

The document is an English-language translation of the consolidated financial summary of the financial results for the first quarter ended June 30, 2017. This summary was prepared originally in Japanese in accordance with generally accepted accounting principles in Japan. If there are discrepancies between this summary and the original document in Japanese, the Japanese version will take precedence.

Consolidated Financial Results for the First Quarter ended June 30, 2017

For the Fiscal Year Ending March 31, 2018

August 10, 2017

TOYO ENGINEERING CORPORATION

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1. Business results for the first quarter of fiscal year 2017 (April 1, 2017 - June 30, 2017)

Note: Amounts are rounded down to the nearest million yen.

(1) Consolidated operating results (% of changes from the corresponding period of the previous fiscal year)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|------------------------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Apr. 1, 2017 - Jun. 30, 2017 | 87,371 | (11.8) | 594 | (83.2) | 1,928 | (62.5) | 1,054 | (43.4) |
| Apr. 1, 2016 - Jun. 30, 2016 | 99,074 | 44.2 | 3,550 | 183.4 | 5,144 | 163.6 | 1,861 | 142.0 |

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2017 - Jun. 30, 2017 : 2,127 (42.8%) Apr. 1, 2016 - Jun. 30, 2016: 3,719 (47.3%)

| | Net income per share | Net income per share (diluted) |
|------------------------------|----------------------|--------------------------------|
| | Yen | Yen |
| Apr. 1, 2017 - Jun. 30, 2017 | 5.50 | — |
| Apr. 1, 2016 - Jun. 30, 2016 | 9.71 | — |

(2) Consolidated financial position

| | Total assets | Total net assets | Equity ratio |
|---------------------|-----------------|------------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of Jun. 30, 2017 | 293,249 | 53,074 | 18.1 |
| As of Mar. 31, 2017 | 317,089 | 51,331 | 16.2 |

(Reference) Equity at the end of period (millions of yen):

Jun. 30, 2017: 52,999 Mar. 31, 2017 : 51,273

2. Dividends

| | Cash dividends per share | | | | | | | | | |
|-------------------|--------------------------|-----|------|-----|----|-----|-------|-----|--------|-----|
| | Q1 | | Q2 | | Q3 | | Q4 | | Annual | |
| FY2016 | — | Yen | 0.00 | Yen | — | Yen | 2.00 | Yen | 2.00 | Yen |
| FY2017 | — | Yen | | | | | | | | |
| FY2017 (Forecast) | | | 0.00 | Yen | | | 15.00 | Yen | 15.00 | Yen |

(Note) Revision of forecast for this period: No

Since we plan to conduct a one-for-five reverse stock split of our company's shares effective October 1, 2017, it is factored into the per-share amount of the year-end dividend for the fiscal year ending March 31, 2018 shown here. The estimated year-end dividend for the fiscal year ending March 31, 2018 would be 3.00 yen per share if the reverse stock split were not taken into account.

3. Forecast of consolidated operating results for the fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(% of changes from the corresponding periods of the previous year)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Net income per share |
|-----------|-----------------|--------|------------------|---|-----------------|-------|---|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 370,000 | (14.3) | 6,500 | - | 5,000 | 211.7 | 2,000 | 35.8 | 52.17 |

(Note) Revision of forecast for this period: No

Since we plan to conduct a one-for-five reverse stock split of our company's shares effective October 1, 2017, it is factored into the net income per share for the fiscal year ending March 31, 2018 shown here. The estimated net income per share for the fiscal year ending March 31, 2018 would be 10.43 yen per share if the reverse stock split were not taken into account.

4. Others

(1) Significant changes in scope of consolidation : No

(2) Number of shares issued

Number of shares issued at end of period (including treasury stocks)

Jun. 30, 2017 : 192,792,539

Mar. 31, 2017 : 192,792,539

Number of treasury stocks at end of period

Jun. 30, 2017 : 1,104,942

Mar. 31, 2017 : 1,103,172

Average number of stock outstanding during the period: First quarter of FY2017 and FY2016

First quarter of FY2017 : 191,688,361

First quarter of FY2016 : 191,702,658

* Reference: The forecast given above are based on information available at the time of compilation and are inherently subject to variety of risks and uncertainties. Actual results may vary significantly from the forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

Consolidated Balance Sheets

| | | March 31, 2017 | | June 30, 2017 | |
|---------------|--|-----------------|----------------|-----------------|----------------|
| | | Millions of yen | | Millions of yen | |
| [Assets] | | | | | |
| I | Current assets | | | | |
| | 1 Cash and deposits | | 126,042 | | 104,780 |
| | 2 Notes receivables, accounts receivable from completed construction contracts | | 88,394 | | 81,102 |
| | 3 Short-term investment securities | | 1,175 | | 3,474 |
| | 4 Costs on uncompleted construction contracts | | 49,536 | | 49,969 |
| | 5 Deferred tax assets | | 3,020 | | 3,067 |
| | 6 Accounts receivable - other | | 6,730 | | 7,365 |
| | 7 Other | | 7,958 | | 8,687 |
| | 8 Allowance for doubtful accounts | | (1,074) | | (775) |
| | Total current assets | | 281,784 | | 257,669 |
| II | Non-current assets | | | | |
| | (1) Property, plant and equipment | | | | |
| | 1 Buildings and structures | | 16,297 | | 16,241 |
| | 2 Machinery, vehicles, tools, furniture and fixtures | | 4,999 | | 4,952 |
| | 3 Land | | 6,898 | | 6,846 |
| | 4 Leased assets | | 74 | | 45 |
| | 5 Construction in progress | | 5 | | 1 |
| | 6 Accumulated depreciation and impairment loss | | (15,658) | | (15,681) |
| | Total property, plant and equipment | | 12,615 | | 12,405 |
| | (2) Intangible assets | | | | |
| | 1 Goodwill | | 3 | | 3 |
| | 2 Other | | 1,408 | | 1,310 |
| | Total intangible assets | | 1,412 | | 1,313 |
| | (3) Investments and other assets | | | | |
| | 1 Investment securities | | 16,071 | | 16,465 |
| | 2 Long-term loans receivable | | 4,576 | | 4,576 |
| | 3 Deferred tax assets | | 1,123 | | 915 |
| | 4 Other | | 3,981 | | 4,384 |
| | 5 Allowance for doubtful accounts | | (4,474) | | (4,481) |
| | Total investments and other assets | | 21,277 | | 21,860 |
| | Total non-current assets | | 35,305 | | 35,579 |
| | Total assets | | 317,089 | | 293,249 |
| [Liabilities] | | | | | |
| I | Current liabilities | | | | |
| | 1 Notes payable, accounts payable for construction contracts and other | | 123,444 | | 115,391 |
| | 2 Short-term loans payable | | 8,415 | | 6,770 |
| | 3 Income taxes payable | | 761 | | 1,242 |
| | 4 Advances received on uncompleted construction contracts | | 87,116 | | 73,928 |
| | 5 Provision for bonuses | | 654 | | 388 |
| | 6 Provision for warranties for completed construction | | 209 | | 210 |
| | 7 Provision for loss on construction contracts | | 4,085 | | 2,980 |
| | 8 Forward exchange contracts | | 4,995 | | 3,769 |
| | 9 Other | | 7,468 | | 6,635 |
| | Total current liabilities | | 237,149 | | 211,317 |
| II | Non-current liabilities | | | | |
| | 1 Long-term loans payable | | 23,373 | | 23,524 |
| | 2 Lease obligations | | 40 | | 37 |
| | 3 Deferred tax liabilities | | 1,459 | | 1,695 |
| | 4 Net defined benefit liability | | 1,802 | | 1,773 |
| | 5 Provision for loss on business of subsidiaries and affiliates | | 140 | | 144 |
| | 6 Other | | 1,792 | | 1,681 |
| | Total non-current liabilities | | 28,608 | | 28,856 |
| | Total liabilities | | 265,758 | | 240,174 |
| [Net Assets] | | | | | |
| I | Shareholders' equity | | | | |
| | 1 Capital stock | | 18,198 | | 18,198 |
| | 2 Capital surplus | | 10,732 | | 10,732 |
| | 3 Retained earnings | | 19,064 | | 19,735 |
| | 4 Treasury stock | | (440) | | (441) |
| | Total shareholders' equity | | 47,554 | | 48,225 |
| II | Accumulated other comprehensive income | | | | |
| | 1 Valuation difference on available-for-sale securities | | 2,246 | | 2,493 |
| | 2 Deferred gains or losses on hedges | | (2,842) | | (1,736) |
| | 3 Foreign currency translation adjustment | | 4,319 | | 4,026 |
| | 4 Remeasurements of defined benefit plans | | (5) | | (9) |
| | Total accumulated other comprehensive income | | 3,718 | | 4,773 |
| III | Non-controlling interests | | 58 | | 75 |
| | Total net assets | | 51,331 | | 53,074 |
| | Total liabilities and net assets | | 317,089 | | 293,249 |

Consolidated Statements of Income

| | | April 1, 2016 - June 30, 2016 | | April 1, 2017 - June 30, 2017 | |
|-----|--|----------------------------------|--------|----------------------------------|--------|
| | | Millions of yen | | Millions of yen | |
| I | Net sales | | 99,074 | | 87,371 |
| II | Cost of sales | | 91,415 | | 81,655 |
| | Gross profit | | 7,659 | | 5,716 |
| III | Selling, general and administrative expenses | | 4,108 | | 5,121 |
| | Operating income | | 3,550 | | 594 |
| IV | Non-operating income | | | | |
| 1 | Interest income | 185 | | 221 | |
| 2 | Dividends income | 170 | | 84 | |
| 3 | Equity in earnings of affiliates | 517 | | 876 | |
| 4 | Reversal of allowance for doubtful accounts | 1,046 | | 292 | |
| 5 | Miscellaneous income | 47 | 1,967 | 235 | 1,710 |
| V | Non-operating expenses | | | | |
| 1 | Interest expenses | 106 | | 74 | |
| 2 | Foreign exchange losses | 135 | | 276 | |
| 3 | Miscellaneous expenses | 131 | 373 | 25 | 376 |
| | Ordinary income | | 5,144 | | 1,928 |
| | Profit before income taxes | | 5,144 | | 1,928 |
| | Income taxes-current | | 2,365 | | 800 |
| | Income taxes for prior periods | | 859 | | - |
| | Profit | | 1,920 | | 1,128 |
| | Profit attributable to non-controlling interests | | 58 | | 74 |
| | Profit attributable to owners of parent | | 1,861 | | 1,054 |

Consolidated Statements of Comprehensive Income

| | | April 1, 2016 - June 30, 2016 | | April 1, 2017 - June 30, 2017 | |
|----|---|----------------------------------|-------|----------------------------------|-------|
| | | Millions of yen | | Millions of yen | |
| I | Profit | | 1,920 | | 1,128 |
| II | Other comprehensive income | | | | |
| 1 | Valuation difference on available-for-sale securities | 488 | | 247 | |
| 2 | Deferred gains or losses on hedges | 2,383 | | 1,062 | |
| 3 | Foreign currency translation adjustment | (539) | | (303) | |
| 4 | Remeasurements of defined benefit plans | 7 | | (4) | |
| 5 | Share of other comprehensive loss of affiliates accounted for using equity method | (541) | 1,799 | (3) | 998 |
| | Comprehensive income | | 3,719 | | 2,127 |
| | Comprehensive income attributable to : | | | | |
| | Owners of parent | | 3,697 | | 2,109 |
| | Non-controlling interests | | 21 | | 17 |

Segment Information

The company's reportable operating segment has a single segment, namely EPC Business.

Consolidated New Orders, Net Sales and Backlog of Contracts

| | | Millions of yen | | | | | |
|---------------------------------|----------|--|------------------|----------------|----------------|------------------------------|------------------|
| | | Backlog Beginning of period | New Orders | Total | Net Sales | Backlog the End of period | |
| Apr. 1, 2016 - Jun. 30, 2016 | Overseas | Petrochemicals | 492,204 | 1,133 | 493,337 | 62,332 | 430,705 |
| | | Oil & Gas | 20,298 | 3,778 | 24,076 | 9,639 | 14,299 |
| | | Power/Railways etc. | 86,698 | 12,743 | 99,442 | 10,419 | 87,945 |
| | | Chemicals/Fertilizers | 105,091 | 7,893 | 112,985 | 2,091 | 104,307 |
| | | Pharmaceutical/Environmental/Industrial Facilities | 110 | 273 | 384 | 97 | 282 |
| | | Others | 7,005 | 914 | 7,919 | 1,648 | 5,696 |
| | | Subtotal | 711,409 | 26,736 | 738,145 | 86,229 | 643,235 |
| | Domestic | Petrochemicals | 2,503 | 57 | 2,560 | 397 | 2,163 |
| | | Oil & Gas | 1,265 | 0 | 1,265 | 6 | 1,259 |
| | | Power/Railways etc. | 103,917 | 737 | 104,654 | 10,618 | 94,035 |
| | | Pharmaceutical/Environmental/Industrial Facilities | 1,595 | 1,318 | 2,913 | - | 2,913 |
| | | Others | 2,375 | 2,619 | 4,995 | 1,823 | 3,172 |
| | | | Subtotal | 111,657 | 4,733 | 116,390 | 12,845 |
| | | Grand total | *(9,392) | 31,469 | 854,536 | 99,074 | *(33,151) |
| Apr. 1, 2017 - Jun. 30, 2017 | Overseas | Petrochemicals | 249,368 | 5,021 | 254,389 | 43,928 | 202,998 |
| | | Oil & Gas | 5,321 | 22,765 | 28,087 | 1,344 | 26,515 |
| | | Power/Railways etc. | 93,537 | 19,515 | 113,053 | 15,199 | 97,886 |
| | | Chemicals/Fertilizers | 79,174 | 333 | 79,507 | 8,535 | 70,039 |
| | | Pharmaceutical/Environmental/Industrial Facilities | 938 | 202 | 1,140 | 130 | 836 |
| | | Others | 3,066 | 76 | 3,143 | 458 | 1,449 |
| | | Subtotal | 431,406 | 47,915 | 479,322 | 69,597 | 399,725 |
| | Domestic | Petrochemicals | 63 | 127 | 190 | 4 | 129 |
| | | Oil & Gas | 1,464 | 829 | 2,294 | 2,817 | 127 |
| | | Power/Railways etc. | 55,015 | 1,133 | 56,148 | 12,730 | 43,450 |
| | | Pharmaceutical/Environmental/Industrial Facilities | 3,241 | 292 | 3,534 | 809 | 3,270 |
| | | Others | 1,491 | 1,409 | 2,900 | 1,412 | 316 |
| | | | Subtotal | 61,276 | 3,792 | 65,068 | 17,774 |
| | | Grand total | *(14,145) | 51,708 | 544,391 | 87,371 | *(15,777) |

Notes : 1. The classification of the segment within the EPC business was restructured with effect from this fiscal year.

Therefore New Orders, Net Sales and Backlog of Contracts in this quarter and corresponding period of last year are disclosed under the new classification.

2. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.

3. Net sales include corresponding amounts of the effects of changes in exchange rates upon the orders in currencies other than Japanese Yen. The included amounts are (6,261) million yen for Apr. 1, 2016 - Jun. 30, 2016 and (3,963) million yen for Apr. 1, 2017 - Jun. 30, 2017.

4. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".

The amounts are (2,419) million yen for Apr. 1, 2016 - Jun. 30, 2016 and (6,037) million yen for Apr. 1, 2017 - Jun. 30, 2017.

5. Asterisks (*) represent increase (decrease) due to changes in exchange rates.