

Consolidated Financial Results for the First Quarter ended June 30, 2011

For the Fiscal Year Ending March 31, 2012

August 5, 2011

TOYO ENGINEERING CORPORATION

(URL : <http://www.toyo-eng.co.jp>)

Representative: Yutaka Yamada, President and Chief Executive Officer,
Contacts: Kensuke Waki, General Manager of Accounting Div.

TEL +81-47-454-1521

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 2011(April 1, 2011 - June 30, 2011)

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, 2011 - Jun. 30, 2011	31,574	(8.2)	△ 27	-	95	(79.8)	238	-
Apr. 1, 2010 - Jun. 30, 2010	34,411	(26.9)	332	(85.1)	474	(84.7)	△ 52	-

(Reference) Comprehensive income (millions of yen):

First quarter of FY2011: 442 - % First quarter of FY2010: △ 695 - %

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2011 - Jun. 30, 2011	1.24	-
Apr. 1, 2010 - Jun. 30, 2010	△ 0.27	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun.30, 2011	196,297	66,543	33.0
As of Mar.31, 2011	198,387	67,096	32.9

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

Jun. 30, 2011: 64,875 Mar. 31, 2011: 65,339

2. Dividends

	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY2010	- Yen	0.00 Yen	- Yen	5.00 Yen	5.00 Yen
FY2011	- Yen				
FY2011 (Forecast)		0.00 Yen	- Yen	3.00 Yen	3.00 Yen

3. Forecast of consolidated operating results for FY2011

(% 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	4.1	△ 1,000	-	△ 900	-	△ 1,000	-	△ 5.21
Full year	180,000	15.6	2,500	(63.3)	2,000	(71.5)	500	(86.7)	2.61

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, 2011: 192,792,539

Mar. 31, 2011: 192,792,539

Number of treasury stocks at end of term

Jun. 30, 2011: 862,160

Mar. 31, 2011: 858,030

Average number of stock outstanding during the period: First quarter of FY2011 and FY2010

First quarter of FY2011: 191,933,067

First quarter of FY2010: 192,035,695

* 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

	March 31, 2011		June 30, 2011	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		45,069		45,694
2 Notes and accounts receivable		30,737		24,393
3 Marketable securities		43,992		44,362
4 Work in progress		18,763		19,984
5 Deferred tax assets		1,111		1,216
6 Other receivables		8,400		9,497
7 Other		2,989		3,658
8 Less: Allowance for doubtful accounts		(2,372)		(2,346)
Total current assets		148,693		146,462
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		29,478		29,467
2 Machinery, vehicle, tools, furniture and fixtures		3,896		3,987
3 Land		16,805		16,801
4 Leased assets		2,107		1,980
5 Construction in progress		119		491
6 Less: Accumulated depreciation and impairment loss		(20,850)		(21,084)
Total property, plant and equipment		31,557		31,644
(2) Intangible assets		4,717		4,721
(3) Investments and other assets				
1 Investment securities		9,572		9,496
2 Long-term loans receivable		4,588		4,582
3 Deferred tax assets		470		537
4 Other		4,013		4,061
5 Less: Allowance for doubtful accounts		(5,226)		(5,208)
Total investments and other assets		13,419		13,468
Total noncurrent assets		49,694		49,835
Total assets		198,387		196,297
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		40,811		32,945
2 Short-term loans payable		18,774		20,410
3 Bonds payable due within one year		1,000		1,000
4 Income taxes payable		533		58
5 Advance receipts on uncompleted contracts		33,951		39,207
6 Reserve for bonuses		1,053		599
7 Reserve for compensation for completed works		1,892		1,847
8 Reserve for loss on construction contracts		677		750
9 Reserve for loss on disaster		95		78
10 Other		6,472		7,202
Total current liabilities		105,261		104,102
II Noncurrent liabilities				
1 Long-term loans payable		15,163		14,823
2 Lease obligations		1,281		1,228
3 Deferred tax liabilities		5		9
4 Reserve for retirement benefits		4,971		4,915
5 Reserve for repairs		842		891
6 Other		3,764		3,782
Total noncurrent liabilities		26,029		25,652
Total liabilities		131,290		129,754
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,359
3 Retained earnings		28,434		28,113
4 Treasury stock		(347)		(349)
Total shareholders' equity		67,045		66,322
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		471		392
2 Deferred gains or losses on hedges		(18)		(13)
3 Foreign currency translation adjustments		(2,157)		(1,826)
Total accumulated other comprehensive income		(1,705)		(1,447)
III Minority interest		1,756		1,668
Total net assets		67,096		66,543
Total liabilities and net assets		198,387		196,297

Consolidated Statements of Income

		April 1, 2010-June 30, 2010		April 1, 2011-June 30, 2011	
		Millions of yen		Millions of yen	
I	Net sales		34,411		31,574
II	Cost of sales		27,947		26,995
	Gross profit		6,463		4,579
III	Selling, general and administrative expenses		6,130		4,606
	Operating income (loss)		332		(27)
IV	Non-operating income				
1	Interest income	75		77	
2	Dividends income	49		99	
3	Equity in earnings of affiliates	189		107	
4	Foreign exchange gains	-		35	
5	Other	59	374	67	387
V	Non-operating expenses				
1	Interest expenses	167		246	
2	Foreign exchange losses	22		-	
3	Other	42	232	18	265
	Ordinary income		474		95
	Income before income taxes and minority interests		474		95
	Income taxes		583		(109)
	Income (loss) before minority interests		(108)		205
	Minority interests in income (loss)		(56)		(32)
	Net income (loss)		(52)		238

Consolidated Statements of Comprehensive Income

		April 1, 2010-June 30, 2010		April 1, 2011-June 30, 2011	
		Millions of yen		Millions of yen	
I	Income (loss) before minority interests		(108)		205
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	(604)		(78)	
2	Deferred gains or losses on hedges	(1)		5	
3	Foreign currency translation adjustments	(20)		292	
4	Share of other comprehensive income of associates accounted for using equity method	38	(587)	17	236
	Comprehensive income		(695)		442
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of the parent		(581)		496
	Comprehensive income attributable to minority interests		(114)		(54)

Segment Information

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:

1. "Segment profits (losses)" represents operating income from Consolidated Statement of Income.
2. 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, petrochemical, and general chemical.
 - 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.

April 1, 2011 - June 30, 2011

(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	28,453	2,431	690	31,574	—	31,574
(2) Inter-segment net sales	54	8	57	120	(120)	—
Total	28,507	2,440	747	31,695	(120)	31,574
Segment profits (losses)	(211)	(61)	246	(26)	(0)	(27)

Notes:

1. "Adjustments" for Segment profits represents the elimination of inter-segment transactions.
2. "Segment profits (losses)" represents operating income from Consolidated Statement of Income.
3. 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, petrochemical, and general chemical.
 - 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, 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	
			*(7,930)				*(10,658)
Grand total			168,179	21,932	190,111	33,683	152,347
Apr. 1, 2011 - Jun. 30, 2011	Overseas	Chemical fertilizers	55,473	1,342	56,816	2,432	53,793
		Petrochemicals	14,779	20,199	34,978	4,258	30,392
		Oil refinery	19,466	1,909	21,375	4,862	15,274
		Energy-related	94,122	445	94,567	10,893	83,200
		General manufacturing facilities	19,170	1,202	20,372	306	20,065
		Information technology	97	38	135	52	83
		Others	293	352	646	108	536
		Subtotal	203,403	25,490	228,893	22,914	203,346
	Domestic	Petrochemicals	823	3,960	4,783	55	4,728
		Oil refinery	518	396	914	264	646
		Energy-related	6,870	932	7,803	290	7,512
		General manufacturing facilities	8,968	1,072	10,041	3,419	6,622
		Information technology	3,300	2,657	5,957	2,378	3,554
		Others	809	1,706	2,515	1,561	950
	Subtotal	21,290	10,726	32,016	7,969	24,013	
			*(8,193)				*(9,604)
Grand total			224,693	36,216	260,909	30,884	227,360

- 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 2,157 million yen for Apr.1, 2010-Jun.30, 2010 and 1,954 million yen for Apr.1, 2011-Jun.30, 2011.
 3. Decreased prices of orders awarded in prior years are deducted from the "Backlog, End of term".
The deducted amounts are 1,923 million yen for Apr.1, 2010-Jun.30, 2010 and 710 million yen for Apr.1, 2011-Jun.30, 2011.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.