)	\$ (592)
Net cash provided by (used in) investing activities	(2,171)	(8,478)	(7,948)	(5,278)	(7,837)	(95,363)
Net cash provided by (used in) financing activities	(6,525)	4,422	(3,089)	(3,754)	(1,557)	(18,944)
Cash and cash equivalents at end of period	52,258	39,302	60,459	61,654	52,024	632,979
Number of employees	4,866	4,996	5,051	5,034	5,101	
<i>Non-consolidated</i>						
Orders received	¥440,785	¥434,428	¥402,755	¥452,122	¥411,691	\$5,009,018

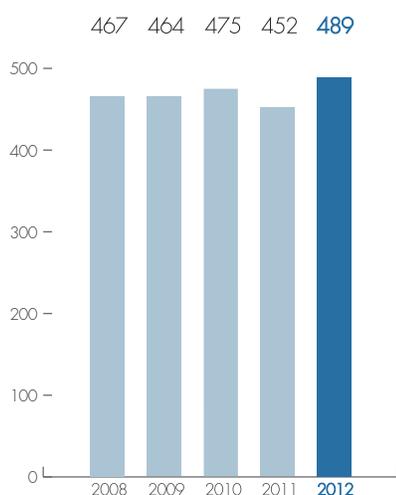
* As restated (See Note 2)

Notes: 1. The rate of ¥82.19=US\$1.00, the foreign exchange rate on March 31, 2012, has been used for translation.

2. On December 14, 2011, the Company announced that inappropriate transactions had been conducted at Sipco Industries Co., LTD. ("Sipco"), a consolidated subsidiary of the Company. After the investigation, the Company determined the accumulated total loss on this inappropriate transactions occurred at Sipco was ¥2,192 million (US\$26,672 thousand) and allocated this loss to respective financial years. As a result, the consolidated financial statements and related notes for 2011 and previous years have been restated.

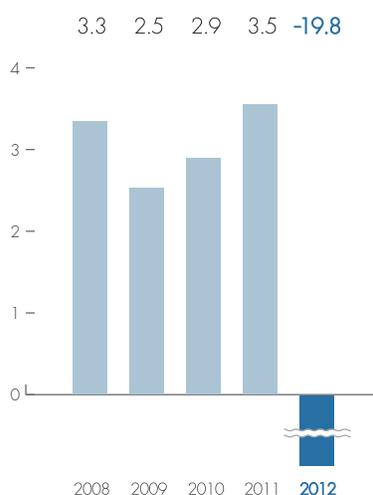
Net Sales (Consolidated)

Billions of yen



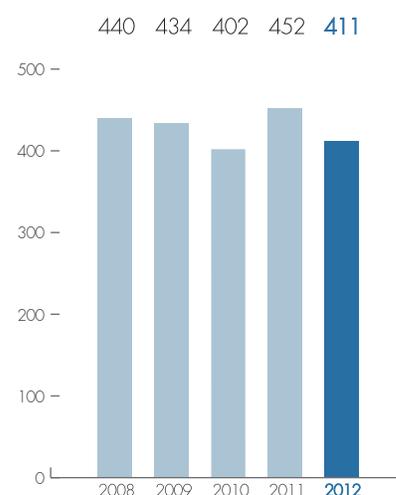
Net Income (Loss) (Consolidated)

Billions of yen



Orders Received (Non-consolidated)

Billions of yen





Shunzo Inoue, President

Aiming to be a company that creates new answers

» A review of fiscal 2011

Lower construction profitability and declining real estate values lead to decreased profits and unfulfilled targets

Despite the gradual recovery of Japan's economy in the aftermath of the Great East Japan Earthquake, the global economic slowdown triggered by the EU financial crisis, a rising yen, and other unwelcome developments have reduced revenue for Japanese firms and contribute to a persistently uncertain economic outlook. Financial results for the Toda Group amid these challenging business conditions for the fiscal year ending March 31, 2012 (fiscal 2011) are as follows.

Consolidated net sales were 489.3 billion yen, a year-on-year increase of 8.2%, due mainly to progress made on outstanding orders by our overseas subsidiaries and a subsequent increase in sales of completed contracts. Nonetheless, orders remain sluggish for our primary business of building construction and a recovery in the profitability of outstanding orders has yet to materialize, resulting in a 4.7 billion yen increase in the provision for loss on construction contracts. In addition, our real estate business experienced a 7.3 billion yen decrease in the value of real estate for sale, resulting in a 15.1 billion yen gross profit, a 3.1% decrease and a year-on-year 3.7-point decline. The overall result was a 7.9 billion yen operating loss. Moreover, a loss on valuation of investment securities and other extraordinary losses, a reduction of deferred tax assets due to the drop in the corporate tax rate, and the like resulted in a fiscal year net loss of 19.8 billion yen.

The previous three-year Medium-Term Management Plan launched in 2009 focused on increasing the ratio

Review of the Former Medium-Term Management Plan (FY2009–11)

	Target (FY2011)	FY2008	FY2011
Ratio of renovations to completions	25%	15%	14%
Ratio of orders in the priority areas (total of architectural construction and civil engineering)	70%	68%	64%
Overseas orders received (consolidated)	¥20.0 billion	¥9.7 billion	¥21.5 billion
Real estate investment (cumulative total for the period of the plan)	¥23.0 billion+	—	¥19.1 billion
Ratio of sales in the Tokyo metropolitan area	60%	51%	56%

of orders for our priority business areas and revenue from the Tokyo metropolitan area, overseas construction orders, deploying environmental technology, among other objectives. While the plan achieved a certain degree of success, it did not meet its performance targets due to a profit outlook that deteriorated more quickly than anticipated as a result of such factors as increasing competition and sharply rising labor costs.

With these developments very much in mind, in April 2012, we launched the latest Medium-Term Management Plan. The plan's main priority is a recovery in business performance in the near term along with a united effort by group companies to achieve further growth.

» **Medium- to long-term growth strategies**

Making positive social contributions through an innovative, total business model unfettered by conventional thinking

The shift to the sustainable use of existing building stock, the need to come to grips with globalization, redeveloping infrastructure, disaster prevention, the environment, and the many other pressing social problems in need of solutions today have contributed to a more diverse and complex world for our clients and for society in general. The fact is the old construction business model can no longer provide adequate solutions in today's business environment. Acutely aware of this basic fact, in April 2012 the Toda Group launched the six-year Medium- to Long-Term Management Strategy aimed

at adding momentum to our drive to synergize our Group's dynamism, achieve "value co-creation" in partnership with our clients, and secure sustained growth.

The Medium- to Long-Term Management Strategy is guided by the concept that the problems of a new era require creating new answers. With the Strategy as its guide, Toda Group Companies will work together to create solutions with a breadth and depth that surpass those formulated within the conventional construction business framework. In addition, the Strategy sets the goal of attaining a consolidated operating margin of over 3% by fiscal 2017. Achieving these goals will require successfully meeting the following three challenges.

(1) Total commitment to the facility lifecycle

Building a total business operation, from facility project proposals (upstream) to operation and maintenance (downstream), that can provide our clients with long-term value.

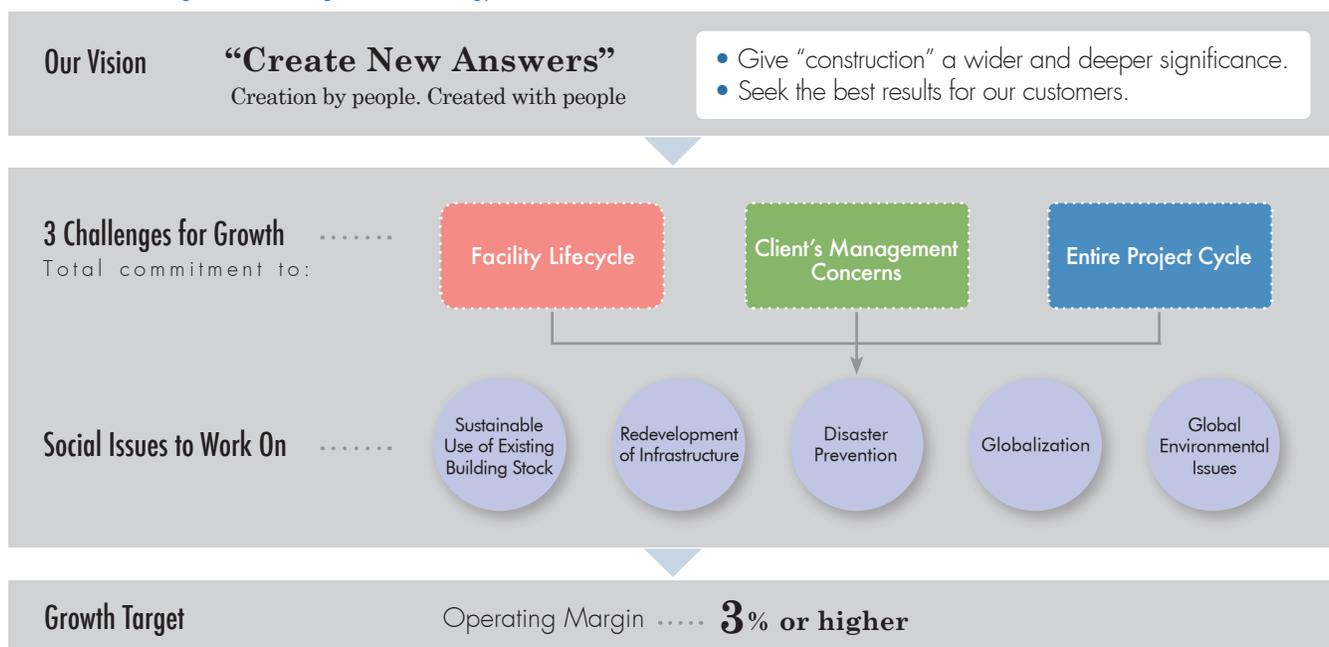
(2) Total commitment to client's management concerns

Global- and environmentally oriented technology and operations that provide better solutions for our client's management concerns.

(3) Total commitment to the entire project cycle

By maintaining financial health and using our real estate investments and business capital even more effectively, Toda Group will take the initiative on creating new value.

Medium- to Long-Term Management Strategy FY2012-17



» **Our initiatives over the next three years**

Our back-to-growth strategy: near-term return to profits and new value creation

The first step in our Medium- to Long-Term Management Strategy is the New Medium Term Management Plan, a three-year plan spanning fiscal 2012 through 2014.

The Plan's main objectives are improved profitability in the near term and new value creation through the Group's combined business operation. The Plan's business performance targets are consolidated revenues in the 500 billion yen range and operation margin over 2% for fiscal 2014. The plan's first priority is improving construction revenues. The Toda Group will perform a meticulous reevaluation of every process with an eye on revitalizing its core businesses and securing a completed work profit ratio of 7% for the parent company. Specifically, starting immediately from the commission stage, our management process features combined management and construction plan due diligence and meticulous risk management. In addition, the plan will strengthen our technical planning and comprehensive valuation methods, and enhance our core business areas, most notably medical, health and welfare, manufacturing, office, and educational facilities for our building construction departments; and urban infrastructure, including roads, rail, surface and underground water services for our civil engineering departments. Moreover, along with rationalizing our cost management and purchasing functions, we are striving to eliminate defects, rework, and waste during the construction process. Finally, we are focusing on reducing total costs, including selling, general, and administrative expenses and non-operating income and expenses and intensifying

our effort to meet recovery demand in the aftermath of the Great East Japan Earthquake.

In summary, we will strengthen our order selection and cost management based on sound orders-received targets, and thereby improve construction revenue and achieve a business-performance rebound in the near-term.

Our second major priority is executing a Group-wide growth strategy. Specifically, while staying in step with the changing business environment, we will synergize our Group's dynamism to create new value and take a step-by-step approach to building an infrastructure that secures stable revenue. As part of the comprehensive approach to our long-term strategy, we will thoroughly reorganize our business processes and focus on three areas that we have strategically targeted for development and growth: overseas markets, investment (real estate, PFI and PPP), and environment and energy. We are also striving to build a more robust management infrastructure.

Moreover, while the construction sector for fiscal 2012 can expect increased public-sector orders as part of the Great East Japan Earthquake recovery effort as well as a gradual increase in private-sector construction orders, we nonetheless expect the current challenging business environment to continue. Given the business climate, for the Toda Group's fiscal 2012 we forecast consolidated net sales of 477.8 billion yen (a year-on-year decrease of 2.4%), a 4.1 billion yen operating profit (the previous year saw a 7.9 billion yen operating loss), ordinary income of 5.2 billion yen (compared to a 6.6 billion loss the previous year), and net income of 2.7 billion yen (compared to a 19.8 billion yen net loss the previous year).

Growth Strategies for the Next Six Years (FY2012–17)

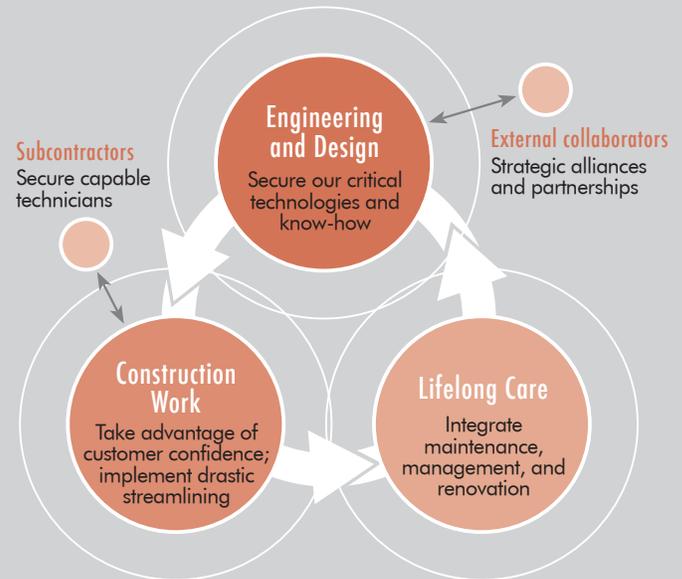


Laying the Groundwork for a successful Group-wide growth strategy

1 Renovating business processes

Meeting client needs from both the technological and operational sides

To move our Group-wide growth strategy forward we are shifting from the conventional "build-and-sell" approach to building a comprehensive business model encompassing everything from such upstream processes as engineering and design to downstream processes such as operation and maintenance. Moreover, along with strengthening our ties with our subcontractors and bringing together talented engineers, we are energetically pursuing capital and business partnerships with firms and organizations outside the Group. We will reform our business process so that it builds a framework that can meet client needs both in the technological and operational sense throughout the entire building lifecycle.



2 Developing three strategic business areas

Building a new profit base with the strategic development of three key areas

We have applied a strategic approach to developing and strengthening three key areas: overseas markets, our investment business, and environment and energy. For the especially promising overseas market segment, we have a goal of 35 billion yen in revenue for fiscal 2014 followed by 50 billion yen—equivalent to 10% of total revenues—in fiscal 2017, the final year of the Medium- and Long-Term Management Strategy. We are bolstering this business area with a focus on three regions: Brazil, Southeast Asia and China, and West Africa. For our investment business, we are aiming for 4 billion yen in income from real estate and other investments in fiscal 2014 and 5 billion yen for fiscal 2017. Our effort in the environment and energy segment is driven by partnerships with businesses in different fields than our own, with an eye on developing environmental technology that stimulates construction orders and commercializing renewable energy.

Three strategic business areas:



Overseas Markets

Building our presence in three emerging markets



Investment Business

Optimizing investments and making 5 billion yen in new investments every business year



Environment and Energy

Environmental solutions and a stronger commitment to renewable energy

For more about our efforts in these areas, see the following page.

3 Strengthening our management base

Steady progress on three priorities

Our drive to build a more solid management foundation is guided by three priorities: the management framework, improvement in the performance of fundamental management tasks, and human resource development. First, we are building a combined Group management framework capable of optimizing the synergies of the Toda Group. In addition, we are redoubling our effort to improve how we perform fundamental management responsibilities, most notably compliance, quality control, environmental conservation, health and safety, and business continuity planning. Moreover, we are focusing on human resource development by building an education and training system that can pass on our technical know-how and develop and secure the human resources that a global firm requires.



A strategic approach to building new business areas

The Toda Group has targeted three business areas—overseas markets, investment business, and environment and energy—for strategic development and growth within the Group-wide growth strategy, and we have launched a concerted effort to build our business in these key business areas.



Overseas Markets

Building our presence in three emerging markets

For over a century, through the diverse overseas projects, the Toda Group has contributed to the development of countries all over the world. Today our focus is on building our business in developing countries from bases in three regions: Brazil, Southeast Asia and China, and West Africa.

In Brazil, we are leveraging our extensive experience and know-how acquired from years of doing business in this market toward an effort to further deepen our business presence in this rapidly growing economy. For Southeast Asia and China, we established a local subsidiary in the Philippines in July 2011, which will pave the way into new countries and markets. And in West Africa, we are concentrating on a steady stream of project commissions and building a solid record in civil engineering construction, mainly from Japanese government-funded overseas direct assistance.



Toyal Zhaoqing Co., Ltd. Processing Plant (Third Phase)
Location: Guangdong, China
Client: Toyal Zhaoqing Co., Ltd.



International Topic 1

Southeast Asia regional office to open in Thailand

In Southeast Asia, Toda has already established local subsidiaries in Thailand, Vietnam, and the Philippines to establish our presence in these markets. In September 2012, we plan to open a Southeast Asia regional office in Thailand whose staff will include design, estimate survey, and quality-control specialists. The new office will be a hub in these regions for making the work process more efficient and bolstering our competitiveness. It will also consolidate the skills and expertise we have acquired from factories and other constructions we have completed there, thus creating increased value.



Investment Business

Optimizing investments and making 5 billion yen in new investment every business year

We intend to improve rental occupancy rates and maximize the value of the properties we own through refurbishing, rebuilding, and redevelopment. In addition, we will establish a real estate investment advisory board that will make around 5 billion yen in new investments based on strict criteria in income generating properties each business year. Our investment business will also provide support for our construction and building management segments.



Environment and Energy

Environmental solutions and a stronger commitment to renewable energy

CO₂ emissions and energy conservation are among the environment and energy concerns that are drawing increasing attention. The Toda Group is leveraging its broad range of expertise acquired in the environment and energy field to promoting floating wind turbine power generation and other renewable energy technology and to developing environmentally friendly urban grand designs for regions recovering from disasters. In addition, we are developing and expanding on new environmental technology and systems by energetically collaborating with other industries. The task and ambient lighting technology we are jointly developing with Murata Manufacturing Co., Ltd. is just one of our many successful joint projects.



Toyota Boshoku Do Brasil Ltda.
Sorocaba Plant
Location: Sao Paulo, Brazil
Client: Toyota Boshoku Do Brasil Ltda.

Brazil



Power generation by floating wind turbines

International Topic 2

Toda celebrates 40 years in Brazil

Founded in 1972 in Sao Paulo, Brazil's largest city, Construtora Toda Do Brasil S. A. celebrates its 40th year this year. From the moment it entered the Brazilian market, Construtora Toda steadily established itself as a regional business, earning the trust of Japanese and Brazilian corporate clients alike. The company has completed over 850 building projects in Brazil to date. The Toda Group is committed to further growing its business in and contributing to the growth of Brazil—a nation that will host the 2014 Soccer World Cup and 2016 Olympics and whose economy is expected to become even more vibrant in the years ahead—by bolstering our construction capability as well as through mergers and acquisitions.



Lighting control using the task and ambient lighting system

Business Review by Segment (Consolidated)

Building Construction

Net sales for construction were 374.1 billion, a 4.2% year-on-year increase. Segment operating income was 3.5 billion yen, 71.1% year-on-year decrease. Revenues from orders received were 1.8 billion yen for overseas construction, a 67.5% year-on-year increase, while revenue from public-sector construction in Japan was 49.2 billion yen, a year-on-year 37.9% decrease. Total segment revenues were 329.4 billion yen, down 9.1% year-on-year.

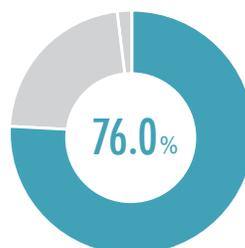


Nakano Central Park East
Location: Tokyo, Japan
Client: TMK Nakano Station Area Development



Yokohama Momijizaka Residence
Location: Kanagawa, Japan
Clients: Hanasaki Apartment Complex Reconstruction Consortium; Nippon Steel City Produce, Inc.; Mitsubishi Jisho Residence Co., Ltd.

Percentage of total sales



■ Net sales (Billions of yen)
■ Operating income (Billions of yen)



Civil Engineering

Net sales for the civil engineering segment were 104.6 billion yen, a 24.1% year-on-year increase. Segment operating income was 1.3 billion yen (the previous fiscal year recorded a 7 million yen loss for the segment). Revenues from orders received were 19.8 billion yen for private-sector projects in Japan, a 30% rise year-on-year, while public-sector projects in Japan were 53.6 billion yen, a year-on-year 19.4% decline. Overall revenue for the segment, including overseas, was 73.8 billion yen, a 10.2% decrease year-on-year.

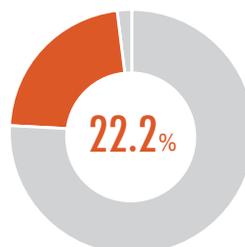


Koyasudai air ventilation, tunnel, and abutment constructions
Location: Kanagawa, Japan
Client: Metropolitan Expressway Company Limited



The Mie-Shiga Line mountain tunnel construction
Location: Shiga, Japan
Client: Osaka Gas Co., Ltd.

Percentage of total sales



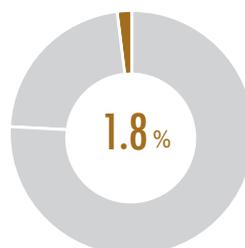
■ Net sales (Billions of yen)
■ Operating income (Billions of yen)



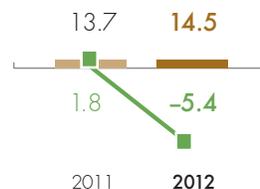
Real Estate

Net sales were 14.5 billion yen, a 6.3% year-on-year increase. The segment recorded a 5.4 billion yen operating loss (the previous fiscal year recorded a 1.8 billion operating income for the segment).

Percentage of total sales



■ Net sales (Billions of yen)
■ Operating income (Billions of yen)



Corporate Governance

Toda Corporation aims to continue to raise its corporate value through the efficient execution of business operations and by building a monitoring structure, securing the transparency and integrity of management and strengthening compliance.

Strengthening

the function of the board of directors and business execution

In addition to company bodies required under the Corporation Law, such as shareholders' meetings, the Board of Directors and the Board of Corporate Auditors, the Company has built its own control systems, including an executive officer system and internal audits.

The Board of Directors is currently composed of nine directors who conduct management decision making and supervise the execution of business. In order to clarify management responsibilities, strengthen the management structure, and enable a swift response to changes in the management environment, the term of office is set at one year for directors, so that they must face a vote at the annual general meeting of shareholders.

The Company has also adopted an executive system in its aim to ensure a prompt and efficient business execution structure. Executive officers selected by the Board of Directors execute the duties of the Company under the direction of the President and in accordance with the basic policies of management determined by the Board of Directors.

An Enhanced

auditing structure

Toda maintains a Board of Corporate Auditors, which is composed of five corporate auditors, including three external corporate auditors. Corporate auditors conduct audits for the legality and appropriateness of business execution by attending board of directors' meetings and other important company meetings. With regard to personnel matters and organizational changes within or involving the Corporate Auditor Office (the department that assists the activities of the corporate auditors), the Company stipulates that opinions rendered by the Board of Corporate Auditors or by a corporate auditor (who has been designated in advance by the Board of Corporate Auditors) be sought or asked for, thereby ensuring the independence of corporate auditors and the staff assisting them from directors and executive officers.

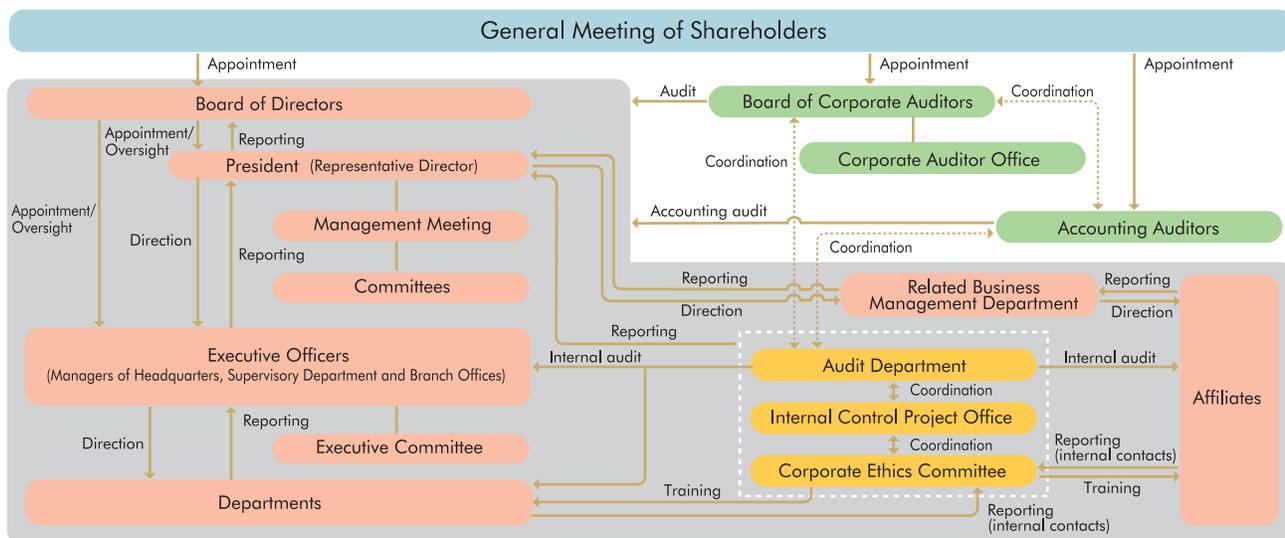
The Company established the Audit Office as an internal audit authority, and this department periodically conducts internal audits of the business status of each business division in the Company. In addition, corporate auditors ensure mutual cooperation by receiving audit result reports and other documents from, and exchanging views with, the Audit Office and the accounting auditors.

Building

an internal control structure

In accordance with the Corporation Law, Toda stipulates the maintenance of an effective internal control system in its basic policy. This system encompasses such key areas as compliance and risk management. In addition, the Company maintains internal controls over financial reporting in compliance with the Internal Control Reporting System under the Financial Instruments and Exchange Law, which came into effect from April 2008. Toda's Internal Control Project Office has been the main department responsible building and for maintaining an internal control structure for financial reporting. In each year since FY2008, Toda's management has evaluated and confirmed that the Company's internal control over financial reporting has functioned effectively and, with the audit and verification by the independent accounting auditors, submitted an Internal Control Report stating to that effect.

Toda Corporation aims to maintain the reliability of financial reporting and will continue making efforts to realize improvement.



Consolidated Balance Sheets

Toda Corporation and Consolidated Subsidiaries—As of March 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
ASSETS			
Current assets:			
Cash and deposits (Notes 7 and 9)	¥ 42,268	¥ 36,935	\$ 449,396
Notes and accounts receivable—trade (Note 9)	132,541	164,203	1,997,855
Short-term investment securities (Notes 9 and 10)	20,069	15,999	194,670
Real estate for sale	28,631	19,541	237,762
Costs on uncompleted construction contracts	51,047	30,976	376,883
Other inventories	2,033	596	7,255
Deferred tax assets (Note 13)	7,327	10,230	124,475
Other	3,552	3,871	47,100
Allowance for doubtful accounts	(918)	(991)	(12,062)
Total current assets	286,554	281,364	3,423,336
Noncurrent assets:			
Property, plant and equipment: (Notes 3.1) and 14)			
Buildings and structures, net	18,131	17,765	216,146
Machinery, vehicles, tools, furniture and fixtures, net	799	709	8,636
Land (Notes 3.3) and 7))	69,139	66,589	810,195
Lease assets, net	140	134	1,642
Construction in progress	895	2,165	26,351
Total property, plant and equipment	89,106	87,365	1,062,971
Intangible assets:			
Goodwill	427	372	4,526
Other	1,843	2,640	32,127
Total intangible assets	2,270	3,012	36,653
Investments and other assets:			
Investment securities (Notes 3.2), 3), 9 and 10)	110,251	110,715	1,347,070
Long-term loans receivable (Notes 3.3) and 9)	1,422	1,405	17,105
Deferred tax assets (Note 13)	5,592	229	2,790
Other	7,410	4,623	56,251
Allowance for doubtful accounts	(3,498)	(1,555)	(18,929)
Total investments and other assets	121,179	115,418	1,404,287
Total noncurrent assets	212,556	205,796	2,503,913
Total assets	¥499,111	¥487,160	\$5,927,250

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
LIABILITIES			
Current liabilities:			
Notes and accounts payable—trade (Note 9)	¥118,101	¥132,799	\$1,615,766
Short-term loans payable (Note 9)	43,913	37,059	450,895
Income taxes payable (Note 9)	620	732	8,909
Advances received on uncompleted construction contracts	55,471	41,270	502,137
Deferred tax liabilities (Note 13)	39	-	-
Provision for bonuses	3,286	2,570	31,269
Provision for warranties for completed construction	926	940	11,444
Provision for loss on construction contracts	9,271	14,010	170,461
Provision for loss on disaster	297	218	2,662
Deposits received	15,844	15,253	185,585
Other	8,176	10,918	132,842
Total current liabilities	255,949	255,773	3,111,975
Noncurrent liabilities:			
Long-term loans payable (Note 9)	14,209	20,443	248,729
Deferred tax liabilities (Note 13)	251	3,172	38,599
Deferred tax liabilities for land revaluation (Note 13)	11,888	9,780	118,998
Provision for retirement benefits (Note 12)	22,738	22,030	268,038
Provision for directors' retirement benefits	241	245	2,987
Asset retirement obligations	155	156	1,906
Other	4,095	4,021	48,933
Total noncurrent liabilities	53,580	59,850	728,193
Total liabilities	309,530	315,623	3,840,168
NET ASSETS			
Shareholders' equity:			
Capital stock	23,001	23,001	279,858
Capital surplus	25,595	25,502	310,288
Retained earnings	125,893	103,746	1,262,270
Treasury stock	(6,683)	(5,956)	(72,477)
Total shareholders' equity	167,806	146,293	1,779,940
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	15,594	17,007	206,923
Deferred gains (losses) on hedges	(15)	57	699
Revaluation reserve for land (Note 3.7)	4,561	6,073	73,899
Foreign currency translation adjustment	(1,812)	(2,066)	(25,146)
Total accumulated other comprehensive income	18,327	21,071	256,376
Minority interests			
Total net assets	189,581	171,537	2,087,081
Total liabilities and net assets	¥499,111	¥487,160	\$5,927,250

Consolidated Statements of Income

Toda Corporation and Consolidated Subsidiaries—For the years ended March 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
Net sales:			
Net sales of completed construction contracts	¥439,701	¥475,603	\$5,786,629
Net sales of real estate business and other	12,797	13,782	167,690
Total net sales	452,499	489,385	5,954,319
Cost of sales:			
Cost of sales of completed construction contracts (Notes 4.1) and 4))	411,659	455,982	5,547,905
Cost of sales of real estate business and other (Note 4.2))	10,306	18,256	222,131
Total cost of sales	421,966	474,239	5,770,037
Gross profit:			
Gross profit on completed construction contracts	28,042	19,620	238,723
Gross profit (loss) on real estate business and other	2,490	(4,474)	(54,440)
Total gross profit	30,532	15,146	184,282
Selling, general and administrative expenses (Notes 4.3) and 4))	24,766	23,140	281,550
Operating income (loss)	5,766	(7,994)	(97,268)
Non-operating income:			
Interest income	191	260	3,174
Dividend income	1,691	1,792	21,805
Dividend income of insurance	270	278	3,388
Other	433	226	2,751
Total non-operating income	2,586	2,557	31,120
Non-operating expenses:			
Interest expenses	794	768	9,348
Commission fee	160	170	2,070
Provision for allowance for doubtful accounts	—	173	2,106
Other	132	141	1,725
Total non-operating expenses	1,087	1,253	15,250
Ordinary income (loss)	7,265	(6,690)	(81,397)
Extraordinary income:			
Reversal of allowance for doubtful accounts	77	—	—
Gain on sales of noncurrent assets (Note 4.5))	11	6	76
Gain on sales of investment securities	1	31	386
Gain on negative goodwill	386	47	579
Other	—	5	61
Total extraordinary income	476	90	1,104
Extraordinary loss:			
Loss on sales of noncurrent assets (Note 4.6))	0	254	3,100
Impairment loss (Note 4.7))	172	2,488	30,279
Loss on sales of investment securities	30	—	—
Loss on valuation of investment securities	203	3,355	40,820
Loss on disaster (Note 4.8))	364	179	2,182
Loss on adjustment for changes of accounting standard for asset retirement obligations	109	—	—
Other	63	138	1,679
Total extraordinary losses	945	6,415	78,062
Income (loss) before income taxes and minority interests	6,797	(13,015)	(158,355)
Income taxes—current	665	792	9,636
Income taxes—deferred	2,498	5,963	72,554
Total income taxes (Note 1.3)	3,164	6,755	82,191
Net income (loss) before minority interests	3,633	(19,770)	(240,546)
Minority interests in income	65	102	1,244
Net income (loss) (Note 1.7)	¥ 3,567	¥ (19,872)	\$ (241,790)

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Toda Corporation and Consolidated Subsidiaries—For the years ended March 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
Income (loss) before minority interests	¥ 3,633	¥ (19,770)	\$ (240,546)
Other comprehensive income (loss) (Note 5):			
Valuation difference on available-for-sale securities	(5,734)	1,408	17,138
Deferred gains or losses on hedges	12	73	890
Revaluation reserve for land	—	1,401	17,047
Foreign currency translation adjustment	(499)	(280)	(3,409)
Total other comprehensive income	(6,220)	2,602	31,666
Comprehensive income (loss)	(2,586)	(17,167)	(208,879)
Comprehensive income (loss) attributable to:			
Owners of the parent	(2,654)	(17,240)	(209,759)
Minority interests	¥ 59	¥ 72	\$ 879

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Toda Corporation and Consolidated Subsidiaries—For the years ended March 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
Shareholders' equity			
Capital stock:			
Balance at the beginning of current period	¥ 23,001	¥ 23,001	\$ 279,858
Changes of items during the period	—	—	—
Balance at the end of current period	¥ 23,001	¥ 23,001	\$ 279,858
Capital surplus:			
Balance at the beginning of current period	¥ 25,595	¥ 25,595	\$ 311,414
Changes of items during the period:			
Disposal of treasury stock	—	(92)	(1,126)
Total changes of items during the period	—	(92)	(1,126)
Balance at the end of current period	¥ 25,595	¥ 25,502	310,288
Retained earnings:			
Balance at the beginning of current period	¥ 124,656	¥ 125,893	\$ 1,531,737
Changes of items during the period:			
Dividends from surplus	(2,167)	(2,163)	(26,318)
Net income (loss)	3,567	(19,872)	(241,790)
Reversal of revaluation reserve for land	(163)	(111)	(1,357)
Total changes of items during the period	1,237	(22,147)	(269,466)
Balance at the end of current period	¥ 125,893	¥ 103,746	\$ 1,262,270
Treasury stock:			
Balance at the beginning of current period	¥ (6,478)	¥ (6,683)	\$ (81,316)
Changes of items during the period:			
Purchase of treasury stock	(204)	(13)	(169)
Disposal of treasury stock	—	740	9,007
Total changes of items during the period	(204)	726	8,838
Balance at the end of current period	¥ (6,683)	¥ (5,956)	\$ (72,477)
Total shareholders' equity:			
Balance at the beginning of current period	¥ 166,774	¥ 167,806	\$ 2,041,694
Changes of items during the period:			
Dividends from surplus	(2,167)	(2,163)	(26,318)
Net income (loss)	3,567	(19,872)	(241,790)
Purchase of treasury stock	(204)	(13)	(169)
Disposal of treasury stock	—	647	7,881
Reversal of revaluation reserve for land	(163)	(111)	(1,357)
Total changes of items during the period	1,032	(21,513)	(261,753)
Balance at the end of current period	¥ 167,806	¥ 146,293	\$ 1,779,940
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities:			
Balance at the beginning of current period	¥ 21,334	¥ 15,594	\$ 189,736
Changes of items during the period:			
Net changes of items other than shareholders' equity	(5,739)	1,412	17,187
Total changes of items during the period	(5,739)	1,412	17,187
Balance at the end of current period	¥ 15,594	¥ 17,007	\$ 206,923
Deferred gains or losses on hedges:			
Balance at the beginning of current period	¥ (28)	¥ (15)	\$ (191)
Changes of items during the period:			
Net changes of items other than shareholders' equity	12	73	890
Total changes of items during the period	12	73	890
Balance at the end of current period	¥ (15)	¥ 57	\$ 699
Revaluation reserve for land:			
Balance at the beginning of current period	¥ 4,397	¥ 4,561	\$ 55,494
Changes of items during the period:			
Net changes of items other than shareholders' equity	163	1,512	18,404
Total changes of items during the period	163	1,512	18,404
Balance at the end of current period	¥ 4,561	¥ 6,073	\$ 73,899
Foreign currency translation adjustments:			
Balance at the beginning of current period	¥ (1,318)	¥ (1,812)	\$ (22,052)
Changes of items during the period:			
Net changes of items other than shareholders' equity	(493)	(254)	(3,094)
Total changes of items during the period	(493)	(254)	(3,094)
Balance at the end of current period	¥ (1,812)	¥ (2,066)	\$ (25,146)
Total accumulated other comprehensive income			
Balance at the beginning of current period	¥ 24,384	¥ 18,327	\$ 222,987
Changes of items during the period:			
Net changes of items other than shareholders' equity	(6,057)	2,744	33,388
Changes of items during the period	(6,057)	2,744	33,388
Balance at the end of current period	¥ 18,327	¥ 21,071	\$ 256,376
Minority interests			
Balance at the beginning of current period	¥ 3,700	¥ 3,447	\$ 41,941
Changes of items during the period:			
Net changes of items other than shareholders' equity	(253)	725	8,823
Total changes of items during the period	(253)	725	8,823
Balance at the end of current period	¥ 3,447	¥ 4,172	\$ 50,764
Total net assets			
Balance at the beginning of current period	¥ 194,859	¥ 189,581	\$ 2,306,623
Changes of items during the period:			
Dividends from surplus	(2,167)	(2,163)	(26,318)
Net income (loss)	3,567	(19,872)	(241,790)
Purchase of treasury stock	(204)	(13)	(169)
Disposal of treasury stock	—	647	7,881
Reversal of revaluation reserve for land	(163)	(111)	(1,357)
Net changes of items other than shareholders' equity	(6,310)	3,469	42,212
Total changes of items during the period	(5,278)	(18,044)	(219,541)
Balance at the end of current period	¥ 189,581	¥ 171,537	\$ 2,087,081

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Toda Corporation and Consolidated Subsidiaries—For the years ended March 31, 2011 and 2012

	Millions of yen		Thousands of U.S. dollars (Note1)
	2011 <small>As restated (Note1)</small>	2012	2012
Net cash provided by (used in) operating activities:			
Income (loss) before income taxes and minority interests	¥6,797	¥(13,015)	\$(158,355)
Depreciation and amortization	2,013	2,088	25,415
Loss on impairment loss	172	2,488	30,279
Amortization of goodwill	55	55	678
Increase (decrease) in allowance for doubtful accounts	501	(1,869)	(22,744)
Decrease in provision for retirement benefits	(1,810)	(703)	(8,562)
Increase in other provision	3,039	3,958	48,159
Gain on negative goodwill	(386)	(47)	(579)
Loss (gain) on valuation of investment securities	203	3,355	40,820
Loss (gain) on sales of investment securities	29	(31)	(386)
Loss (gain) on sales of property, plant and equipment	(11)	248	3,023
Interest and dividend income	(1,882)	(2,053)	(24,980)
Interest expenses	794	768	9,346
Decrease (increase) in notes and accounts receivable—trade	(35,062)	(31,784)	(386,719)
Decrease in costs on uncompleted construction contracts	26,156	20,063	244,113
Decrease in real estate for sale	1,119	10,574	128,657
Increase (decrease) in notes and accounts payable—trade	17,510	14,789	179,938
Decrease in advances received on uncompleted construction contracts	(7,433)	(14,191)	(172,670)
Other, net	(1,828)	4,627	56,296
Subtotal	9,979	(679)	(8,269)
Interest and dividend income received	1,878	2,051	24,955
Interest expenses paid	(789)	(766)	(9,321)
Income taxes paid	(689)	(654)	(7,958)
Net cash provided by (used in) operating activities	10,379	(48)	(592)
Net cash provided by (used in) investing activities:			
Payments into time deposits	(197)	(382)	(4,657)
Proceeds from withdrawal of time deposits	407	83	1,012
Proceeds from sales and redemption of securities	–	70	851
Purchase of property, plant and equipment	(4,782)	(3,419)	(41,607)
Proceeds from sales of property, plant and equipment	19	384	4,680
Purchase of intangible assets	(325)	(1,106)	(13,464)
Purchase of investment securities	(855)	(3,641)	(44,307)
Proceeds from sales and redemption of investment securities	241	68	832
Payments of loans receivable	(88)	(64)	(779)
Collection of loans receivable	191	81	989
Other, net	111	89	1,086
Net cash provided by (used in) investing activities	(5,278)	(7,837)	(95,363)
Net cash provided by (used in) financing activities:			
Net decrease in short-term loans payable	(3,532)	(2,272)	(27,653)
Proceeds from long-term loans payable	4,030	10,225	124,406
Repayment of long-term loans payable	(1,965)	(8,573)	(104,310)
Cash dividends paid	(2,167)	(2,163)	(26,318)
Cash dividends paid to minority shareholders	(17)	(16)	(200)
Purchase of treasury stock	(27)	(13)	(169)
Proceeds from disposal of treasury stock	–	1,330	16,186
Other, net	(75)	(72)	(886)
Net cash provided by (used in) financing activities	(3,754)	(1,557)	(18,944)
Effect of exchange rate change on cash and cash equivalents	(150)	(186)	(2,264)
Net increase (decrease) in cash and cash equivalents	1,194	(9,629)	(117,164)
Cash and cash equivalents at the beginning of current period	60,459	61,654	750,144
Cash and cash equivalents at the end of current period (Note 7)	61,654	52,024	632,979

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Toda Corporation and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements presented herein of Toda Corporation (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan, and in conformity with accounting principles generally accepted in Japan.

These consolidated financial statements incorporate certain modifications in format so as to make the financial statements more meaningful to readers outside Japan.

These modifications have no effect on total assets, net sales, retained earnings or net income.

(U.S. Dollar Amounts)

The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of ¥82.19 = US\$1, the exchange rate prevailing on the Tokyo foreign exchange market on March 31, 2012, and have been then rounded down to the nearest thousand. This translation should not be construed as a representation that the yen amounts

actually represent, have been or could be converted into U.S. dollars at this or any other rate.

(Restatement of Consolidated Financial Statements)

On December 14, 2011, the Company announced that inappropriate transactions had been conducted at Sipco Industries Co., LTD. ("Sipco"), a consolidated subsidiary of the Company.

The Company did more investigation and set up the Independent Committee to verify the investigation "results of existence or non-existence similar disposition at other subsidiary Companies."

Finally, the Company determined the accumulated total loss on this inappropriate transactions occurred at Sipco was ¥2,192 million (US\$26,672 thousand) and allocated this loss to respective financial years. As a result, the consolidated financial statements and related notes for the year ended March 31, 2011 have been restated.

The summary of the effects of such restatement is as follows:

	Millions of yen		Variance
	2011 After restated	2011 Before restated	
Total net sales	¥452,499	¥452,762	¥ (263)
Operating income	5,766	6,004	(238)
Net income	3,567	3,774	(206)
Total assets	499,111	500,831	(1,719)
Total equity	167,806	169,409	(1,602)

2. Summary of Significant Accounting Policies

1) Scope of consolidation

The accompanying consolidated financial statements include the accounts of Toda Corporation and 17 subsidiaries, namely Toda Road Co., Ltd., Toda Reform Co., Ltd., Chiyoda Kenkou Co., Ltd., Chiyoda Staff Service Co., Ltd., Sipco Industries Co., LTD., APEC Engineering Co., Ltd., Chiyoda Tochi Tatemono Co., Ltd., Yachiyo Urban Co., Ltd., Toda Finance Co., Ltd., Towa Kanko Kaihatsu Co., Ltd., Toda America, Inc., Construtora Toda do Brasil S/A, Toda Construction (Shanghai) Co., Ltd., Thai Toda Corporation Ltd., Toda Vietnam Co., Ltd., ABTD, INC. and Toda Philippines, INC.

Other subsidiaries were not consolidated, as they were not significant in terms of the effect on total assets, net sales, net income or retained earnings of the consolidated financial statements.

2) Application of the equity method

All non-consolidated subsidiaries and affiliates were not accounted for using the equity method, as these companies were not significant in terms of the effect on net income or retained earnings of the consolidated financial statements.

3) Fiscal year of consolidated subsidiaries

Of the consolidated subsidiaries, Toda America, Inc., Construtora Toda do Brasil S/A, Toda Construction (Shanghai) Co., Ltd., Thai Toda Corporation Ltd., Toda Vietnam Co., Ltd., ABTD, INC. and Toda Philippines, INC. close their fiscal year on December 31 each year.

In preparing the consolidated financial statements, the Company used financial statements as of December 31 of all these subsidiaries.

However, adjustments necessary for the purpose of consolidation have been made for fiscal year-end.

The fiscal year-end of all other consolidated subsidiaries is the same as the consolidated fiscal year-end.

4) Standards and evaluation methods for important assets

(a) Held-to-maturity debt securities
Amortized cost method (straight-line method)

Available-for-sale securities

• Securities with a fair value:

Stated at fair value, determined by the market price at the consolidated fiscal year-end date (the difference between the book value and the fair value is recorded as a component of net assets, while the cost of securities sold is computed using the moving-average method)

• Securities with no fair value:

Stated at cost, determined by the moving-average method

(b) Inventories

Costs on uncompleted construction contracts

Stated at cost, determined by the specific identification cost method

Real estate for sale

Stated at cost, determined by the specific identification cost method (The book value on the consolidated balance sheets is presented after write-down for decline in profitability.)

5) Methods of depreciation and amortization depreciable assets

- (a) Property, plant and equipment (excluding lease assets)
The declining-balance method is primarily used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on and after April 1, 1998.
Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.
- (b) Intangible fixed assets (excluding lease assets)
The straight-line method is used.
Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.
However, the amortization of software used by the companies is computed using the straight-line method based on the estimated useful life.
- (c) Lease assets
Leased assets under finance leases other than those that are deemed to transfer ownership to lessees.
Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

6) Allowances and provisions

- (a) Allowance for doubtful accounts
The allowance for doubtful trade receivables and loans has been provided based on historic loss experience for general accounts and also includes the aggregate amount of the estimated loss for the accounts for which concern actually exists for collectibility.
- (b) Provision for bonuses
This is provided for the payment of bonuses for employees, based on expected payment amount.
- (c) Provision for warranties for completed construction
To cover expenses for defects claimed concerning completed work, this is provided based on the estimated amount of compensation in the future for the work completed during the consolidated fiscal year.
- (d) Provision for loss on construction contracts
The provision for loss on construction contracts is provided at the estimated amount for the future losses on contract backlog at the fiscal year-end which will be probably incurred and which can be reasonably estimated.
- (e) Provision for retirement benefits
The provision for retirement benefits for employees is calculated based on estimated amounts of retirement benefit obligations and pension assets as of the consolidated fiscal year-end.
Actuarial differences are amortized commencing the following year after the difference is recognized primarily by the straight-line method over a period of five years.
Prior service cost is amortized by the straight-line method over a period of five years.
- (f) Provision for directors' retirement benefits
To prepare for the payment of retirement benefits for executive officers and subsidiaries' directors, the provision is provided at the amount to be paid according to internal regulations if they had retired at the consolidated fiscal year-end.
- (g) Provision for loss on disaster
The provision for loss on disaster is provided at the estimated amount for the cost for retraction of property or the loss caused by the Great East Japan Earthquake which struck on March 11, 2011.

7) Recognition of net sales from construction contracts and related costs

The Companies apply the percentage of completion method to those contracts in which the percentage of completion at the consolidated fiscal year-end can be reliably estimated, and other contracts are recorded under the completed contract method.

8) Translation of foreign currency assets and liabilities

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the consolidated fiscal year-end. The resulting gains and losses are included in net income or loss for the consolidated fiscal year.

Assets and liabilities accounts of foreign consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing at the consolidated fiscal year-end.

Income and expense accounts of foreign consolidated subsidiaries are translated into Japanese yen at the average annual exchange rate.

The resulting translation adjustments are included in foreign currency translation adjustment and minority interests in the net assets of the consolidated balance sheets.

9) Hedge accounting

The Companies apply hedge accounting as follows:

- (a) Method of hedge accounting employed
Deferral hedge accounting
If the interest rate swap contracts are used as hedge and meet certain hedging criteria, net amounts to be paid or received under the interest rate swap contracts are added to or deducted from the interest or liabilities for which the swap contract were executed.
- (b) Measure and objects
1. Measures: Forward foreign exchange contracts
Objects: Transactions to be paid in foreign currencies in cases of overseas construction
2. Measures: Interest rate swap
Objects: Borrowings
- (c) Hedging principles:
Based on internal regulations which stipulate the execution authority regarding on derivative transactions and those for transaction limits, the Companies utilize hedges to minimize the risk of currency exchange rate and interest rate fluctuations associated with the hedge objects.
- (d) Evaluation method of effectiveness of hedging:
During the period from the time when the hedging first started until the consolidated fiscal year-end, the Companies have been assessing the hedge effectiveness primarily by comparing, in terms of variation amounts, (1) cumulative cash flow changes or exchange rate changes of the hedge objects and (2) cumulative cash flow changes or exchange rate changes of the hedge measures.
However, the evaluation of hedge effectiveness is omitted for interest swaps as they meet certain hedging criteria for the exceptional treatment.

10) Cash and cash equivalents

For the consolidated statements of cash flows, cash and cash equivalents are defined as cash on hand, deposits that can be withdrawn at any time, and highly liquid short-term investments with a maturity date within three months after acquisition.

3. Notes to Consolidated Balance Sheets

As of March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
1) Accumulated depreciation of property, plant and equipment	¥33,921	¥34,961	\$425,374
2) Investments in non-consolidated subsidiaries and affiliates included in investment securities	¥ 1,332	¥ 1,386	\$ 16,871
3) Assets pledged as collateral:			
Land	¥ 9	¥ 9	\$ 110
Investment securities	385	488	5,939
Long-term loans receivable	692	656	7,991
Total	¥ 1,087	¥ 1,154	\$ 14,041
4) Contingent liabilities	¥ 598	¥ 552	\$ 6,716
5) Discounts on notes receivable	¥ 380	¥ 603	\$ 7,337
6) Loan commitment agreement:			
Maximum limit under the agreement	¥40,000	¥40,000	\$486,677
Loan balance outstanding	–	–	–
Difference (unused portion)	¥40,000	¥40,000	\$486,677

7) Land revaluation

Based on the Land Revaluation Law, the Company has revalued land held for business use and has recorded any discrepancies in the consolidated balance sheets as revaluation reserve for land.

4. Notes to Consolidated Statements of Income

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
1) Provision for loss on construction contracts included in costs of sales	¥ 5,893	¥10,017	\$121,885
2) Valuation loss on real estate for sale included in costs of sales	¥ 786	¥ 7,387	\$ 89,887
3) Principal components of selling, general and administrative expenses:			
Employees' salaries and allowances	¥11,400	¥10,612	\$129,118
Provision for bonuses	1,187	1,314	15,992
Retirement benefit expenses	828	1,031	12,549
Provision (reversal) of allowance for doubtful accounts	617	(388)	(4,722)
4) Research and development expenditures included in selling, general and administrative expenses and construction costs	¥ 1,906	¥ 1,903	\$ 23,163
5) Gain on sales of noncurrent assets:			
Land	¥ 9	¥ 0	\$ 11
Machinery, vehicles, tools, furniture and fixtures	2	5	65
Total	¥ 11	¥ 6	\$ 76
6) Loss on sales of noncurrent assets:			
Buildings and structures	¥ –	¥ 26	\$ 325
Land	–	228	2,774
Other	0	0	0
Total	¥ 0	¥ 254	\$ 3,100

7) Impairment loss on fixed assets

The group puts its assets for business purposes, primarily into main office and branch office. And other assets are put each properties. Impairment loss on fixed assets were as follows.

For the year ended March 31, 2011

Location	Purpose	Type	Impairment loss (Millions of yen)
Hakusan-shi, Ishikawa, and other	Idle assets	Land	¥172

The recoverable value of assets or assets group is primarily estimated from the net sale value based on real estate appraisal standards.

For the year ended March 31, 2012

Location	Purpose	Type	Impairment loss (Millions of yen)	Impairment loss (Thousands of U.S. dollars)
Kiyota-ku, Sapporo-shi, and other	Idle assets	Buildings, structures and land	¥2,488	\$30,279

The recoverable value of assets or assets group is primarily estimated from the net sale value based on real estate appraisal standards.

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
8) Loss on disaster			
The Company recorded an extraordinary loss as a result of the Great East Japan Earthquake. This is comprised of estimated costs to restore real-estate holdings, inventories and others. The figure includes the estimated amount of loss to be incurred.	¥364	¥179	\$2,182

5. Notes to Consolidated Statement of Comprehensive Income

Reclassification and tax effect of comprehensive income for the year ended March 31, 2012	Millions of yen	Thousands of U.S. dollars
Valuation difference on available-for-sale securities:		
Accrual	¥ (128)	\$ (1,564)
Reclassification	233	2,836
Before adjust tax effect	104	1,272
Tax effect	1,304	15,865
Valuation difference on available-for-sale securities	¥1,408	\$17,138
Deferred gains (losses) on hedges:		
Accrual	¥ 92	\$ 1,130
Reclassification	26	320
Before adjust tax effect	119	1,450
Tax effect	(46)	(559)
Deferred gains (losses) on hedges	¥ 73	\$ 890
Revaluation reserve for land:		
Tax effect	¥1,401	\$17,047
Revaluation Reserve for land	¥1,401	\$17,047
Foreign currency translation adjustments:		
Accrual	¥ (280)	\$ (3,409)
Total of other comprehensive income	¥2,602	\$31,666

6. Notes to Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2011	Class of shares	Number of shares			March 31, 2011
		April 1, 2010	Increase	Decrease	
Issued stock	Common stock	322,656,796	-	-	322,656,796
Treasury stock	Common stock	13,046,446	596,502	-	13,642,948

For the year ended March 31, 2012	Class of shares	Number of shares			March 31, 2012
		April 1, 2011	Increase	Decrease	
Issued stock	Common stock	322,656,796	-	-	322,656,796
Treasury stock	Common stock	13,642,948	47,083	2,391,354	11,298,677

For the year ended March 31, 2011	Class of shares	Number of shares			
		Total dividends	Dividends per share	Record date	Effective date
June 29, 2010 resolution by annual general meeting of shareholders	Common stock	¥2,181 million	¥7.00	March 31, 2010	June 30, 2010
June 29, 2011 resolution by annual general meeting of shareholders	Common stock	¥2,179 million	¥7.00	March 31, 2011	June 30, 2011

Note: Total dividends include dividends to consolidated subsidiaries (an amount that corresponds to their equity holding).

For the year ended March 31, 2012	Class of shares	Number of shares			
		Total dividends	Dividends per share	Record date	Effective date
June 29, 2011 resolution by annual general meeting of shareholders	Common stock	¥2,179 million (\$26,521 thousand)	¥7.00	March 31, 2011	June 30, 2011
June 28, 2012 resolution by annual general meeting of shareholders	Common stock	¥1,868 million (\$22,729 thousand)	¥6.00	March 31, 2012	June 29, 2012

Note: Total dividends include dividends to consolidated subsidiaries (an amount that corresponds to their equity holding).

7. Notes to Consolidated Statements of Cash Flows

Reconciliation between cash and deposits on the consolidated balance sheets and cash and cash equivalents at the fiscal year-end:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Cash and deposits of the consolidated balance sheets	¥42,268	¥36,935	\$449,396
(Less) time deposits with maturities of more than three months	(614)	(911)	(11,087)
Cash equivalents	20,000	15,999	194,670
Cash and cash equivalents of the consolidated statements of cash flows	¥61,654	¥52,024	\$632,979

8. Lease Transactions

As of March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Future minimum lease payments under noncancellable operating leases:			
Due within one year	¥ 55	¥ 107	\$ 1,303
Due after one year	74	187	2,282
Total	¥ 130	¥ 294	\$ 3,586
Future minimum lease income under noncancellable operating leases:			
Due within one year	¥1,348	¥1,666	\$20,276
Due after one year	7,227	6,465	78,659
Total	¥8,575	¥8,131	\$98,935

9. Fair Value of Financial Instruments

As of March 31, 2011	Millions of yen		
	Book value	Fair value	Difference
(1) Cash and deposits	¥ 42,268	¥ 42,268	¥ -
(2) Notes and accounts receivable—trade	132,541	132,536	(5)
(3) Short-term investment securities, investment securities (Note)	118,811	118,836	25
(4) Long-term loans receivable	1,422	1,423	0
Assets total	¥295,044	¥295,064	¥20
(1) Notes and accounts payable—trade	¥118,101	¥118,101	¥ -
(2) Short-term loans payable	43,913	43,913	-
(3) Income taxes payable	620	620	-
(4) Long-term loans payable	14,209	14,259	49
Liabilities total	¥176,845	¥176,894	¥49
Derivative transactions	¥ (26)	¥ (26)	¥ -

Notes:

- The fair value of unlisted stocks is considered to be extremely difficult to calculate, as there are no market prices and no valuations of future cash flow. Therefore, these stocks are not included in "Short-term investment securities and investment securities."
- The value of assets and liabilities arising from derivative is shown at net value, and with the amount in parentheses representing net liability position.

Unlisted stocks:

As of March 31, 2011 (stated at book value)

Millions of yen

Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for by the equity method:

Stocks of subsidiaries	¥ 89
Stocks of affiliated companies	188
Unlisted preferred equity securities	1,055
Other investment securities:	
Unlisted stocks	¥6,245
Unlisted preferred equity securities	3,427
Others	505

As of March 31, 2012	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and deposits	¥ 36,935	¥ 36,935	¥ -	\$ 449,396	\$ 449,396	\$ -
(2) Notes receivable, accounts receivable from completed construction contracts and other	164,203	164,172	(31)	1,997,855	1,997,470	(385)
(3) Short-term investment securities, investment securities (Note)	117,746	117,747	0	1,432,610	1,432,619	8
(4) Long-term loans receivable	1,255	1,280	24	15,280	15,579	299
Assets total	¥320,141	¥320,135	¥ (6)	\$3,895,142	\$3,895,066	\$ (76)
(1) Notes payable, accounts payable for construction contracts and other	132,799	132,799	-	1,615,766	1,615,766	-
(2) Short-term loans payable	37,059	37,059	-	450,895	450,895	-
(3) Income taxes payable	732	732	-	8,909	8,909	-
(4) Long-term loans payable	20,443	20,463	20	248,729	248,983	254
Liabilities total	¥191,034	¥191,055	¥20	\$2,324,300	\$2,324,554	\$254
Derivative transactions	¥ 92	¥ 92	¥ -	\$ 1,121	\$ 1,121	\$ -

Notes:

- The fair value of unlisted stocks is considered to be extremely difficult to calculate, as there are no market prices and no valuations of future cash flow. Therefore, these stocks are not included in "Short-term investment securities and investment securities."
- The value of assets and liabilities arising from derivative is shown at net value, and with the amount in parentheses representing net liability position.
- Long-term loans receivable are equivalent to the carrying amount after deduction of allowance for doubtful accounts.

Unlisted stocks:

As of March 31, 2012 (stated at book value)

Millions of yen

Thousands of U.S. dollars

Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for by the equity method:

Stocks of subsidiaries	¥ 114	\$ 1,388
Stocks of affiliated companies	217	2,648
Unlisted preferred equity securities	1,055	12,836
Other investment securities:		
Unlisted stocks	¥5,856	\$71,257
Unlisted preferred equity securities	1,716	20,882
Others	9	117

10. Marketable Securities and Investment Securities

As of March 31, 2011	Millions of yen		
	Book value	Fair value	Difference
Held-to-maturity debt securities:			
Securities with a fair value that exceeds the book value	¥1,415	¥1,441	¥25
Securities with a fair value that does not exceed the book value	113	113	(0)
Total	¥1,529	¥1,555	¥25

As of March 31, 2011	Millions of yen		
	Book value	Acquisition cost	Difference
Available-for-sale securities with a fair value:			
Securities with a book value that exceeds the acquisition cost:			
Stocks	¥ 77,140	¥44,204	¥32,936
Subtotal	77,140	44,204	32,936
Securities with a book value that does not exceed the acquisition cost:			
Stocks	20,032	26,681	(6,649)
Bonds	108	150	(41)
Others	20,000	20,000	–
Subtotal	40,140	46,831	(6,691)
Total	¥117,281	¥91,036	¥26,245

Note: The Companies recognized losses on write-down of ¥203 million for available-for-sale securities.

For the year ended March 31, 2011	Millions of yen		
	Sales amount	Total gain on sales	Total loss on sales
Available-for-sale securities sold	¥36	¥1	¥30

As of March 31, 2012	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Held-to-maturity debt securities:						
Securities with a fair value that exceeds the book value	¥1,731	¥1,737	¥6	\$21,071	\$21,145	\$74
Securities with a fair value that does not exceed the book value	791	786	(5)	9,632	9,567	(65)
Total	¥2,523	¥2,524	¥0	\$30,703	\$30,712	\$ 8

As of March 31, 2012	Millions of yen			Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
Available-for-sale securities with a fair value:						
Securities with a book value that exceeds the acquisition cost:						
Stocks	¥76,258	¥43,640	¥32,618	\$ 927,833	\$ 530,970	\$396,862
Subtotal	76,258	43,640	32,618	927,833	530,970	396,862
Securities with a book value that does not exceed the acquisition cost:						
Stocks	21,751	27,978	(6,227)	264,650	340,415	(75,765)
Bonds	209	250	(40)	2,554	3,041	(487)
Others	17,002	17,002	-	206,869	206,869	-
Subtotal	38,964	45,231	(6,267)	474,073	550,326	(76,252)
Total	¥115,222	¥88,871	¥26,350	\$1,401,907	\$1,081,297	\$320,610

Note: The Companies recognized losses on write-down of ¥264 million (US\$3,213 thousand) for available-for-sale securities.

For the year ended March 31, 2012	Millions of yen			Thousands of U.S. dollars		
	Sales amount	Total gain on sales	Total loss on sales	Sales amount	Total gain on sales	Total loss on sales
Available-for-sale securities sold	¥68	¥31	¥ -	\$828	\$386	\$ -

11. Derivative Transactions

For the year ended March 31, 2011

Derivative transactions to which the hedge accounting method is not applied:
None.

Derivative transactions to which the hedge accounting method is applied:

(1) Currency-related transactions

Method of processing	Measures	Objects	Millions of yen		
			Contract amount	More than 1 year	Estimated fair value
	Forward foreign exchange contracts				
Method in principle	Buy EUR	Forecasted purchasing transaction	¥399	¥ -	¥(22)
	Buy USD	Forecasted purchasing transaction	322	-	(3)
Total			¥721	¥ -	¥(26)

Estimated fair value was calculated based on price information provided by the counterparty financial institution.

(2) Interest-related transactions

Method of processing	Measures	Objects	Millions of yen		
			Contract amount	More than 1 year	Estimated fair value
Exceptional treatment of interest rate swaps	Interest rate swaps Payment fixed, receive floating	Long-term loans payable	¥3,500	¥3,500	*

* These interest rate swaps, subject to the exceptional treatment, are treated en bloc with the relevant long-term loans payable. Therefore, the fair value of the contracts are included in the fair value of the relevant long-term loans payable.

For the year ended March 31, 2012

Derivative transactions to which the hedge accounting method is not applied:
None.

Derivative transactions to which the hedge accounting method is applied:

(1) Currency-related transactions

Method of processing	Measures	Objects	Millions of yen			Thousands of U.S. dollars		
			Contract amount	More than 1 year	Estimated fair value	Contract amount	More than 1 year	Estimated fair value
Method in principle	Forward foreign exchange contracts							
	Buy EUR	Forecasted purchasing transaction	¥1,306	¥89	¥54	\$15,894	\$1,083	\$ 662
	Buy USD	Forecasted purchasing transaction	673	-	37	8,196	-	458
Total			¥1,980	¥89	¥92	\$24,091	\$1,083	\$1,121

Estimated fair value was calculated based on price information provided by the counterparty financial institution.

(2) Interest-related transactions

Method of processing	Measures	Objects	Millions of yen			Thousands of U.S. dollars		
			Contract amount	More than 1 year	Estimated fair value	Contract amount	More than 1 year	Estimated fair value
Exceptional treatment of interest rate swaps	Interest rate swaps							
	Payment fixed, receive floating	Long-term loans payable	¥3,960	¥1,960	*	\$48,181	\$23,847	*

* These interest rate swaps, subject to the exceptional treatment, are treated en bloc with the relevant long-term loans payable. Therefore, the fair value of the contracts are included in the fair value of the relevant long-term loans payable.

12. Retirement Benefits

The Company had a defined benefit plan that consists of a defined benefit pension plan and a lump-sum benefit plan. Additional retirement benefits are paid in certain circumstances. Domestic consolidated subsidiaries have lump-sum benefit plans.

As of March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Retirement benefit obligation	¥(46,724)	¥(44,425)	\$(540,524)
Pension assets	23,572	22,549	274,355
Unfunded retirement benefit obligation	(23,151)	(21,876)	(266,168)
Unrecognized actuarial differences	1,601	737	8,970
Unrecognized prior service costs	(1,187)	(890)	(10,839)
Provision for retirement benefits	¥(22,738)	¥(22,030)	\$(268,038)

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Service cost	¥1,789	¥1,810	\$22,026
Interest cost	961	907	11,046
Expected return on pension assets	(292)	(281)	(3,420)
Amortization of actuarial differences	184	712	8,670
Amortization of prior service costs	(296)	(296)	(3,613)
Retirement benefit costs	¥2,345	¥2,852	\$34,709

For the years ended March 31	2011	2012
Basis of calculating retirement benefit obligation:		
Periodic allocation method of projected retirement benefit obligation	Straight-line method	Straight-line method
Discount rate	2.00%	2.00%
Expected return on pension assets	1.20%	1.20%
Amortization period of prior service costs	5 years	5 years
Amortization period of actuarial differences	5 years	5 years

13. Deferred Tax Accounting

The tax effects of temporary differences which gave rise to deferred tax assets and liabilities at March 31, 2011 and 2012 are as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Deferred tax assets:			
Real estate for sale	¥ 666	¥ 2,982	\$ 36,285
Buildings and structures	1,018	1,774	21,590
Investment securities	23	1,088	13,238
Allowance for doubtful receivables	1,474	901	10,963
Provision for bonuses	1,334	965	11,742
Provision for loss on construction contracts	3,773	5,222	63,544
Provision for retirement benefits	9,190	7,957	96,815
Tax loss carryforwards	8,248	5,789	70,445
Other	2,491	2,509	30,536
Subtotal	28,222	29,190	355,161
Less: valuation allowance	(1,877)	(9,963)	(121,225)
Deferred tax assets	¥26,345	¥19,227	\$233,935
Deferred tax liabilities:			
Reserve for advanced depreciation of noncurrent assets	(2,725)	(2,152)	(26,189)
Valuation difference on available-for-sale securities	(10,709)	(9,409)	(114,484)
Other	(281)	(377)	(4,596)
Deferred tax liabilities	(13,716)	(11,939)	(145,270)
Net deferred tax assets (liabilities)	¥12,629	¥ 7,287	\$ 88,665

In addition to the above, the Companies recognized deferred tax liabilities of ¥11,888 million and ¥9,780 million (US\$118,998 thousand) related to revaluation reserve for land at March 31, 2011 and 2012, respectively.

	2011	2012
Reconciliation between the statutory tax rate and the effective tax rate:		
Statutory tax rate	40.7%	-
Expenses not deductible for income tax purposes	7.4	-
Non-taxable income	(5.1)	-
Gain of negative goodwill	(2.3)	-
Inhabitant taxes (per capita levy)	4.5	-
Valuation allowance	0.7	-
Other	0.4	-
Effective tax rate	46.5%	-

For the year ended March 31, 2012, the reconciliation is not presented because there was a net loss before adjustment for income taxes.

On December 2, 2011, new tax reform laws were enacted in Japan, which will reduce the corporation tax rate and will impose special corporation tax for reconstruction of the Great East Japan Earthquake for fiscal years beginning on or after April 1, 2012. Consequently, the effective statutory tax rate used to measure deferred tax assets and liabilities changed from 40.7% to 38.0% for expected reversal of temporary differences during fiscal years beginning on or after April 1, 2012 until March 31, 2015. The rate will be changed to 35.6% for expected reversal of temporary difference during fiscal years beginning on or after April 1, 2015.

As a result of these tax rate changes, net deferred tax liabilities as of March 31, 2012 decreased ¥810 million (US\$9,855 thousand), while deferred income taxes, valuation difference on available-for-sale securities and revaluation reserve for land increased ¥2,191 million (US\$26,666 thousand), ¥1,379 million (US\$16,780 thousand) and ¥1,401 million (US\$17,047 thousand) respectively.

14. Investment and Rental Properties

As of March 31, 2011	Millions of yen	
	Book value	Fair value
Real estate for rent	¥54,527	¥76,238

As of March 31, 2012	Millions of yen		Thousands of U.S. dollars	
	Book value	Fair value	Book value	Fair value
Real estate for rent	¥54,522	¥74,005	\$663,376	\$900,414

15. Segment Information

For the year ended March 31, 2011	Millions of yen						
	Reporting segments				Total	Reconciliations	Consolidated
	Building construction	Civil engineering	Real estate	Other			
Net sales:							
Customers	¥356,517	¥83,142	¥12,299	¥ 540	¥452,499	¥ -	¥452,499
Inter-segment	2,722	1,142	1,426	714	6,006	(6,006)	-
Total	359,239	84,284	13,726	1,255	458,505	(6,006)	452,499
Segment profit (loss)	¥ 12,279	¥ (7)	1,836	¥ 97	¥ 14,206	¥(8,440)	¥ 5,766
Depreciation and amortization	¥ 337	¥ 42	945	¥ 16	¥ 1,341	¥ 672	¥ 2,013
Amortization of goodwill	¥ 55	¥ -	-	¥ -	¥ 55	¥ -	¥ 55

For the year ended March 31, 2012	Millions of yen						
	Reporting segments				Total	Reconciliations	Consolidated
	Building construction	Civil engineering	Real estate	Other			
Net sales:							
Customers	¥371,871	¥103,731	¥13,216	¥ 565	¥489,385	¥ -	¥489,385
Inter-segment	2,285	878	1,376	750	5,290	(5,290)	-
Total	374,156	104,609	14,593	1,315	494,675	(5,290)	489,385
Segment profit (loss)	¥ 3,544	¥ 1,371	¥(5,483)	¥ 99	¥ (467)	¥ (7,526)	¥ (7,994)
Depreciation and amortization	¥ 380	¥ 39	¥ 968	¥ 9	¥ 1,397	¥ 691	¥ 2,088
Amortization of goodwill	¥ 55	¥ -	¥ -	¥ -	¥ 55	¥ -	¥ 55

For the year ended March 31, 2012	Thousands of U.S. dollars						
	Reporting segments				Total	Reconciliations	Consolidated
	Building construction	Civil engineering	Real estate	Other			
Net sales:							
Customers	\$4,524,534	\$1,262,093	\$160,809	\$ 6,881	\$5,954,319	\$ -	\$5,954,319
Inter-segment	27,803	10,685	16,749	9,129	64,367	(64,367)	-
Total	4,552,338	1,272,779	177,558	16,011	6,018,687	(64,367)	5,954,319
Segment profit (loss)	\$ 43,123	\$ 16,689	\$ (66,718)	\$ 1,212	\$ (5,693)	\$(91,574)	\$ (97,268)
Depreciation and amortization	\$ 4,624	\$ 483	\$ 11,782	\$ 113	\$ 17,003	\$ 8,412	\$ 25,415
Amortization of goodwill	\$ 678	\$ -	\$ -	\$ -	\$ 678	\$ -	\$ 678

- Reconciliations of segment profit (loss) includes negative ¥197 million and negative ¥200 million (US\$2,436 thousand) elimination of intersegment transactions and negative ¥8,243 million and negative ¥7,326 million (US\$89,138 thousand) corporate expenses which are not allocated to the reporting segments for the years ended March 31, 2011 and 2012, respectively.
- The corporate expenses mainly consist of selling, general and administrative expenses which do not belong to the reporting segments.
- Segment profit (loss) is adjusted in accordance with operating income as recorded in the consolidated statements of income.

The Companies operate in the following four reporting segments:

Building construction	Research, planning, design, management and execution of building construction work, and architectural and comprehensive engineering and consulting related thereto.
Civil engineering	Research, planning, design, management and execution of civil engineering work, such as tunnel construction, and architectural and comprehensive engineering and consulting related thereto.
Real estate	Resale, rent and intermediating of real estate and building management.
Other business	Worker dispatching and hotel businesses, and financing and leasing mainly for the group companies.

16. Related Party Transactions

1. Related party transactions between the Corporation and related parties

Parent Company and major shareholders (Company, etc. only), etc., of the Corporation

For the year ended March 31, 2011

Not applicable.

For the year ended March 31, 2012

Category	Related party	Address	Capital or investment (Millions of yen)	Type of business	Percentage of voting rights held (Held by others)	Relationship
Main shareholder	Daichi-Shokusan Co.,Ltd. ¹	Chuo-ku, Tokyo	12	Real estate business	Direct: (11.77%)	Concurrently of administrator

Nature of transaction	Amounts of transaction		Account	Balance at the end of the year	
	Millions of yen	Thousands of U.S. dollars		Millions of yen	Thousands of U.S. dollars
Rental of land ²	¥21	\$264	—	—	—

* 1. 50.4% of voting rights are held by our four board members, chairman Junosuke Toda, and the other three board members.

2. About rental lands, the rental charge is decided by vicinal state.

2. Related party transactions between subsidiaries and related parties

Parent Company and major shareholders (Company, etc. only), etc., of the Corporation

For the year ended March 31, 2011

Not applicable.

For the year ended March 31, 2012

Category	Related party	Address	Capital or investment (Millions of yen)	Type of business	Percentage of voting rights held (Held by others)	Relationship
Main shareholder	Daichi-Shokusan Co.,Ltd. ¹	Chuo-ku, Tokyo	12	Real estate business	Direct: (11.77%)	Concurrently of administrator

Nature of transaction	Amounts of transaction		Account	Balance at the end of the year	
	Millions of yen	Thousands of U.S. dollars		Millions of yen	Thousands of U.S. dollars
Borrowing funds ²	¥300	\$3,650	—	—	—
Payment for interests ²	¥ 3	\$ 40	—	—	—
Parent company's stock acquisition that held by consolidated subsidiary ³	¥796	\$9,695	—	—	—

- *1. 50.4% of voting rights are held by our four board members, chairman Junosuke Toda, and the other three board members.
 2. Conditions for deals were decided by taking into consideration the circumstances of market interest rate.
 3. Trading price is decided by accordance with marketing price of Tokyo Stock Exchange.

17. Per Share Information

As of March 31	Yen		U.S. dollars
	2011	2012	2012
Net assets per share of common stock	¥602.35	¥537.53	\$6.540
Net income (loss) per share of common stock	11.53	(64.28)	(0.782)

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2011	2012	2012
Basis for calculation of net assets per share:			
Total net assets	¥189,581	¥171,537	\$2,087,081
Amount attributable to items other than common stock	3,447	4,172	50,764
Net assets attributable to common stock	¥186,134	¥167,364	\$2,036,316
Number of shares of common stock outstanding at fiscal year-end	309,013,848 shares	311,358,119 shares	
Basis for calculation of net income (loss) per share:			
Net income (loss)	¥ 3,567	¥(19,872)	\$ (241,790)
Net income (loss) attributable to common stock	¥ 3,567	¥(19,872)	\$ (241,790)
Average number of shares of common stock outstanding during the fiscal year	309,427,740 shares	309,180,409 shares	

Independent Auditor's Report

The Board of Directors
Toda Corporation

We have audited the accompanying consolidated financial statements of Toda Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toda Corporation and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes restatements of consolidated financial statements and related notes for the year ended March 31, 2011. Our opinion is not qualified in respect of this matter.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Seinan Audit Corporation

Seinan Audit Corporation
June 28, 2012
Tokyo, Japan

Corporate Information

As of June 28, 2012

Company Name:

TODA CORPORATION

Company Headquarters:

7-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8388, Japan

Areas of Business:

1. Research, planning, design, management and execution associated with all aspects of architectural and civil engineering together with related comprehensive engineering and consulting
2. Research, planning, design, management and execution associated with local development, urban development and other comprehensive engineering and consulting
3. Real estate sale and purchase, rental, intermediary services, management and appraisal

Founded:

January 5, 1881

Stock Listings:

Tokyo Stock Exchange and
Osaka Securities Exchange

Capital Stock:

¥23.0 billion (as of March 31, 2012)

Number of Employees:

5,101 (Consolidated)
4,072 (Non-Consolidated)
(as of March 31, 2012)

Board Of Directors, Corporate Auditors and Executive Officers

As of June 28, 2012

Directors

Chairman and Representative Director
Hisao Kato

President and Representative Director
Shunzo Inoue

Representative Directors
Masayuki Shirai
Noboru Nomura
Yushi Kikutani

Directors
Hideshige Toda
Masami Yamashita

Director and Senior Adviser
Toshiro Oka

Corporate Auditors

Standing Corporate Auditors
Morimichi Toda
Etsuo Nonoguchi

Corporate Auditors
Yoshiaki Kaji
Katsutoshi Suzuki
Fumiyuki Akikusa

Executive Officers

President and Chief Executive Officer
Shunzo Inoue

Senior Managing Executive Officers
Masayuki Shirai
Noboru Nomura
Yushi Kikutani
Masami Yamashita

Managing Executive Officers
Katsuaki Fukushima
Hatsuaki Matsumoto
Kazuo Yamane
Masanori Imai
Yutaka Nishizawa
Shunichi Akiba
Teruo Sahashi

Executive Officers

Norimasa Togami
Toshihiro Abe
Yasushi Miyazaki
Tetsunaga Yamaguchi
Koichi Iwamori
Masashi Nishimura
Koji Tada
Hiroaki Inoue
Noboru Yamaki
Hideo Inagaki
Takeshi Nishimaki
Hiroyuki Miyazaki
Keiichi Ebihara
Yuji Yokomizo
Toshihiro Otomo
Tetsuo Ota
Makoto Hayakawa
Toshio Hirata
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