

Results Briefing

for the Year Ended March 31, 2019

May 15, 2019
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. Management Plan Progress Status

President Masanori Imai

1. Summary of Financial Results



Executive Manager Yushi Kikutani

1-1. Summary of Financial Results for the Year Ended March 31, 2019



Highlights: FY2018

- **Consolidated net sales: ¥510.4 billion, up 19.0% year-on-year**
 - ⋮ Consolidated net sales rose by 19.0% year-on-year to ¥510.4 billion due to increased net sales for domestic construction

- **Operating income: ¥34.5 billion, up 13.3% year-on-year**
 - ⋮ Progress in profitable major construction works within Japan increased operating income by 13.3% year-on-year to ¥ 34.5 billion

- **Orders received (non-consolidated): ¥549.2 billion, up 22.2 % year-on-year**
 - ⋮ Both architectural construction and civil engineering orders increased year-on-year within Japan, raising overall orders received by 22.2% to ¥549.2 billion

Summary: FY2018

(Billions of yen)

	FY2017	FY2018			
		<i>Forecasts (announced in Feb. 2019)</i>	Actuals	<i>Change (year on year)</i>	<i>Difference (vs. forecast)</i>
Consolidated net sales	429.0	<i>507.0</i>	510.4	<i>19.0%</i>	+3.4
Operating income	30.4	<i>30.4</i>	34.5	<i>13.3%</i>	+4.1
Ordinary income	33.0	<i>33.2</i>	37.4	<i>13.5%</i>	+4.2
Profit attributable to owners of parent	25.4	<i>23.0</i>	25.5	<i>0.6%</i>	+2.5
Orders received (non-consolidated)	449.5	<i>514.4</i>	549.2	<i>22.2%</i>	+34.8

Main Orders Received

	Ordering Parties	Name of Works
Architectural Construction	Toyo University	New building of Akabanedai Campus, Toyo University
	Urban Renewal Association for First District Around South Gate of Seya Station	New construction of facilities for first phase of urban renewal works for First District around South Exit of Seya Station
	Bunkyo University	Construction of Bunkyo University's Tokyo Adachi Campus
	Miyazaki Medical Association	Construction for relocation of Miyazaki Medical Association Hospital
	NTT LOGISCO	Construction of E Building of Chiba Logistics Center
	Metropolitan Expressway Company	Construction of new building of Kanagawa Bureau
Civil Engineering	Tokyo Bureau of Finance	Works No. 2 for control ponds (stage 1) in Johoku-Chuo Park
	Japan Railway Construction, Transport and Technology Agency	Kamioyamada emergency exit, Chuo Shinkansen

*Honorific prefixes are omitted. Work names are abbreviations.

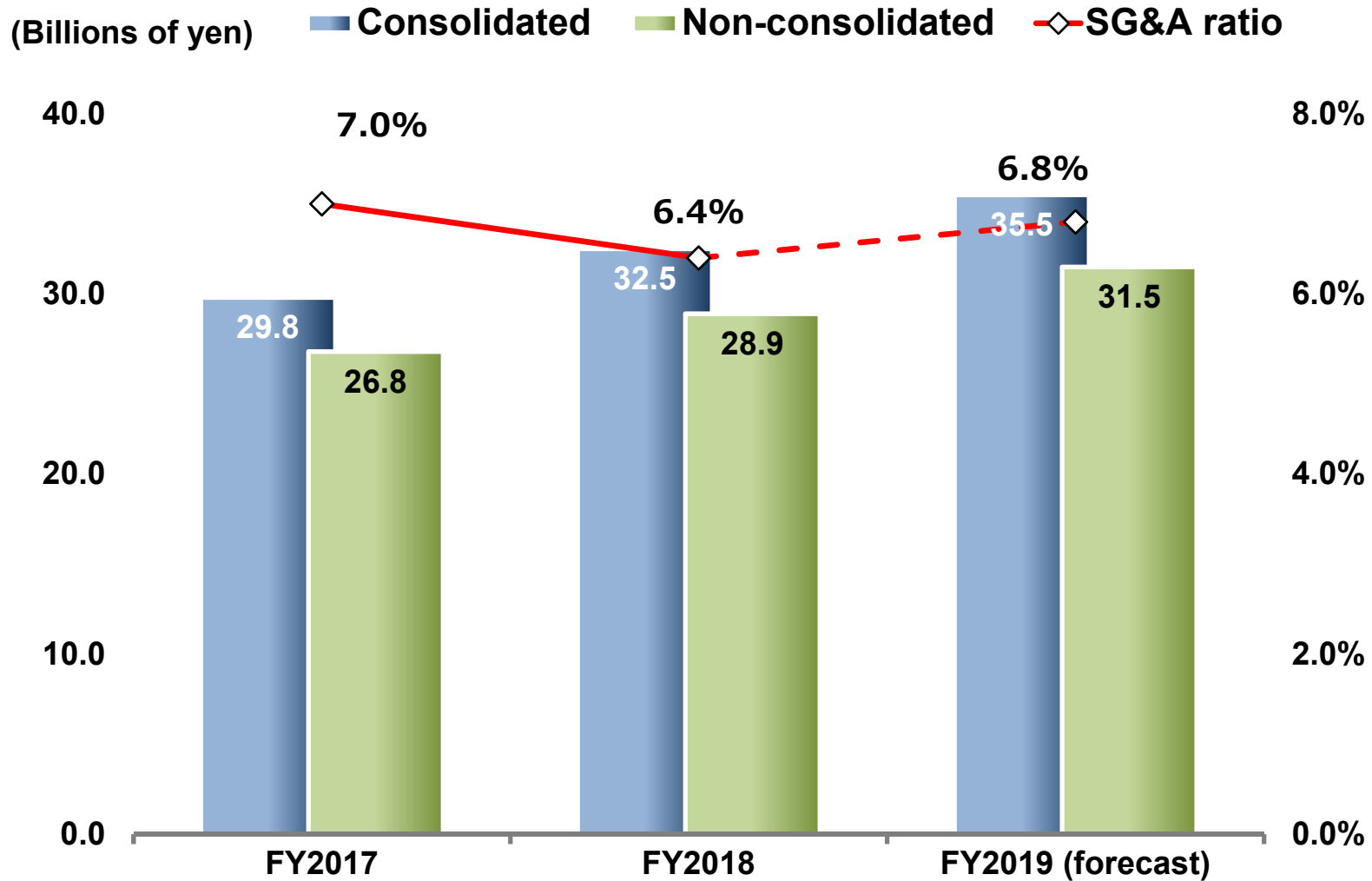
1-2. Details of Financial Results



(Consolidated) Toda Group

Business	Subsidiaries in Japan	Overseas Subsidiaries	21 companies
Construction	<p>APEC Engineering Co., Ltd.</p> <p>Chiyoda Kenkou Co., Ltd.</p> <p>Toda Road Co., Ltd.</p> <p>Sato Kogyo Co., Ltd.</p> <p>2 other companies</p>	<p>Construtora Toda do Brazil S/A</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p> <p>2 other companies</p>	11 companies
Real Estate	<p>Toda Bldg. Partners Co., Ltd.</p> <p>Nisshin Life Co., Ltd.</p> <p>1 other company</p>	<p>Toda America, Inc.</p> <p>1 other company</p>	5 companies
Other	<p>Toda Finance Co., Ltd.</p> <p>Toda Staff Service Co., Ltd.</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p> <p>Goto Floating Wind Power LLC.</p> <p>Offshore Wind Farm Construction LLC</p>		5 companies

(Consolidated) Change in SG&A

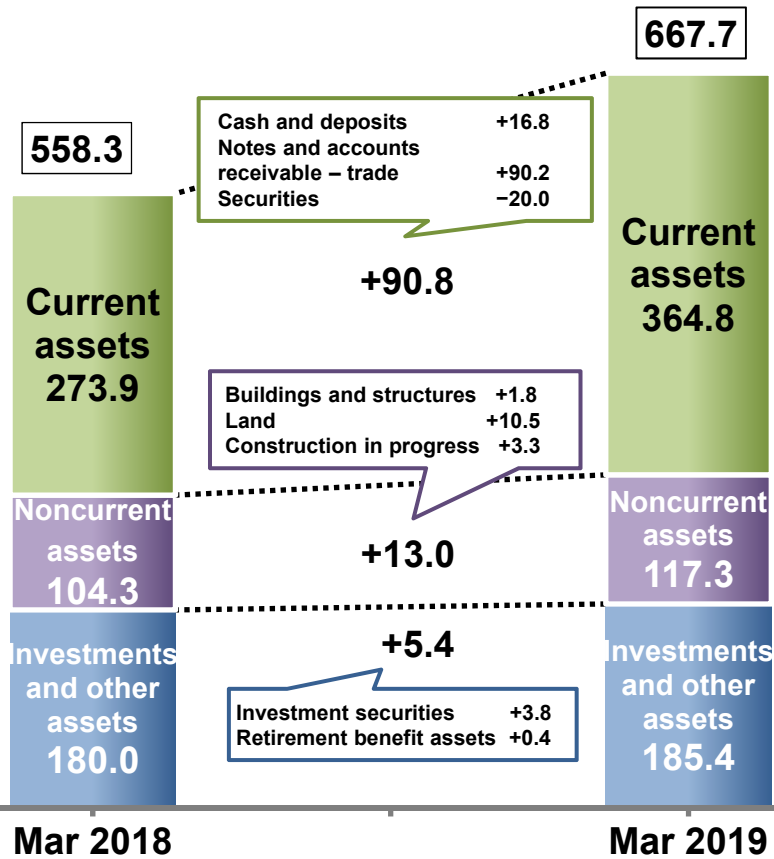


(Consolidated) Balance Sheets

Assets

(Billions of yen)

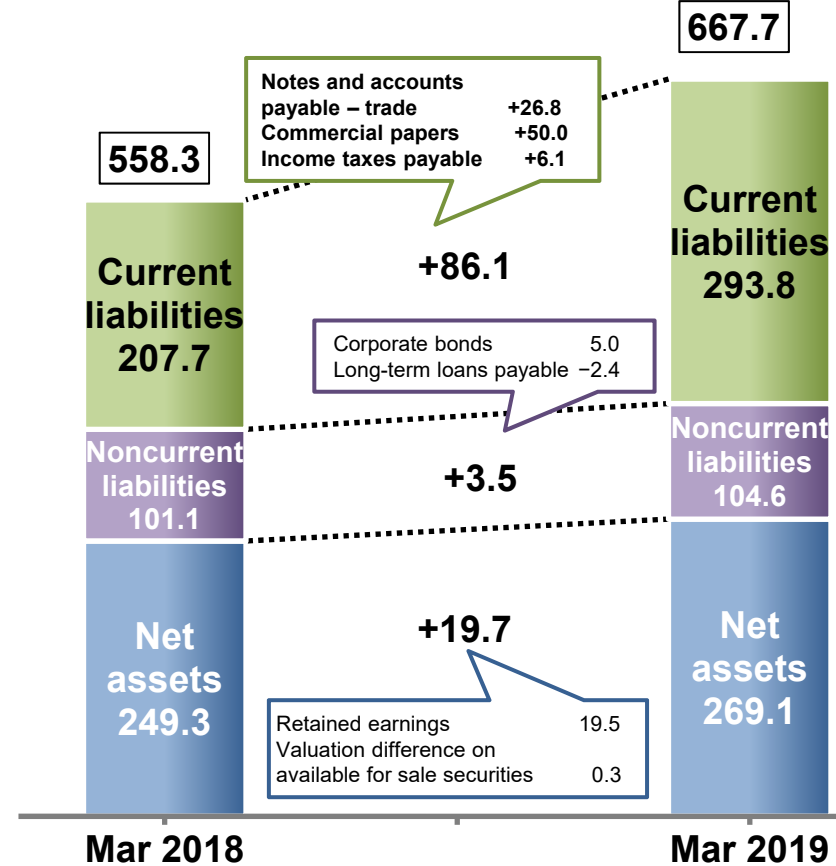
+109.4



Liabilities and Net Assets

(Billions of yen)

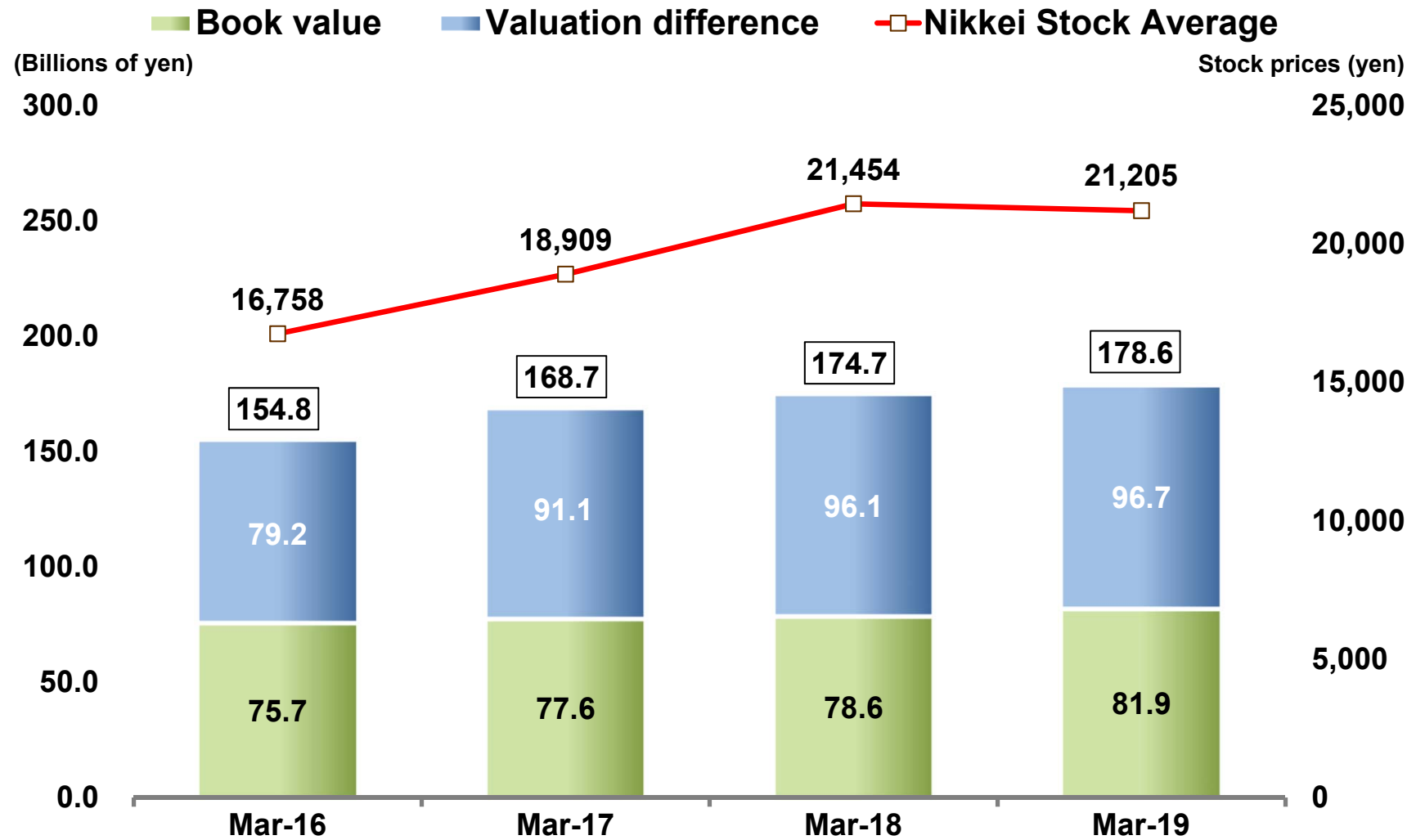
+109.4



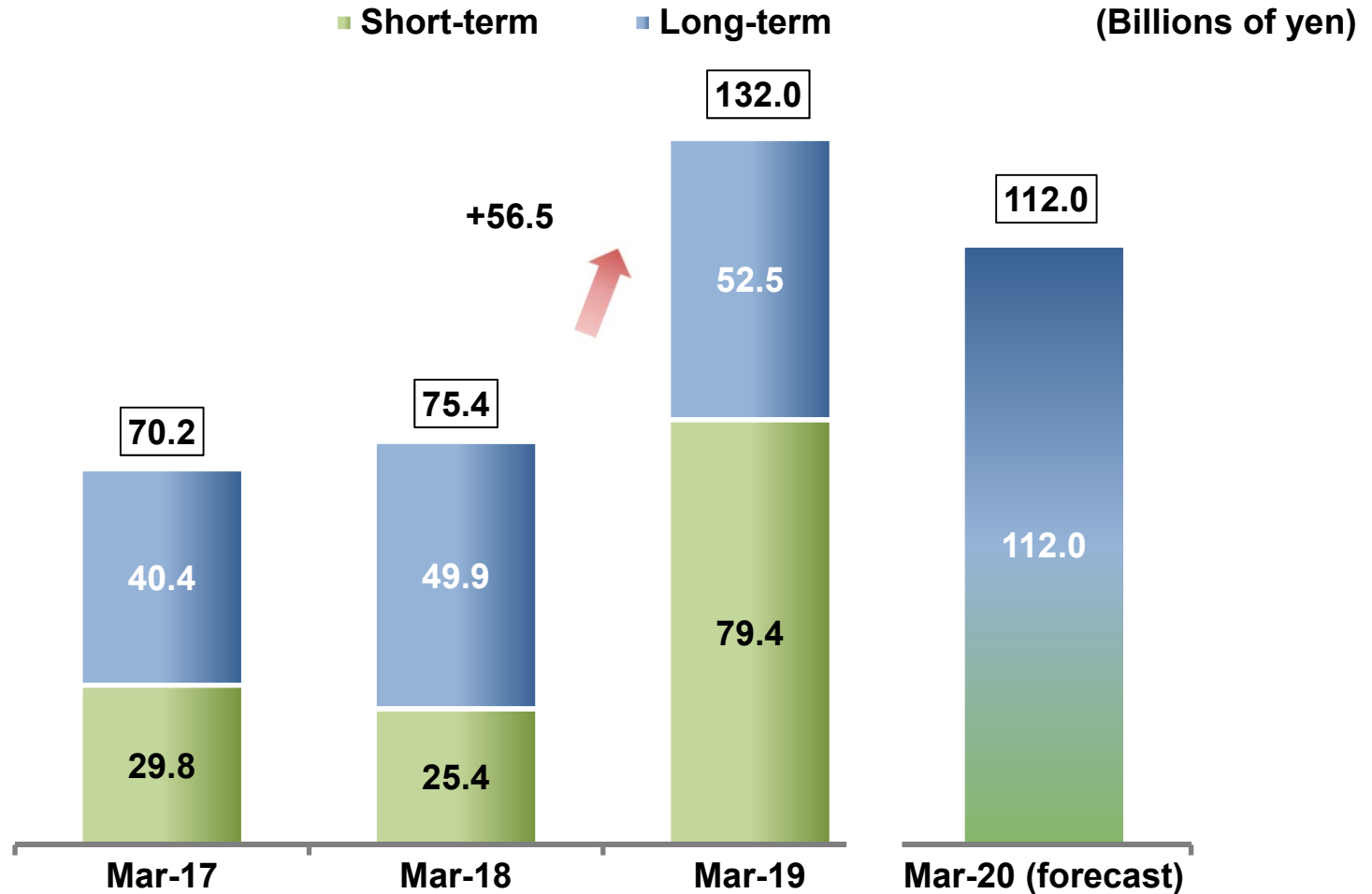
131.9% **Current ratio** 124.2%

44.1% **Equity ratio** 39.9%

(Consolidated) Change in Investment Securities

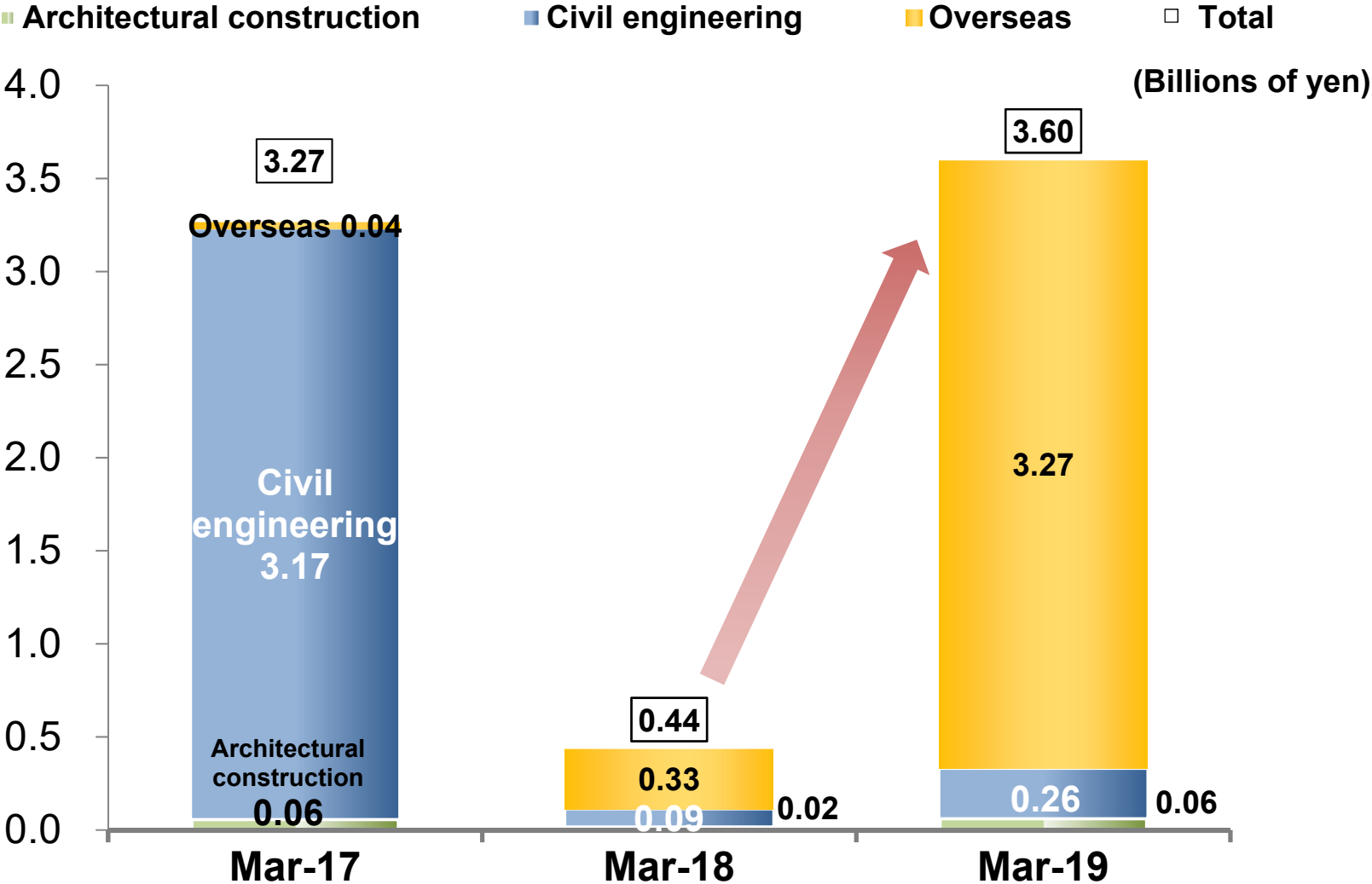


(Consolidated) Change in Interest-Bearing Liabilities



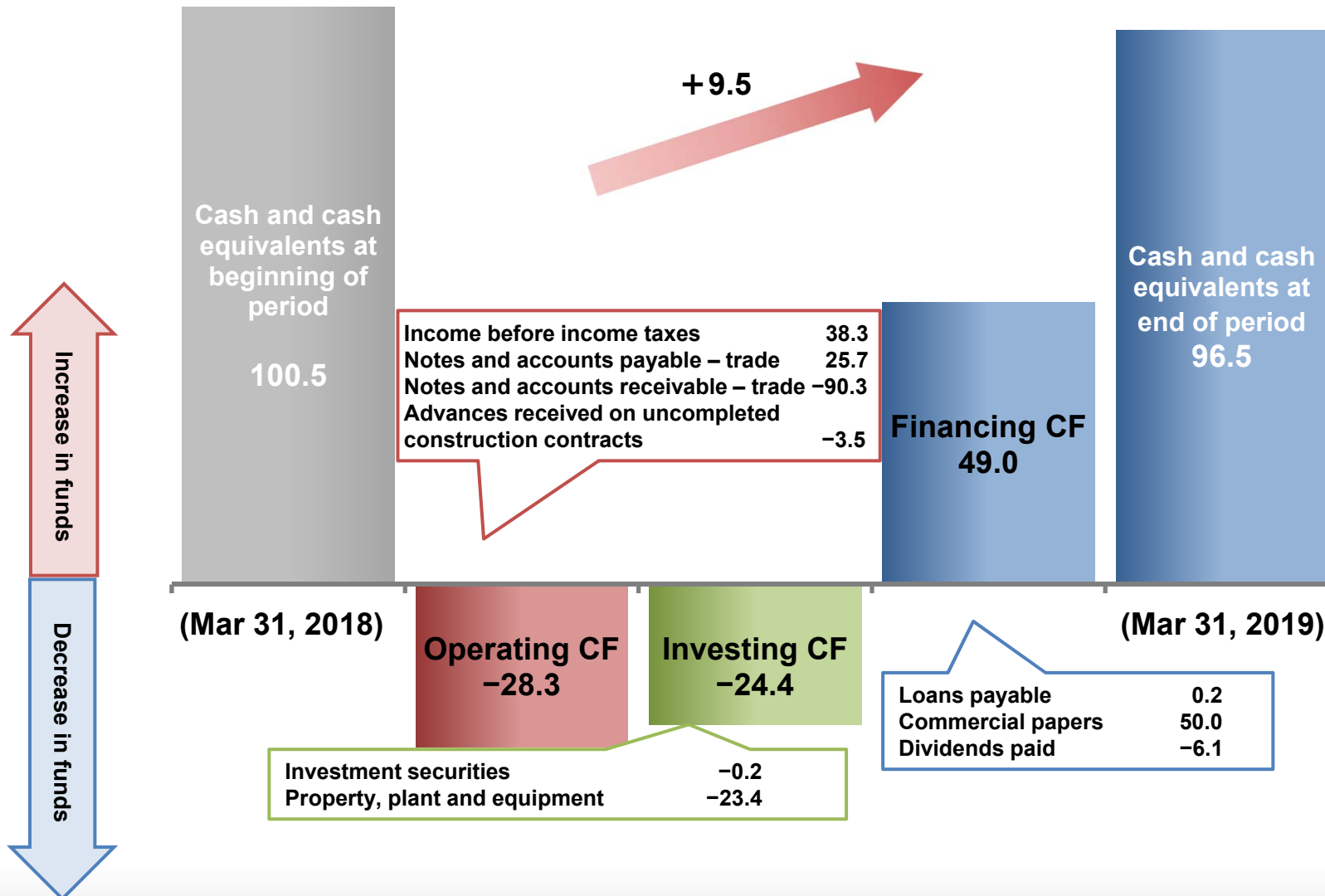
D/E ratio	0.45x	0.43x	0.68x	—
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(Consolidated) Change in Provision for Loss on Construction Contracts



(Consolidated) Statement of Cash Flow

(Billions of yen)



1-3. Performance Forecasts



Forecasts for FY2019 (Year Ending March 31, 2020)

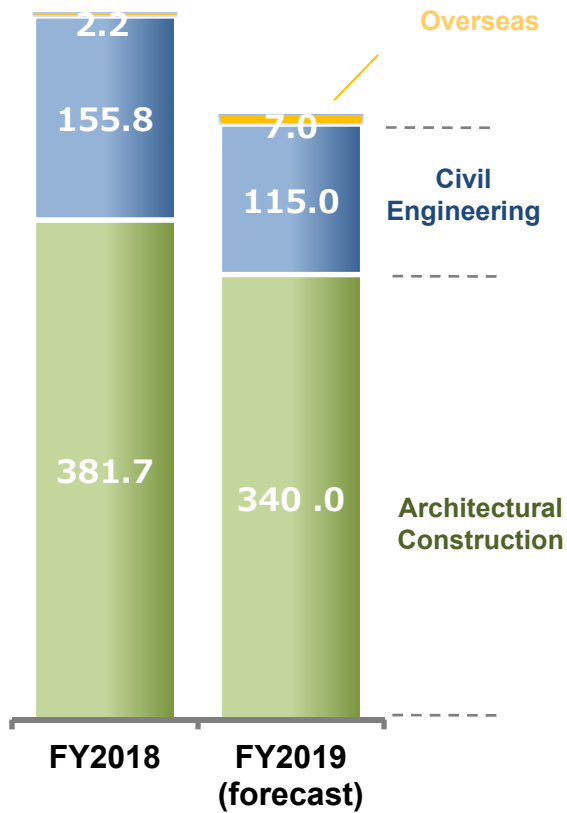
(Billions of yen)

	FY2018	FY2019		
		Forecasts	<i>Change (year-on-year)</i>	
Consolidated net sales	510.4	520.0	1.9%	95.6
Operating income	34.5	30.7	-11.1%	-3.8
Ordinary income	37.4	32.8	-12.5%	-4.6
Profit attributable to owners of the parent	25.5	22.8	-10.9%	-2.7
Orders received (Non-consolidated)	549.2	470.0	-14.4%	-79.2

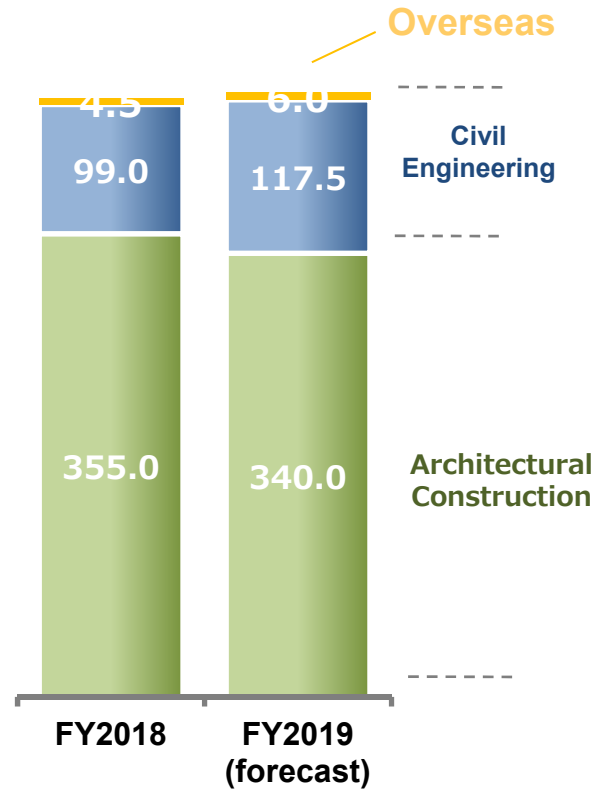
(Non-consolidated) Forecasts for the Construction Business

(Billions of yen)

Orders Received for Construction

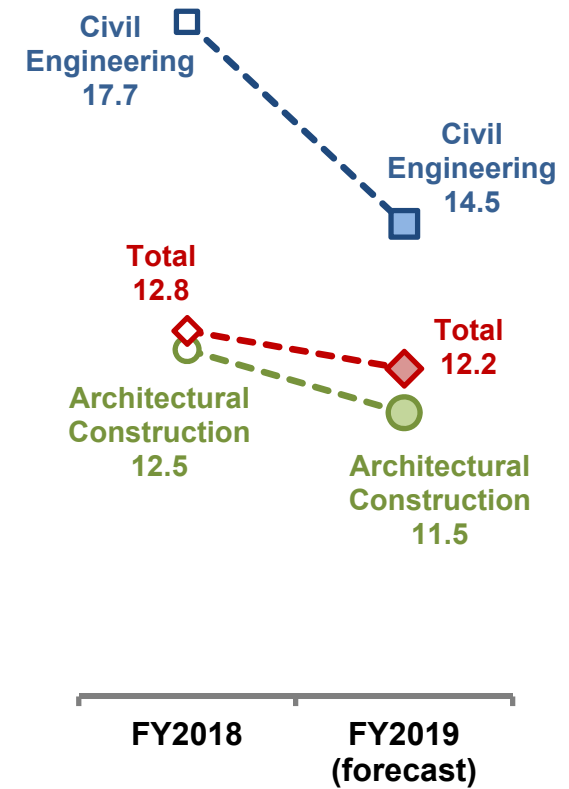


Net Sales of Completed Construction Contracts



(%)

Gross Profit Margin on Completed Construction Contracts



Non-consolidated Forecasts for FY2019

	Amount (billions of yen)	Profitability (%)
Net sales	471.5	
Gross profit	60.0	12.7
Profits in the construction business	56.4	12.2
[Domestic architectural construction]	[39.0]	[11.5]
[Domestic Civil engineering]	[17.0]	[14.5]
[Overseas]	[0.4]	[6.7]
Profits in investment & development business and other	3.6	45.0
Selling, general and administrative expenses	31.5	
Operating income	28.5	6.0
Ordinary income	30.6	6.5
Income taxes	10.0	
Profit	21.6	4.6

2. Management Plan Progress Status

President Masanori Imai

Positioning of Medium-term Management Plan 2019

Toda Group Global Vision

**A corporate group that makes your
success possible**

Establish a foundation to realize the global vision

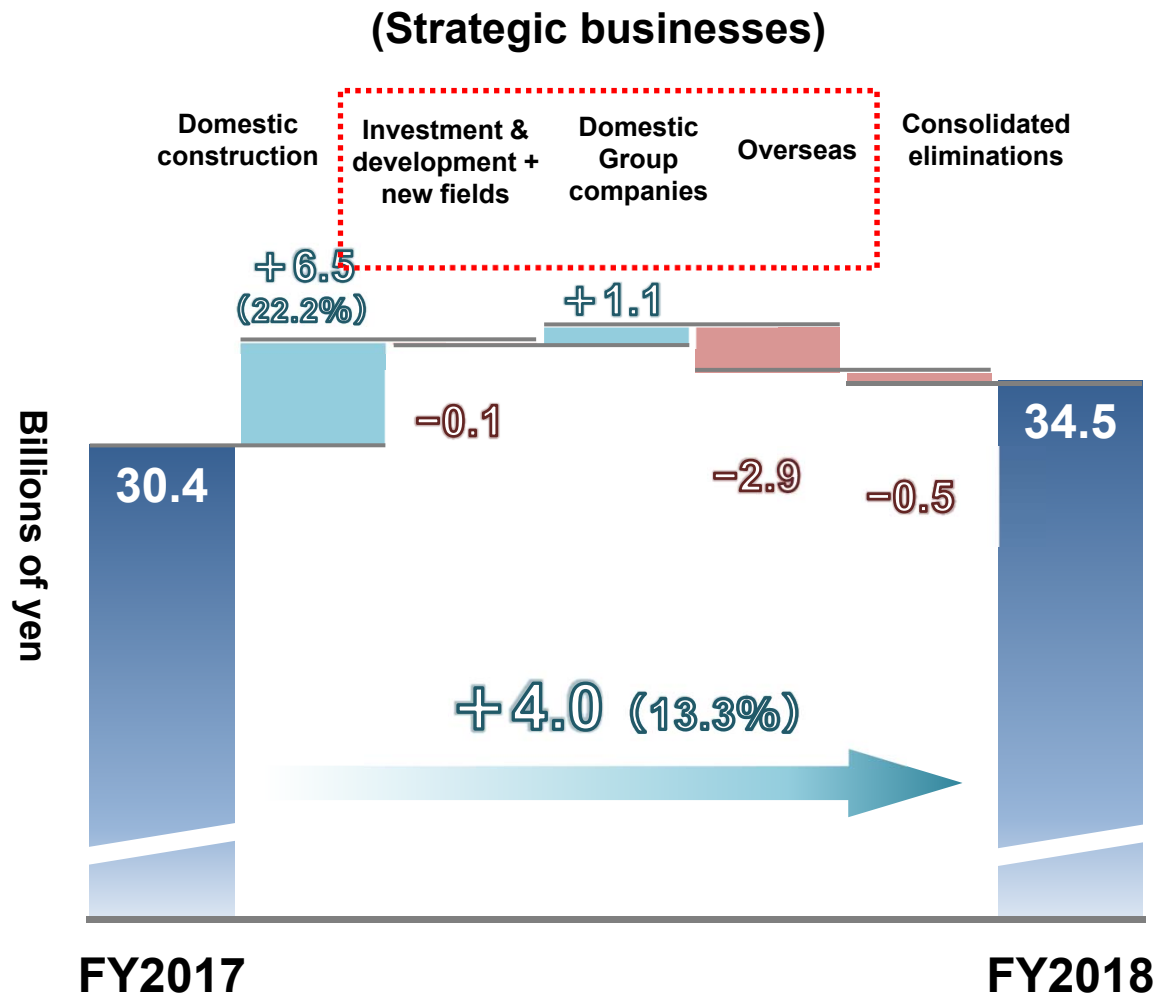


2-1. Achievements and Issues



Changes in Operating Income by Business

Domestic construction business continued to drive profit increases



Domestic Construction Business

- Net sales increased due to an increase in works in hand
- Productivity and profitability continued to improve

Domestic Group companies

- Acquired Sato Kogyo (Fukushima City)

Overseas Business

- Eliminated financial risk by recording construction losses

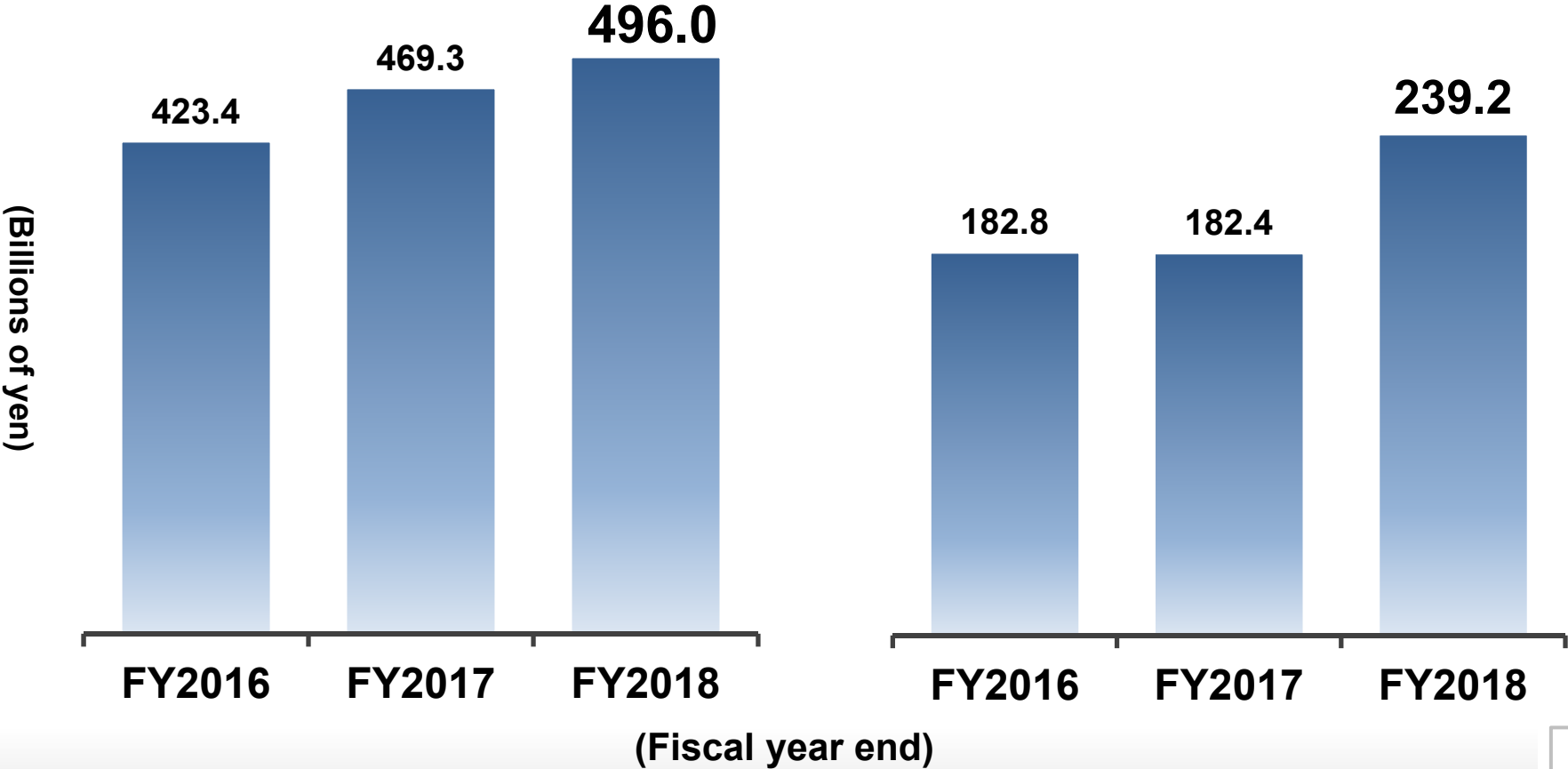
* Figures in parentheses are for previous fiscal year.

Change in Construction Work Carried Forward

Securing high level results due to an increase in orders received

Domestic Architectural Construction

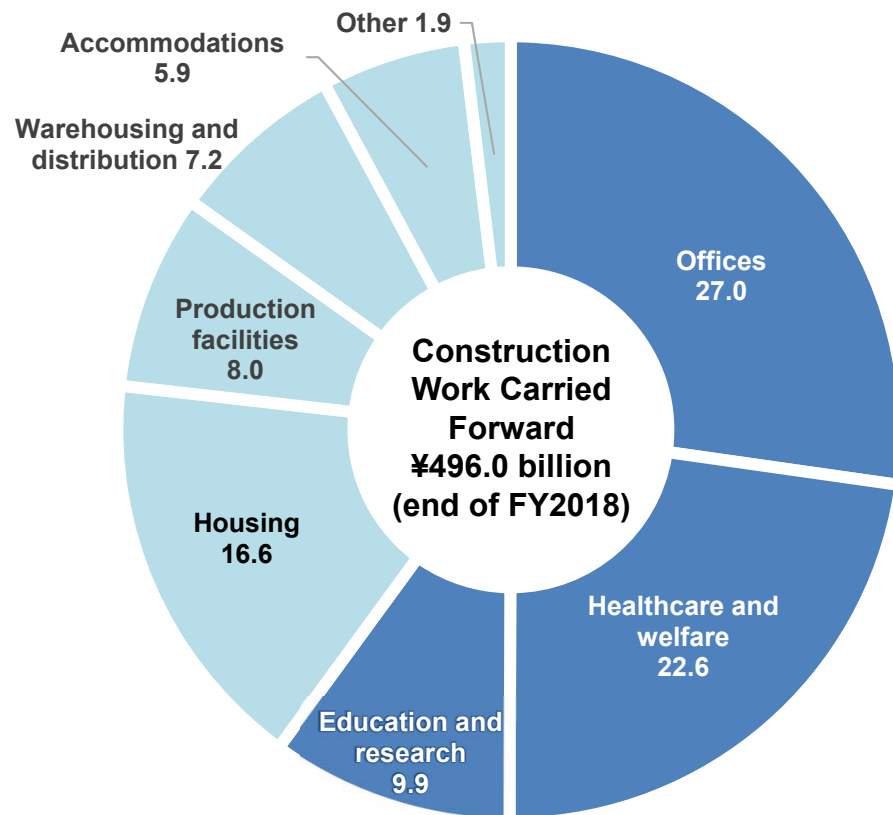
Domestic Civil Engineering



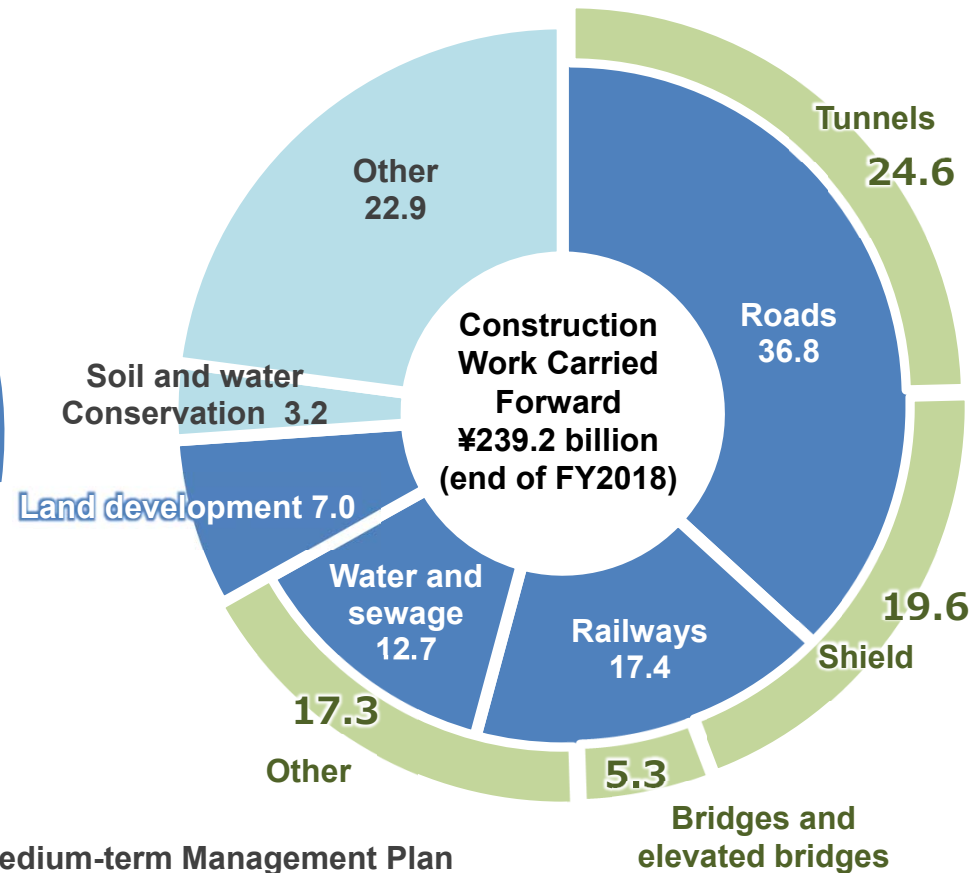
Construction Work Carried Forward by Construction Category

A shift to key fields and evolution of the value we provide

Domestic Architectural Construction (%)



Domestic Civil Engineering (%)



Main key fields of Medium-term Management Plan

Hospitals and schools

High value added offices

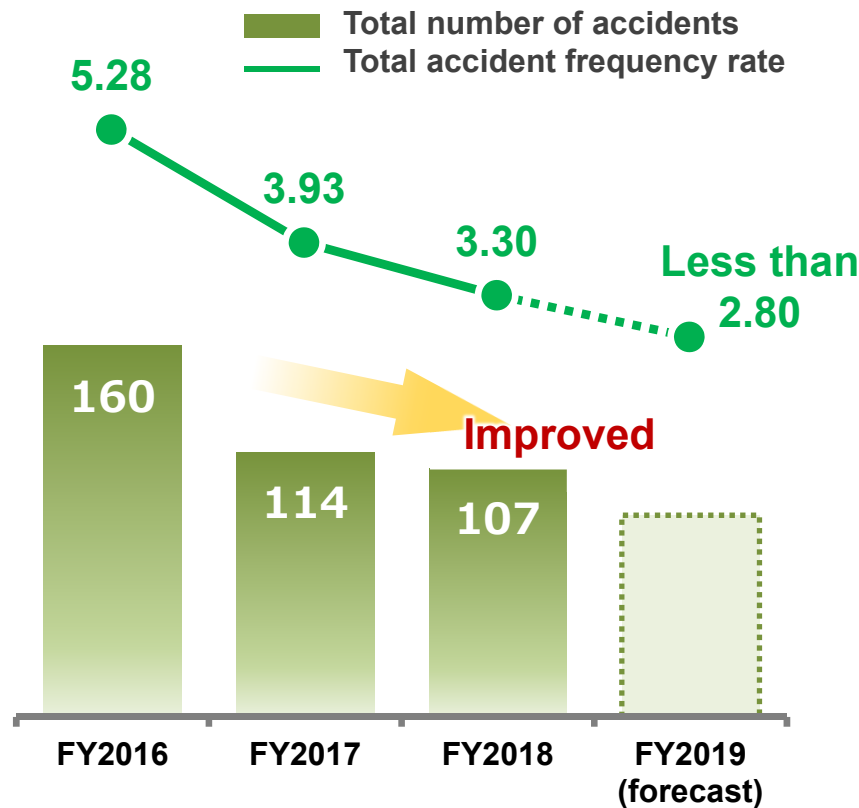
Mountain tunnels and large-scale infrastructure

Lot development

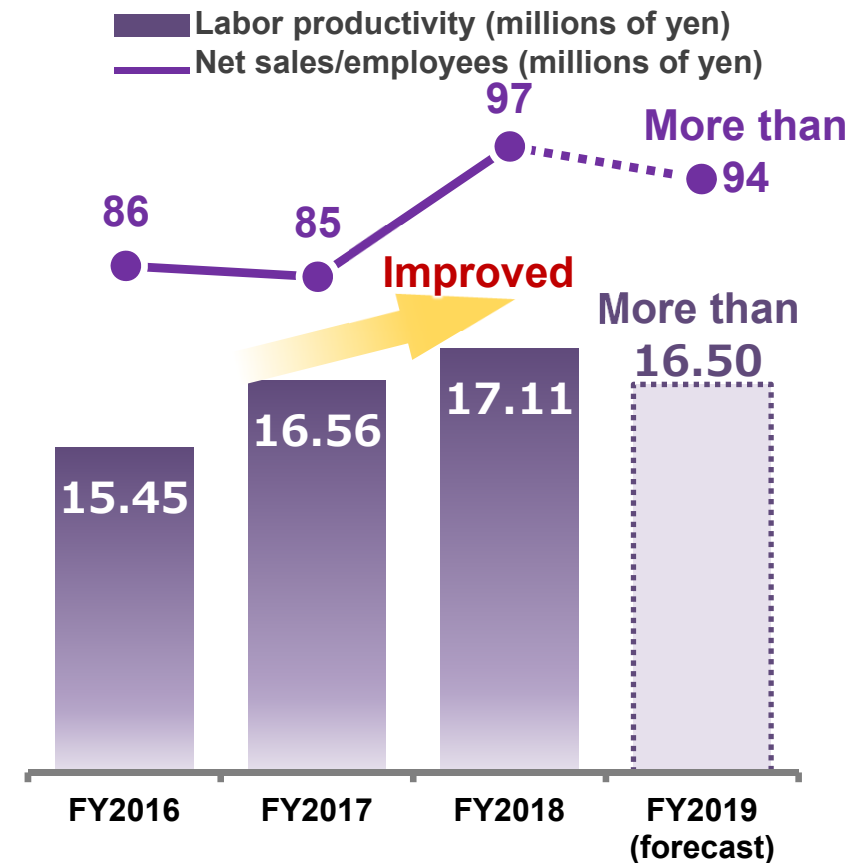
Safety Results and Productivity Indices

Continuous improvements of safety and productivity

Safety Results (Domestic Construction Business)



Productivity Indices (non-consolidated)



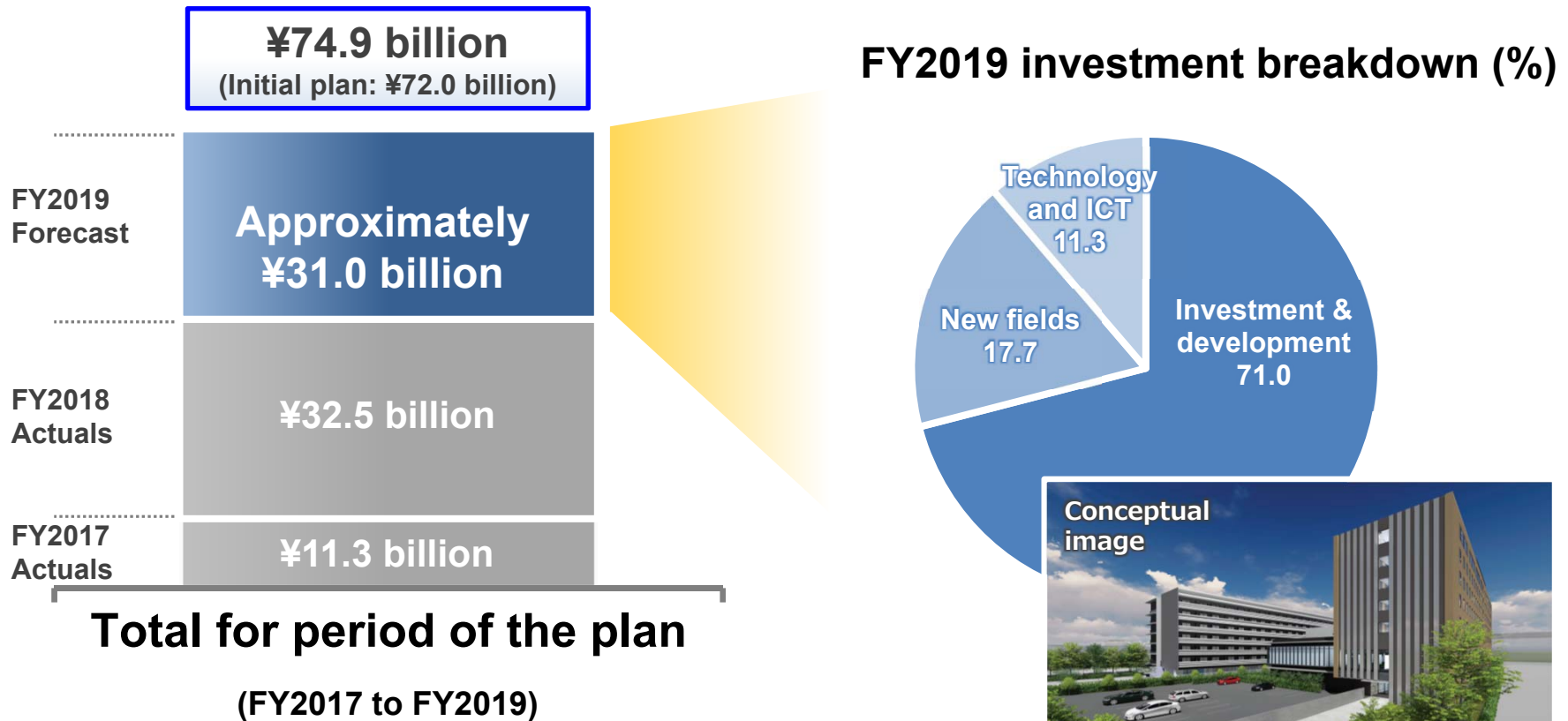
* Total accident frequency rate = Total number of accidents/one million hours.

* Labor productivity (added value/employees) = Operating income/employees (Net sales/employees x Operating income ratio) + Overall labor cost/employees.

* Number of employees includes temporary staff, etc.

Investment Plan Progress Status

Investment surpassing planned levels to diversify business



Total for period of the plan
(FY2017 to FY2019)

[Breakdown]	[FY2017]	[FY2018]	[FY2019]	[Total]
Investment & development (real estate, etc.)	66	210	220	497
New fields (energy, etc.)	26	100(*)	55	182
Technology and ICT	20	14	35	69

*Including acquisition of Sato Kogyo Co., Ltd.

Challenges and Initiatives

Creating new value by connecting information, technology and resources

- **Front loading in all businesses**
- **Coordination among different businesses and development of new technology and business**
- **Corporate practice that solves issues**
 - Developing environmental/energy business and environmentally friendly investment, etc.
- **Revitalizing overseas business (including reorganization)**
- **Synergy of diverse human resources**

2-2. Business Result Forecast by Business



Net Sales and Operating Income by Business

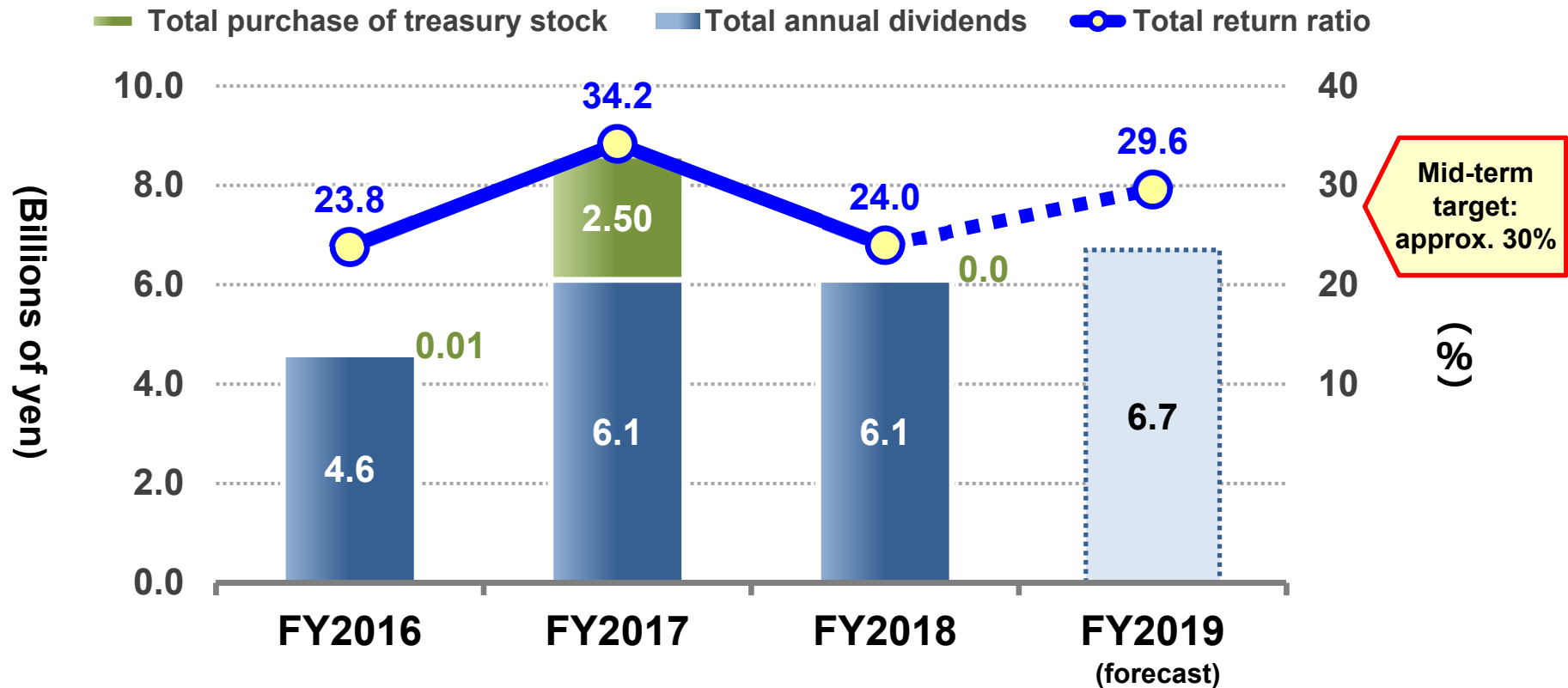
(Billions of yen)

Upper: Net sales Lower: Operating income	FY2018 Actuals		FY2019 Forecast		Medium-term targets (FY2019)
Domestic architectural construction	355.0		340.0		340.0
	24.7	7.0%	18.3	5.4%	16.5
Domestic civil engineering	99.0		117.5		115.0
	11.0	11.2%	9.8	8.3%	6.5
Investment & development + new fields	10.1		8.9		8.5
	1.0	10.7%	1.1	12.3%	0.4
Domestic Group companies	45.3		49.5		36.0
	2.4	5.4%	1.9	3.8%	1.6
Overseas	17.7		21.0		22.0
	-4.1	-	-0.4	-	0.0
Total	510.4		520.0		500.0
	34.5	6.8%	30.7	5.9%	25.0

*Percentages indicate operating income ratios. Consolidated eliminations are reflected in totals.

Shareholder Returns

Total shareholder returns · total return ratio



Annual dividends per share

¥15.0

¥20.0

¥20.0

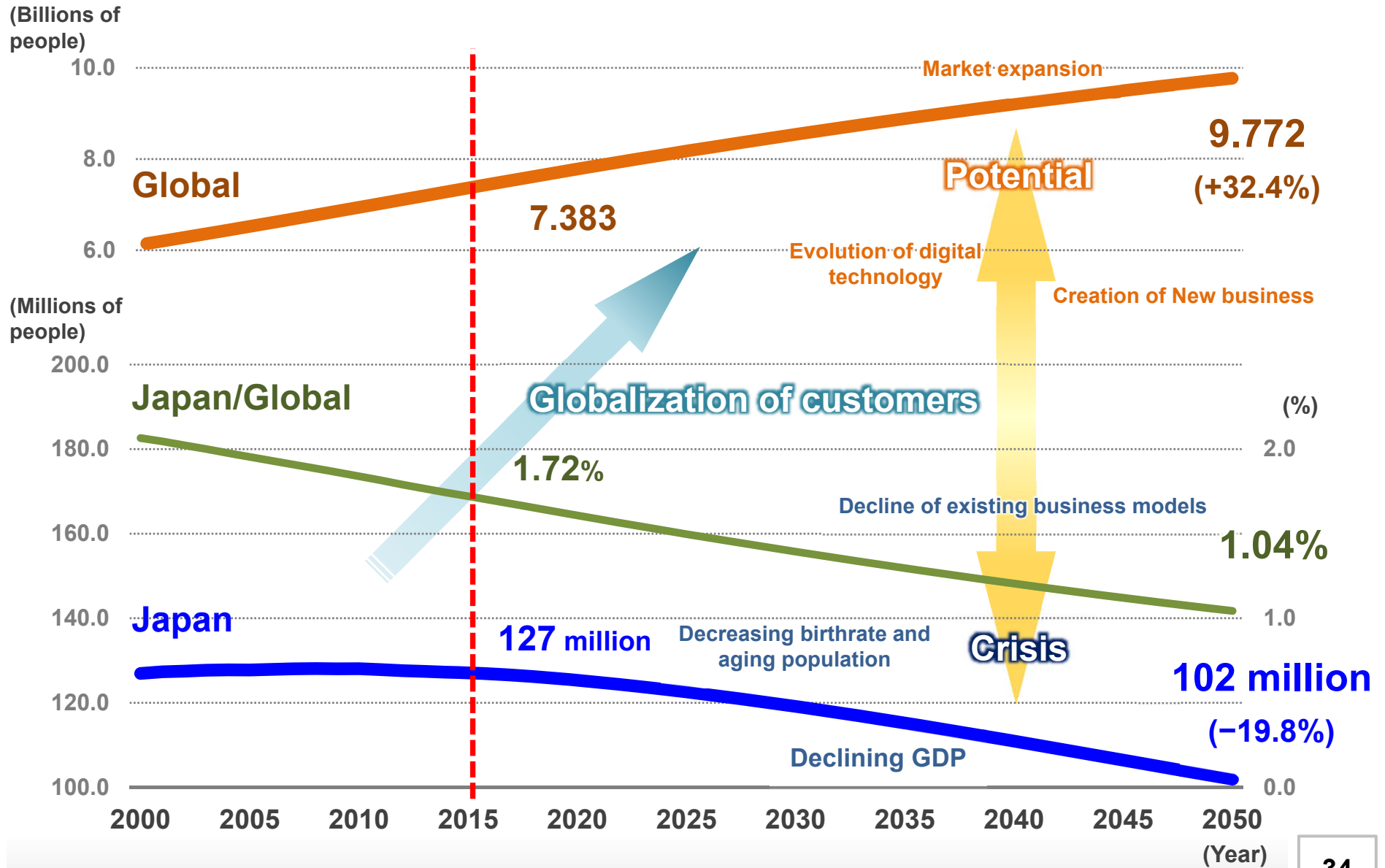
¥22.0

*Total return ratios for FY2016 are calculated by multiplying profit before income taxes by the effective statutory tax rate.
 *Total purchase of treasury stock for FY2017 includes acquisition amount related to Toda Mirai Foundation (¥2,490 million).
 * The total return ratio for FY2019 does not take into account the purchase of treasury stock.

2-3. Toward the Next Medium-term Management Plan

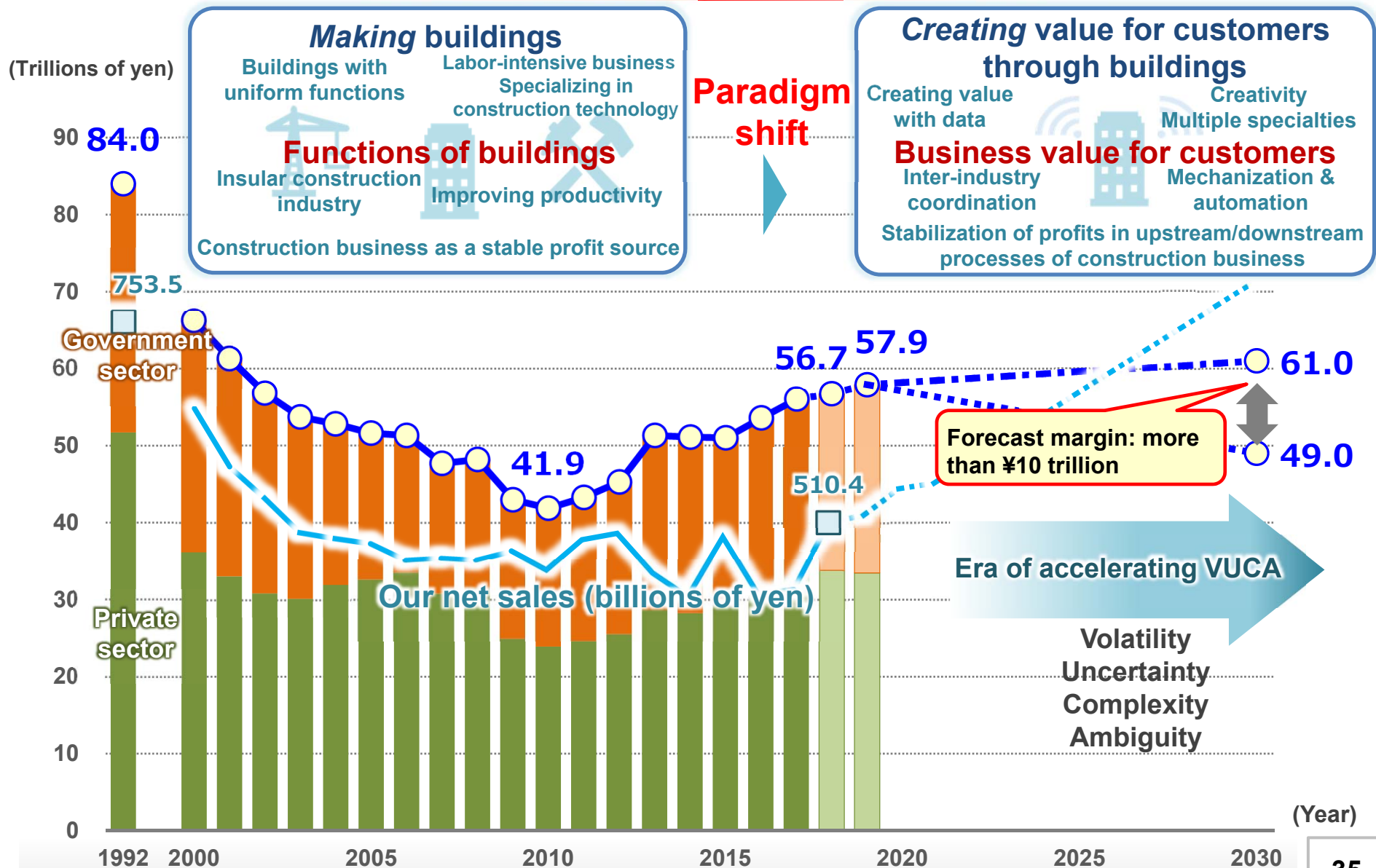


Future Population Changes



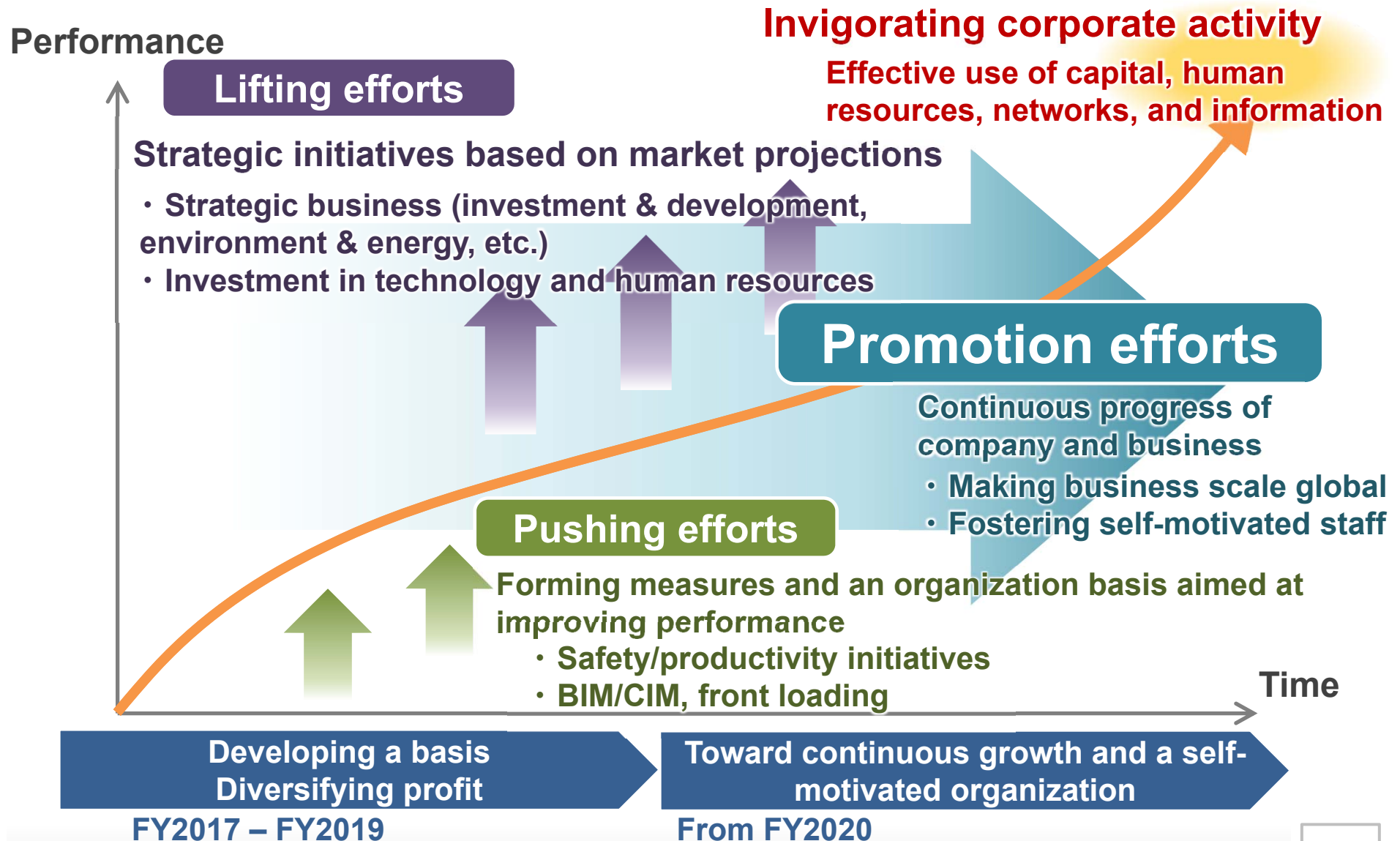
*Sources: United Nations, and National Institute of Population and Social Security Research (Medium Variant)

Changes in Construction Investment and Our Net Sales

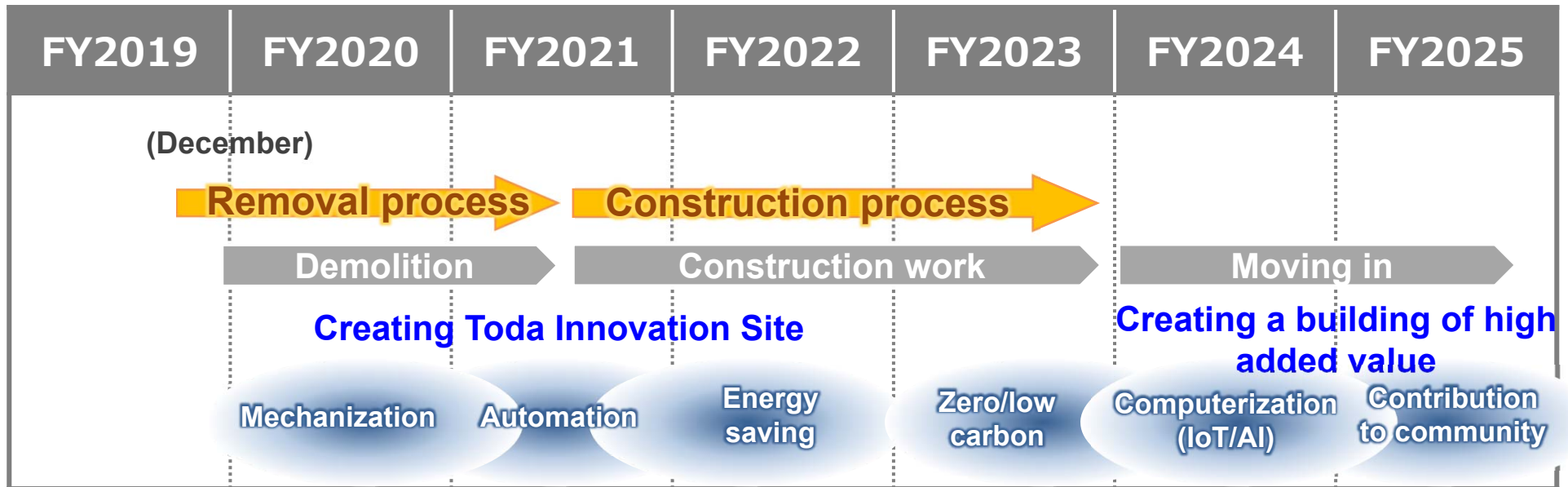


*Sources: Research Institute of Construction and Economy, and Economic Research Association; figures for FY2030 are our own estimates based on estimates by that institute and association

Efforts to evolve business



Reconstruction of the TODA Building



Aug – Oct 2019 “TOKYO 2021”



Art event held in the Toda building before demolition

Dec 2019 Company dispersal and temporary move



Trial implementation and development of measures for working style reform

June 2020, 2022, and 2024 Sanno Festival



Ongoing contribution to community revitalization and development

*Construction schedule is according to current plans

Fostering human resources for continuous growth

Creating working styles and staff evaluation system suited to the coming era

Stable era/contracting era

VUCA Era

(Volatility/Uncertainty/Complexity/Ambiguity)

Set ways of business
Uniform solutions
Quantification of results
Expert skills
Speed
Low cost

Set ways won't work
Differentiation/individuality
Conception/creativity
Keep thinking and changing
Observance of natural law
Self-realization
Assembly/collaboration

**Increase in diverse
business opportunities**

**Self-motivated human
resources**

**Achievement of
vision/mission**

**Business
invigoration/expansion**

Practicing ESG-conscious management

Contribution to continuous development of society, customers, and the Group

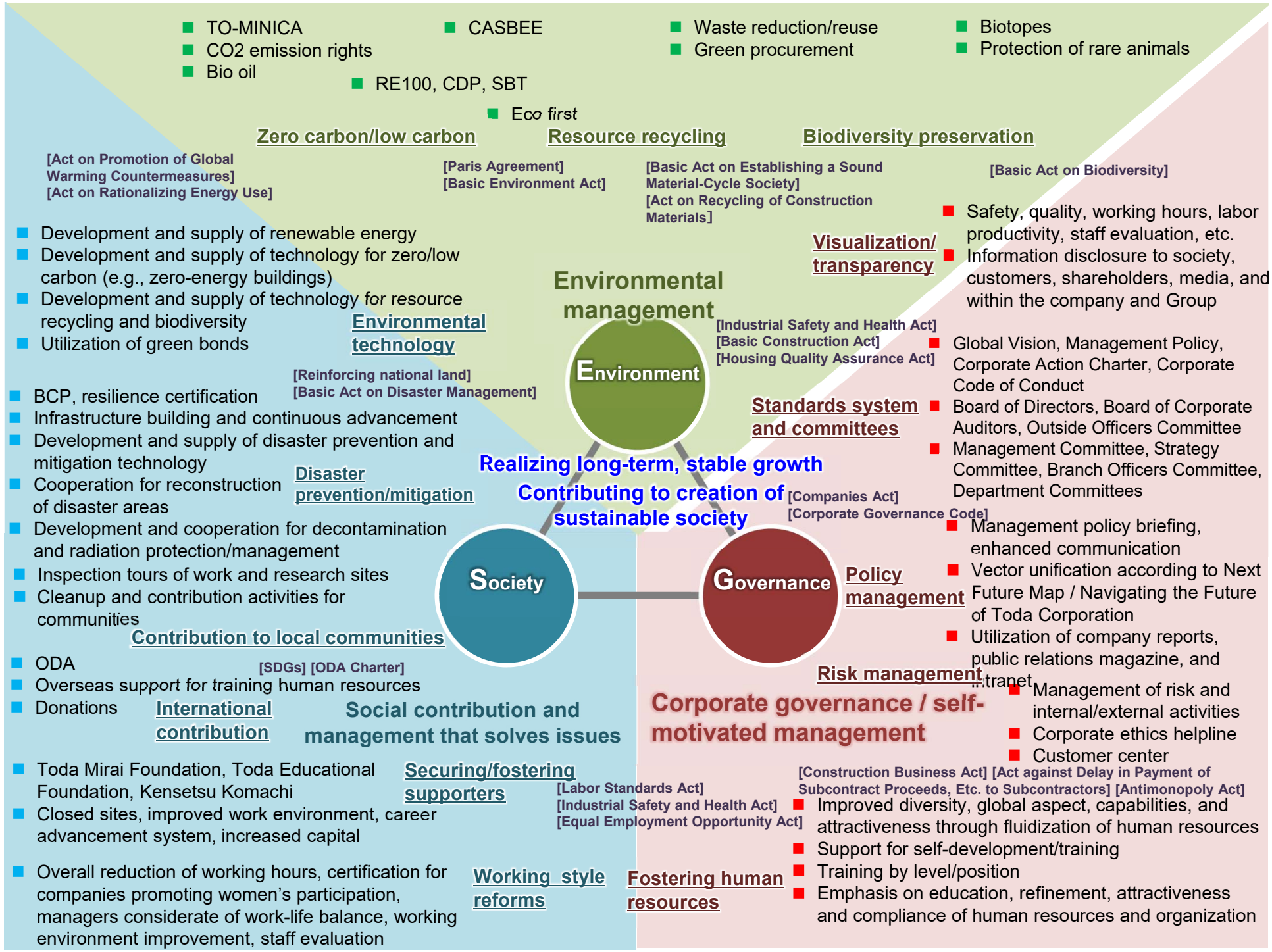


(Toda Construction Group's ESG management logomark)

Action!



Promoting environmental and social efforts through diverse business activities, with strong governance as the basis



Direction in the Medium Term

**Developing diverse, strong business
from a global perspective**

Strengthening strategic business

Evolving the construction business

**Serving and gaining
globalizing customers**

A corporate group that makes
your success possible



“喜び”を実現する企業グループ

戸田建設