

Consolidated Financial Results for the First Quarter ended June 30, 2015

For the Fiscal Year Ending March 31, 2016

August 11, 2015

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 first quarter of fiscal year 2015(April 1, 2015 - June 30, 2015)

Note: Amounts are rounded down to the nearest million yen.

(1) Consolidated operating results

(% of changes from the the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2015 - Jun. 30, 2015	68,696	23.5	1,252	436.2	1,951	(13.0)	769	(53.7)
Apr. 1, 2014 - Jun. 30, 2014	55,642	(1.5)	233	-	2,242	-	1,661	-

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2015 - Jun. 30, 2015 : 7,058 347.7% Apr. 1, 2014 - Jun. 30, 2014 : 1,576 -%

	Net income per share		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
Apr. 1, 2015 - Jun. 30, 2015	4.01	-	-	-
Apr. 1, 2014 - Jun. 30, 2014	8.67	-	-	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2015	294,217	52,035	17.7
As of Mar. 31, 2015	261,609	44,979	17.2

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

Jun. 30, 2015: 51,971 Mar. 31, 2015: 44,899

2. Dividends

	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	-	4.00	-	0.00	4.00
FY2015	-	-	-	-	-
FY2015 (Forecast)	-	0.00	-	4.00	4.00

3. Forecast of consolidated operating results for FY2015

(% of changes from the corresponding periods of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	340,000	9.2	2,500	-	4,500	-	3,000	-	15.65

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, 2015: 192,792,539

Mar. 31, 2015: 192,792,539

Number of treasury stocks at end of term

Jun. 30, 2015: 1,081,594

Mar. 31, 2015: 1,076,735

Average number of stock outstanding during the period: First quarter of FY2015 and FY2014

First quarter of FY2015: 191,712,916

First quarter of FY2014: 191,765,406

* 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, 2015		June 30, 2015	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		90,753		105,226
2 Notes and accounts receivable		62,556		69,264
3 Marketable securities		2,354		327
4 Work in progress		33,744		40,321
5 Deferred tax assets		2,928		2,594
6 Other receivables		15,474		16,586
7 Other		8,738		12,527
8 Less: Allowance for doubtful accounts		(1,988)		(970)
Total current assets		214,561		245,877
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		16,574		16,568
2 Machinery, vehicle, tools, furniture and fixtures		5,680		5,600
3 Land		9,398		9,393
4 Leased assets		291		227
5 Construction in progress		8		6
6 Less: Accumulated depreciation and impairment loss		(15,705)		(15,717)
Total property, plant and equipment		16,247		16,078
(2) Intangible assets				
1 Goodwill		6		6
2 Other		2,126		2,280
Total intangible assets		2,133		2,286
(3) Investments and other assets				
1 Investment securities		18,702		20,639
2 Long-term loans receivable		4,580		4,580
3 Deferred tax assets		5,559		4,911
4 Other		4,175		4,159
5 Less: Allowance for doubtful accounts		(4,351)		(4,317)
Total investments and other assets		28,666		29,974
Total noncurrent assets		47,047		48,339
Total assets		261,609		294,217
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		86,007		88,051
2 Short-term loans payable		8,233		7,888
3 Income taxes payable		472		1,011
4 Advance receipts on uncompleted contracts		44,288		75,485
5 Reserve for bonuses		555		398
6 Reserve for compensation for completed works		123		106
7 Reserve for loss on construction contracts		3,924		3,365
8 Forward exchange contracts		15,373		17,130
9 Other		11,505		11,841
Total current liabilities		170,483		205,278
II Noncurrent liabilities				
1 Long-term loans payable		23,604		23,383
2 Lease obligations		64		50
3 Deferred tax liabilities		9		7
4 Net defined benefit liability		4,693		4,560
5 Provision for loss on business of subsidiaries and affiliates		508		509
6 Liabilities accounted for using equity method		15,447		6,651
7 Other		1,818		1,740
Total noncurrent liabilities		46,146		36,903
Total liabilities		216,630		242,182
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		20,759		17,656
3 Retained earnings		7,724		11,596
4 Treasury stock		(432)		(434)
Total shareholders' equity		46,249		47,017
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		2,299		2,817
2 Deferred gains or losses on hedges		(9,717)		(7,056)
3 Foreign currency translation adjustments		4,759		7,933
4 Remeasurements of defined benefit plans		1,308		1,259
Total accumulated other comprehensive income		(1,350)		4,953
III Non-controlling interests		79		64
Total net assets		44,979		52,035
Total liabilities and net assets		261,609		294,217

Consolidated Statements of Income

		Apr. 1, 2014- Jun. 30, 2014		Apr. 1, 2015- Jun. 30, 2015	
		Millions of yen		Millions of yen	
I	Net sales		55,642		68,696
II	Cost of sales		49,206		62,353
	Gross profit		6,435		6,342
III	Selling, general and administrative expenses		6,202		5,089
	Operating income		233		1,252
IV	Non-operating income				
1	Interest income	257		144	
2	Dividends income	80		95	
3	Foreign exchange gains	96		1,054	
4	Equity in earnings of affiliates	527		-	
5	Reversal of allowance for doubtful accounts	1,166		1,052	
6	Other	142	2,272	43	2,389
V	Non-operating expenses				
1	Interest expenses	219		100	
2	Equity in losses of affiliates	-		1,400	
3	Other	44	263	190	1,690
	Ordinary income		2,242		1,951
	Income before income taxes		2,242		1,951
	Income taxes		575		1,178
	Profit		1,667		773
	Profit attributable to non-controlling interests		5		4
	Profit attributable to owners of parent		1,661		769

Consolidated Statements of Comprehensive Income

		Apr. 1, 2014- Jun. 30, 2014		Apr. 1, 2015- Jun. 30, 2015	
		Millions of yen		Millions of yen	
I	Profit		1,667		773
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	215		517	
2	Deferred gains or losses on hedges	(186)		829	
3	Foreign currency translation adjustments	(592)		(354)	
4	Remeasurements of defined benefit plans	2		(49)	
5	Share of other comprehensive income of affiliates accounted for using equity method	470	(90)	5,341	6,284
	Comprehensive income		1,576		7,058
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of parent		1,572		7,073
	Comprehensive income attributable to non-controlling interests		4		(14)

Segment Information

April 1, 2014 - June 30, 2014

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	52,204	2,927	510	55,642	—	55,642
(2) Inter-segment net sales	40	31	44	116	(116)	—
Total	52,245	2,959	554	55,758	(116)	55,642
Segment profits (losses)	(16)	42	212	238	(4)	233

Notes:

1. "Adjustments" for Segment profits (loss) represents the elimination of inter-segment transactions.
2. "Segment profits (losses)" is adjusted with operating income from the 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.
4. From the beginning of fiscal year 2014, the method of computation of defined benefit obligation and service cost (and by operating segment accordingly) has been changed due to amendment of "Accounting Standard for Retirement Benefits" (ASBJ statement No.26) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25). The effect of this amendment on segment profits (losses) is immaterial.

April 1, 2015 - June 30, 2015

The company sold parts of shares of Toyo-Business Engineering Corporation, which consists of IT Business, and all of shares of Tec Estate Corporation, which consists of Real Estate Business in the fiscal year ended March 31, 2015. Accordingly, from the first quarter of fiscal year 2015 the company's reportable operating segment has a single segment, namely EPC Business.

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, 2014- Jun. 30, 2014	Overseas	Chemical fertilizers	138,578	784	139,363	11,694	127,637
		Petrochemicals	204,225	3,034	207,259	21,197	186,768
		Oil refinery	107,393	2,360	109,754	6,458	103,156
		Energy-related	10,608	431	11,040	2,158	8,925
		General manufacturing facilities	886	1,840	2,726	1,048	1,681
		Information technology	62	87	149	85	65
		Others	55,430	1,135	56,565	5,705	51,244
		Subtotal	517,185	9,674	526,859	48,349	479,481
	Domestic	Petrochemicals	6,586	76	6,662	798	6,476
		Oil refinery	1,765	561	2,327	1,412	914
		Energy-related	4,262	9,861	14,123	131	13,991
		General manufacturing facilities	201	472	673	91	581
		Information technology	3,864	2,634	6,499	2,841	3,573
		Others	4,158	2,087	6,245	1,506	4,109
	Subtotal	20,838	15,693	36,532	6,782	29,647	
	Grand total	*25,714				*14,102	
		538,023	25,368	563,391	55,132	509,128	
Apr. 1, 2015- Jun. 30, 2015	Overseas	Chemical fertilizers	39,514	231	39,745	4,685	35,752
		Petrochemicals	373,482	205,998	579,481	26,752	564,216
		Oil refinery	64,078	958	65,037	20,502	44,489
		Energy-related	21,508	32,209	53,718	5,271	48,614
		General manufacturing facilities	2,050	829	2,880	590	2,258
		Others	34,462	19,217	53,680	4,009	50,052
			Subtotal	535,096	259,446	794,543	61,812
	Domestic	Petrochemicals	3,117	6	3,123	291	2,508
		Oil refinery	1,157	-	1,157	-	1,157
		Energy-related	114,235	20,450	134,686	3,944	130,741
		General manufacturing facilities	2,368	257	2,626	558	1,964
		Others	3,028	2,168	5,197	2,089	2,971
			Subtotal	123,908	22,883	146,792	6,884
		Grand total	*36,930				*23,577
		659,005	282,330	941,335	68,696	884,728	

Notes : 1. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.

2. Net sales include corresponding amounts of the effects of changes in exchange rates upon the orders in currencies other than Japanese Yen.
The included amounts are 2,002 million yen for Apr. 1, 2014-Jun. 30, 2014 and 3,519 million yen for Apr. 1, 2015-Jun. 30, 2015

3. Adjustment of orders awarded in prior years are included in the "Backlog, End of term".

The amounts are (1,133) million yen for Apr. 1, 2014-Jun. 30, 2014 and 8,569 million yen for Apr.1, 2015-Jun. 30, 2015.

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

5. While in the fiscal year ended March 31, 2015 the amounts of EPC Business and IT Business are presented, from the first quarter of fiscal year 2015, the amounts of EPC Business are presented as the company's reportable operating segment has a single segment, namely EPC Business.