

Consolidated Financial Results for the Third Quarter ended December 31, 2012

For the Fiscal Year Ending March 31, 2013

February 13, 2013

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 2012(April 1, 2012 - December 31, 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 - Dec. 31, 2012	162,674	51.8	3,785	(25.1)	4,153	(15.2)	2,160	(45.0)
Apr. 1, 2011 - Dec. 31, 2011	107,176	(5.8)	5,055	32.5	4,897	22.1	3,927	63.6

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2012 - Dec. 31, 2012: 1,949 (4.4%) Apr. 1, 2011 - Dec. 31, 2011: 2,039 45.1%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2012 - Dec. 31, 2012	11.26	-
Apr. 1, 2011 - Dec. 31, 2011	20.46	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec.31, 2012	217,597	69,806	31.4
As of Mar.31, 2012	222,415	69,265	30.1

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

Dec. 31, 2012: 68,429 Mar. 31, 2012: 67,046

2. Dividends

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

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)

Dec. 31, 2012: 192,792,539

Mar. 31, 2012: 192,792,539

Number of treasury stocks at end of term

Dec. 31, 2012: 951,494

Mar. 31, 2012: 910,542

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

Third quarter of FY2012: 191,869,003

Third quarter of FY2011: 191,916,290

* 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		December 31, 2012	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		48,041		44,070
2 Notes and accounts receivable		35,832		46,008
3 Marketable securities		44,499		21,341
4 Work in progress		26,370		33,507
5 Deferred tax assets		1,655		1,672
6 Other receivables		14,472		18,094
7 Other		3,503		5,361
8 Less: Allowance for doubtful accounts		(3,530)		(4,742)
Total current assets		170,844		165,312
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		28,078		26,602
2 Machinery, vehicle, tools, furniture and fixtures		4,577		4,746
3 Land		17,608		17,552
4 Leased assets		1,890		1,843
5 Construction in progress		4		32
6 Less: Accumulated depreciation and impairment loss		(19,996)		(19,393)
Total property, plant and equipment		32,164		31,384
(2) Intangible assets				
1 Goodwill		3,322		3,210
2 Other		3,081		2,905
Total intangible assets		6,403		6,116
(3) Investments and other assets				
1 Investment securities		9,551		11,492
2 Long-term loans receivable		4,575		4,574
3 Deferred tax assets		361		384
4 Other		3,510		3,216
5 Less: Allowance for doubtful accounts		(4,995)		(4,883)
Total investments and other assets		13,003		14,784
Total noncurrent assets		51,571		52,285
Total assets		222,415		217,597
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		50,096		53,133
2 Short-term loans payable		12,983		10,709
3 Income taxes payable		355		1,553
4 Advance receipts on uncompleted contracts		46,164		42,320
5 Reserve for bonuses		998		557
6 Reserve for compensation for completed works		596		167
7 Reserve for loss on construction contracts		1,489		2,585
8 Other		5,263		6,086
Total current liabilities		117,947		117,113
II Noncurrent liabilities				
1 Long-term loans payable		24,582		20,679
2 Lease obligations		913		722
3 Deferred tax liabilities		5		5
4 Reserve for retirement benefits		5,314		5,015
5 Reserve for repairs		913		863
6 Other		3,471		3,391
Total noncurrent liabilities		35,201		30,677
Total liabilities		153,149		147,791
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		20,759
3 Retained earnings		31,203		32,213
4 Treasury stock		(363)		(377)
Total shareholders' equity		69,798		70,793
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		225		457
2 Deferred gains or losses on hedges		(45)		(98)
3 Foreign currency translation adjustments		(2,931)		(2,723)
Total accumulated other comprehensive income		(2,751)		(2,363)
III Minority interest		2,219		1,376
Total net assets		69,265		69,806
Total liabilities and net assets		222,415		217,597

Consolidated Statements of Income

		April 1, 2011- December 31, 2011		April 1, 2012- December 31, 2012	
		Millions of yen		Millions of yen	
I	Net sales		107,176		162,674
II	Cost of sales		88,015		142,306
	Gross profit		19,160		20,368
III	Selling, general and administrative expenses		14,104		16,582
	Operating income		5,055		3,785
IV	Non-operating income				
	1 Interest income	199		473	
	2 Dividends income	160		175	
	3 Equity in earnings of affiliates	366		477	
	4 Other	157	883	411	1,538
V	Non-operating expenses				
	1 Interest expenses	734		825	
	2 Foreign exchange losses	221		36	
	3 Other	85	1,041	308	1,169
	Ordinary income		4,897		4,153
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		4,897		4,089
	Income taxes		941		2,473
	Income before minority interests		3,955		1,615
	Minority interests in income (loss)		28		(545)
	Net income		3,927		2,160

Consolidated Statements of Comprehensive Income

		April 1, 2011- December 31, 2011		April 1, 2012- December 31, 2012	
		Millions of yen		Millions of yen	
I	Income (loss) before minority interests		3,955		1,615
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	(662)		231	
2	Deferred gains or losses on hedges	(0)		(52)	
3	Foreign currency translation adjustments	(1,164)		174	
4	Share of other comprehensive income of associates accounted for using equity method	(88)	(1,916)	(19)	334
	Comprehensive income		2,039		1,949
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of the parent		2,158		2,548
	Comprehensive income attributable to minority interests		(118)		(599)

Segment Information

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 (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 - December 31, 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	153,033	7,989	1,651	162,674	—	162,674
(2) Inter-segment net sales	123	22	178	324	(324)	—
Total	153,157	8,011	1,829	162,998	(324)	162,674
Segment profits	2,904	173	710	3,788	(2)	3,785

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 - 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	
Grand total			*(8,193)				*(9,947)
			224,693	162,393	387,087	105,154	271,967
Apr. 1, 2012 - Dec. 31, 2012	Overseas	Chemical fertilizers	74,762	20,318	95,080	26,909	67,283
		Petrochemicals	71,795	33,919	105,715	26,139	70,903
		Oil refinery	9,952	31,245	41,198	8,545	31,575
		Energy-related	85,812	16,147	101,959	47,035	54,268
		General manufacturing facilities	20,872	3,415	24,287	13,407	10,302
		Information technology	120	349	469	325	143
		Others	65,117	3,029	68,146	11,982	49,621
		Subtotal	328,433	108,425	436,858	134,344	284,099
	Domestic	Petrochemicals	6,293	2,021	8,315	4,573	3,697
		Oil refinery	1,585	6,081	7,667	2,651	5,014
		Energy-related	8,279	1,854	10,134	1,261	8,868
		General manufacturing facilities	10,554	984	11,538	5,846	5,277
		Information technology	3,035	8,050	11,085	7,664	3,302
		Others	938	4,791	5,729	4,680	1,049
		Subtotal	30,687	23,783	54,470	26,678	27,210
Grand total			*(1,138)				*(773)
			359,120	132,209	491,329	161,023	311,309

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 8,740 million yen for Apr.1, 2011-Dec.31, 2011 and 2,233 million yen for Apr.1, 2012-Dec.31, 2012.

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

The deducted amounts are 1,224 million yen for Apr.1, 2011-Dec.31, 2011 and 16,763 million yen for Apr.1, 2012-Dec.31, 2012.

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