

May 16, 2011

# Results Briefing for the Year Ended March 31, 2011



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.

# **1. Summary of Financial Results and Progress of Medium-Term Management Plan**

- President Shunzo Inoue

# **2. Details of Financial Results**

- Executive Manager Toshiro Oka

# **1. Summary of Financial Results and Progress of Medium-Term Management Plan**

President Shunzo Inoue

# The Great East Japan Earthquake

- Immediately after the earthquake, we formed a Disaster Control Headquarters at the head office and the branch offices to begin restoration activities.
- As of March 30, the Disaster Restoration Office was formed as a dedicated unit to respond to customer inquiries and to handle matters relating to disaster relief.
- Work at most sites under construction continued as usual, excluding some damaged sites. 1,131 completed projects needed restoration; restoration of 809 projects has already started or been completed (\*as of April 30, 2011).
- Impact on Financial Results for the Year Ended March 31, 2011  
A sum of ¥360 million was set a reserve intended for restoration and repair of owned assets, as loss on disaster of extraordinary loss.
- We will make unified Groupwide efforts to contribute to disaster relief.

# 1-1. Summary of Financial Results

# Highlights: FY2010

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- **Consolidated Net Sales: ¥452.7 billion (down 4.7% year-on-year)**
  - ∴ Net sales of completed construction contracts decreased 5.1% due to adoption of percent of completion method for revenue recognition.
  
- **Operating Income: ¥6.0 billion (down 6.3% year-on-year)**
  - ∴ Operating income decreased due to decrease in net sales, although gross profit margin improved (6.6% ⇒ 6.8%).
  
- **Orders Received (non-consolidated): ¥444.5 billion (up 12.1% year-on-year)**
  - ∴ Orders increased in both public-sector and private-sector construction. Orders received from public sector increased significantly (34.7%) due to more orders for large-scale works.

# Summary: FY2010

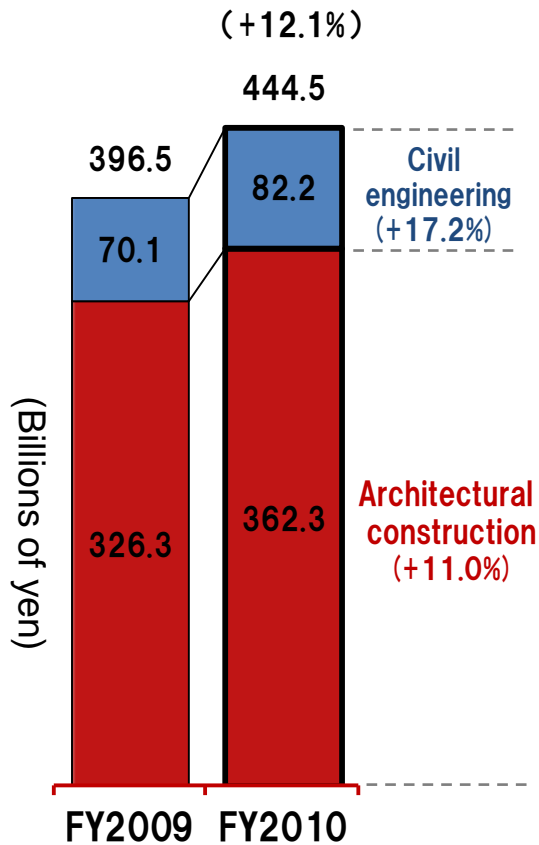
(Millions of yen)

	FY2009	FY2010			
		<i>Original Forecast</i>	<b>Actuals</b>	<i>Change (year on year)</i>	<i>Difference (vs forecast)</i>
Consolidated net sales	475,055	467,000	452,762	-4.7%	-14,237
Operating income	6,408	7,100	6,004	-6.3%	-1,095
Ordinary income	7,724	8,200	7,478	-3.2%	-721
Net income	3,175	4,000	3,774	18.9%	-225
Orders received (Non-consolidated)	396,545	420,000	444,573	12.1%	24,573

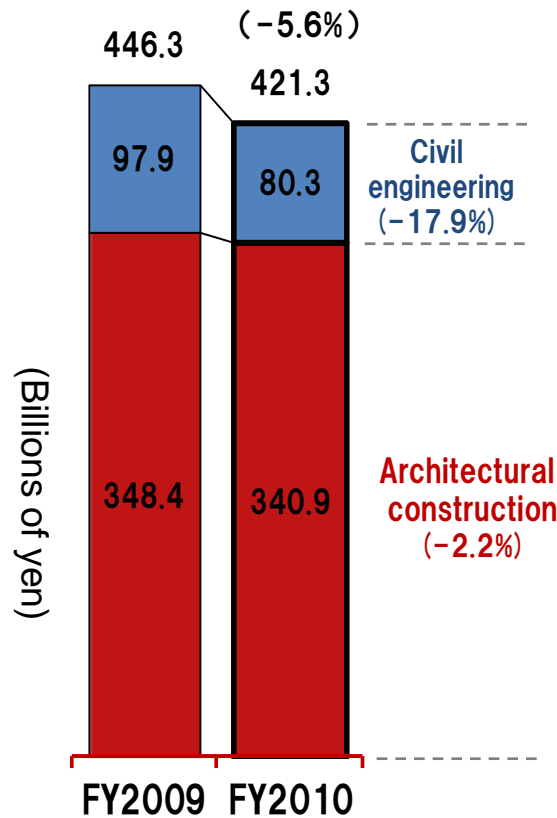


# Construction Business Performance (Non-consolidated)

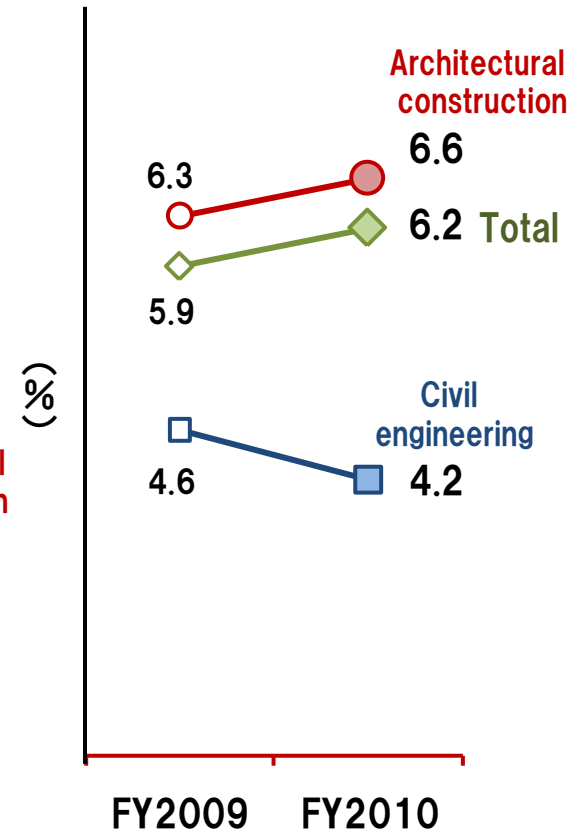
Orders Received for Construction



Net Sales of Completed Construction Contracts

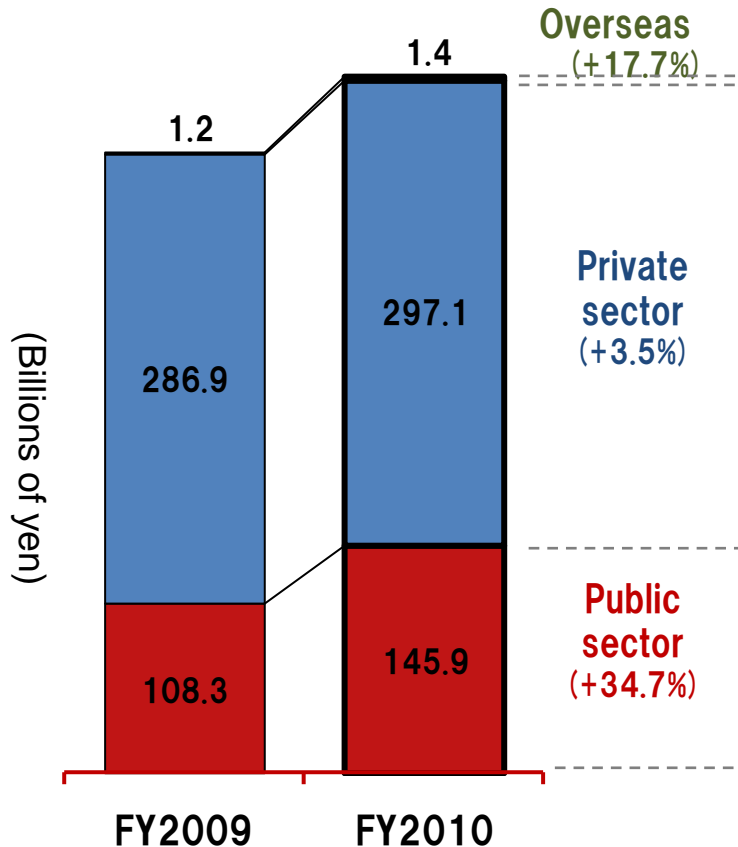


Gross Profit Margin on Completed Construction Contracts

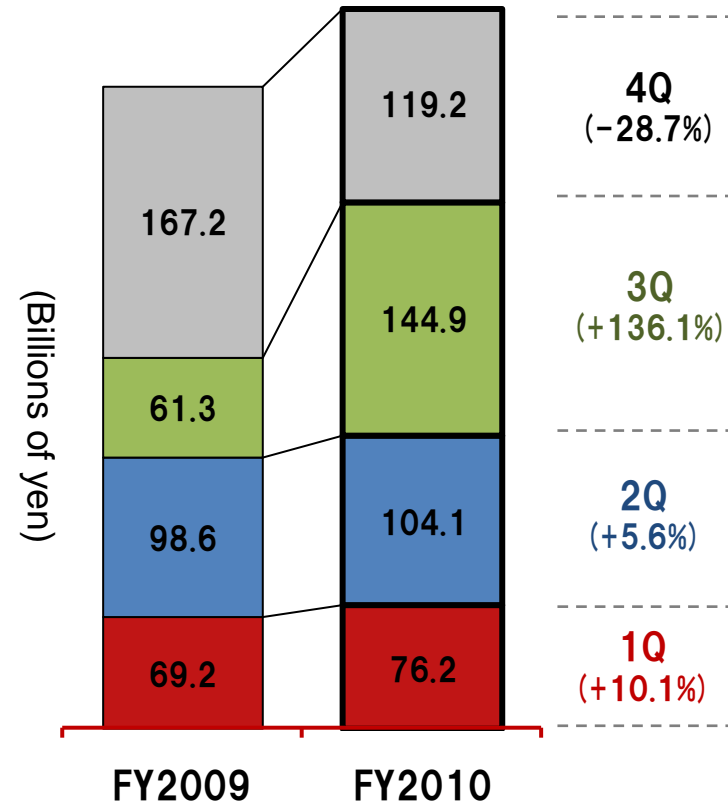


# Breakdown of the Orders Received (Non-consolidated)

## Breakdown by Client



## By Quarter



# Main Orders Received

	Ordering Parties	Name of works
Architectural construction	Nintendo Co. Ltd.	New office building
	Tokyo Metropolitan Geriatric Hospital And Institute Of Gerontology	Geriatric Hospital And Institute Of Gerontology
	Saitama Prefecture	Cancer Center New Hospital Building
	Doshisha University	Imadegawa Campus Development Project
	East Japan Railway Company	Kanda Manseibashi Building
	Osaka City University School Building Development Center	Science School Building Development Project
Civil engineering	East Nippon Expressway Co. Ltd.	Tokyo-Gaikan Expressway, Tajiri Works
	Bureau of Waterworks, Tokyo Metropolitan Government	Asaka Purification Plant, Advanced Purification Unit Works Phase II
	West Nippon Expressway Co. Ltd.	Shin Meishin Expressway, Minoo IC

\*Honorific prefixes are omitted. Work names are abbreviations.

# Main Works Completed

	Ordering Parties	Name of works
Architectural construction	Ariake Minami A TMK	Ariake Minami Project
	Toyo Kaiji Kogyo	Shiodome Project
	Warabi Station West Area Redevelopment Association	Warabi Station West Exit Redevelopment
	Onshi Foundation Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc.	Osaka Saiseikai Noe Hospital
	Shinagawa-ku, Tokyo	Ebara Nishi District Integrated Elementary and Middle Schools
	Tokyo International Airport Terminal	International Passenger Terminal
Civil engineering	Hokkaido Regional Development Bureau	Trans-Hokkaido Expressway, Sensho Tunnel
	Chugoku Regional Development Bureau	Hamada/Misumi Roadway, Tsukagaharayama Tunnel

\*Honorific prefixes are omitted. Work names are abbreviations.

## **1-2. Progress of Medium-Term Management Plan**

\* Plan period: FY2009 -FY2011

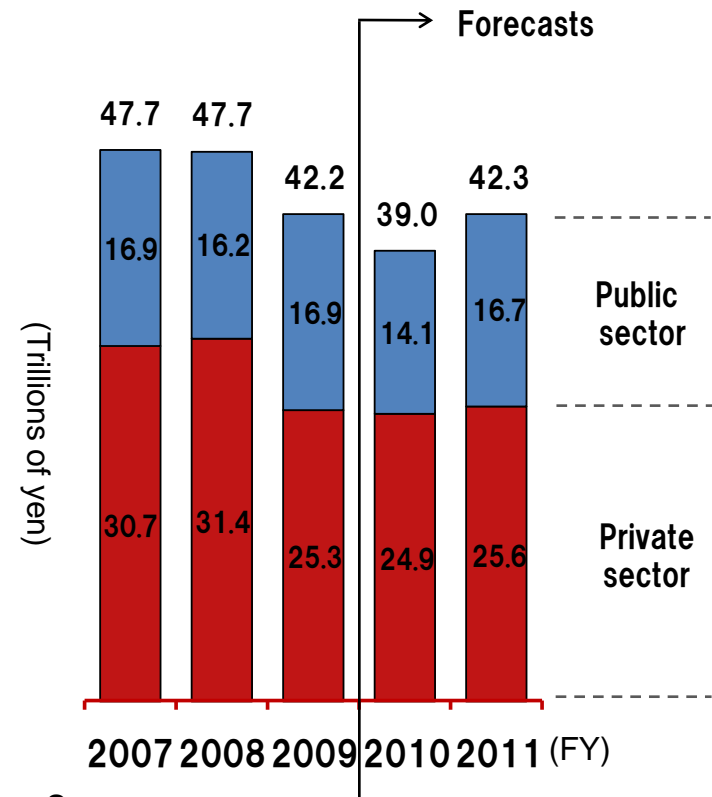
## Macro Economy

- Economic stagnation is expected to continue during the first half of FY2011 due to a downturn in consumer spending and suspended production at many plants.

## Investment in Construction

- Concerns over decline in interest in capital investments and delay in recovery from disaster damage
- Full impacts of the earthquake is not very certain at this point. Real restoration demand is expected to increase in and after the second half of the year.

## <Reference> Investment in Construction



•Source:  
Research Institute of Construction and Economy

# Performance Targets and Forecasts

(Billions of yen)

<b>FY2011</b>	<b>Original Target</b> (May 2009)	<b>Revised Forecasts</b> (May 2011)
Consolidated net sales	500.0	463.5
Ordinary Income (Profit margin)	12.0 (2.4%)	10.0 (2.2%)

## Gross profit margin on completed construction contracts

FY2008: 5.6%



**FY2011 (forecast): 6.6%**

(Original Target: 6.5%)

## Real estate profit

FY2008 : ¥2.5 billion



**FY2011 (forecast): ¥2.2 billion**

(Original Target: ¥3 billion)

## Net sales of subsidiaries and affiliates

FY2008: ¥26.8 billion



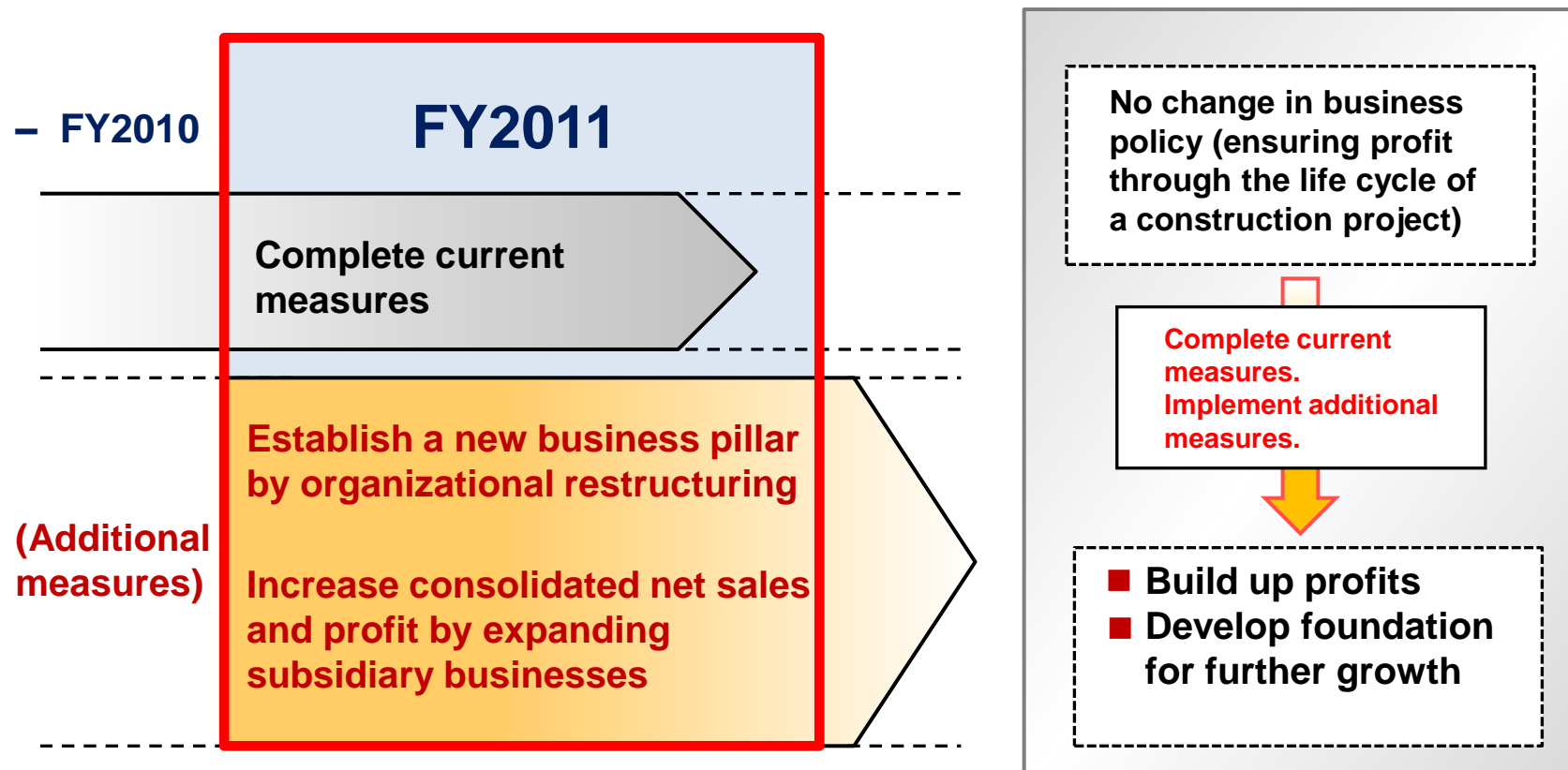
**FY2011 (forecast): ¥30.5 billion**

(Original Target: ¥50.0 billion)

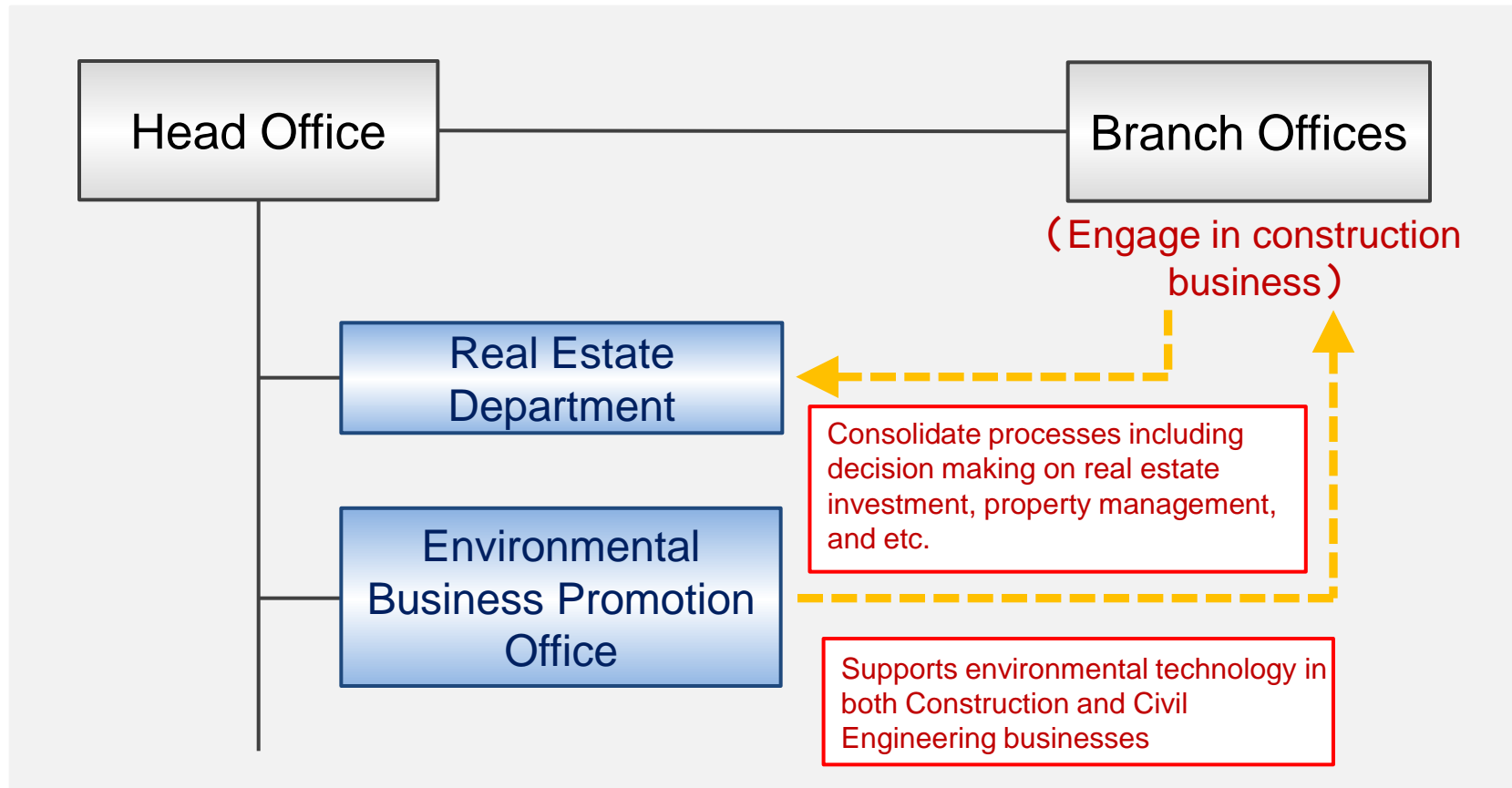
Note: Gross profit margin on completed construction contracts, and real estate profit are based on non-consolidated figures. Net sales of subsidiaries and affiliates exclude internal transactions.



## Push Forward to Achieve Targets. Implement Additional Measures



## Established Real Estate Business Division and Environmental Business Promotion Department (March 2011)



## ■ Domestic Businesses

- Strengthen the property management and maintenance business.

## ■ Overseas Businesses

- Receive a certain number of orders in Brazil and China.
- Establish operating sites in Southeast Asia and attract local demand.

# Progress of Current Measures

Index	Target (FY2011)	FY2009	FY2010
Ratio of renovations to completions	25%	16%	15%
Ratio of orders in the priority areas	70%	74% (Architectural construction and civil engineering)	76% (Architectural construction and civil engineering)
Overseas orders received (Consolidated)	¥20.0 billion	¥6.1 billion	¥14.9 billion
Real estate investment (cumulative total for the period of the plan)	¥23.0 billion + $\alpha$	¥6.8 billion (¥6.8 billion in FY2009)	¥13.3 billion (¥6.5 billion in FY2010)
Ratio of sales in the Tokyo metropolitan area	60%	57%	57%

# Priority Areas (Types of Works)

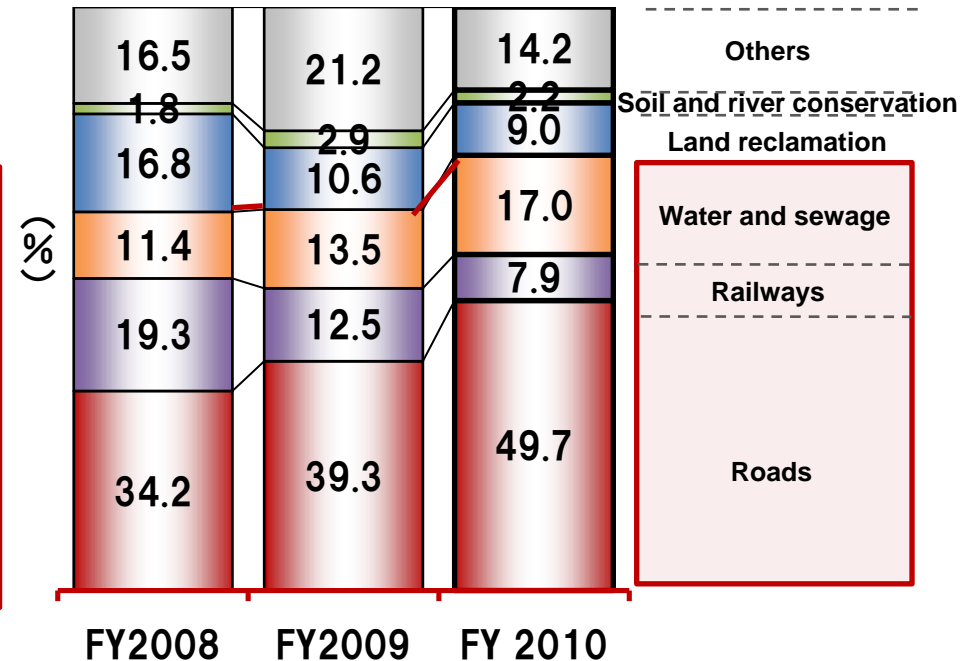
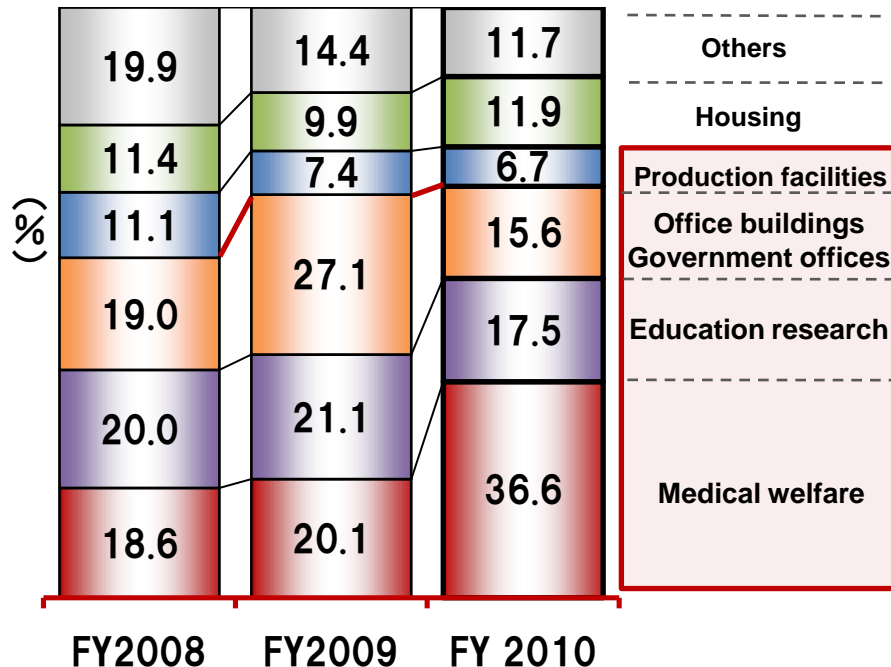
**Orders for medical/welfare facilities and road construction supported the overall increase in orders received**

Orders received for architectural construction

Ratio in the priority areas: 76.4%

Orders received for civil engineering

Ratio in the priority areas: 74.6%



# Overseas Business

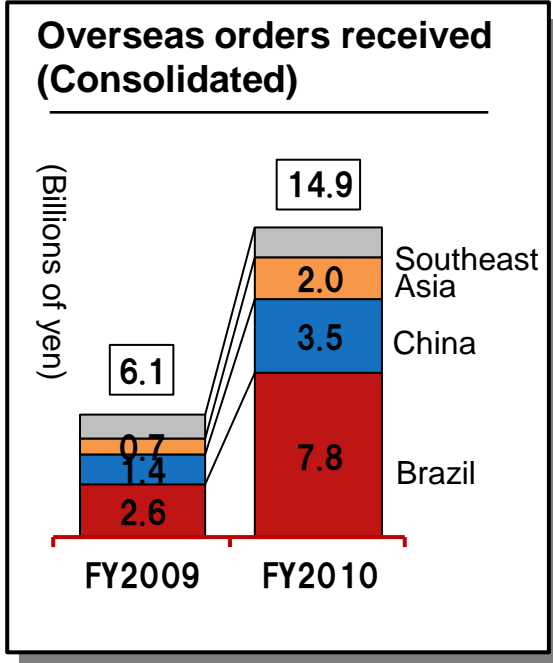
\* FY is from January 1 to December 31 in overseas subsidiaries and affiliates.

**Strengthen businesses in Southeast Asia and achieve order receipts of ¥20.0 billion.**

China (Shanghai, Guangzhou, Shenzhen)  
**Receive orders for construction of electric appliance plants, etc.**

**Strengthen businesses in Southeast Asia (Thailand, Vietnam, etc.)**

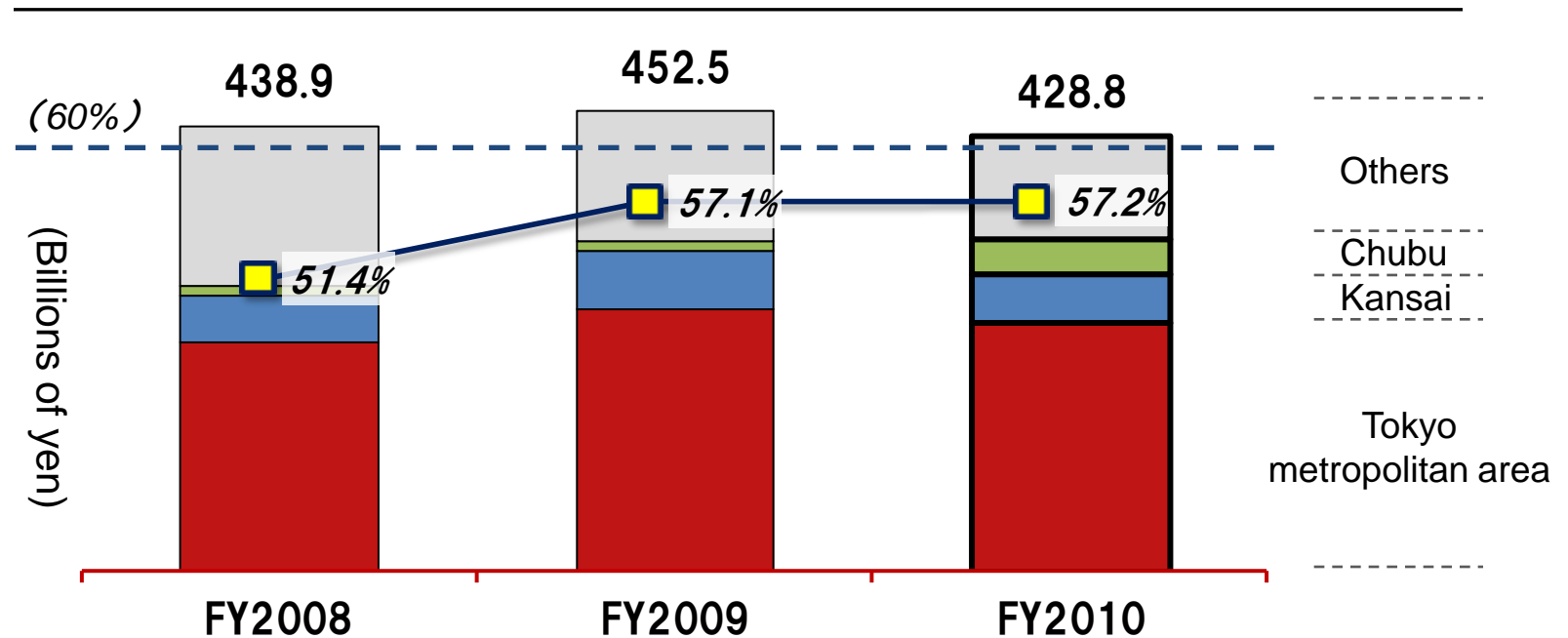
**Brazil**  
**Receive orders for construction of automobile and electric appliance plants, etc.**



## Ensure stable sales in Tokyo metropolitan area

Sales by Region (non-consolidated)

\* Line represents percentage of the Tokyo metropolitan area sales



Tokyo metropolitan area: 4 branch offices in Kanto, Kansai: Osaka Office, Chubu: Nagoya Office

## **1-3. Performance Forecasts**



At present, the damage caused by the Great East Japan Earthquake and restoration processes have not been accurately determined.

However, since restoration demand on large contractors is expected to be limited, we believe that impact on financial results for the year ending March 31, 2012, will be minor.

Work schedules were delayed and material prices soared due to power and material shortages caused by the earthquake. We have taken all possible actions to minimize the effect of these conditions, including consultation with clients.

We will continue to monitor changes in business conditions and if any are expected to impact our performance, we will promptly disclose the relevant information in accordance with the “Rules for Timely Disclosure.”

# Forecasts for FY2011 (Year Ending March 31, 2012)



(Millions of yen)

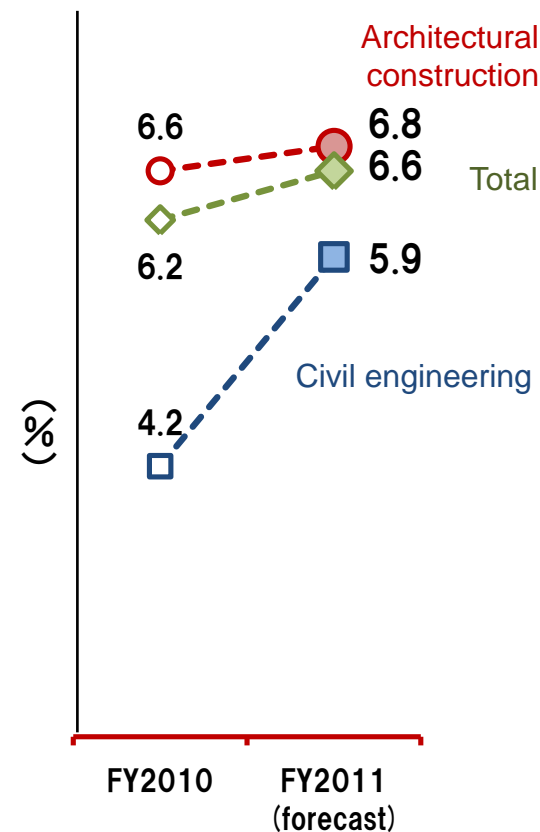
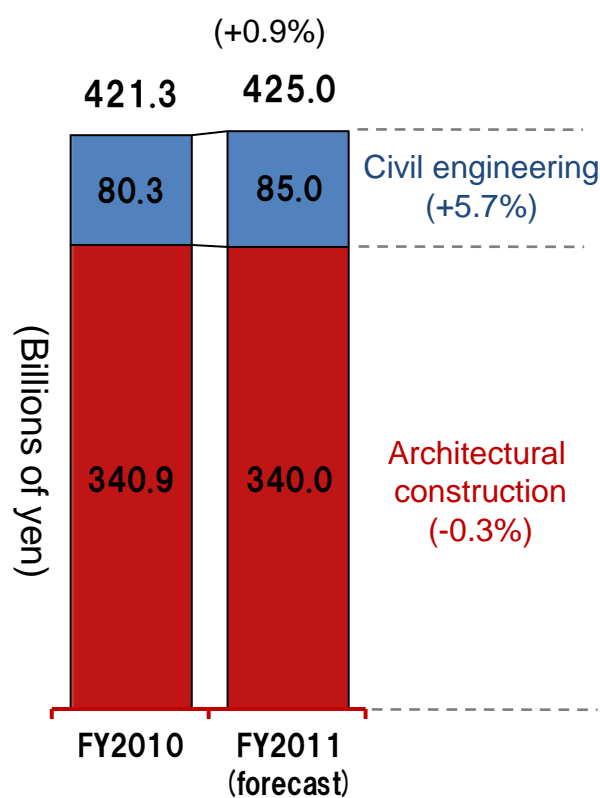
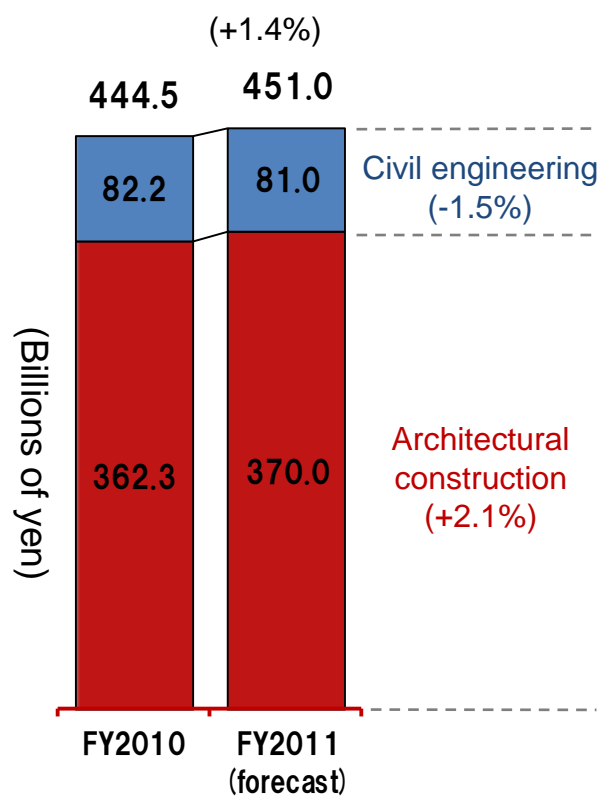
	FY2010	FY2011	
		Forecasts	<i>Change (year on year)</i>
Consolidated net sales	452,762	463,500	2.4%
Operating income	6,004	8,900	48.2%
Ordinary income	7,478	10,000	33.7%
Net income	3,774	5,000	32.5%
Orders received (Non-consolidated)	444,573	451,000	1.4%

# Forecasts of the Construction Business (Non-consolidated)

Orders Received for Construction

Net Sales of Completed Construction Contracts

Gross Profit Margin on Completed Construction Contracts



## **2. Details of Financial Results**

Executive Manager Toshio Oka

# (Consolidated) Toda Group

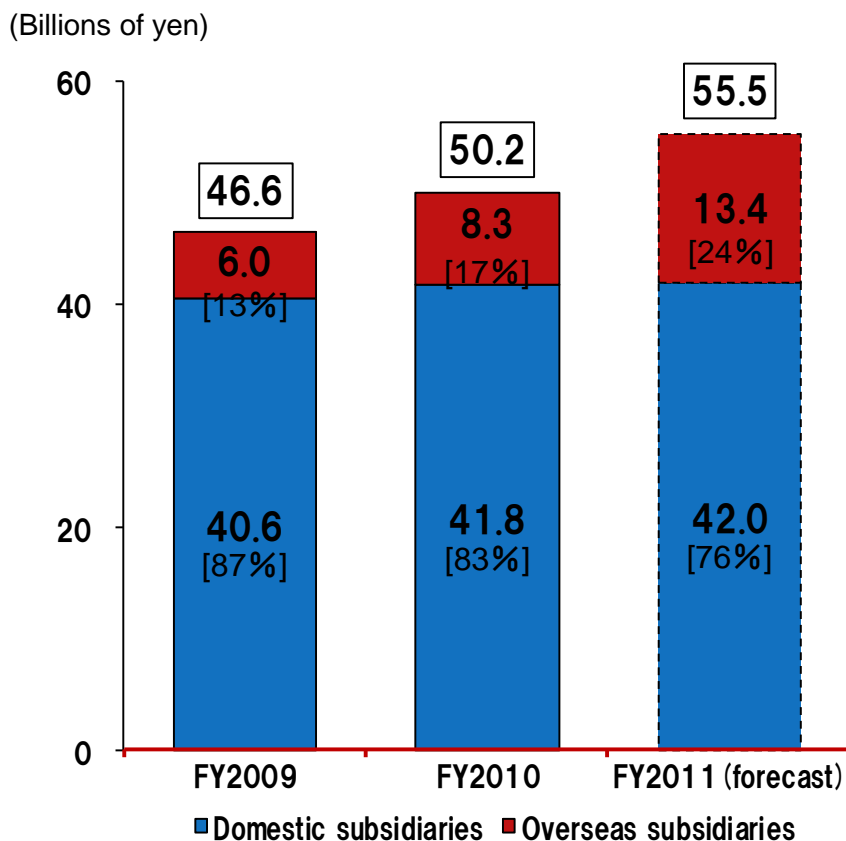
Business		Subsidiaries in Japan	Overseas subsidiaries	15 companies
Construction	Architectural construction	<p>Toda Reform Co., Ltd.</p> <p>Sipco Industries Co., Ltd.</p> <p>APEC Engineering Co., Ltd.</p> <p>Chiyoda Kenkou Co., Ltd.</p>	<p>Construtora Toda do Brazil S/A</p> <p>Toda Construction (Shanghai) Co., Ltd.</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p>	8 companies
	Civil engineering	<p>Toda Road Co., Ltd.</p>		1 company
Real estate		<p>Chiyoda Tochi Tatemono Co., Ltd.</p> <p>Yachiyo Urban Co., Ltd.</p>	<p>Toda America, Inc.</p>	3 companies
Others		<p>Toda Finance Co., Ltd.</p> <p>Chiyoda Staff Service Co., Ltd.,</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p>		3 companies

# (Consolidated) Summary of Group Performance

Billions of yen	Toda Corporation		Subsidiaries total		Consolidated		Ratio of consolidated results to non-consolidated results
		%		%		%	
Net sales	428.8		50.2		452.7		1.06
Gross profit	28.0	6.5	3.4	6.9	30.7	6.8	1.10
Selling, general and administrative expenses	22.5		2.6		24.7		
Operating income	5.4	1.3	0.8	1.6	6.0	1.3	1.10
Non-operating income	1.2		0		1.4		
Ordinary income	6.7	1.6	0.8	1.8	7.4	1.7	1.11
Extraordinary income (loss)	(0.8)		0		(0.4)		
Income before income taxes	5.9		0.8		7.0		
Income taxes	2.7		0.4		3.1		
Net income	3.1	0.7	0.4	0.8	3.7	0.8	1.21

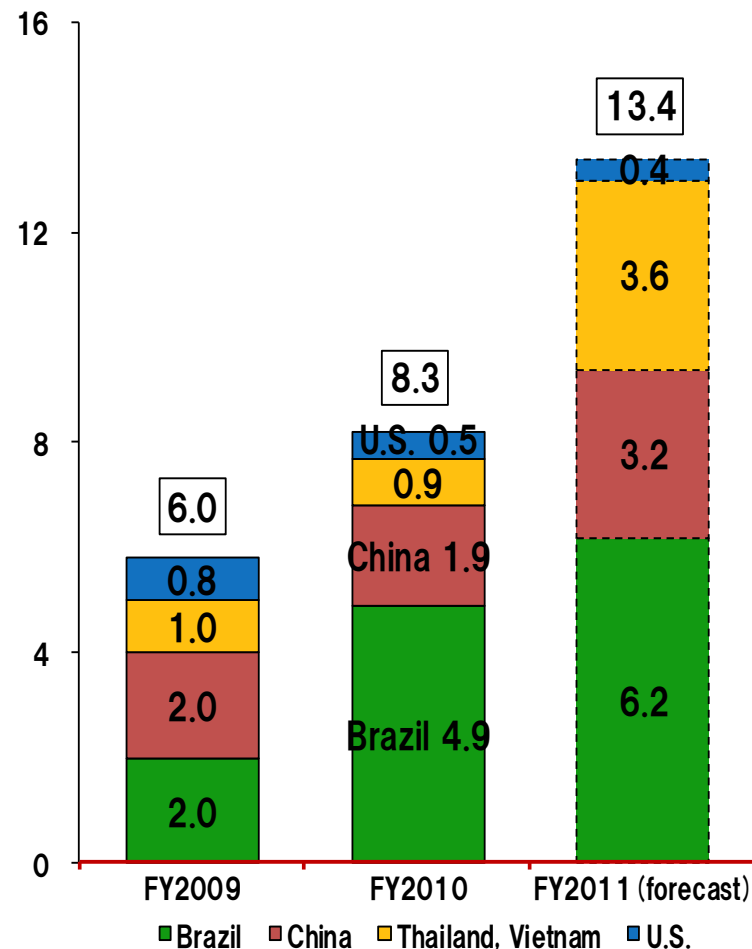
## Sales in Japan and Overseas

Figures in [ ] are percentages of total net sales

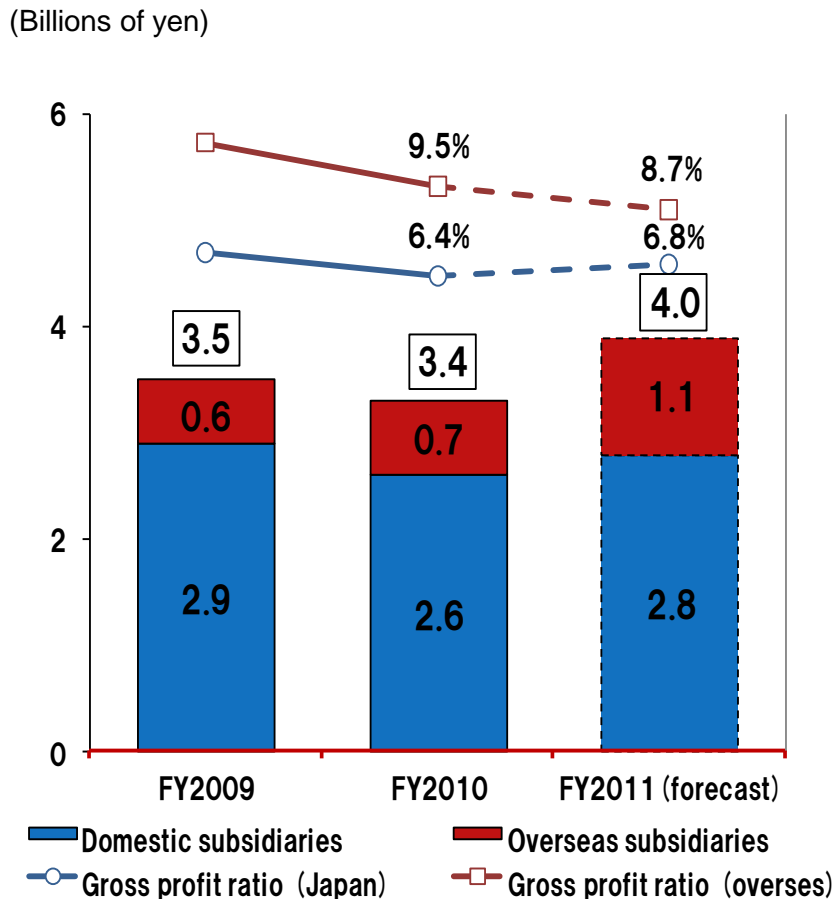


## Overseas sales by Region

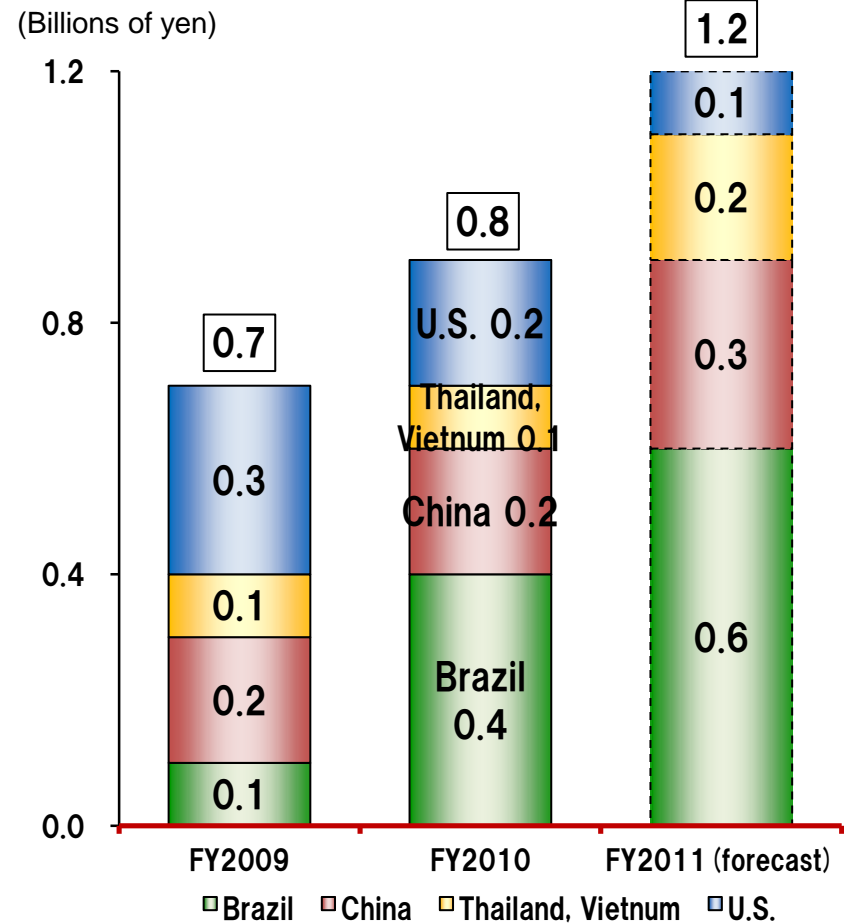
(Billions of yen)



Gross Profit in Japan and Overseas



Overseas Gross Profit by Region





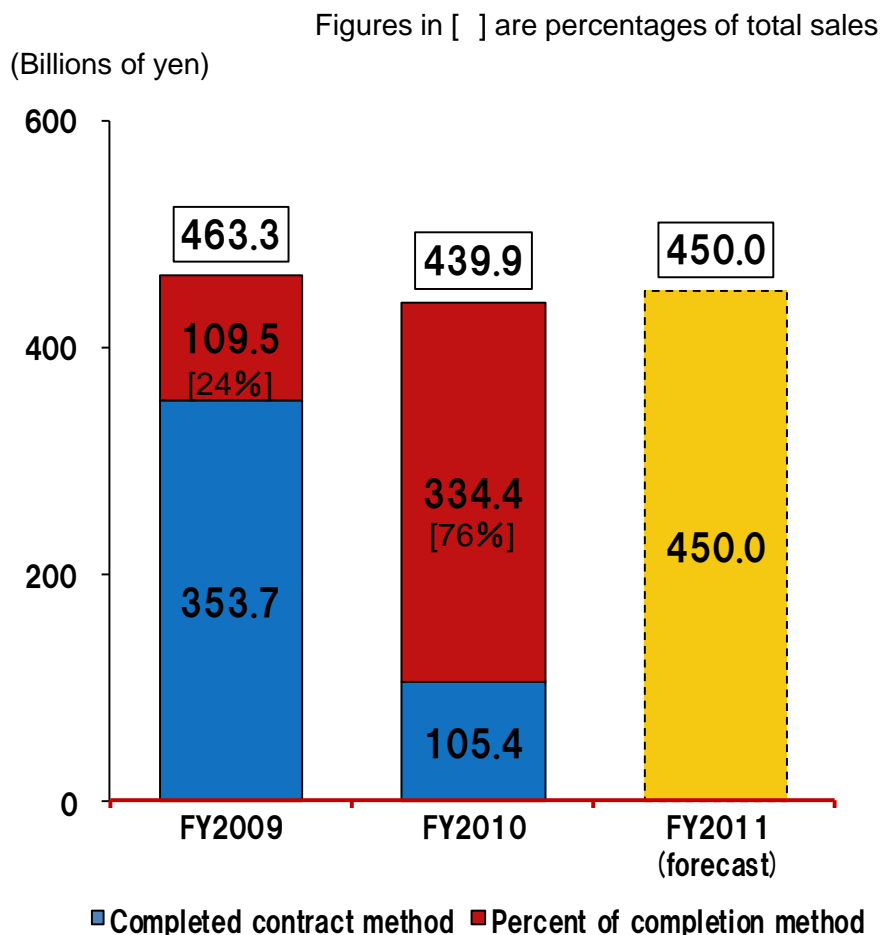
## **2-1. Consolidated Statements of Income**

# (Consolidated) Statements of Income

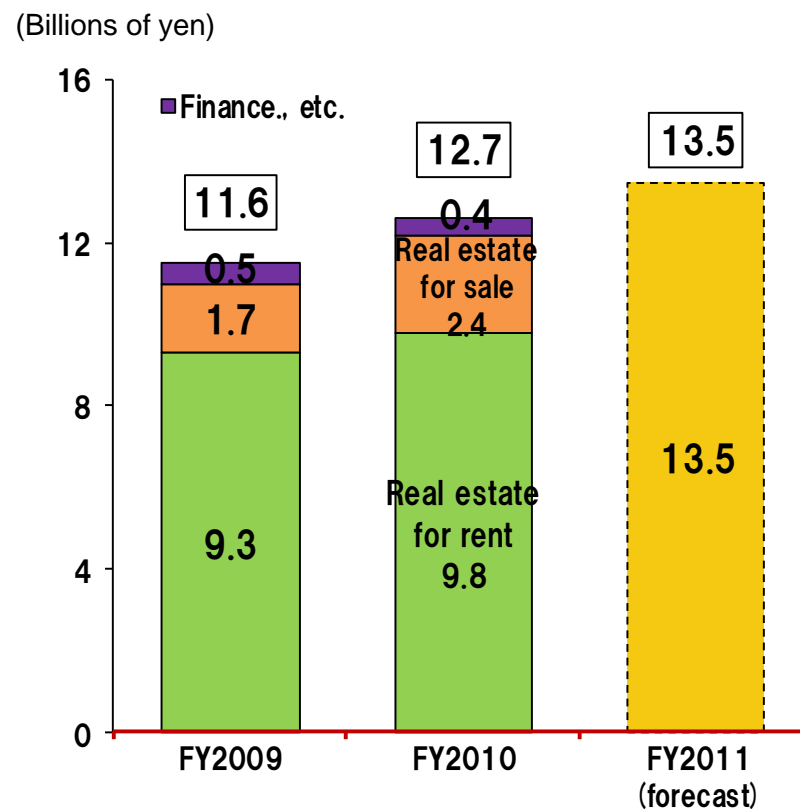
Billions of yen	FY2009 (Actual)		FY2010 (Actual)		Change	FY2011 (Planned)	
		%		%	%		%
Net sales	475.0		452.7		-4.7	463.5	
Gross profit	31.3	6.6	30.7	6.8	-1.8	33.2	7.2
Selling, general and administrative expenses	24.9		24.7			24.3	
Operating income	6.4	1.3	6.0	1.3	-6.3	8.9	1.9
Non-operating income	1.3		1.4			1.1	
Ordinary income	7.7	1.6	7.4	1.7	-3.2	10.0	2.2
Extraordinary income (loss)	(1.5)		(0.4)			0	
Income before income taxes	6.1		7.0			10.0	
Income taxes	2.9		3.1			4.9	
Net income	3.1	0.7	3.7	0.8	18.9	5.0	1.1

# (Consolidated) Change in Net Sales

## Construction



## Real Estate, Finance and Other

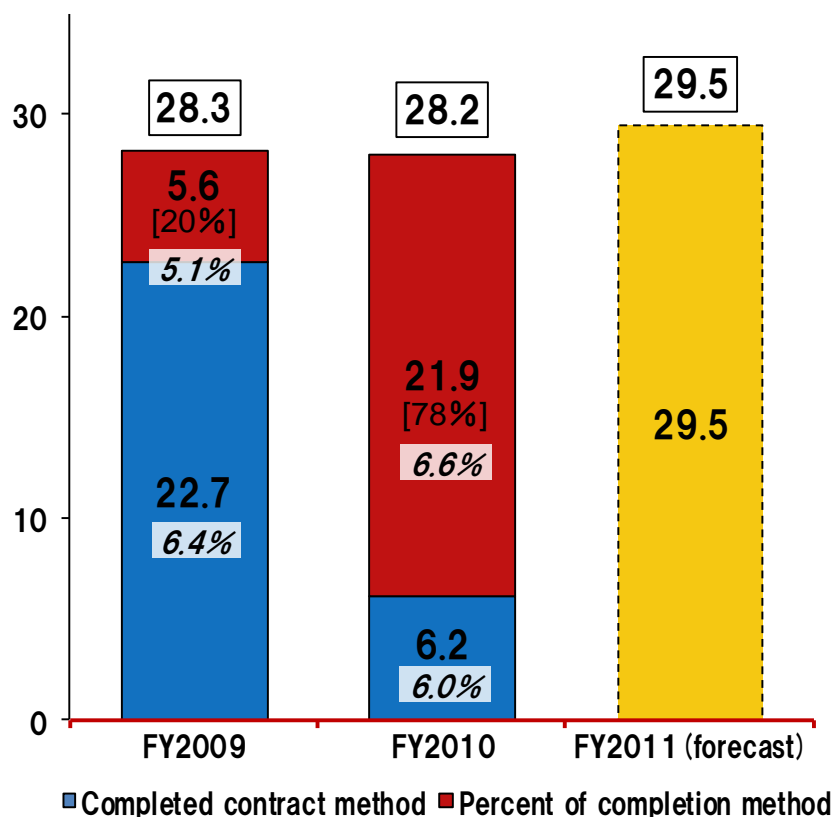


# (Consolidated) Change in Gross Profit

## Construction

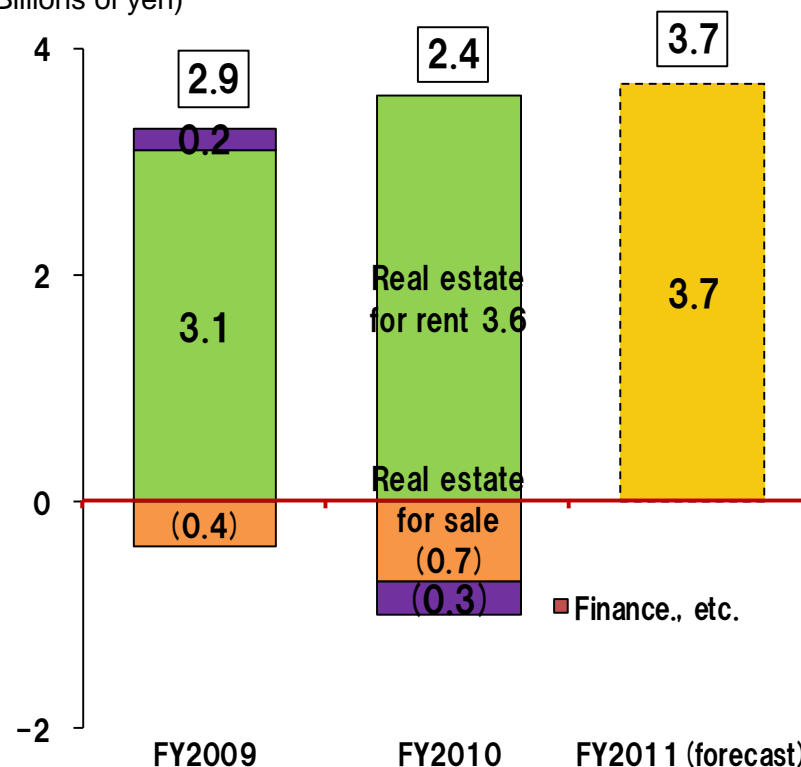
Figures in [ ] are percentages of total gross profit; figures in italic are gross profit ratios

(Billions of yen)

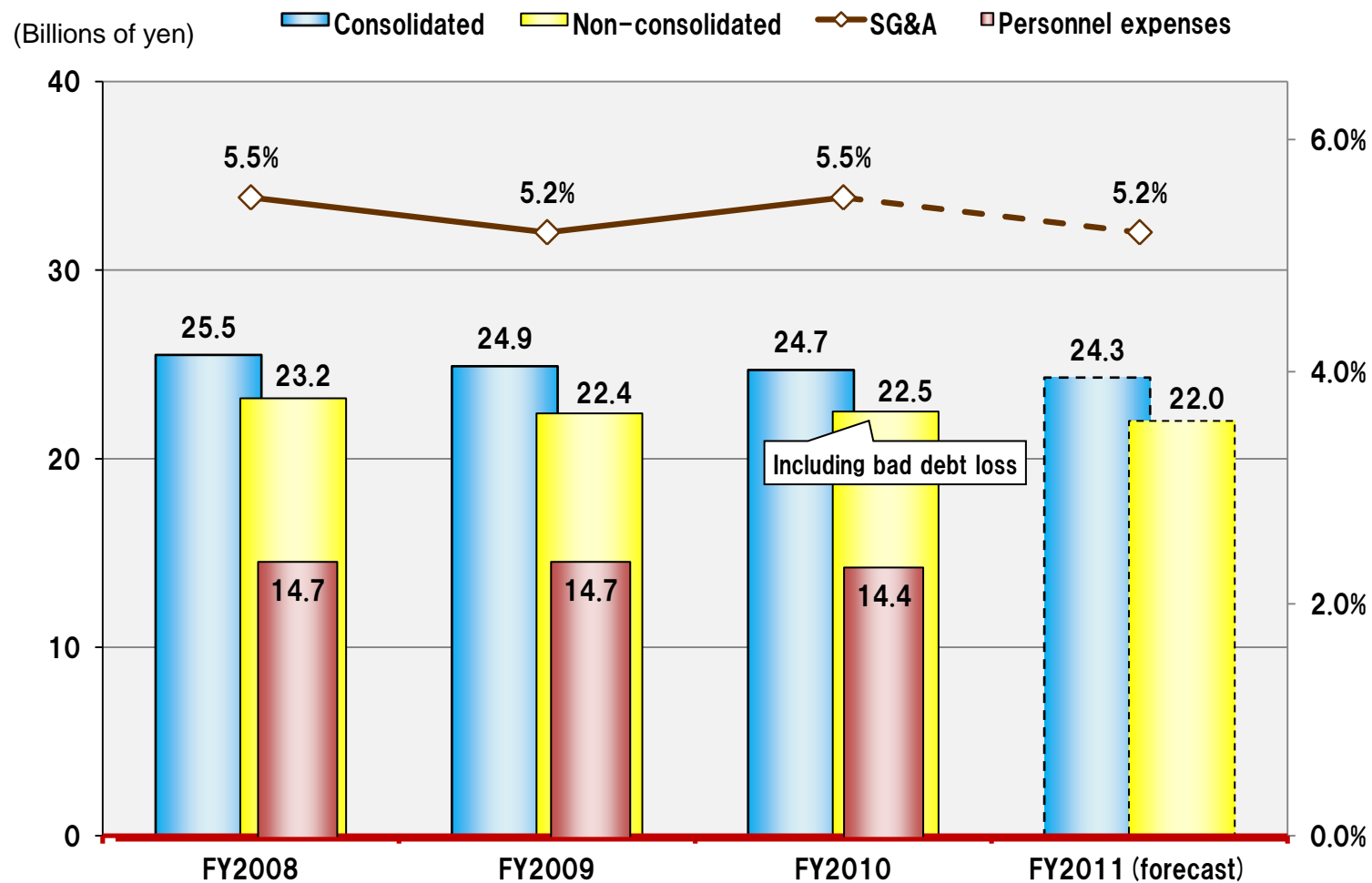


## Real Estate, Finance and Other

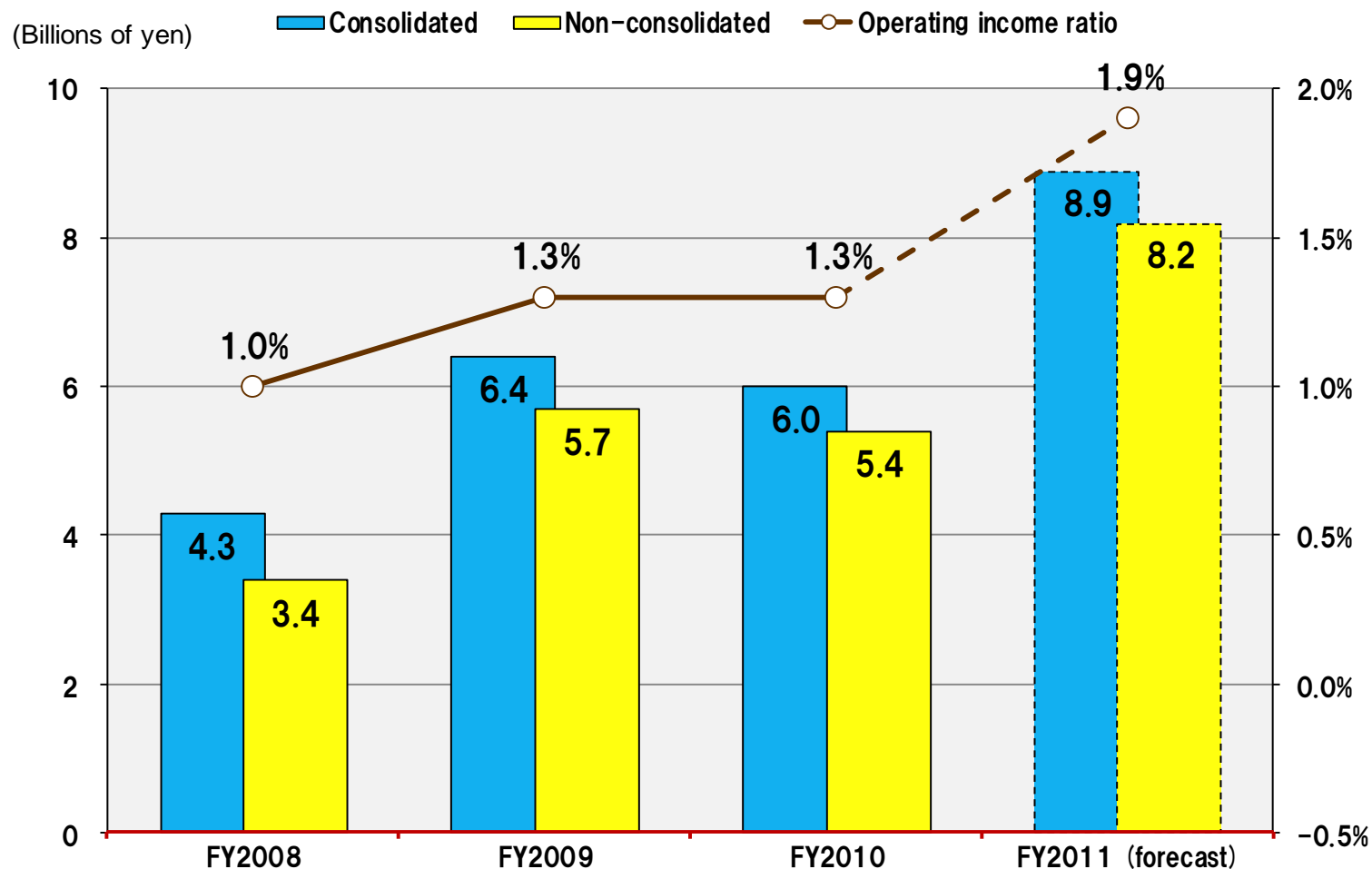
(Billions of yen)



# (Consolidated) Change in SG&A



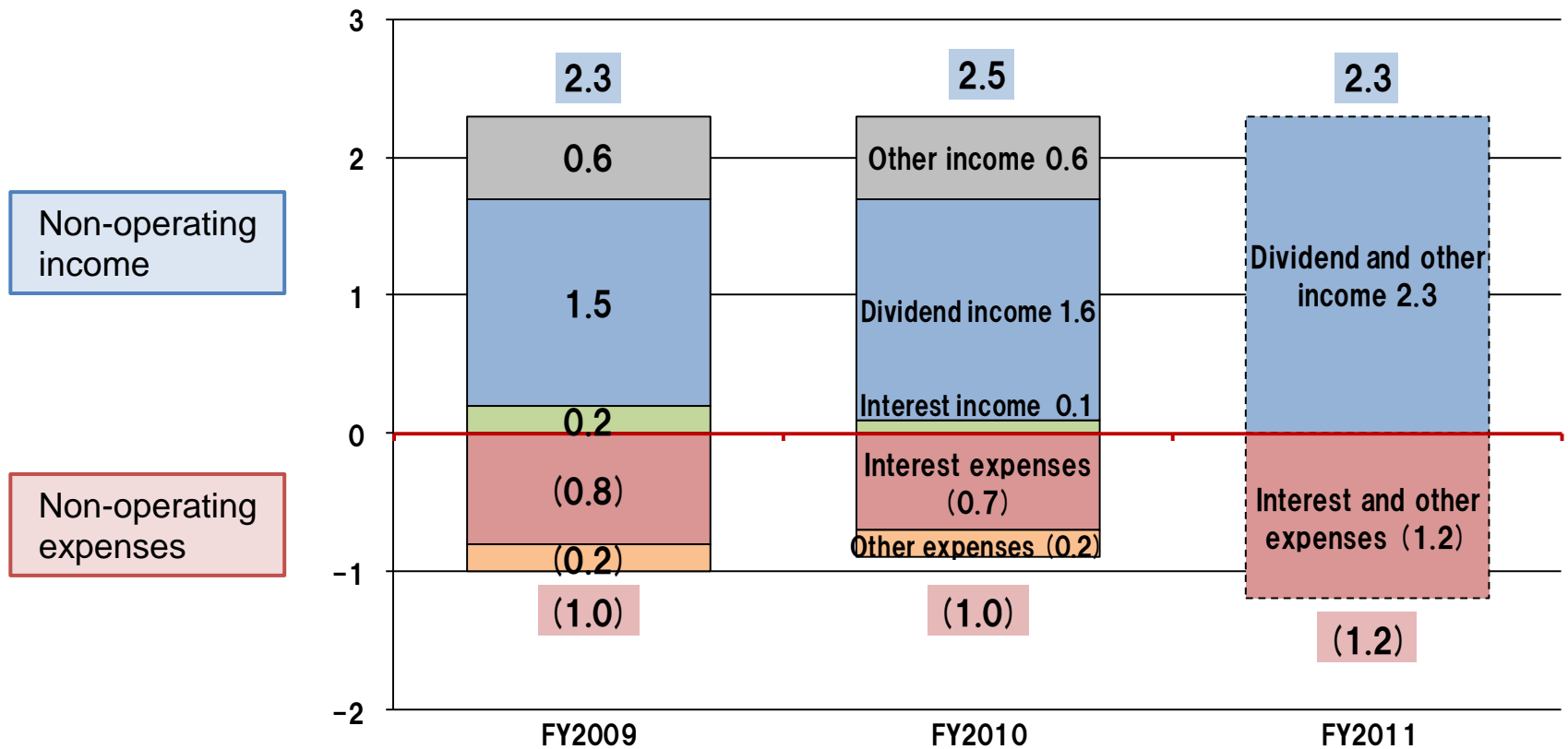
# (Consolidated) Change in Operating Income



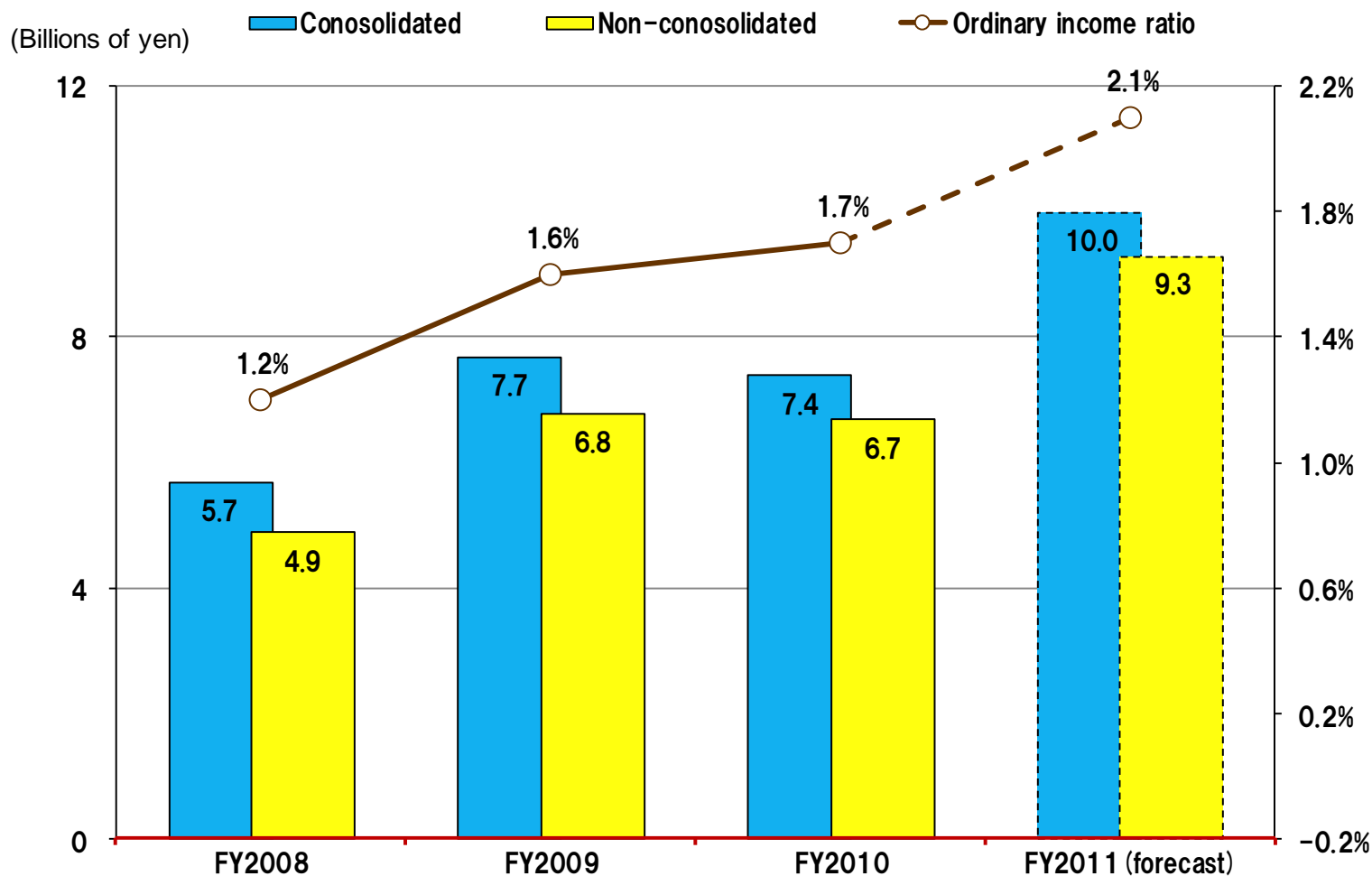
# (Consolidated) Change in Non-Operating Income (Loss)

Account Balance	1.3	1.4	1.1
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(Billions of yen)



# (Consolidated) Change in Ordinary Income

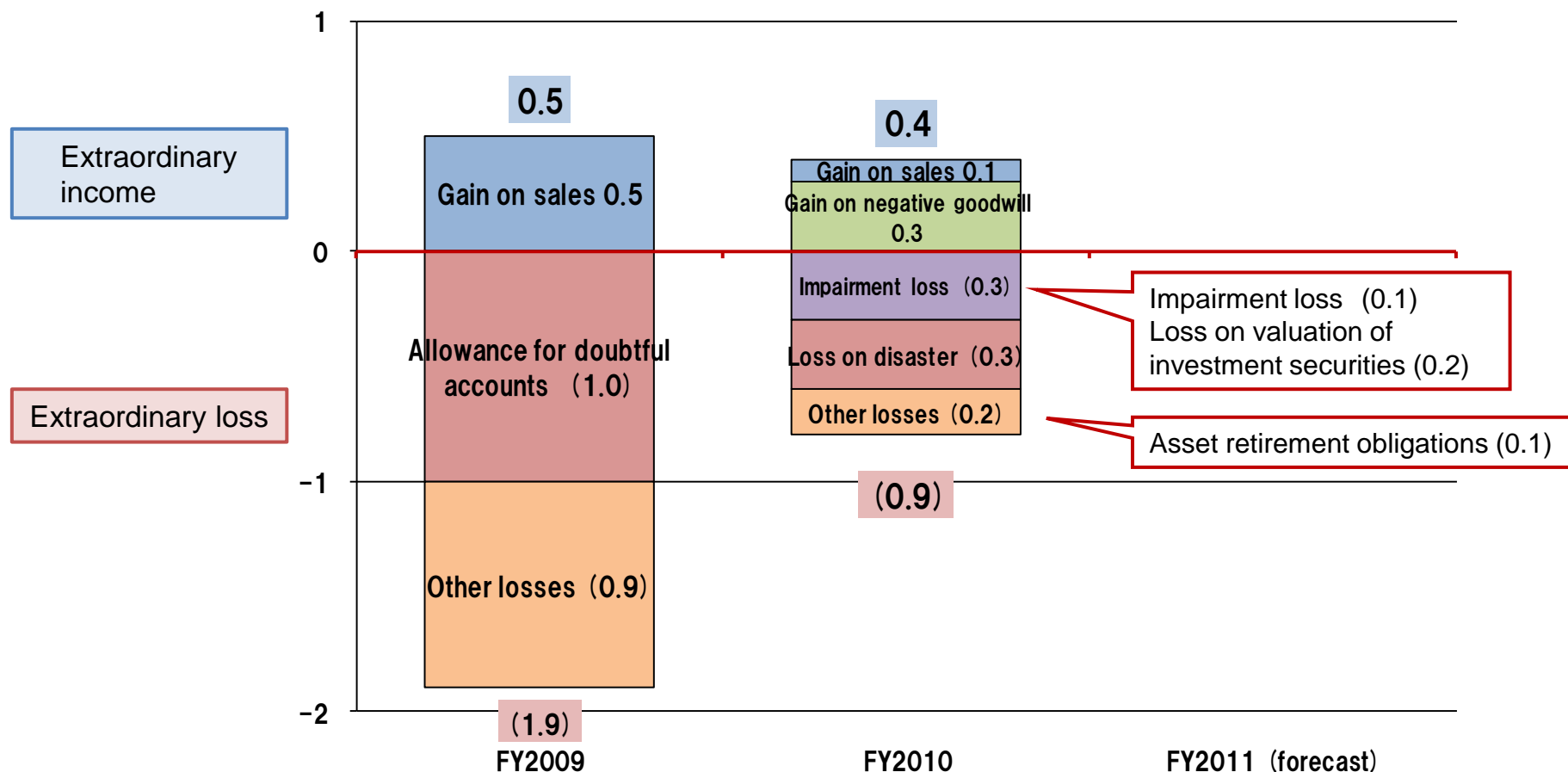




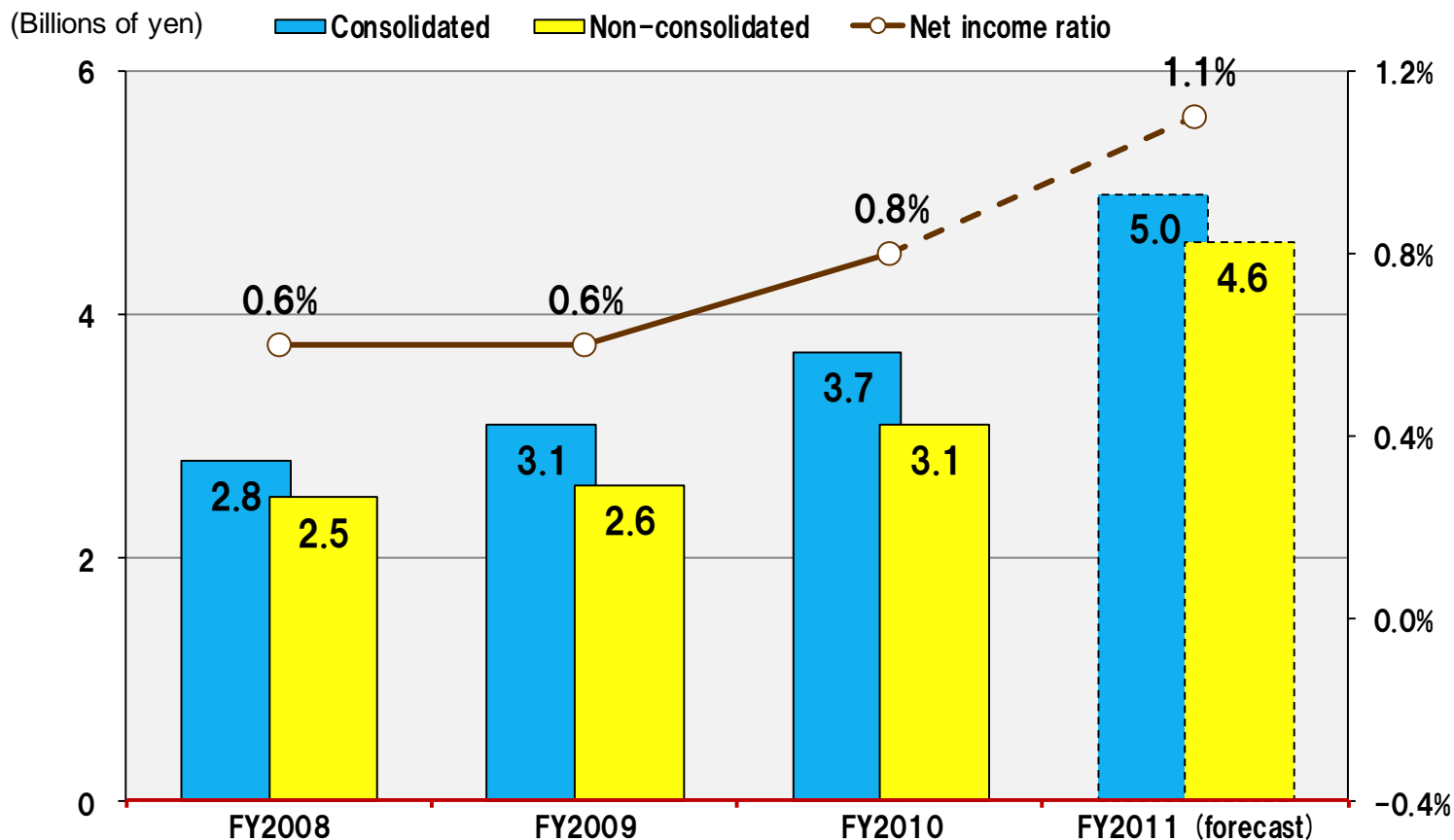
# (Consolidated) Change in Extraordinary Income (Loss)

Account Balance	(1.4)	(0.4)	0
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(Billions of yen)



# (Consolidated) Change in Net Income



Net income per share	9.0 yen	10.2 yen	12.2 yen	16.1 yen
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# (Consolidated) Comprehensive Income

(Billions of yen)

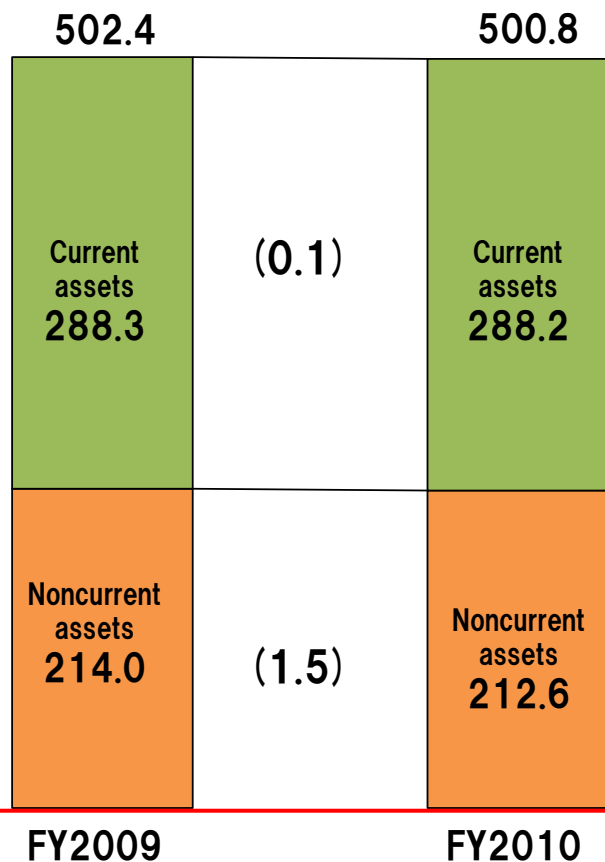
Consolidated Statements of Comprehensive Income	FY2009	FY2010
Income before minority interest	—	3.8
Other comprehensive income:		
Valuation difference on available-for-sale securities	—	(5.7)
Deferred gains or losses on hedges	—	0
Foreign currency translation adjustment	—	(0.4)
Comprehensive income	—	(2.3)

## **2-2. Consolidated Balance Sheets**

# (Consolidated) Balance Sheets

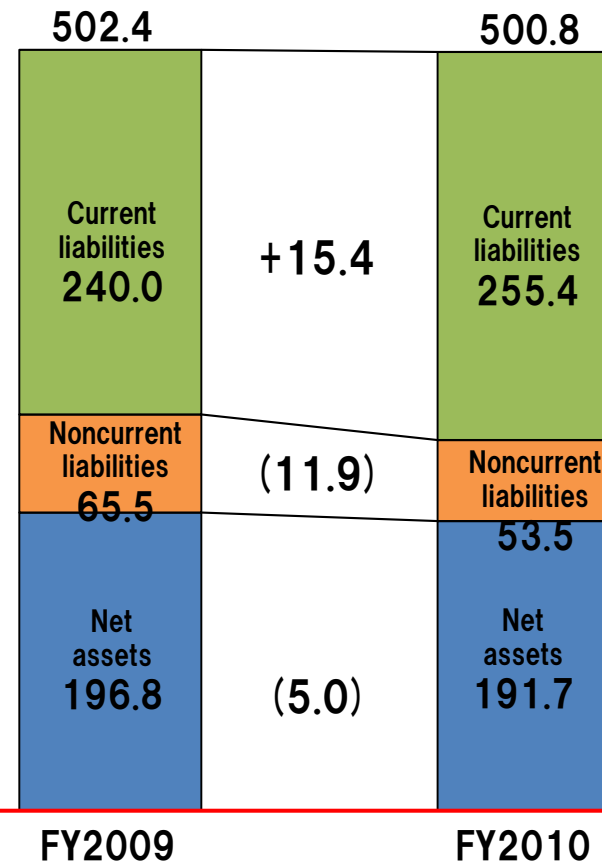
(Billions of yen)

## Assets



(Billions of yen)

## Liabilities and Net Assets



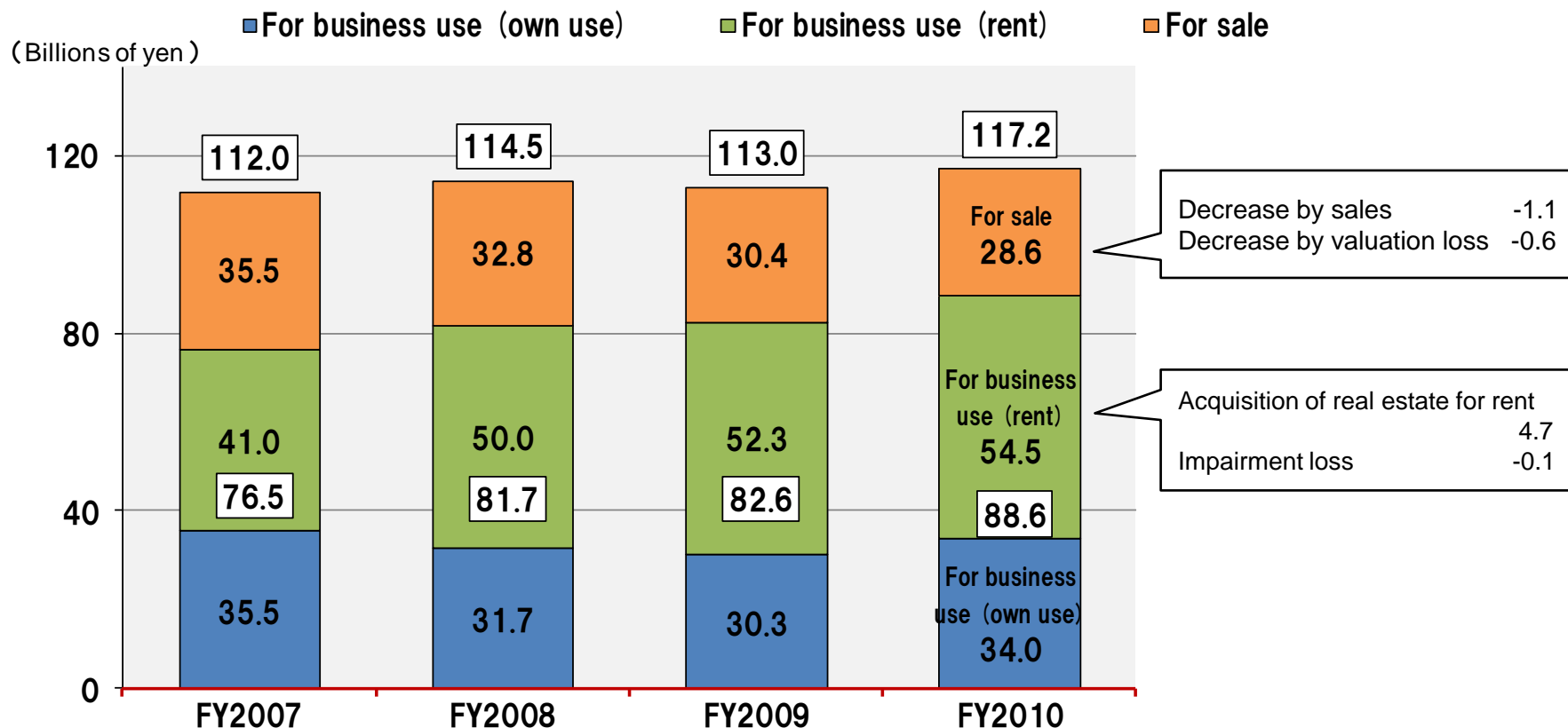
# (Consolidated) Detailed Consolidated Balance Sheets

Billions of yen	FY2009	FY2010	Remarks
			Figures in ( ) are changes from the previous year
(Assets)			
Current assets	288.3	288.2	<div style="border: 1px solid black; padding: 5px;">                     Notes receivable, accounts receivable from completed construction contracts and other                      133.4 (+35.3)                 </div>
Noncurrent assets	214.0	212.6	<div style="border: 1px solid black; padding: 5px;">                     Costs on uncompleted construction contracts                      51.7 (-25.8)                 </div>
Property, plant and equipment	84.4	89.1	<div style="border: 1px solid black; padding: 5px;">                     Real estate for sale                      28.6 (-1.7)                 </div>
Intangible assets	4.1	2.2	<div style="border: 1px solid black; padding: 5px;">                     Deferred tax assets                      7.3 (-9.6)                 </div>
Investments and other assets	125.5	121.2	<div style="border: 1px solid black; padding: 5px;">                     Buildings and structures                      18.1 (+1.5)                 </div>
			<div style="border: 1px solid black; padding: 5px;">                     Land                      69.1 (+4.2)                 </div>
			<div style="border: 1px solid black; padding: 5px;">                     Investment securities                      110.2 (-9.3)                 </div>
<b>Total assets</b>	<b>502.4</b>	<b>500.8</b>	

# (Consolidated) Detailed Consolidated Balance Sheets

Billions of yen	FY2009	FY2010	Remarks Figures in ( ) are changes from the previous year
(Liabilities)			
Current liabilities	240.0	255.4	Notes payable and other accounts payable 118.1 (+17.5)
Noncurrent liabilities	65.5	53.5	Short-term loans payable 43.9 (+3.0)
(Net Assets)			Advances received on uncompleted construction contracts 54.9 (-7.1)
Shareholders' equity	168.1	169.4	Provision for loss on construction contracts 9.2 (+2.8)
Valuation and translation adjustments	24.3	18.3	Long-term loans payable 14.2 (-4.5)
Total Liabilities and Net Assets	502.4	500.8	Deferred tax liabilities 0.2 (-5.5)
			Provision for retirement benefits 22.7 (-1.8)
			Valuation difference on available-for-sale securities 15.5 (-5.7)

# (Consolidated) Change in Real Estate Holding



(Billions of yen)	Reported on Consolidated B/S	Market Price	Variance	Gain (Loss)	Yield
Real estates for rent	54.5	76.2	21.7	2.9	5.4%



# (Consolidated) Capital Investments

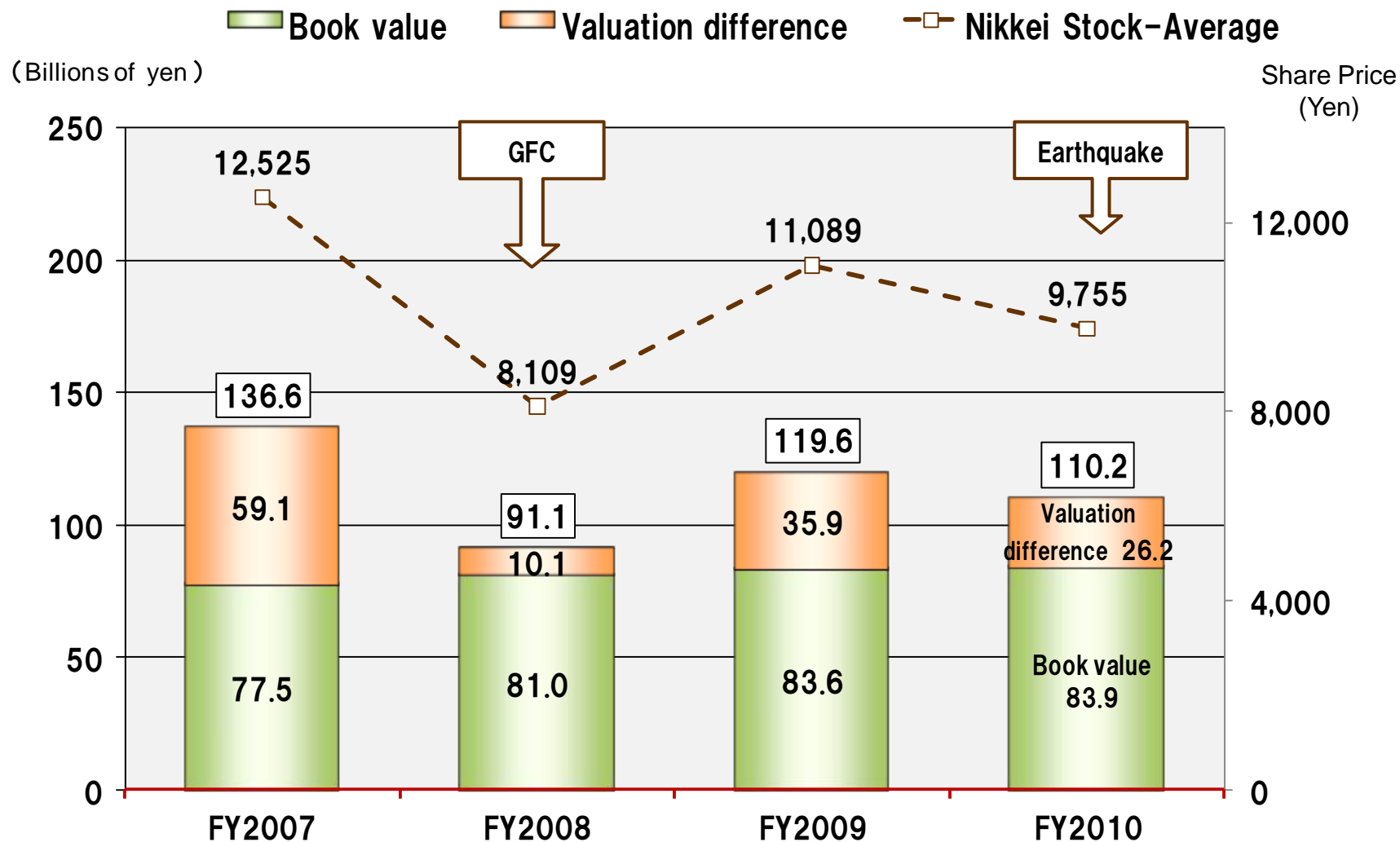
(Billions of yen)

Capital investments	FY2009	FY2010	Change	FY 2011 (forecast)
Property, plant and equipment	3.4	5.1	+1.7	4.2
Intangible assets	2.3	0.3	-2.0	1.3

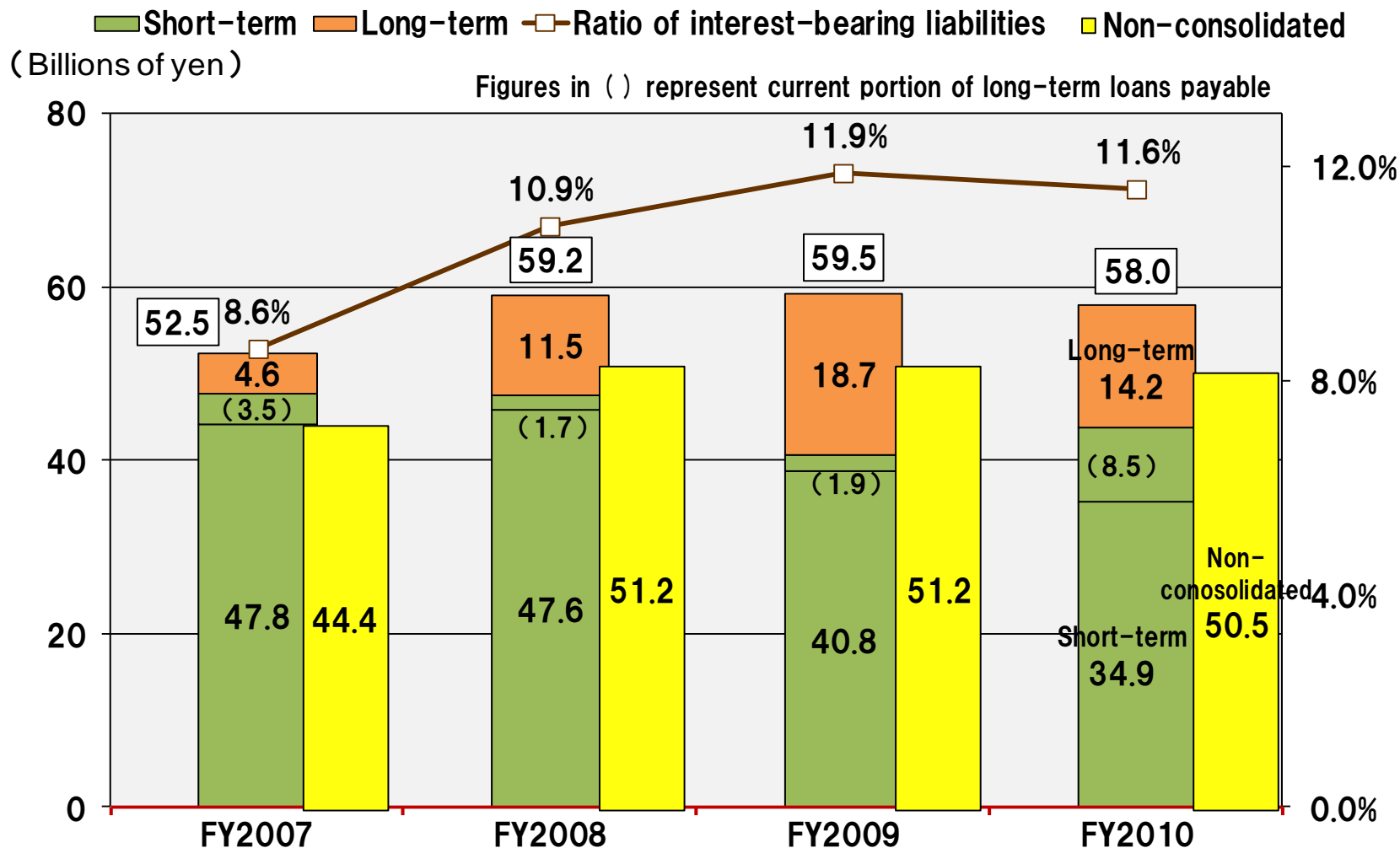
(Billions of yen)

Others	FY2009	FY2010	Change	FY 2011 (forecast)
Interest-bearing liabilities	59.5	58.1	-1.4	58.0
Depreciation and amortization	2.1	2.0	-0	2.0
R & D expenses	2.1	1.9	-0.2	1.9

# (Consolidated) Change in Investment Securities



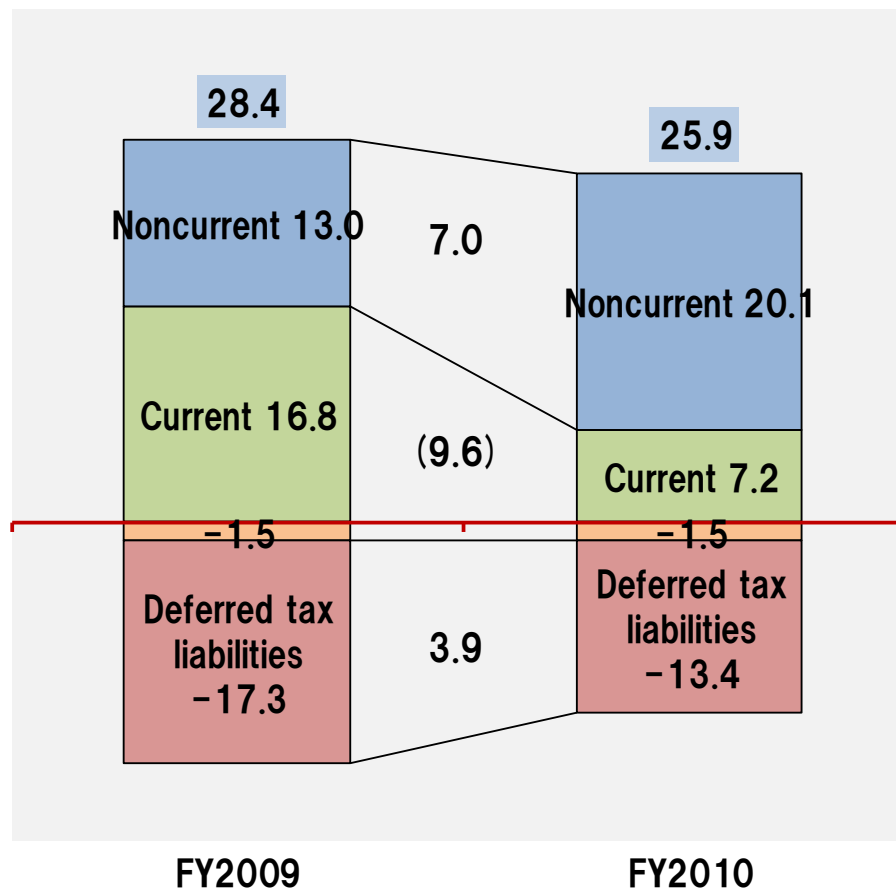
# (Consolidated) Change in Interest-Bearing Liabilities



# (Nonconsolidated) Change in Deferred Tax Assets

Deferred tax assets (net)	11.0	12.4
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( Billions of yen )

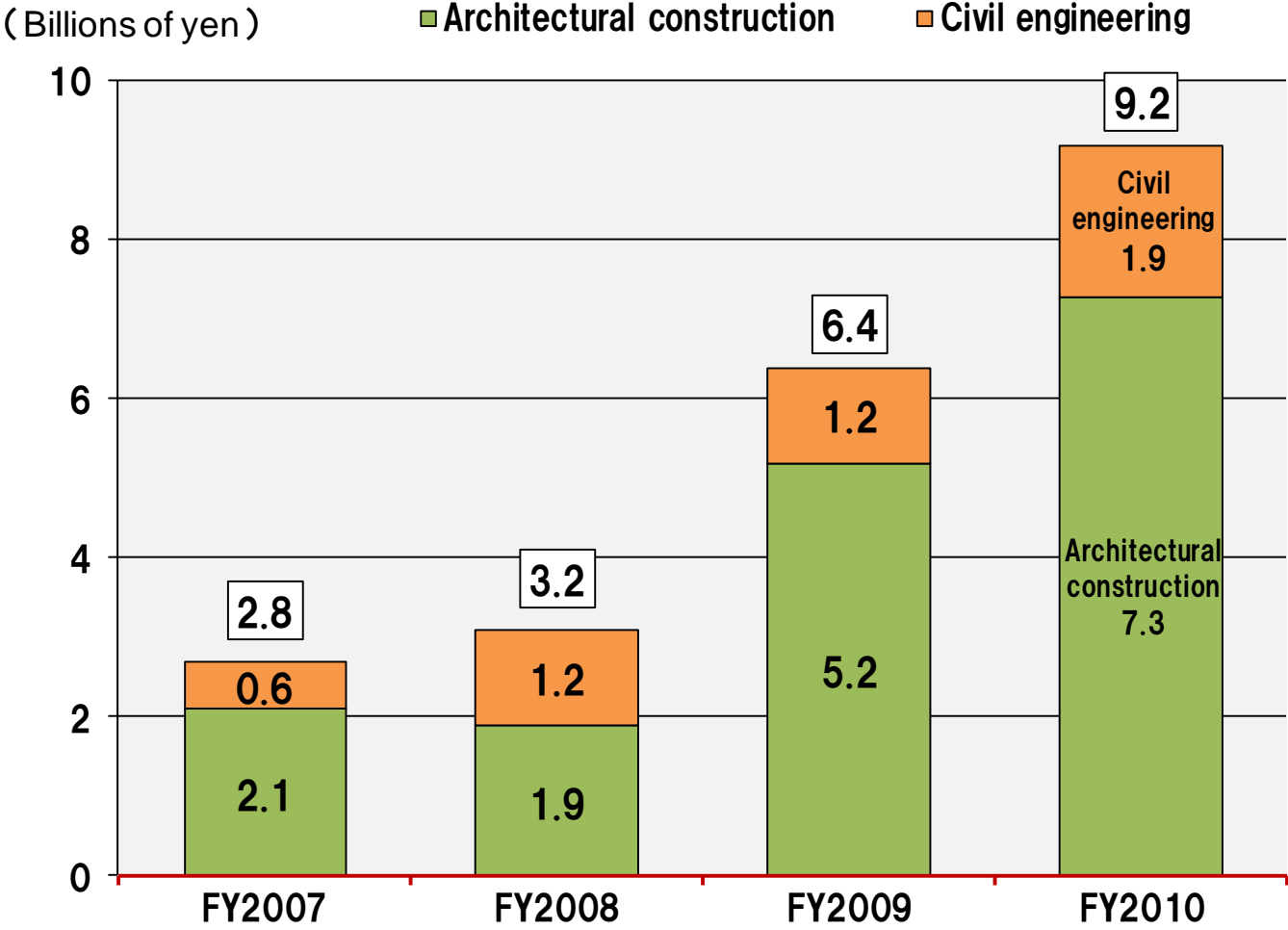


Deferred tax assets

Deferred tax liabilities

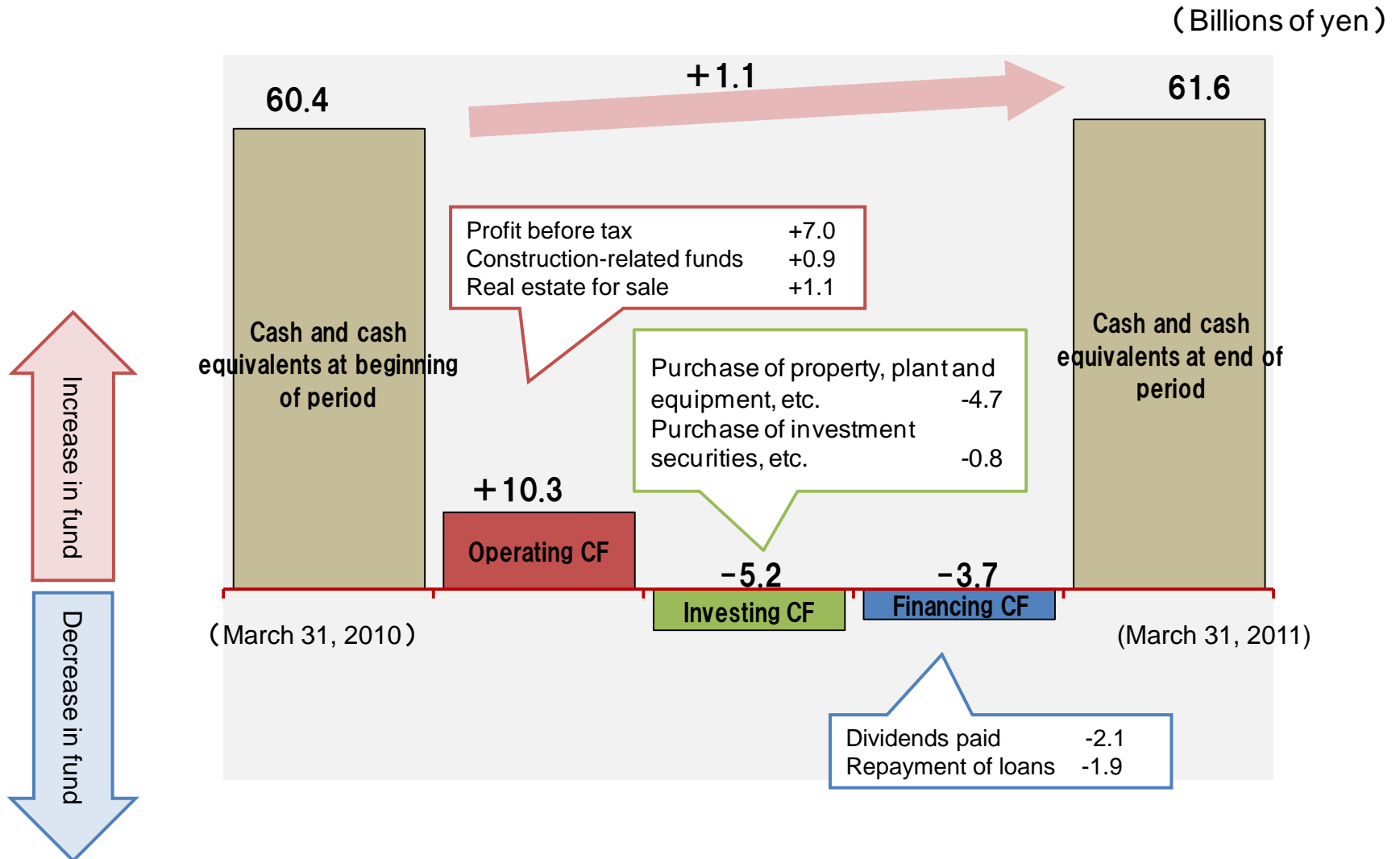
■ Reserve for valuation loss

# (Consolidated) Change in Provision for Loss on Construction Contracts



## **2-3. Consolidated Statements of Cash Flow**

# (Consolidated) Cash Flow



# (Reference) Share Price and Other Indices

	FY2007	FY2008	FY2009	FY2010	FY2011 (forecast)
Share price (Yen)	410	303	337	329	329
Net assets per share (Yen)	678.20	567.37	621.93	607.54	607.54
Net income per share (Yen)	11.82	9.01	10.23	12.20	16.18
Price earning ratio (PER, times)	34.69	33.63	32.94	26.97	20.36
Price-book value ratio (PBR, times)	0.60	0.53	0.54	0.54	0.54



# (Reference) Financial Indices Comparison

\* Only orders received for construction works are on a non-consolidated basis.

