

# Consolidated Financial Results for the Third Quarter ended December 31, 2011

For the Fiscal Year Ending March 31, 2012

February 10, 2012

## 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 third quarter of fiscal year 2011(April 1, 2011 - December 31, 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 - Dec. 31, 2011	107,176	(5.8)	5,055	32.5	4,897	22.1	3,927	63.6
Apr. 1, 2010 - Dec. 31, 2010	113,726	(14.0)	3,815	(59.0)	4,011	(62.1)	2,400	(56.7)

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2011 - Dec. 31, 2011: 2,039 45.1 % Apr. 1, 2010 - Dec. 31, 2010: 1,405 - %

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2011 - Dec. 31, 2011	20.46	-
Apr. 1, 2010 - Dec. 31, 2010	12.50	-

### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec.31, 2011	200,432	68,113	33.2
As of Mar.31, 2011	198,387	67,096	32.9

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

Dec. 31, 2011: 66,525 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	- Yen	- Yen
FY2011 (Forecast)	- Yen	- 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	165,000	6.0	5,500	(19.3)	5,200	(25.8)	4,000	6.0	20.84

### 4. Others

(1) Significant changes in scope of consolidation : No

#### (2) Number of shares issued

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

Dec. 31, 2011: 192,792,539

Mar. 31, 2011: 192,792,539

Number of treasury stocks at the end of the term

Dec. 31, 2011: 899,736

Mar. 31, 2011: 858,030

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

Third quarter of FY2011: 191,916,290

Third quarter of FY2010: 192,009,704

\* 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		December 31, 2011	
	Millions of yen		Millions of yen	
[ASSETS]				
<b>I Current assets</b>				
1 Cash and deposits		45,069		41,778
2 Notes and accounts receivable		30,737		26,731
3 Marketable securities		43,992		44,312
4 Work in progress		18,763		27,843
5 Deferred tax assets		1,111		1,239
6 Other receivables		8,400		8,439
7 Other		2,989		3,440
8 Less: Allowance for doubtful accounts		(2,372)		(2,966)
<b>Total current assets</b>		<b>148,693</b>		<b>150,818</b>
<b>II Noncurrent assets</b>				
(1) Property, plant and equipment				
1 Buildings and structures		29,478		29,061
2 Machinery, vehicle, tools, furniture and fixtures		3,896		4,091
3 Land		16,805		16,779
4 Leased assets		2,107		1,898
5 Construction in progress		119		27
6 Less: Accumulated depreciation and impairment loss		(20,850)		(20,706)
<b>Total property, plant and equipment</b>		<b>31,557</b>		<b>31,151</b>
(2) Intangible assets		4,717		4,250
(3) Investments and other assets				
1 Investment securities		9,572		10,447
2 Long-term loans receivable		4,588		4,572
3 Deferred tax assets		470		965
4 Other		4,013		3,431
5 Less: Allowance for doubtful accounts		(5,226)		(5,203)
<b>Total investments and other assets</b>		<b>13,419</b>		<b>14,212</b>
<b>Total noncurrent assets</b>		<b>49,694</b>		<b>49,614</b>
<b>Total assets</b>		<b>198,387</b>		<b>200,432</b>
[LIABILITIES]				
<b>I Current liabilities</b>				
1 Notes and accounts payable		40,811		38,146
2 Short-term loans payable		18,774		18,693
3 Bonds payable due within one year		1,000		1,000
4 Income taxes payable		533		487
5 Advance receipts on uncompleted contracts		33,951		42,136
6 Reserve for bonuses		1,053		452
7 Reserve for compensation for completed works		1,892		557
8 Reserve for loss on construction contracts		677		526
9 Reserve for loss on disaster		95		1
10 Other		6,472		4,972
<b>Total current liabilities</b>		<b>105,261</b>		<b>106,975</b>
<b>II Noncurrent liabilities</b>				
1 Long-term loans payable		15,163		15,018
2 Lease obligations		1,281		992
3 Deferred tax liabilities		5		0
4 Reserve for retirement benefits		4,971		4,807
5 Reserve for repairs		842		983
6 Other		3,764		3,541
<b>Total noncurrent liabilities</b>		<b>26,029</b>		<b>25,344</b>
<b>Total liabilities</b>		<b>131,290</b>		<b>132,319</b>
[NET ASSETS]				
<b>I Shareholders' equity</b>				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,759
3 Retained earnings		28,434		31,402
4 Treasury stock		(347)		(360)
<b>Total shareholders' equity</b>		<b>67,045</b>		<b>70,000</b>
<b>II Accumulated other comprehensive income</b>				
1 Net unrealized gain on available-for-sale securities		471		(191)
2 Deferred gains or losses on hedges		(18)		(18)
3 Foreign currency translation adjustments		(2,157)		(3,263)
<b>Total accumulated other comprehensive income</b>		<b>(1,705)</b>		<b>(3,474)</b>
<b>III Minority interest</b>		1,756		1,587
<b>Total net assets</b>		<b>67,096</b>		<b>68,113</b>
<b>Total liabilities and net assets</b>		<b>198,387</b>		<b>200,432</b>

### Consolidated Statements of Income

		April 1, 2010- December 31, 2010		April 1, 2011- December 31, 2011	
		Millions of yen		Millions of yen	
I	Net sales		113,726		107,176
II	Cost of sales		94,403		88,015
	<b>Gross profit</b>		19,323		19,160
III	Selling, general and administrative expenses		15,508		14,104
	<b>Operating income</b>		3,815		5,055
IV	Non-operating income				
1	Interest income	260		199	
2	Dividends income	97		160	
3	Equity in earnings of affiliates	478		366	
4	Other	92	929	157	883
V	Non-operating expenses				
1	Interest expenses	554		734	
2	Foreign exchange losses	77		221	
3	Other	100	733	85	1,041
	<b>Ordinary income</b>		4,011		4,897
	Income before income taxes and minority interests		4,011		4,897
	Income taxes		1,717		941
	Income before minority interests		2,294		3,955
	Minority interests in income (loss)		(106)		28
	<b>Net income</b>		2,400		3,927

## Consolidated Statements of Comprehensive Income

		April 1, 2010- December 30, 2010		April 1, 2011- December 30, 2011	
		Millions of yen		Millions of yen	
I	Income before minority interests		2,294		3,955
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	(247)		(662)	
2	Deferred gains or losses on hedges	21		(0)	
3	Foreign currency translation adjustments	(662)		(1,164)	
4	Share of other comprehensive income of associates accounted for using equity method	(0)	(888)	(88)	(1,916)
	<b>Comprehensive income</b>		1,405		2,039
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of the parent		1,604		2,158
	Comprehensive income attributable to minority interests		(199)		(118)

## Segment Information

**April 1, 2010 - December 31, 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	103,958	7,611	2,156	113,726	—	113,726
(2) Inter-segment net sales	138	35	180	354	(354)	—
Total	104,096	7,646	2,337	114,080	(354)	113,726
Segment profits (losses)	3,101	(23)	735	3,813	1	3,815

Notes:

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

**April 1, 2011 - December 31, 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	96,335	8,819	2,021	107,176	—	107,176
(2) Inter-segment net sales	159	13	173	346	(346)	—
Total	96,494	8,833	2,194	107,522	(346)	107,176
Segment profits	4,228	123	704	5,056	(1)	5,055

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 - Dec. 31, 2010	Overseas	Chemical fertilizers	33,908	5,441	39,349	8,617	28,614
		Petrochemicals	35,475	5,867	41,343	16,770	22,703
		Oil refinery	44,600	7,491	52,091	23,932	24,745
		Energy-related	13,920	96,309	110,229	18,136	91,091
		General manufacturing facilities	2,594	9,537	12,132	1,452	10,610
		Information technology	95	137	233	160	71
		Others	1,356	746	2,103	1,056	796
		Subtotal	131,952	125,530	257,483	70,126	178,633
	Domestic	Petrochemicals	8,893	1,051	9,944	9,235	701
		Oil refinery	5,708	750	6,459	6,269	141
		Energy-related	5,073	6,766	11,840	1,574	9,652
		General manufacturing facilities	12,536	10,111	22,647	11,197	11,421
		Information technology	3,340	7,915	11,255	7,450	3,522
		Others	673	5,951	6,625	5,715	987
	Subtotal	36,226	32,546	68,773	41,442	26,426	
		*(7,930)				*(12,383)	
	Grand total	168,179	158,077	326,256	111,569	205,059	
Apr. 1, 2011 - Dec. 31, 2011	Overseas	Chemical fertilizers	55,473	16,210	71,684	9,654	60,420
		Petrochemicals	14,779	29,719	44,498	13,992	29,622
		Oil refinery	19,466	10,106	29,572	12,590	12,394
		Energy-related	94,122	9,094	103,216	37,440	63,889
		General manufacturing facilities	19,170	9,679	28,849	4,718	23,239
		Information technology	97	219	316	196	117
		Others	293	54,603	54,897	773	54,117
		Subtotal	203,403	129,632	333,036	79,365	243,801
	Domestic	Petrochemicals	823	6,237	7,060	1,455	5,570
		Oil refinery	518	2,156	2,674	941	1,726
		Energy-related	6,870	3,587	10,457	1,192	9,252
		General manufacturing facilities	8,968	6,623	15,591	8,483	7,108
		Information technology	3,300	8,752	12,053	8,622	3,389
		Others	809	5,403	6,212	5,092	1,119
	Subtotal	21,290	32,760	54,050	25,788	28,166	
		*(8,193)				*(9,947)	
	Grand total	224,693	162,393	387,087	105,154	271,967	

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 6,342 million yen for Apr.1, 2010-Dec.31, 2010 and 8,740 million yen for Apr.1, 2011-Dec.31, 2011.

3. Decreased prices of orders awarded in prior years are deducted from the "Backlog, End of term".

The deducted amounts are 3,284 million yen for Apr.1, 2010-Dec.31, 2010 and 1,224 million yen for Apr.1, 2011-Dec.31, 2011.

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