

Consolidated Financial Results for the Second Quarter ended September 30, 2012

For the Fiscal Year Ending March 31, 2013

November 13, 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 Second quarter of fiscal year 2012(April 1, 2012 - September 30, 2012)

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, 2012 - Sep. 30, 2012	108,312	74.4	1,548	(38.0)	1,626	(12.9)	420	(72.1)
Apr. 1, 2011 - Sep. 30, 2011	62,094	(19.2)	2,498	11.6	1,866	(26.6)	1,508	29.9

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2012 - Sep. 30, 2012: Δ 586 - % Apr. 1, 2011 - Sep. 30, 2011: 773 - %

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2012 - Sep. 30, 2012	2.19	-
Apr. 1, 2011 - Sep. 30, 2011	7.86	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep.30, 2012	207,645	67,280	31.7
As of Mar.31, 2012	222,415	69,265	30.1

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

Sep. 30, 2012: 65,890 Mar. 31, 2012: 67,046

2. Dividends

	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY2011	-	0.00	-	6.00	6.00
FY2012	-	0.00	-	-	-
FY2012 (Forecast)	-	-	-	5.00	5.00

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

Ordinary dividends: 5.00 yen Commemorative dividends: 1.00 yen (Commemorating the 50th Anniversary)

3. Forecast of consolidated operating results for FY2012

(% 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	270,000	71.0	7,500	40.4	7,000	37.2	3,500	(6.1)	18.24

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, 2012: 192,792,539

Mar. 31, 2012: 192,792,539

Number of treasury stocks at end of term

Sep. 30, 2012: 928,305

Mar. 31, 2012: 910,542

Average number of stock outstanding during the period: Second quarter of FY2012 and FY2011

Apr. 1, 2012 - Sep. 30, 2012: 191,875,108

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

* 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, 2012		September 30, 2012	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		48,041		41,068
2 Notes and accounts receivable		35,832		40,374
3 Marketable securities		44,499		28,329
4 Work in progress		26,370		27,493
5 Deferred tax assets		1,655		1,653
6 Other receivables		14,472		16,328
7 Other		3,503		4,881
8 Less: Allowance for doubtful accounts		(3,530)		(4,304)
Total current assets		170,844		155,824
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		28,078		26,563
2 Machinery, vehicle, tools, furniture and fixtures		4,577		4,600
3 Land		17,608		17,577
4 Leased assets		1,890		1,843
5 Construction in progress		4		31
6 Less: Accumulated depreciation and impairment loss		(19,996)		(19,008)
Total property, plant and equipment		32,164		31,607
(2) Intangible assets				
1 Goodwill		3,322		3,263
2 Other		3,081		2,930
Total intangible assets		6,403		6,193
(3) Investments and other assets				
1 Investment securities		9,551		10,512
2 Long-term loans receivable		4,575		4,571
3 Deferred tax assets		361		588
4 Other		3,510		3,232
5 Less: Allowance for doubtful accounts		(4,995)		(4,885)
Total investments and other assets		13,003		14,020
Total noncurrent assets		51,571		51,821
Total assets		222,415		207,645
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		50,096		47,881
2 Short-term loans payable		12,983		10,029
3 Income taxes payable		355		1,414
4 Advance receipts on uncompleted contracts		46,164		38,131
5 Reserve for bonuses		998		1,099
6 Reserve for compensation for completed works		596		543
7 Reserve for loss on construction contracts		1,489		2,871
8 Other		5,263		5,879
Total current liabilities		117,947		107,850
II Noncurrent liabilities				
1 Long-term loans payable		24,582		22,447
2 Lease obligations		913		778
3 Deferred tax liabilities		5		9
4 Reserve for retirement benefits		5,314		5,088
5 Reserve for repairs		913		829
6 Other		3,471		3,359
Total noncurrent liabilities		35,201		32,514
Total liabilities		153,149		140,365
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,759
3 Retained earnings		31,203		30,472
4 Treasury stock		(363)		(369)
Total shareholders' equity		69,798		69,061
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		225		(131)
2 Deferred gains or losses on hedges		(45)		11
3 Foreign currency translation adjustments		(2,931)		(3,050)
Total accumulated other comprehensive income		(2,751)		(3,170)
III Minority interest		2,219		1,390
Total net assets		69,265		67,280
Total liabilities and net assets		222,415		207,645

Consolidated Statements of Income

		April 1, 2011- September 30, 2011		April 1, 2012- September 30, 2012	
		Millions of yen		Millions of yen	
I	Net sales		62,094		108,312
II	Cost of sales		50,270		95,829
	Gross profit		11,824		12,483
III	Selling, general and administrative expenses		9,326		10,934
	Operating income		2,498		1,548
IV	Non-operating income				
	1 Interest income	149		314	
	2 Dividends income	100		116	
	3 Equity in earnings of affiliates	233		313	
	4 Other	237	721	311	1,056
V	Non-operating expenses				
	1 Interest expenses	492		535	
	2 Foreign exchange losses	808		305	
	3 Other	52	1,352	138	979
	Ordinary income		1,866		1,626
VI	Extraordinary gain				
	1 Gain on sales of noncurrent assets	-	-	383	383
VII	Extraordinary loss				
	1 Loss on valuation of investment securities	-	-	448	448
	Income before income taxes and minority interests		1,866		1,561
	Income taxes		345		1,700
	Income (loss) before minority interests		1,520		(138)
	Minority interests in income (loss)		12		(558)
	Net income		1,508		420

Consolidated Statements of Comprehensive Income

		April 1, 2011- September 30, 2011		April 1, 2012- September 30, 2012	
		Millions of yen		Millions of yen	
I	Income (loss) before minority interests		1,520		(138)
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	(526)		(357)	
2	Deferred gains or losses on hedges	4		57	
3	Foreign currency translation adjustments	(195)		(159)	
4	Share of other comprehensive income of associates accounted for using equity method	(29)	(746)	12	(447)
	Comprehensive income		773		(586)
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of the parent		869		1
	Comprehensive income attributable to minority interests		(95)		(587)

Consolidated Statements of Cash Flows

	April 1, 2011- September 30, 2011	April 1, 2012- September 30, 2012
	Millions of yen	Millions of yen
I Net cash provided by (used in) operating activities		
1 Income before income taxes and minority interests	1,866	1,561
2 Depreciation and amortization	1,120	1,198
3 Amortization of goodwill	92	276
4 Increase (decrease) in allowance for doubtful accounts	(144)	665
5 Increase (decrease) in accrued retirement benefits	(111)	(206)
6 Increase (decrease) in provision for loss on construction contracts	521	1,380
7 Increase (decrease) in provision for loss on disaster	(73)	-
8 Interest and dividends income	(250)	(431)
9 Interest expenses	492	535
10 Foreign exchange losses (gains)	(28)	0
11 Equity in (earnings) losses of affiliates	(233)	(313)
12 Loss on sales of property, plant and equipment	(2)	(384)
13 Loss on valuation of investment securities	3	448
14 Decrease (increase) in notes and accounts receivable	5,456	(5,104)
15 Decrease (increase) in work in progress	(5,502)	(1,216)
16 Decrease (increase) in other receivables	(232)	(2,214)
17 Increase (decrease) in notes and accounts payable	(8,101)	(1,853)
18 Increase (decrease) in advances receipts on uncompleted contracts	11,063	(8,016)
19 Other, net	(1,839)	(1,037)
subtotal	4,096	(14,711)
20 Interest and dividends income received	375	546
21 Interest expenses paid	(480)	(544)
22 Income taxes paid	(456)	(738)
Net cash provided by (used in) operating activities	3,535	(15,447)
II Net cash provided by (used in) investing activities		
1 Decrease (increase) in time deposits	607	(299)
2 Purchases of property, plant and equipment	(518)	(276)
3 Proceeds from sales of property, plant and equipment	17	406
4 Purchase of intangible assets	(359)	(559)
5 Purchase of investment securities	(277)	(1,777)
6 Proceeds from sales of investment securities	33	32
7 Other, net	51	861
Net cash provided by (used in) investing activities	(445)	(1,612)
III Net cash provided by (used in) financing activities		
1 Net Increase (decrease) in short-term loans payable	1,601	(2,451)
2 Proceeds from long-term loans payable	1,392	-
3 Repayment of long-term loans payable	(2,316)	(2,288)
4 Repayment of lease obligations	(328)	(257)
5 Cash dividends paid	(959)	(1,151)
6 Other, net	(59)	(39)
Net cash provided by (used in) financing activities	(670)	(6,188)
IV Effect of exchange rate change on cash and cash equivalents	50	(8)
V Net increase (decrease) in cash and cash equivalents	2,470	(23,258)
VI Cash and cash equivalents, beginning of the term	87,337	90,452
VII Cash and cash equivalents, end of the term	89,807	67,194

Segment Information

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 (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.

April 1, 2012 - September 30, 2012

(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	101,670	5,550	1,091	108,312	—	108,312
(2) Inter-segment net sales	82	14	124	220	(220)	—
Total	101,753	5,564	1,215	108,533	(220)	108,312
Segment profits	923	163	462	1,548	(0)	1,548

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, 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) 224,693	75,300	299,994	60,720	*(13,585) 232,872	
Apr. 1, 2012 - Sep. 30, 2012	Overseas	Chemical fertilizers	74,762	6,231	80,993	15,271	64,562
		Petrochemicals	71,795	17,820	89,616	17,398	71,060
		Oil refinery	9,952	17,605	27,558	5,416	21,135
		Energy-related	85,812	3,164	88,977	33,722	53,426
		General manufacturing facilities	20,872	1,308	22,181	8,782	12,607
		Information technology	120	196	316	183	132
		Others	65,117	1,926	67,044	7,331	57,383
	Subtotal		328,433	48,253	376,687	88,106	280,308
	Domestic	Petrochemicals	6,293	1,233	7,526	4,216	3,265
		Oil refinery	1,585	4,012	5,598	1,434	4,163
		Energy-related	8,279	1,093	9,373	668	8,692
		General manufacturing facilities	10,554	811	11,365	4,518	6,433
		Information technology	3,035	5,370	8,406	5,367	2,926
		Others	938	3,301	4,239	2,909	1,329
Subtotal		30,687	15,822	46,509	19,114	26,811	
Grand total		*(1,138) 359,120	64,076	423,196	107,221	*(12,626) 307,120	

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 5,258 million yen for Apr.1, 2011-Sep.30, 2011 and 5,063 million yen for Apr.1, 2012-Sep.30, 2012.

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

The deducted amounts are 1,142 million yen for Apr.1, 2011-Sep.30, 2011 and 3,792 million yen for Apr.1, 2012-Sep.30, 2012.

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