

Consolidated Financial Results for the First Quarter ended June 30, 2010

For the Fiscal Year Ending March 31, 2011

August 6, 2010

TOYO ENGINEERING CORPORATION

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The following statements are an English-language translation from the original Japanese-language document.
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

1. Business results for the first quarter of fiscal year 2010(April 1, 2010 - June 30, 2010)

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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2010 - Jun. 30, 2010	34,411	(26.9)	332	(85.1)	474	(84.7)	△ 52	-
Apr. 1, 2009 - Jun. 30, 2009	47,067	(52.9)	2,226	(33.1)	3,093	(11.0)	2,543	7.1

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2010 - Jun. 30, 2010	△ 0.27	-
Apr. 1, 2009 - Jun. 30, 2009	13.24	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Total net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun.30, 2010	178,049	63,698	34.7	322.02
As of Mar.31, 2010	190,127	65,295	33.3	329.54

(Reference) Equity at end of term (millions of yen):

Jun. 30, 2010: 61,837 Mar. 31, 2010: 63,286

2. Dividends

	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY2009	- Yen	2.50 Yen	- Yen	4.50 Yen	7.00 Yen
FY2010	- Yen	-	-	-	-
FY2010 (Forecast)	-	0.00 Yen	- Yen	3.00 Yen	3.00 Yen

3. Forecast of consolidated operating results for FY2010

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	80,000	(11.8)	500	(90.4)	500	(92.5)	0	(100.0)	0.00
Full year	160,000	(8.0)	4,000	(69.4)	3,500	(75.8)	1,000	(86.0)	5.21

4. Others

(1) Significant changes in scope of consolidation : No

(2) Number of shares issued

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

Jun. 30, 2010: 192,792,539 Mar. 31, 2010: 192,792,539

Number of treasury stocks at end of term

Jun. 30, 2010: 760,274 Mar. 31, 2010: 751,115

Average number of stock outstanding during the period: First quarter of FY2010 and FY2009

First quarter of FY2010: 192,035,695 First quarter of FY2009: 192,117,933

* 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.

Consolidated Balance Sheets

	June 30, 2010		March 31, 2010	
	Millions of yen		Millions of yen	
	[ASSETS]			
I Current assets				
1 Cash and deposits		31,413		36,899
2 Notes and accounts receivable		28,013		27,373
3 Marketable securities		37,993		37,993
4 Work in progress		18,272		21,676
5 Deferred tax assets		1,769		1,753
6 Other receivables		9,204		11,985
7 Other		11,755		10,955
Less: Allowance for doubtful accounts		(7,916)		(6,971)
Total current assets		130,506		141,666
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		29,541		29,562
2 Machinery, vehicle, tools, furniture and fixtures		3,570		3,528
3 Land		16,812		16,823
4 Leased assets		2,122		2,151
5 Construction in progress		38		7
Less: Accumulated depreciation and impairment loss		(19,893)		(19,627)
Total property, plant and equipment		32,193		32,446
(2) Intangible assets		3,041		3,010
(3) Investments and other assets				
1 Investment securities		8,607		9,399
2 Deferred tax assets		144		121
3 Other		4,252		4,187
Less: Allowance for doubtful accounts		(695)		(703)
Total investments and other assets		12,308		13,005
Total noncurrent assets		47,543		48,461
Total assets		178,049		190,127
	[LIABILITIES]			
I Current liabilities				
1 Notes and accounts payable		33,290		35,084
2 Short-term loans payable		7,294		7,786
3 Income taxes payable		730		878
4 Advance receipts on uncompleted contracts		28,453		35,567
5 Reserve for bonuses		417		1,164
6 Reserve for compensation for completed works		1,014		1,672
7 Reserve for loss on construction contracts		891		914
8 Other		9,374		7,559
Total current liabilities		81,467		90,627
II Noncurrent liabilities				
1 Bonds payable		1,000		1,000
2 Long-term loans payable		20,049		20,947
3 Lease obligations		1,596		1,744
4 Deferred tax liabilities		479		881
5 Reserve for retirement benefits		4,945		4,815
6 Reserve for repairs		715		667
7 Other		4,097		4,149
Total noncurrent liabilities		32,883		34,204
Total liabilities		114,351		124,832
	[NET ASSETS]			
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,759
3 Retained earnings		24,608		25,525
4 Treasury stock		(318)		(315)
Total shareholders' equity		63,248		64,167
II Valuation and Translation Adjustments				
1 Net unrealized gain on available-for-sale securities		14		618
2 Deferred gains or losses on hedges		(26)		(25)
3 Foreign currency translation adjustments		(1,399)		(1,475)
Total valuation and translation adjustments		(1,411)		(881)
III Minority Interests		1,860		2,009
Total net assets		63,698		65,295
Total liabilities and net assets		178,049		190,127

Consolidated Statements of Income

		April 1, 2009-June 30, 2009		April 1, 2010-June 30, 2010	
		Millions of yen		Millions of yen	
I	Net sales		47,067		34,411
II	Cost of sales		40,364		27,947
	Gross profit		6,703		6,463
III	Selling, general and administrative expenses		4,476		6,130
	Operating income		2,226		332
IV	Non-operating income				
1	Interest income	349		75	
2	Dividends income	53		49	
3	Equity in earnings of affiliates	127		189	
4	Foreign exchange gains	381		-	
5	Other	168	1,081	59	374
V	Non-operating expenses				
1	Interest expenses	172		167	
2	Foreign exchange losses	-		22	
3	Other	41	214	42	232
	Ordinary income		3,093		474
VI	Extraordinary gain				
1	Gain on change in equity	193	193	-	-
	Income before income taxes and minority interests		3,286		474
	Income taxes		851		583
	Income (loss) before minority interests		-		(108)
	Minority interests in income (loss)		(108)		(56)
	Net income (loss)		2,543		(52)

Consolidated Statements of Cash Flows

	April 1, 2009- June 30, 2009	April 1, 2010- June 30, 2010
	Millions of yen	Millions of yen
I Net cash provided by (used in) operating activities		
1 Income before income taxes and minority interests	3,286	474
2 Depreciation and amortization	546	583
3 Increase (decrease) in allowance for doubtful accounts	(131)	937
4 Increase (decrease) in accrued retirement benefits	301	134
5 Increase (decrease) in provision for loss on construction contracts	(835)	(22)
6 Interest and dividends income	(403)	(125)
7 Interest expenses	172	167
8 Foreign exchange losses (gains)	(333)	185
9 Equity in (earnings) losses of affiliates	(127)	(189)
10 Decrease (increase) in notes and accounts receivable	7,997	(972)
11 Decrease (increase) in work in progress	(3,099)	3,364
12 Decrease (increase) in other receivables	(1,582)	2,795
13 Increase (decrease) in notes and accounts payable	(7,713)	(1,712)
14 Increase (decrease) in advances receipts on uncompleted contracts	7,022	(7,111)
15 Other, net	52	(511)
subtotal	5,151	(2,002)
16 Interest and dividends income received	544	196
17 Interest expenses paid	(197)	(200)
18 Income taxes paid	(499)	(847)
Net cash provided by (used in) operating activities	4,999	(2,853)
II Net cash provided by (used in) investing activities		
1 Decrease (increase) in time deposits	(1,612)	(483)
2 Purchases of property, plant and equipment	(70)	(151)
3 Proceeds from sales of property, plant and equipment	2	-
4 Purchase of intangible assets	(347)	(279)
5 Purchase of investment securities	(21)	(4)
6 Proceeds from sales of investment securities	4	4
7 Collection of short-term loans receivable	1	22
8 Other, net	172	(51)
Net cash provided by (used in) investing activities	(1,870)	(944)
III Net cash provided by (used in) financing activities		
1 Net Increase (decrease) in short-term loans payable	284	618
2 Repayment of long-term loans payable	(367)	(1,897)
3 Repayment of lease obligations	(211)	(191)
4 Cash dividends paid	(768)	(864)
5 Other, net	(24)	(26)
Net cash provided by (used in) financing activities	(1,087)	(2,361)
IV Effect of exchange rate change on cash and cash equivalents	62	158
V Net increase (decrease) in cash and cash equivalents	2,103	(6,000)
VI Cash and cash equivalents, beginning of the term	61,461	73,954
VII Cash and cash equivalents, end of the term	63,565	67,953

Segment Information

April 1, 2009 - June 30, 2009

(1) Business Segments

	Millions of yen				
	EPC Business	Real Estate	Total	Eliminations and Other	Consolidated
I Net sales and operating income					
Net sales					
(1) Net sales to outside customers	46,284	782	47,067	—	47,067
(2) Inter-segment net sales	2	64	66	(66)	—
Total	46,287	847	47,134	(66)	47,067
Operating income	1,966	259	2,225	0	2,226

Notes:

- The classification of the business segments adopted is based on the Company segmentation which is determined by the similarity of each business.
- The Companies' reportable operating segments consist of the following two business groups:
 EPC Business - Engineering, procurement and construction for chemical fertilizer, petrochemical, oil refinery plants, energy-related business, general manufacturing facilities and information technology.
 Real Estate - Rent and administration of real estate.

(2) Geographic Segments

	Millions of yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
I Net sales and operating income					
Net sales					
(1) Net sales to outside customers	43,747	3,320	47,067	—	47,067
(2) Inter-segment net sales	73	3,315	3,388	(3,388)	—
Total	43,820	6,635	50,456	(3,388)	47,067
Operating income	1,894	451	2,345	(119)	2,226

Notes:

- Geographic segmentation is according to geographic proximity.
- Countries included in "Others":
 Korea, Malaysia, India, U.S.A., China PR

(3) Sales to Foreign Customers

	Millions of yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
I Overseas sales	7,237	10,551	147	17,843	1,800	37,578
II Consolidated sales						47,067
III Overseas sales ratio to consolidated sales	15.4%	22.4%	0.3%	37.9%	3.8%	79.8%

- "Overseas sales" represents the aggregate sales by the Company and its consolidated subsidiaries to the customers in countries or regions other than Japan, excluding inter-company transactions.
- (1) Geographic segmentation is according to geographic proximity.
 (2) Countries significantly representing each segment are:
 - Southeast Asia: Thailand, Indonesia, Singapore
 - Southwest Asia and Africa: India, Iran, Qatar
 - Russia and Central Asia: Russia
 - Central and South America: Brazil, Venezuela
 - Others : China PR, Korea

April 1, 2010 - June 30, 2010

(1) Operating Segments

	Millions of yen					
	EPC Business	IT Business	Real Estate	Total	Adjustments	Consolidated
I Net sales and segment profits						
Net sales						
(1) Net sales to outside customers	31,621	2,061	727	34,411	—	34,411
(2) Inter-segment net sales	41	13	59	114	(114)	—
Total	31,663	2,075	787	34,526	(114)	34,411
Segment profits (losses)	127	(44)	250	332	—	332

Notes:

- "Segment profits (losses)" represents operating income from Consolidated Statement of Income.
- The Companies' reportable operating segments consist of the following three business groups:
 EPC Business - Research and development, design, engineering, procurement, and construction of a variety of plants, such as oil, gas, petro chemistry, and general chemistry.
 IT Business - Solution business based on other companies' ERP package products and product business based on our subsidiary ERP package products, etc.
 Real Estate - Rent of commercial facilities and residences, and administration.

Consolidated New Orders, Net Sales and Backlog of Contracts

(1) New Orders and Backlog of Contracts

			Millions of yen				
			Backlog Beginning of term	New Orders	Total	Net Sales	Backlog End of term
Apr. 1, 2009 - Jun. 30, 2009	Overseas	Chemical fertilizers	62,393	1,643	64,037	6,872	56,312
		Petrochemicals	37,503	13,909	51,412	10,729	39,969
		Oil refinery	38,006	2,766	40,772	8,374	33,513
		Energy-related	27,370	2,906	30,276	10,371	20,040
		General manufacturing facilities	6,836	59	6,895	885	5,943
		Information technology	111	24	136	28	115
		Others	1,044	322	1,366	312	1,020
		Subtotal	173,265	21,632	194,898	37,573	156,915
	Domestic	Petrochemicals	13,881	394	14,275	87	14,187
		Oil refinery	18,426	392	18,818	3,267	15,536
		Energy-related	10,387	1,665	12,052	567	11,304
		General manufacturing facilities	4,416	6,984	11,401	648	10,733
		Information technology	3,041	3,004	6,046	2,251	3,716
		Others	995	1,708	2,704	1,889	814
	Subtotal	51,149	14,149	65,299	8,711	56,293	
Grand total			*(11,633) 224,415	35,782	260,197	46,284	*(9,019) 213,208
Apr. 1, 2010 - Jun. 30, 2010	Overseas	Chemical fertilizers	33,908	2,551	36,459	3,282	32,367
		Petrochemicals	35,475	2,929	38,405	6,707	31,015
		Oil refinery	44,600	1,657	46,258	5,854	38,247
		Energy-related	13,920	1,082	15,003	1,756	13,015
		General manufacturing facilities	2,594	233	2,828	449	2,380
		Information technology	95	21	117	38	78
		Others	1,356	230	1,587	536	879
		Subtotal	131,952	8,706	140,659	18,625	117,983
	Domestic	Petrochemicals	8,893	285	9,178	5,882	3,297
		Oil refinery	5,708	391	6,100	3,054	3,023
		Energy-related	5,073	3,417	8,491	503	7,988
		General manufacturing facilities	12,536	4,871	17,407	1,882	15,524
		Information technology	3,340	2,082	5,423	2,023	3,309
		Others	673	2,176	2,850	1,711	1,220
	Subtotal	36,226	13,225	49,452	15,058	34,363	
Grand total			*(7,930) 168,179	21,932	190,111	33,683	*(10,658) 152,347

- Notes :
1. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.
 2. The effects of changes in exchange rates upon the Net sales in currencies other than Japanese Yen are deducted from figures.
The deducted amounts are 313 million yen for Apr.1, 2009-Jun.30, 2009 and 2,157 million yen for Apr.1, 2010-Jun.30, 2010.
 3. Decreased prices of orders awarded in prior years are deducted from the "Backlog, End of term".
The deducted amounts are 390 million yen for Apr.1, 2009-Jun.30, 2009 and 1,923 million yen for Apr.1, 2010-Jun.30, 2010.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.