

Consolidated Financial Results for the Second Quarter ended September 30, 2011

For the Fiscal Year Ending March 31, 2012

November 11, 2011

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 Second quarter of fiscal year 2011(April 1, 2011 - September 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 - Sep. 30, 2011	62,094	(19.2)	2,498	11.6	1,866	(26.6)	1,508	29.9
Apr. 1, 2010 - Sep. 30, 2010	76,836	(15.3)	2,239	(56.9)	2,541	(61.9)	1,161	(69.1)

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2011 - Sep. 30, 2011: 773 - % Apr. 1, 2010 - Sep. 30, 2010: △ 40 - %

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2011 - Sep. 30, 2011	7.86	-
Apr. 1, 2010 - Sep. 30, 2010	6.05	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep.30, 2011	199,315	66,851	32.7
As of Mar.31, 2011	198,387	67,096	32.9

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

Sep. 30, 2011: 65,241 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	0.00 Yen	- Yen	5.00 Yen	5.00 Yen
FY2011 (Forecast)	- Yen	0.00 Yen	- Yen	5.00 Yen	5.00 Yen

Notes: Breakdown of dividends for the fiscal year ending March 31, 2012

Ordinary dividends: 4.00 yen Commemorative dividends: 1.00 yen (Commemorating the 50th Anniversary)

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
Full year	180,000	15.6	5,000	(26.6)	4,000	(43.0)	2,700	(28.4)	14.07

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)

Sep. 30, 2011: 192,792,539

Mar. 31, 2011: 192,792,539

Number of treasury stocks at end of term

Sep. 30, 2011: 886,326

Mar. 31, 2011: 858,030

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

Apr. 1, 2011 - Sep. 30, 2011: 191,922,570

Apr. 1, 2010 - Sep. 30, 2010: 192,021,623

* 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		September 30, 2011	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		45,069		46,949
2 Notes and accounts receivable		30,737		24,410
3 Marketable securities		43,992		44,353
4 Work in progress		18,763		24,107
5 Deferred tax assets		1,111		1,225
6 Other receivables		8,400		8,468
7 Other		2,989		2,849
8 Less: Allowance for doubtful accounts		(2,372)		(2,251)
Total current assets		148,693		150,112
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		29,478		28,857
2 Machinery, vehicle, tools, furniture and fixtures		3,896		3,738
3 Land		16,805		16,786
4 Leased assets		2,107		1,901
5 Construction in progress		119		516
6 Less: Accumulated depreciation and impairment loss		(20,850)		(20,512)
Total property, plant and equipment		31,557		31,287
(2) Intangible assets		4,717		4,638
(3) Investments and other assets				
1 Investment securities		9,572		9,086
2 Long-term loans receivable		4,588		4,569
3 Deferred tax assets		470		901
4 Other		4,013		3,920
5 Less: Allowance for doubtful accounts		(5,226)		(5,202)
Total investments and other assets		13,419		13,275
Total noncurrent assets		49,694		49,202
Total assets		198,387		199,315
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		40,811		32,206
2 Short-term loans payable		18,774		18,854
3 Bonds payable due within one year		1,000		1,000
4 Income taxes payable		533		513
5 Advance receipts on uncompleted contracts		33,951		44,943
6 Reserve for bonuses		1,053		1,052
7 Reserve for compensation for completed works		1,892		846
8 Reserve for loss on construction contracts		677		1,199
9 Reserve for loss on disaster		95		21
10 Other		6,472		5,855
Total current liabilities		105,261		106,494
II Noncurrent liabilities				
1 Long-term loans payable		15,163		15,361
2 Lease obligations		1,281		1,107
3 Deferred tax liabilities		5		4
4 Reserve for retirement benefits		4,971		4,852
5 Reserve for repairs		842		937
6 Other		3,764		3,706
Total noncurrent liabilities		26,029		25,968
Total liabilities		131,290		132,463
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,759
3 Retained earnings		28,434		28,983
4 Treasury stock		(347)		(356)
Total shareholders' equity		67,045		67,585
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		471		(55)
2 Deferred gains or losses on hedges		(18)		(14)
3 Foreign currency translation adjustments		(2,157)		(2,274)
Total accumulated other comprehensive income		(1,705)		(2,344)
III Minority interest		1,756		1,610
Total net assets		67,096		66,851
Total liabilities and net assets		198,387		199,315

Consolidated Statements of Income

		April 1, 2010- September 30, 2010		April 1, 2011- September 30, 2011	
		Millions of yen		Millions of yen	
I	Net sales		76,836		62,094
II	Cost of sales		64,004		50,270
	Gross profit		12,832		11,824
III	Selling, general and administrative expenses		10,592		9,326
	Operating income		2,239		2,498
IV	Non-operating income				
1	Interest income	196		149	
2	Dividends income	49		100	
3	Equity in earnings of affiliates	291		233	
4	Foreign exchange gains	86		-	
5	Other	74	697	237	721
V	Non-operating expenses				
1	Interest expenses	343		492	
2	Foreign exchange losses	-		808	
3	Other	52	395	52	1,352
	Ordinary income		2,541		1,866
	Income before income taxes and minority interests		2,541		1,866
	Income taxes		1,394		345
	Income before minority interests		1,146		1,520
	Minority interests in income (loss)		(14)		12
	Net income		1,161		1,508

Consolidated Statements of Comprehensive Income

		April 1, 2010- September 30, 2010		April 1, 2011- September 30, 2011	
		Millions of yen		Millions of yen	
I	Income before minority interests		1,146		1,520
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	(619)		(526)	
2	Deferred gains or losses on hedges	(5)		4	
3	Foreign currency translation adjustments	(549)		(195)	
4	Share of other comprehensive income of associates accounted for using equity method	(13)	(1,187)	(29)	(746)
	Comprehensive income (losses)		(40)		773
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of the parent		46		869
	Comprehensive income attributable to minority interests		(87)		(95)

Consolidated Statements of Cash Flows

	April 1, 2010- September 30, 2010	April 1, 2011- September 30, 2011
	Millions of yen	Millions of yen
I Net cash provided by (used in) operating activities		
1 Income before income taxes and minority interests	2,541	1,866
2 Depreciation and amortization	1,183	1,120
3 Increase (decrease) in allowance for doubtful accounts	491	(144)
4 Increase (decrease) in accrued retirement benefits	218	(111)
5 Increase (decrease) in provision for loss on construction contracts	(282)	521
6 Increase (decrease) in provision for loss on disaster	-	(73)
7 Interest and dividends income	(245)	(250)
8 Interest expenses	343	492
9 Foreign exchange losses (gains)	173	(28)
10 Equity in (earnings) losses of affiliates	(291)	(233)
11 Decrease (increase) in notes and accounts receivable	(504)	5,456
12 Decrease (increase) in work in progress	5,815	(5,502)
13 Decrease (increase) in other receivables	2,352	(232)
14 Increase (decrease) in notes and accounts payable	3,843	(8,101)
15 Increase (decrease) in advances receipts on uncompleted contracts	(14,122)	11,063
16 Other, net	7	(1,745)
subtotal	1,526	4,096
17 Interest and dividends income received	371	375
18 Interest expenses paid	(354)	(480)
19 Income taxes paid	(1,617)	(456)
Net cash provided by (used in) operating activities	(74)	3,535
II Net cash provided by (used in) investing activities		
1 Decrease (increase) in time deposits	(220)	607
2 Purchases of property, plant and equipment	(216)	(518)
3 Proceeds from sales of property, plant and equipment	5	17
4 Purchase of intangible assets	(593)	(359)
5 Purchase of investment securities	(4)	(277)
6 Proceeds from sales of investment securities	4	33
7 Collection of short-term loans receivable	2,065	-
8 Other, net	(23)	51
Net cash provided by (used in) investing activities	1,016	(445)
III Net cash provided by (used in) financing activities		
1 Net Increase (decrease) in short-term loans payable	1,346	1,601
2 Proceeds from long-term loans payable	1,000	1,392
3 Repayment of long-term loans payable	(2,486)	(2,316)
4 Repayment of lease obligations	(312)	(328)
5 Cash dividends paid	(864)	(959)
6 Other, net	(45)	(59)
Net cash provided by (used in) financing activities	(1,362)	(670)
IV Effect of exchange rate change on cash and cash equivalents	(287)	50
V Net increase (decrease) in cash and cash equivalents	(708)	2,470
VI Cash and cash equivalents, beginning of the term	73,954	87,337
VII Cash and cash equivalents, end of the term	73,246	89,807

Segment Information

April 1, 2010 - September 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	70,097	5,277	1,462	76,836	—	76,836
(2) Inter-segment net sales	85	27	127	240	(240)	—
Total	70,182	5,304	1,590	77,077	(240)	76,836
Segment profits	1,691	41	505	2,238	1	2,239

Notes:

1. "Adjustments" for Segment profits represents the elimination of inter-segment transactions.
2. "Segment profits" represents operating income from Consolidated Statement of Income.

April 1, 2011 - September 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	55,028	5,691	1,374	62,094	—	62,094
(2) Inter-segment net sales	107	11	115	234	(234)	—
Total	55,135	5,703	1,489	62,328	(234)	62,094
Segment profits	2,010	28	460	2,499	(1)	2,498

Notes:

1. "Adjustments" for Segment profits represents the elimination of inter-segment transactions.
2. "Segment profits" represents operating income from Consolidated Statement of Income.

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 - Sep. 30, 2010	Overseas	Chemical fertilizers	33,908	2,823	36,731	6,437	28,425
		Petrochemicals	35,475	4,851	40,327	12,151	26,764
		Oil refinery	44,600	2,350	46,951	13,623	30,869
		Energy-related	13,920	26,359	40,280	12,345	27,394
		General manufacturing facilities	2,594	2,589	5,184	788	4,376
		Information technology	95	76	172	95	75
		Others	1,356	440	1,797	784	833
		Subtotal	131,952	39,491	171,444	46,226	118,738
	Domestic	Petrochemicals	8,893	663	9,556	6,066	3,478
		Oil refinery	5,708	654	6,363	6,047	267
		Energy-related	5,073	5,838	10,912	1,241	9,057
		General manufacturing facilities	12,536	6,268	18,804	6,825	11,949
		Information technology	3,340	5,264	8,605	5,181	3,140
		Others	673	3,938	4,612	3,784	905
	Subtotal	36,226	22,628	58,855	29,147	28,798	
Grand total			*(7,930)				*(10,192)
			168,179	62,120	230,299	75,374	147,536
Apr. 1, 2011 - Sep. 30, 2011	Overseas	Chemical fertilizers	55,473	14,670	70,144	4,542	64,576
		Petrochemicals	14,779	22,681	37,461	7,560	29,256
		Oil refinery	19,466	9,089	28,556	9,207	16,536
		Energy-related	94,122	934	95,057	20,226	73,350
		General manufacturing facilities	19,170	3,445	22,616	1,213	21,073
		Information technology	97	106	203	103	97
		Others	293	1,237	1,531	550	980
		Subtotal	203,403	52,166	255,569	43,405	205,870
	Domestic	Petrochemicals	823	6,180	7,003	863	6,094
		Oil refinery	518	586	1,104	625	472
		Energy-related	6,870	2,148	9,019	624	8,382
		General manufacturing facilities	8,968	4,990	13,958	6,263	7,695
		Information technology	3,300	5,669	8,970	5,588	3,341
		Others	809	3,558	4,367	3,350	1,014
	Subtotal	21,290	23,134	44,424	17,315	27,001	
Grand total			*(8,193)				*(13,585)
			224,693	75,300	299,994	60,720	232,872

- 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 4,250 million yen for Apr.1, 2010-Sep.30, 2010 and 5,258 million yen for Apr.1, 2011-Sep.30, 2011.
 3. Decreased prices of orders awarded in prior years are deducted from the "Backlog, End of term".
The deducted amounts are 3,137 million yen for Apr.1, 2010-Sep.30, 2010 and 1,142 million yen for Apr.1, 2011-Sep.30, 2011.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.