

Results Briefing

for the Second Quarter Ended September 30, 2014

November 14, 2014

TODA CORPORATION

This report contains forward-looking statements regarding Toda Corporation and the Group's corporate plans, strategies, and business forecasts.

These statements include Toda Corporation's forecasts based on information currently available as of the announcement date, which are subject to a number of risks and uncertainties.

Therefore, the actual results or developments may differ from those presented in these forward-looking statements due to changes in various factors.

Today's Schedule

1. Summary of Financial Results

Executive Manager Yushi Kikutani

2. Progress in Implementation of Management Plan

President Masanori Imai

1. Summary of Financial Results



Executive Manager Yushi Kikutani

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



Highlights: FY2014 2Q

- **Consolidated Net Sales: ¥187.8 billion, down 9.8% year-on-year**
 - ⋮ Net sales fell 9.8% year-on-year to ¥187.8 billion, as completed construction contracts at the Company and overseas subsidiaries declined

- **Operating Income: ¥6.8 billion, up 15.5% year-on-year**
 - ⋮ Operating income rose 15.5% to ¥6.8 billion, despite an increase in selling, general and administrative expenses, as the improvement in gross profit on completed construction contracts due to reinforcement of profitability-oriented order receipt policy contributed.

- **Orders Received (non-consolidated): ¥220.9 billion, down 30.4% year-on-year**
 - ⋮ Orders received declined 30.4% to ¥220.9 billion reflecting the impact of the order for the large-scale project the Company received last year in architectural construction, while orders for public sector road projects in civil engineering increased.

Summary:FY2014 2Q

(Billions of yen)

| | Apr-Sep FY2013 | Apr-Sep FY2014 | | | |
|---|-------------------|---|----------------|--------------------------------------|--------------------------------------|
| | | <i>Forecasts (announced on Aug 7, 2014)</i> | Actuals | <i>Change (year on year)</i> | <i>Difference (vs. forecast)</i> |
| Consolidated net sales | 208.3 | <i>199.0</i> | 187.8 | <i>-9.8%</i> | <i>-11.1</i> |
| Operating income | 5.8 | <i>4.1</i> | 6.8 | <i>15.5%</i> | <i>2.7</i> |
| Ordinary income | 6.6 | <i>4.9</i> | 7.6 | <i>14.9%</i> | <i>2.7</i> |
| Net income | 11.1 | <i>5.3</i> | 7.9 | <i>-28.4%</i> | <i>2.6</i> |
| Orders received (Non-consolidated) | 317.6 | <i>175.0</i> | 220.9 | <i>-30.4%</i> | <i>45.9</i> |

Main Orders Received

| | Ordering Parties | Name of Works |
|----------------------------|--|--|
| Architectural Construction | The Kitasato Institute | Rebuilding of School of Pharmacy Building and Kitasato Main Building, Shirokane Campus, the Kitasato Institute |
| | Aichi Prefectural Government | Aichi High School of Technology and Engineering |
| | Kojiya Station Area Urban Redevelopment Association | Kojiya Station area urban redevelopment project |
| | Takasaki City | New gymnasium |
| | Kenseikai | Tachikawa sogo Hospital |
| Civil Engineering | Central Nippon Expressway Company Limited | Main line tunnel, Tokyo Outer Ring Road |
| | East Nippon Expressway Company Limited | Tenjindo Tunnel, Joshin-etsu Expressway |
| | West Nippon Expressway Company Limited | Minoh Interchange, Shin-meishin Expressway |
| | Tohoku Regional Development Bureau, Ministry of Land, Infrastructure and Transport | Ryoishi area, National Road 45 |

*Honorific prefixes are omitted. Work names are abbreviations.

Main Works Completed

| | Ordering Parties | Name of Works |
|----------------------------|---|--|
| Architectural Construction | Japan Post Co., Ltd. | Omiya Sakuragi-cho 1-chome project |
| | Otsuma Gakuin | Reconstruction of Chiyoda school building |
| | FCH Partners | Fukuoka City Hospital (Children's Hospital) |
| | Akihabara Radiokaikan | New construction of Akihabara Radiokaikan |
| | Urban Redevelopment Association | Redevelopment of Ichiban-cho 2-chome 4 District |
| Civil Engineering | Central Nippon Expressway Company Limited | Nukata Tunnel +1, Shin tomei Expressway |
| | Bureau of Waterworks, Tokyo Metropolitan Government | Advanced Water Treatment Facility Phase II, Asaka Purification Plant |
| | West Nippon Expressway Company Limited | Tokushima Interchange, Shikoku Odan Expressway |
| | Sendai City Transportation Bureau | Sendai City Rapid Transit Railway East-West Line Renbo Section |

*Honorific prefixes are omitted. Work names are abbreviations.

1-2. Details of Financial Results



(Consolidated) Toda Group

| Business | | Subsidiaries in Japan | Overseas Subsidiaries | 14 companies |
|---------------------|-----------------------------------|--|--|--------------------|
| Construction | Architectural Construction | <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">APEC Engineering Co., Ltd.</div> <div style="border: 1px solid black; padding: 2px;">Chiyoda Kenkou Co., Ltd.</div> | <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Construtora Toda do Brazil S/A</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Toda Construction (Shanghai) Co., Ltd.</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Thai Toda Corporation Ltd.</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Toda Vietnam Co., Ltd.</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">TODA Philippines, Inc.</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">ABTD, inc.</div> | 8 companies |
| | Civil Engineering | <div style="border: 1px solid black; padding: 2px;">Toda Road Co., Ltd.</div> | | |
| Real Estate | | <div style="border: 1px solid black; padding: 2px;">Toda Bldg. Partners Co., Ltd.</div> | <div style="border: 1px solid black; padding: 2px;">Toda America, Inc.</div> | 2 companies |
| Other | | <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Toda Finance Co., Ltd.</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Chiyoda Staff Service Co., Ltd.</div> <div style="border: 1px solid black; padding: 2px;">Towa Kanko Kaihatsu Co., Ltd.</div> | | 3 companies |

(Consolidated) Summary of Group Performance

| Apr-Sep FY2014 Billions of yen | Toda Corporation | | Subsidiaries total | | Consolidated | | Ratio of consolidated results to non-consolidated Results |
|--|------------------|-----|--------------------|-----|--------------|-----|---|
| | | % | | % | | % | |
| Net sales | 172.5 | | 22.7 | | 187.8 | | 1.09 |
| Gross profit | 15.6 | 9.1 | 2.1 | 9.5 | 17.6 | 9.4 | 1.13 |
| Selling, general and administrative expenses | 9.3 | | 1.4 | | 10.8 | | |
| Operating income | 6.2 | 3.6 | 0.7 | 3.3 | 6.8 | 3.6 | 1.09 |
| Non-operating income | 0.7 | | 0.1 | | 0.8 | | |
| Ordinary income | 6.9 | 4.0 | 0.9 | 4.0 | 7.6 | 4.1 | 1.10 |
| Extraordinary income | 0.1 | | - 0.2 | | 0.8 | | |
| Income before income taxes | 7.1 | | 0.7 | | 8.5 | | |
| Income taxes | 0.0 | | 0.2 | | 0.5 | | |
| Net income | 7.0 | 4.1 | 0.4 | 1.9 | 7.9 | 4.2 | 1.13 |

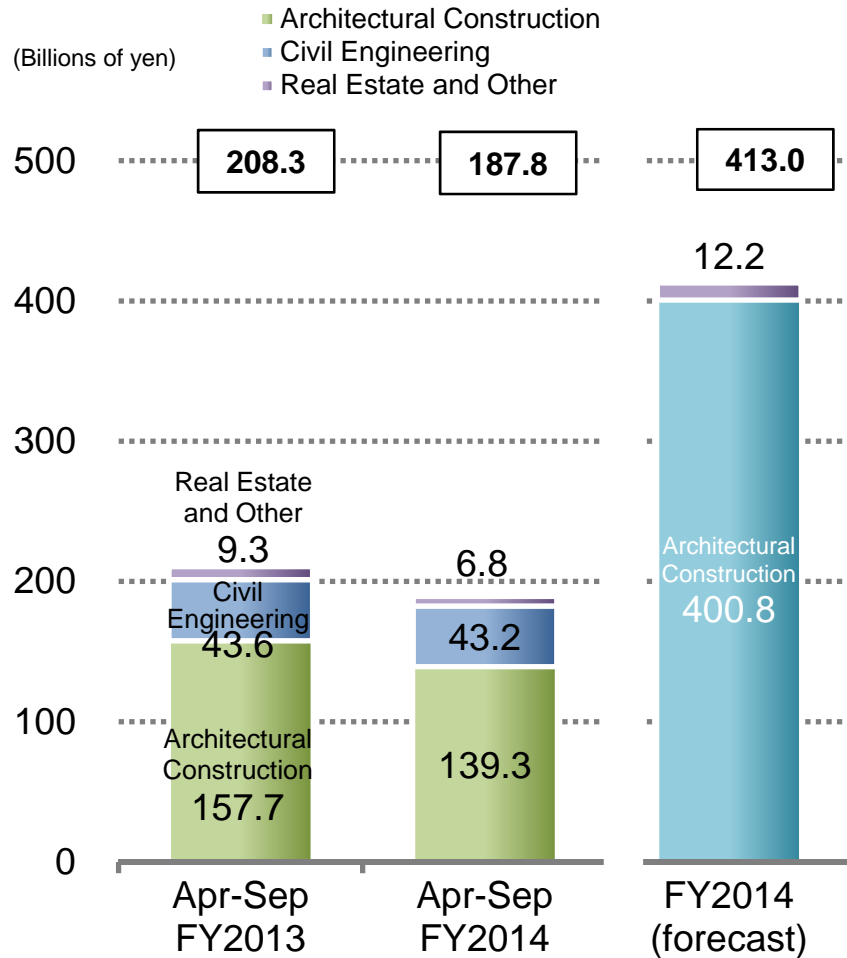
(Consolidated) Statements of Income

| Billions of yen | Apr-Sep FY2013 (actual) | | Apr-Sep FY2014 (actual) | | Changes | FY2014 (Forecast) | |
|--|----------------------------|-----|----------------------------|-----|---------|----------------------|-----|
| | | % | | % | % | | % |
| Net sales | 208.3 | | 187.8 | | -9.8 | 413.0 | |
| Gross profit | 15.6 | 7.5 | 17.6 | 9.4 | 12.7 | 32.3 | 7.8 |
| Selling, general and administrative expenses | 9.7 | | 10.8 | | | 23.6 | |
| Operating income | 5.8 | 2.8 | 6.8 | 3.6 | 15.5 | 8.7 | 2.1 |
| Non-operating income | 0.7 | | 0.8 | | | 1.6 | |
| Ordinary income | 6.6 | 3.2 | 7.6 | 4.1 | 14.9 | 10.3 | 2.5 |
| Extraordinary income | 4.6 | | 0.8 | | | 0.6 | |
| Income before income taxes | 11.2 | | 8.5 | | | 10.9 | |
| Income taxes | 0.1 | | 0.5 | | | 0.4 | |
| Net income | 11.1 | 5.3 | 7.9 | 4.2 | -28.4 | 10.5 | 2.5 |

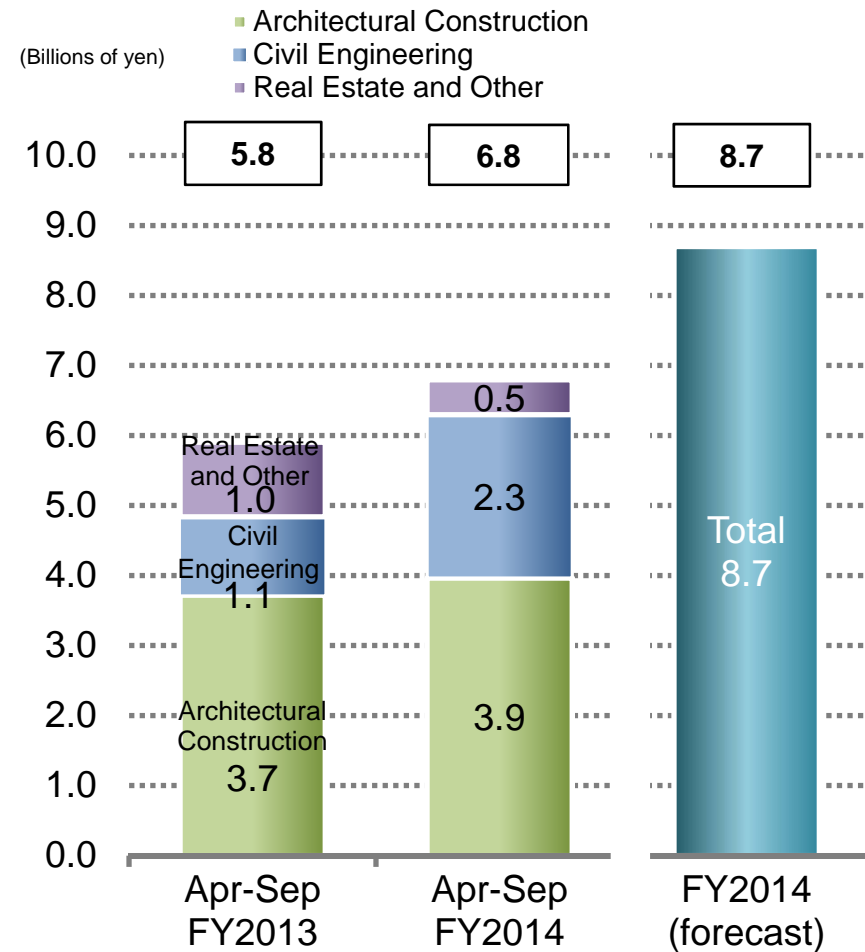
*FY2014 forecasts are the figures revised this time

(Consolidated) Net Sales and Operating Income by Segment

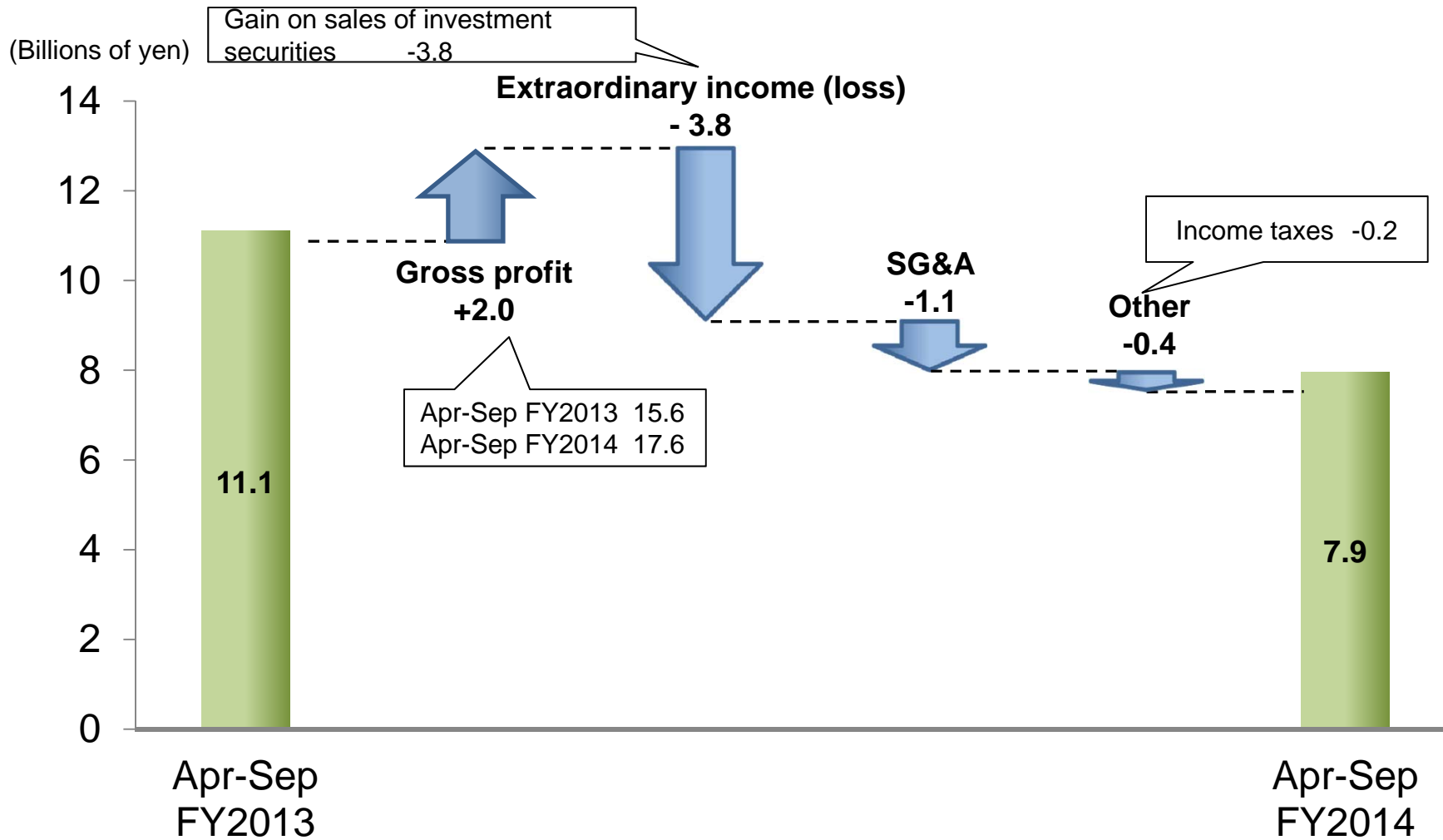
Net Sales



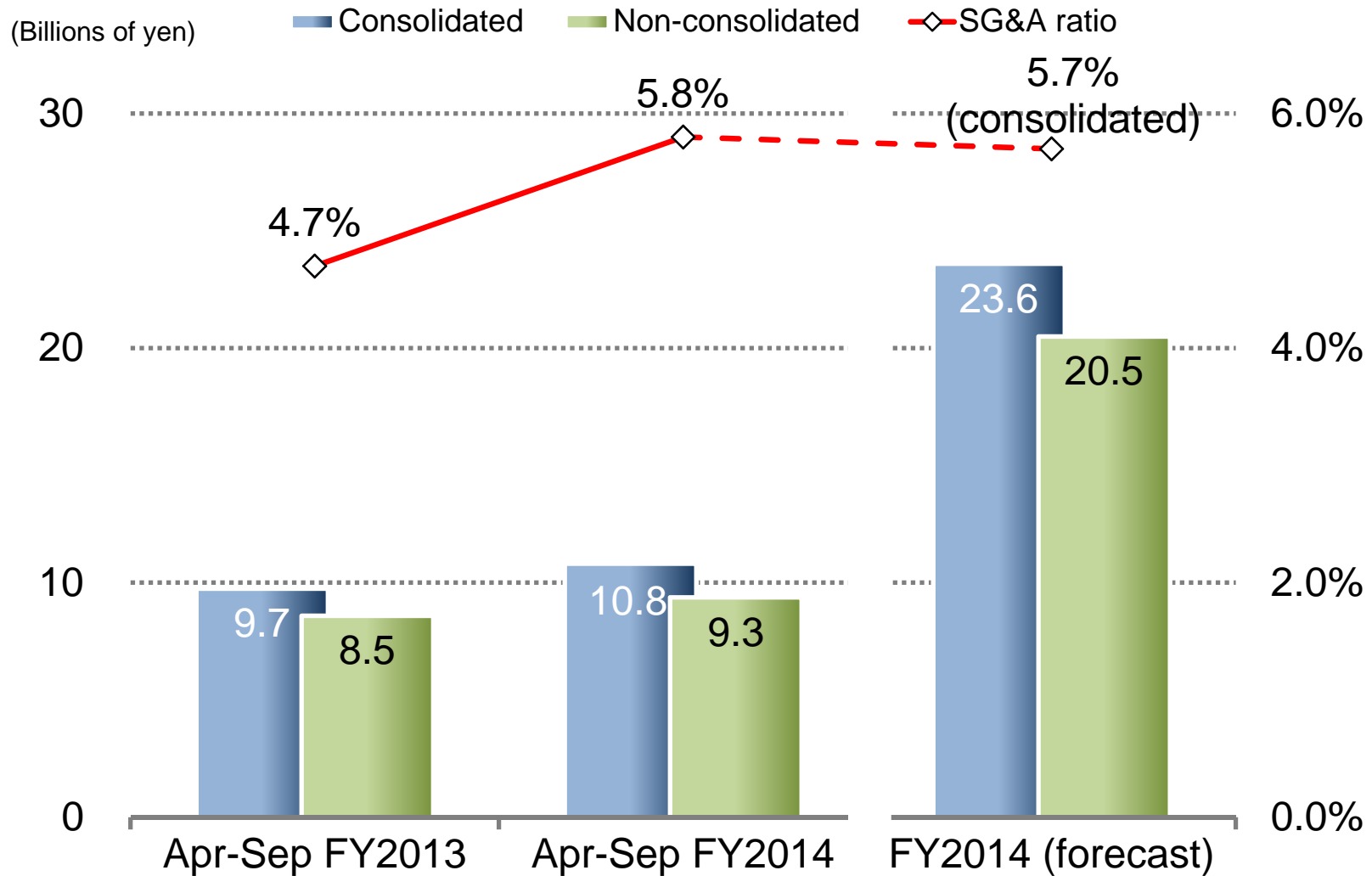
Operating Income



(Consolidated) Breakdown of Net Income Increase



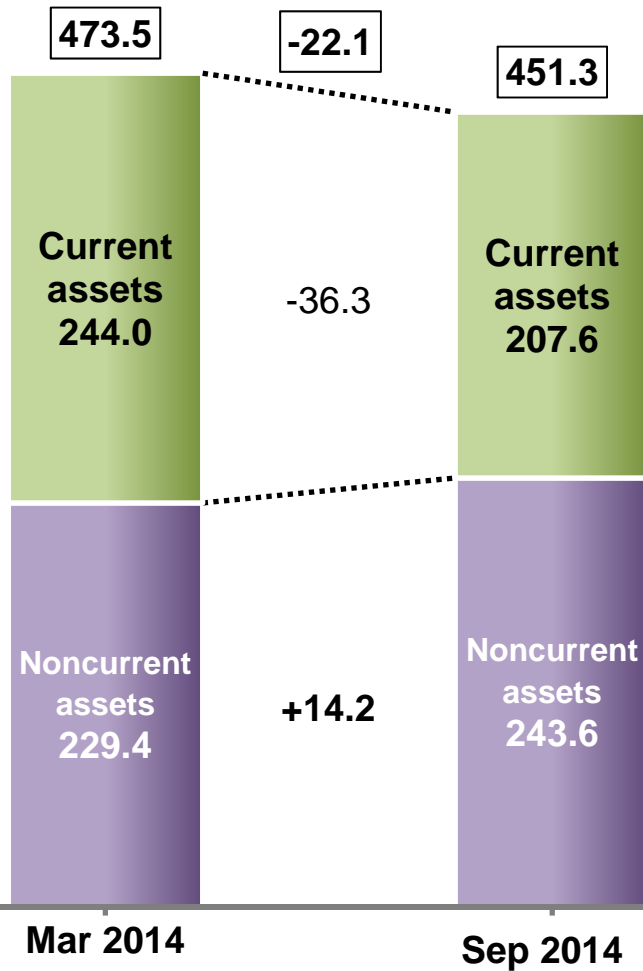
(Consolidated) Change in SG&A



(Consolidated) Balance Sheets

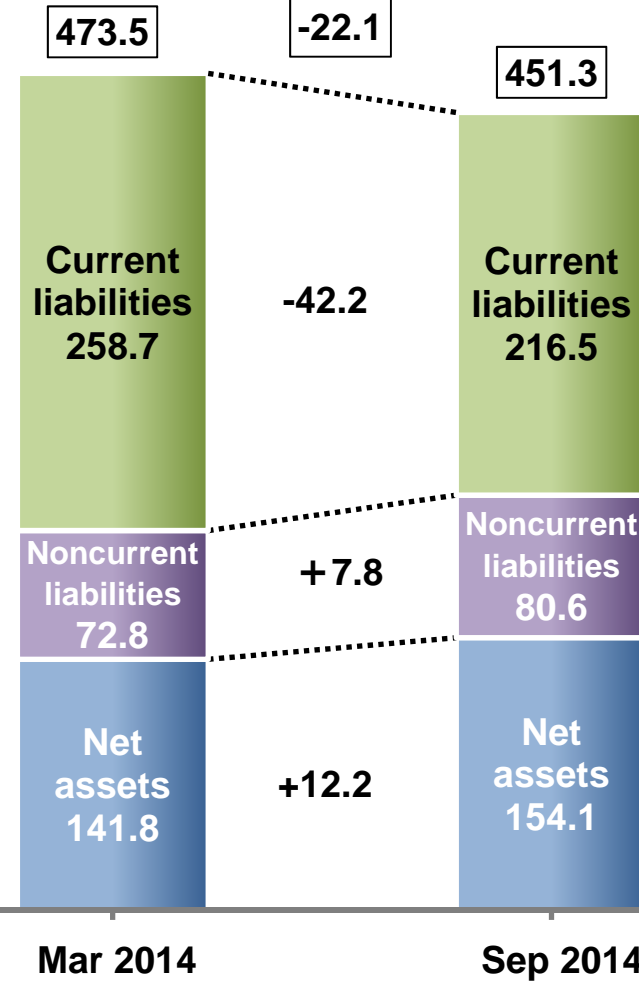
Assets

(Billions of yen)



Liabilities and Net Assets

(Billions of yen)

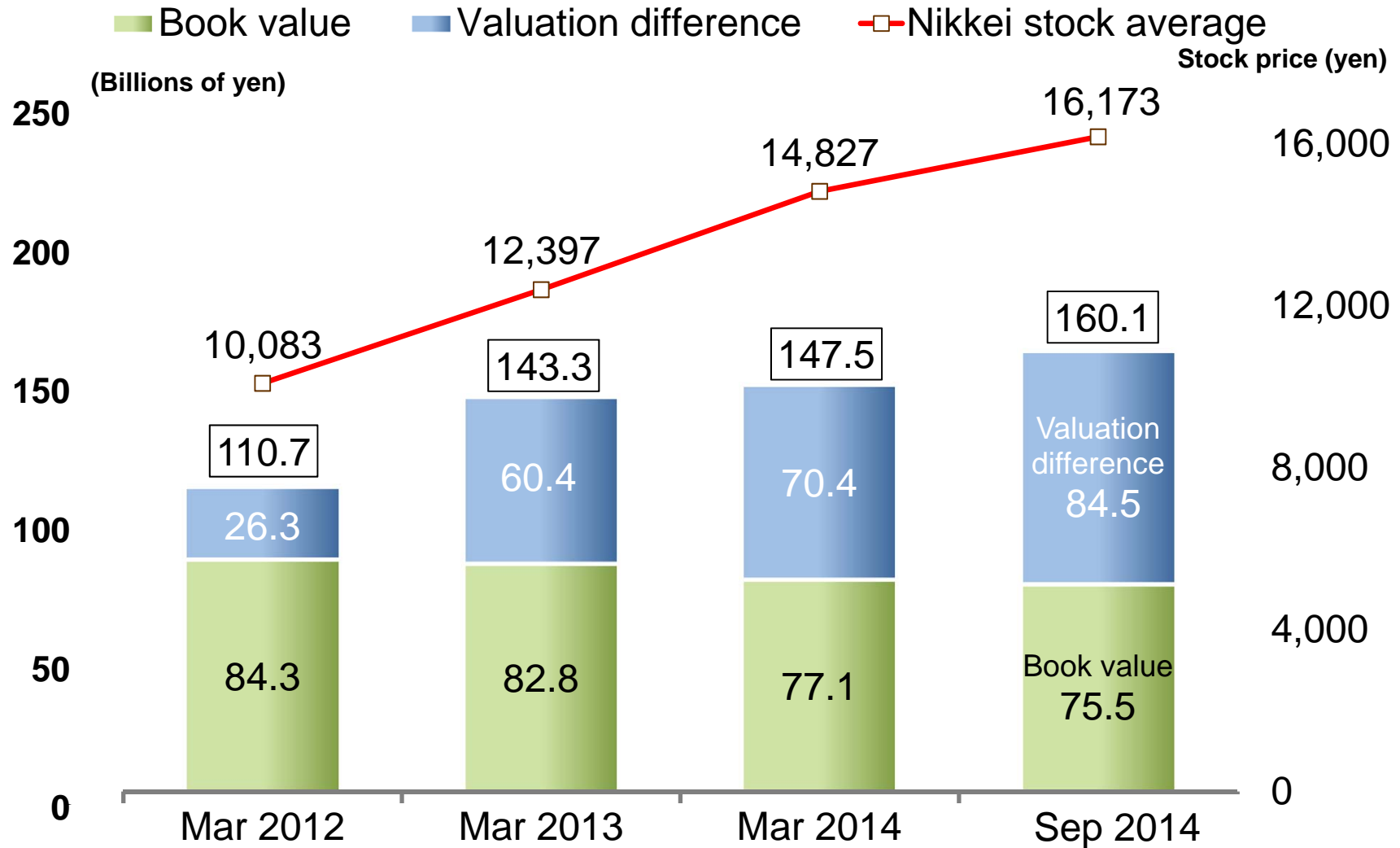


29.1%

Equity ratio

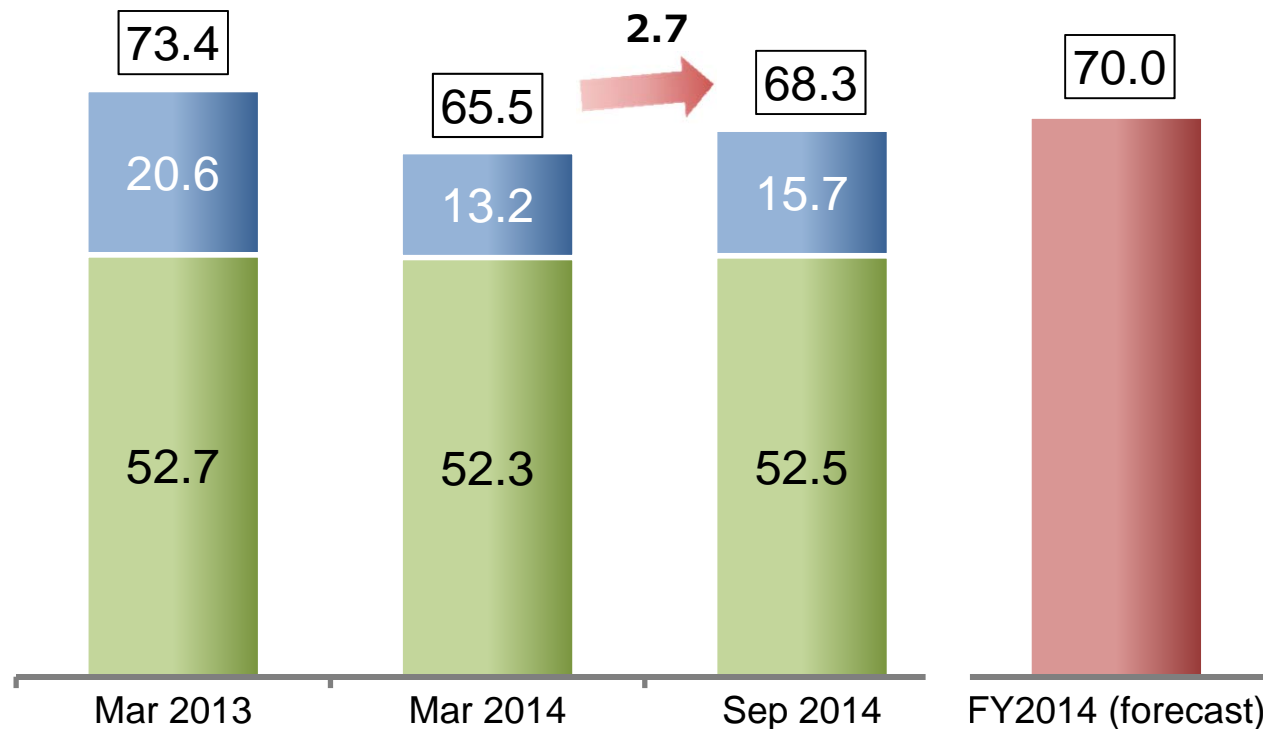
33.7%

(Consolidated) Change in Investment Securities



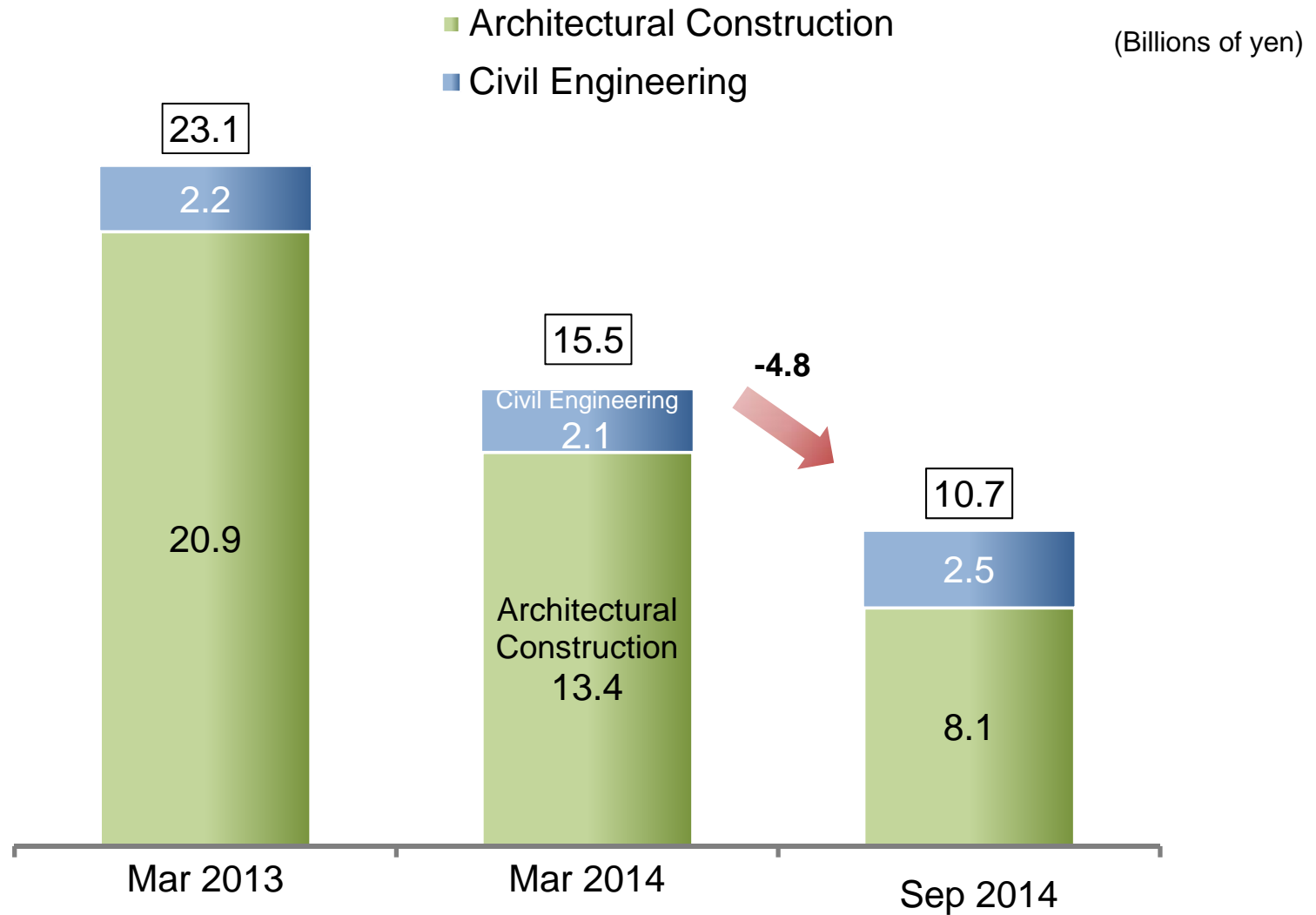
(Consolidated) Change in Interest-Bearing Liabilities

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



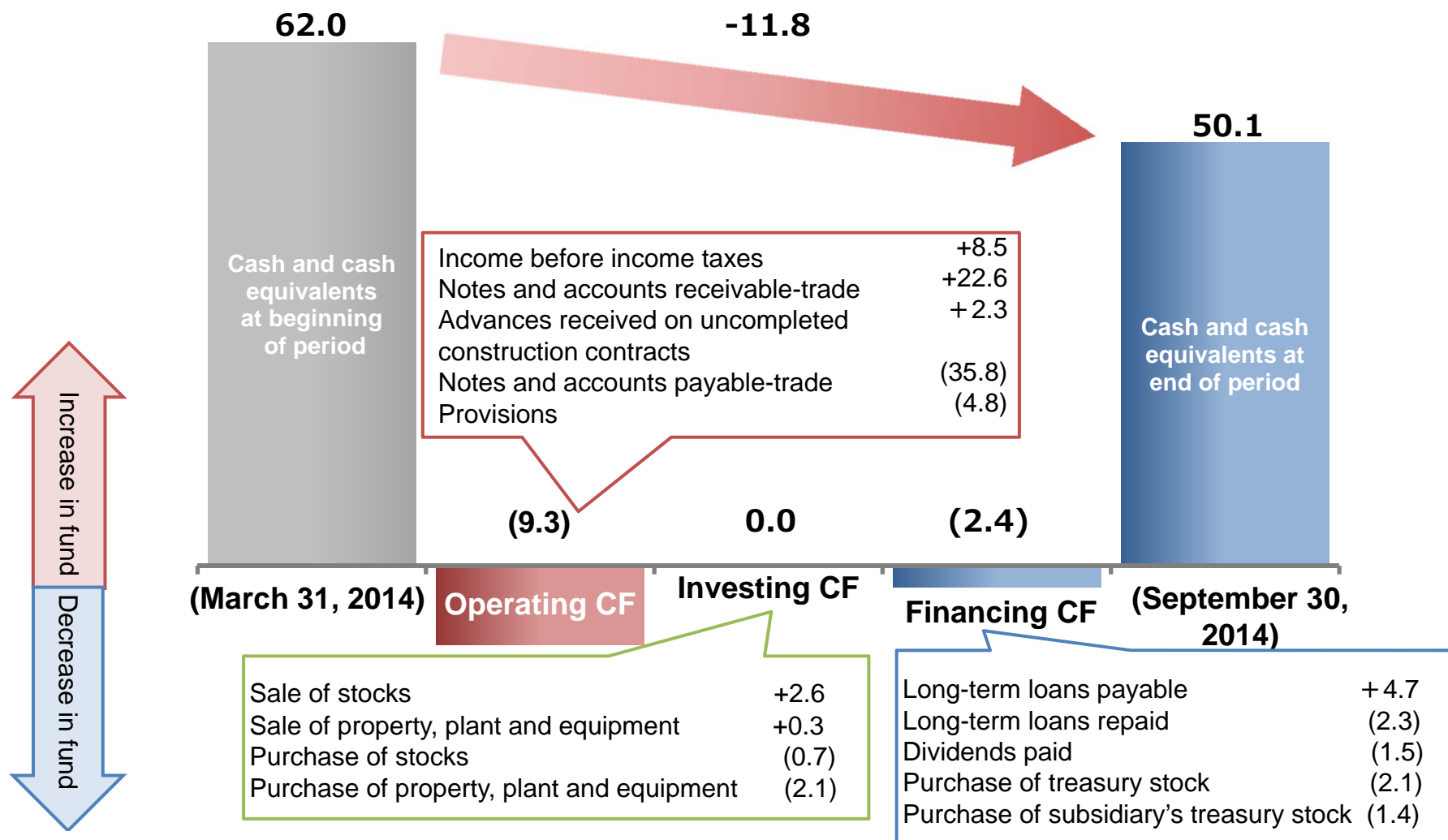
| | | | | |
|---------------------------------------|-------|-------|-------|---|
| Ratio of interest-bearing liabilities | 14.7% | 13.8% | 15.1% | — |
|---------------------------------------|-------|-------|-------|---|

(Consolidated) Change in Provision for Loss on Construction Contracts



(Consolidated) Statement of Cash Flow

(Billions of yen)



1-3. Performance Forecasts



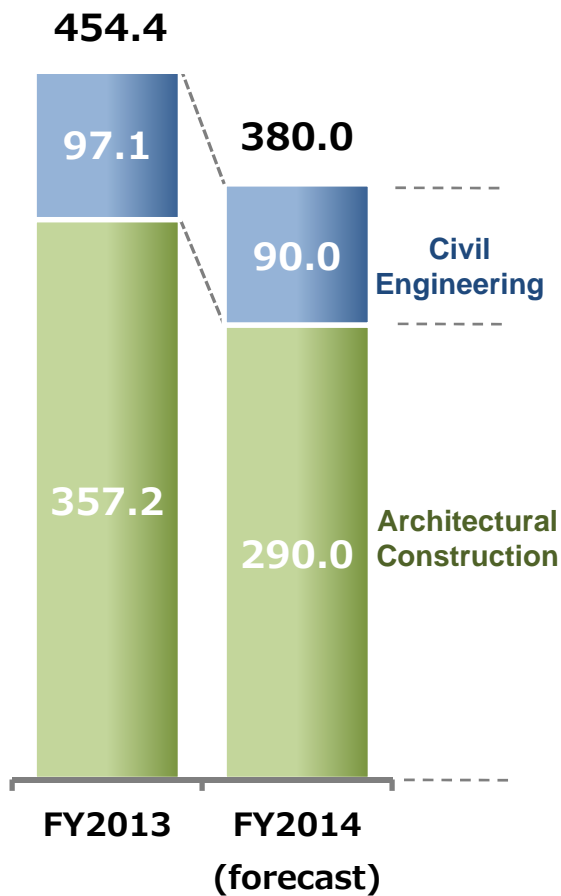
Forecasts for FY2014 (Year Ending March 31, 2015)

| (Billions of yen) | FY2013 | FY2014 | | |
|---------------------------------------|--------|-----------|--------------------------|-------|
| | | Forecasts | Change (year on year) | |
| Consolidated net sales | 448.9 | 413.0 | -8.0% | -36.0 |
| Operating income | 4.7 | 8.7 | 81.9% | 3.9 |
| Ordinary income | 6.5 | 10.3 | 56.4% | 3.7 |
| Net income | 10.2 | 10.5 | 2.7% | 0.3 |
| Orders received (Non-consolidated) | 454.4 | 380.0 | -16.4% | -74.4 |

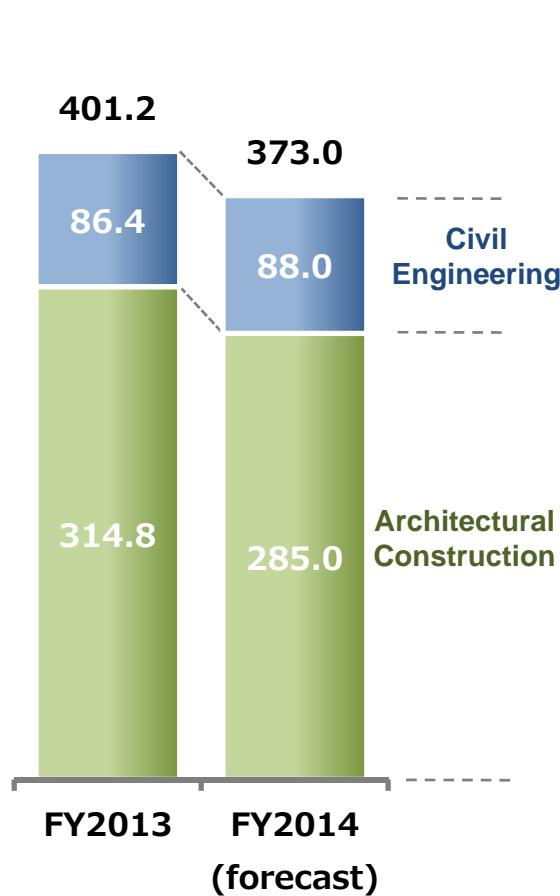
(Non-consolidated) Forecasts for the Construction Business

(Billions of yen)

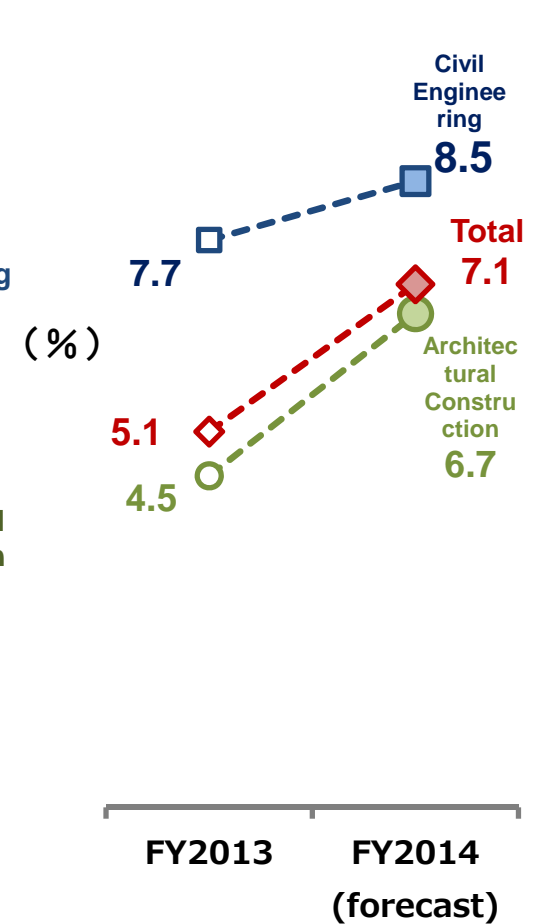
Orders Received for Construction



Net Sales of Completed Construction Contracts



Gross Profit Margin on Completed Construction Contracts



Non-consolidated Forecasts for FY2014

| | Amount (billions of yen) | Profitability (%) | |
|--|-----------------------------|----------------------|--|
| Net sales | 378.0 | | |
| Gross profit | 28.3 | 7.5 | |
| Profits in the construction business | 26.5 | 7.1 | |
| [Architectural construction] | [19.0] | [6.7] | |
| [Civil engineering] | [7.5] | [8.5] | |
| Profits in the real estate business | 1.8 | 36.0 | |
| Selling, general and administrative expenses | 20.5 | | |
| Operating income | 7.8 | 2.1 | |
| Ordinary income | 9.2 | 2.4 | |
| Extraordinary income | (0.1) | | |
| Net income | 9.2 | 2.4 | |

2. Progress in Implementation of Management Plan



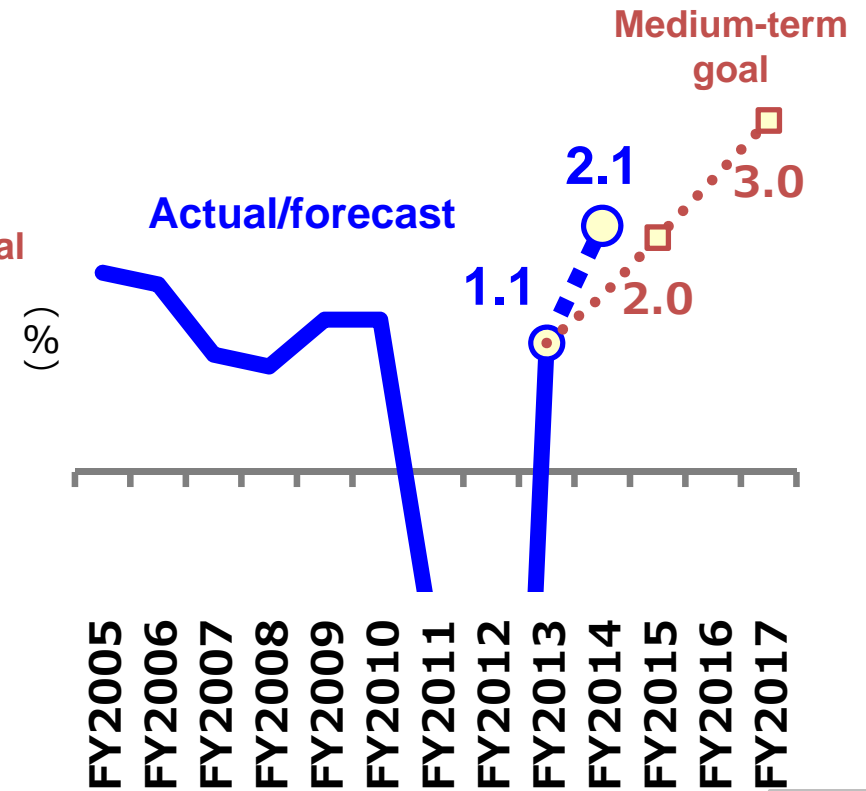
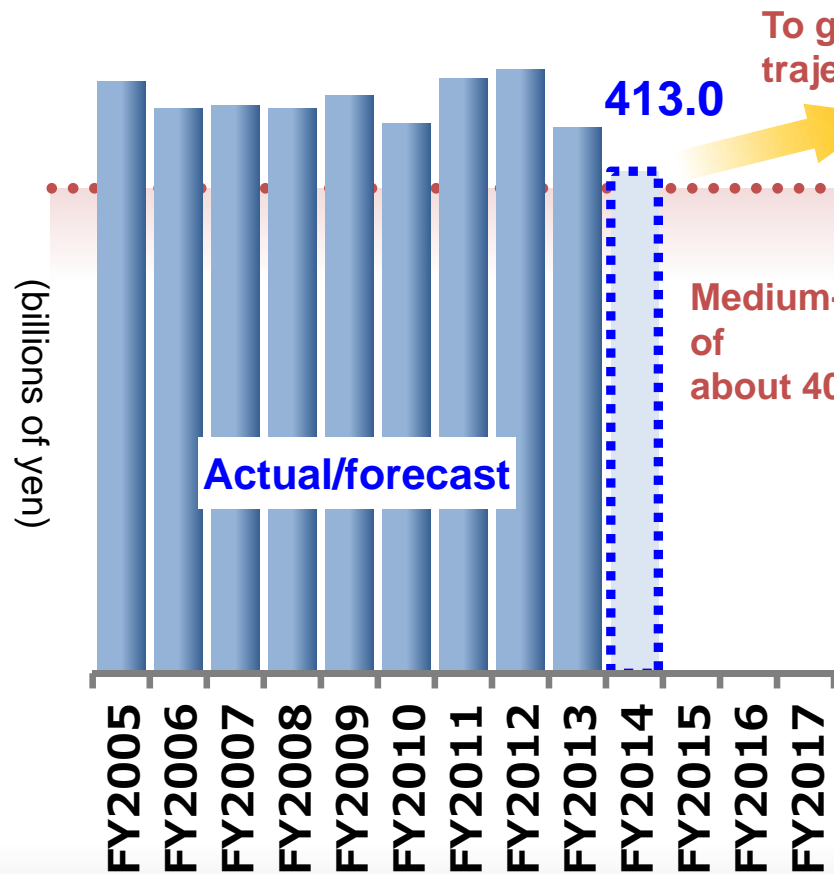
President Masanori Imai

Performance Trend

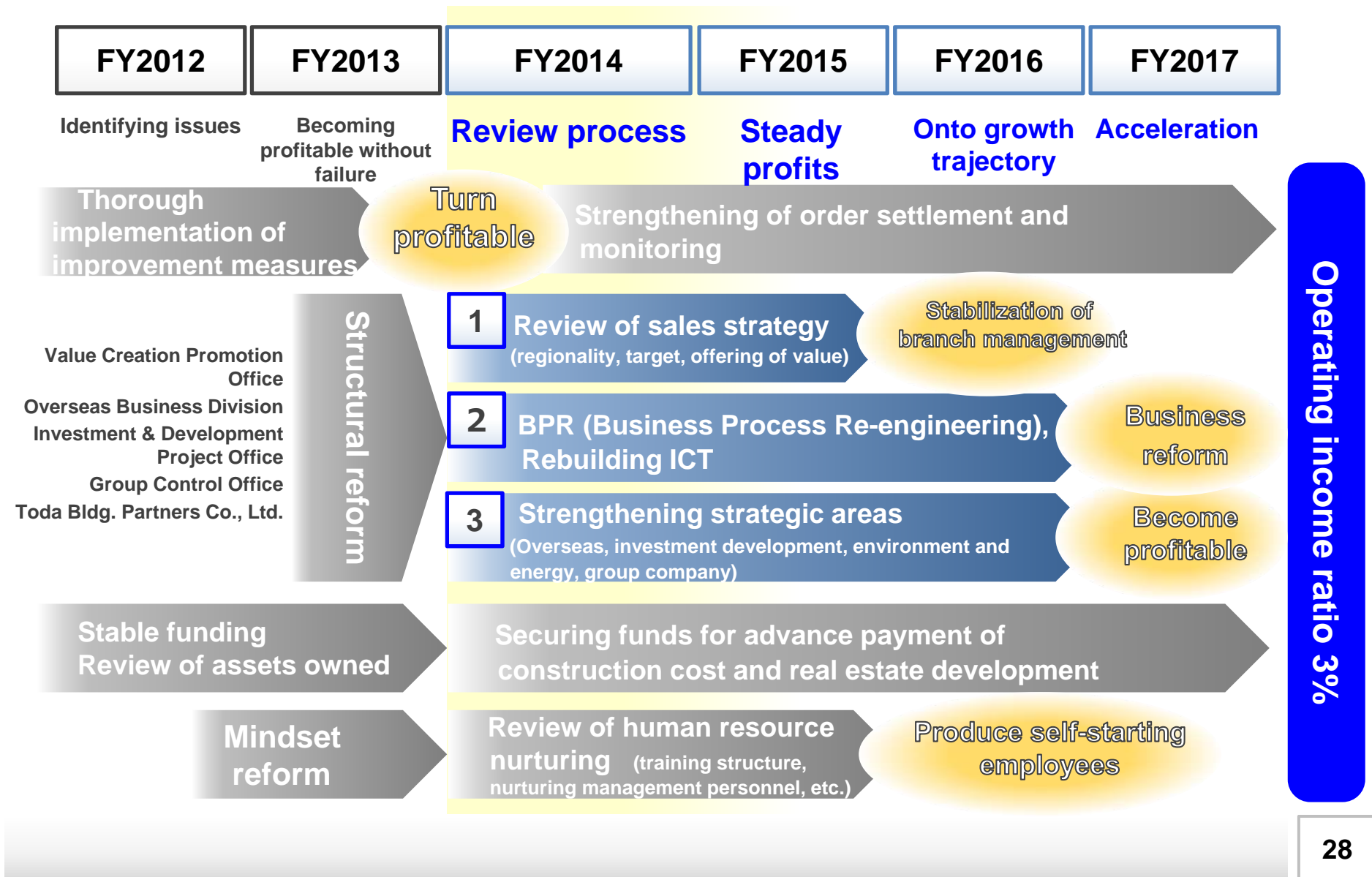
Improve productivity/profitability and aim for continued growth

Consolidated net sales

Operating income ratio



Management Strategy Roadmap

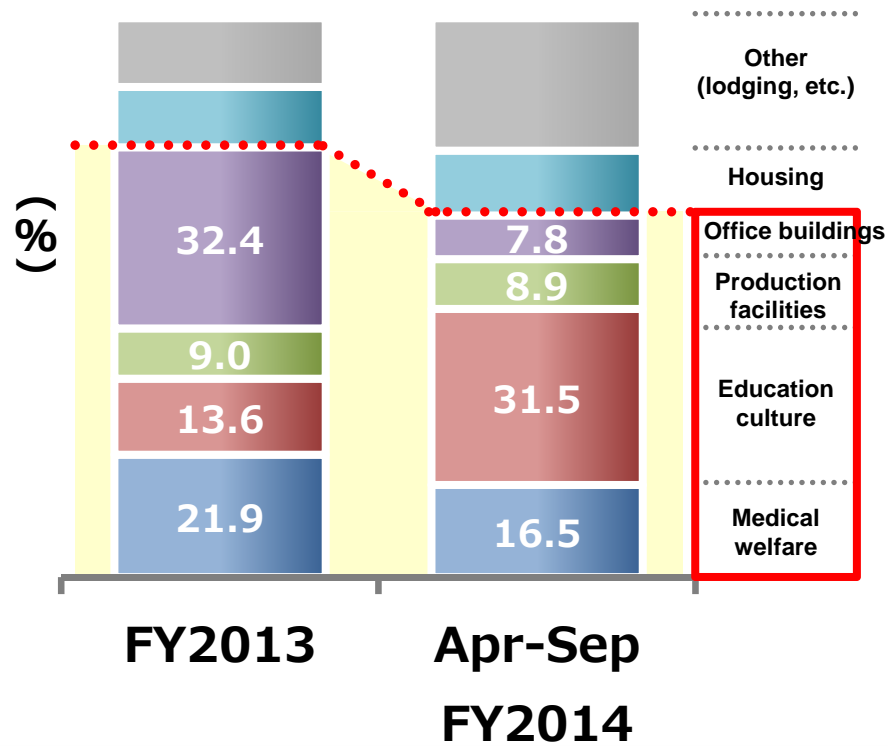


Order Composition Ratio (Non-consolidated)

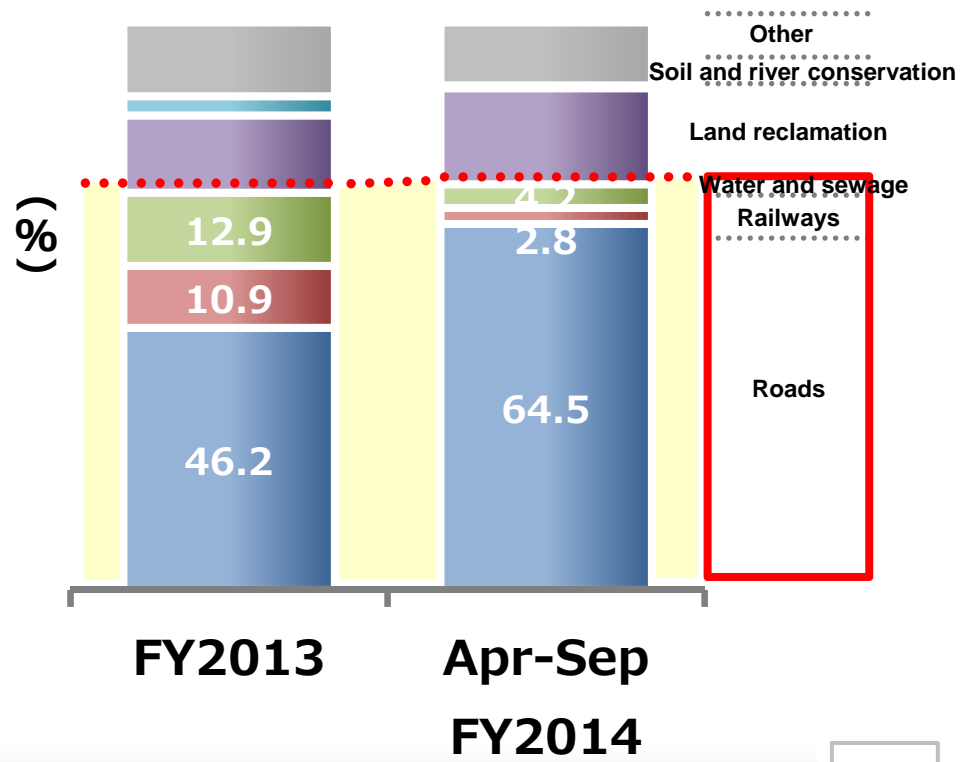
In addition to priority areas, lodging facilities, land reclamation, etc. increased

Re-examine investment trends in various regions as well as Toda Corporation's strengths

Architectural Construction (by construction category)



Civil Engineering (by construction category)



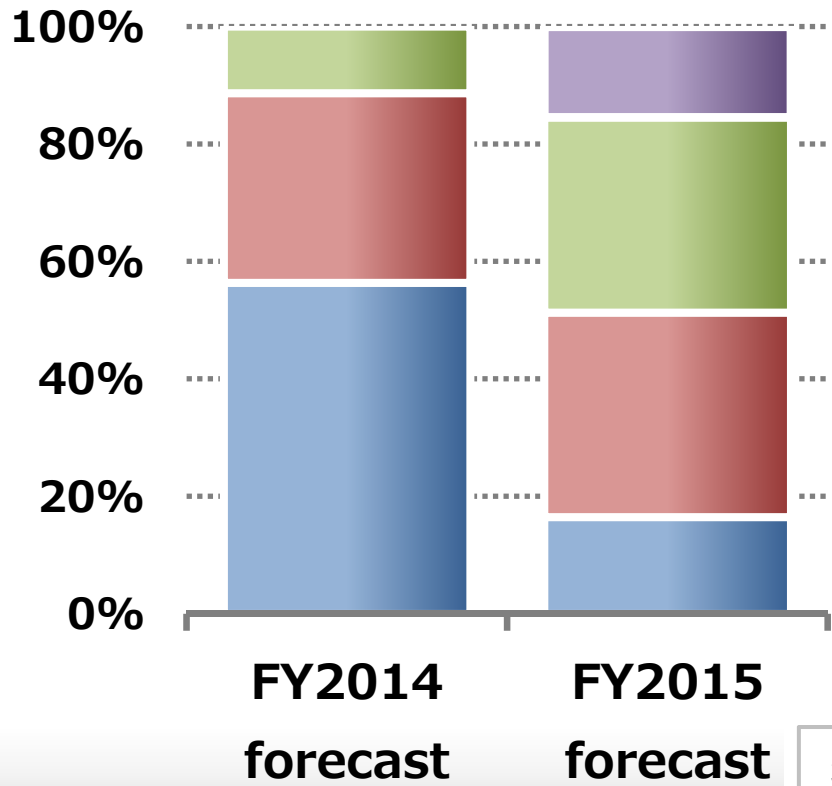
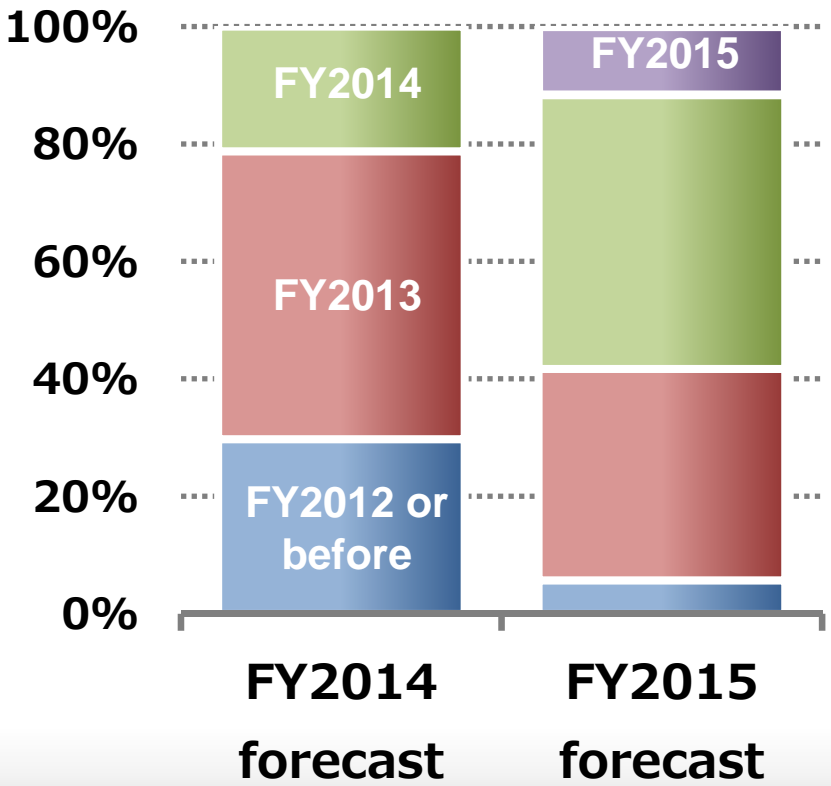
Note: denotes priority areas.

Completed Construction Composition Ratio (Non-consolidated, Forecast)

Eliminated most large, unprofitable construction work
(Construction work orders prior to FY2012)

**Construction completed
(by year)**

**Civil engineering work completed
(by year)**



Establish Metropolitan Area Civil Engineering Branch (Planned)

Secure new branch structure for pursuing marketability and rationality

*Detailed examination underway for an April 2015 establishment

**Tokyo Branch
Civil Engineering Division**

Jurisdiction: Tokyo, Chiba,
Yamanashi

**Yokohama Branch
Civil Engineering Division**

Jurisdiction: Kanagawa, parts of
Shizuoka

Metropolitan Area Civil Engineering Branch

Objectives

Streamlining of sales and construction
Taking on large projects
Nurturing human resources

Progress of BPR (Business Process Re-engineering)

Established BPR Committee and started activities

BPR

Group 1 led by the head office implements business process visualization activities in advance.

Going forward, the activities to be expanded to medium-sized branches to ensure standardization of business process.

Rebuild ICT

Drafted ICT medium-term plan (investment, grand design) proposal. Started overall system design.

Some operations such as work flow and information sharing tools launched in advance.

Goal of Business Process Re-engineering

**Link success of business process re-engineering
to next level of growth**



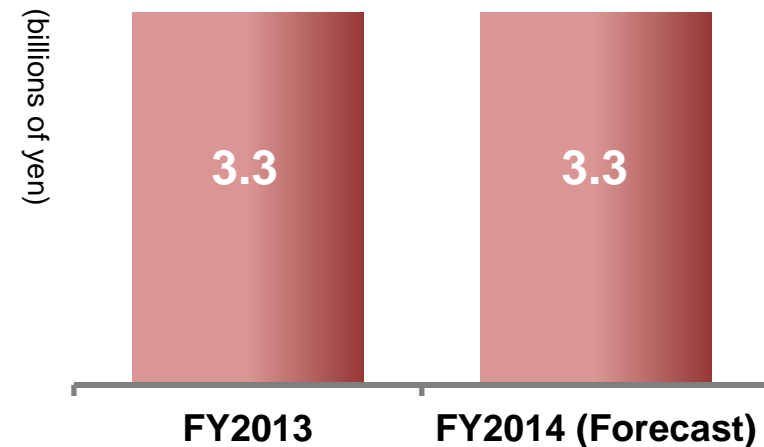
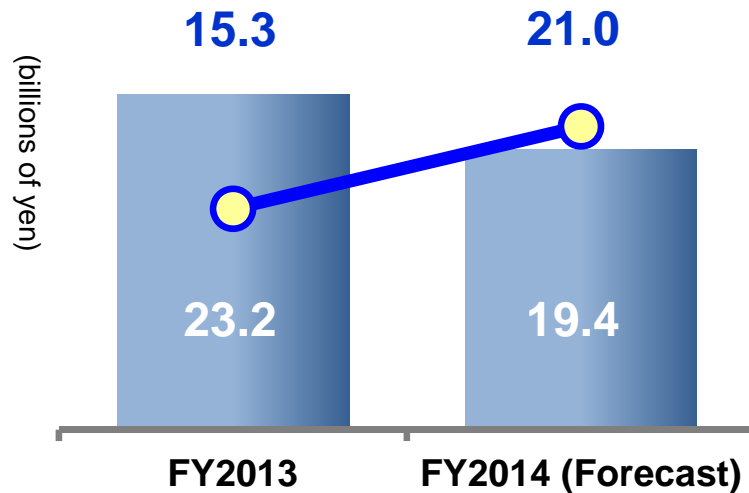
Overseas and Real Estate Businesses Performance Forecast

Strengthen medium-term strategy of Overseas Business Division

Net sales of overseas construction
(consolidated)

Income from real estate, etc.
(consolidated)

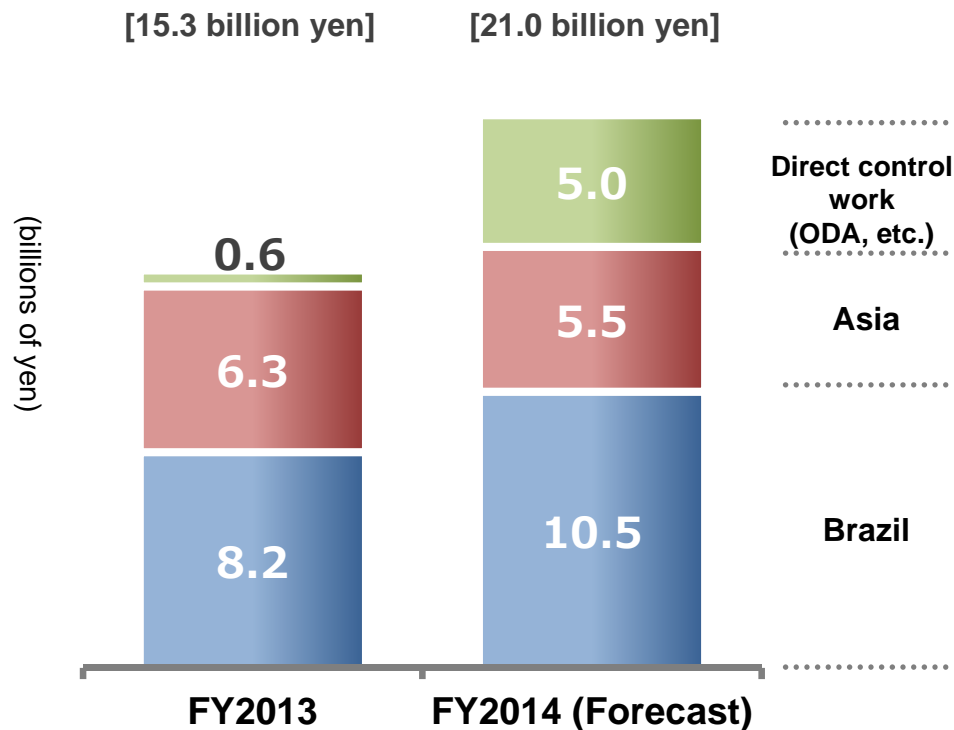
Line graph signifies net orders received



*Note: FY2014 estimated rate: US\$1=¥103.0

Overseas Business: Regional Strategy

Overseas construction orders received (by region)



* Asia: China, Thailand, Vietnam, Philippines

[Brazil]

Received strong orders from production facilities of Japanese and non-Japanese businesses

[Asia]

To establish sales office in Myanmar (Yangon).

*To open July-end 2015

[Direct control work]

Water supply facilities work in Sri Lanka (ADB loan, total JV amount of about 5.0 billion yen).

*Being processed

Promoting it by positioning it as overseas re-entry work for civil engineering.

Basic Recognition of the Second Half (Construction Business)

Architectural
Construction While receiving steady orders (achievement rate of 55%), variations seen depending on the region.

Civil
Engineering Won orders for large-scale works such as Outer Ring Road. Focus on further improvement in profit level (forecast at 8.5% for the current term).

Promote differentiation with values to customers

Strengthen construction system, measures related to productivity

Generate and ensure next-term orders



— Toda Corporation means value—