

Consolidated Financial Results for the First Quarter ended June 30, 2016

For the Fiscal Year Ending March 31, 2017

August 10, 2016

TOYO ENGINEERING CORPORATION

(URL : <http://www.toyo-eng.com/>)

Representative: Kiyoshi Nakao, President and Chief Executive Officer,
Contacts: Yasuo Miyokawa, General Manager of Accounting Div.

TEL +81-47-454-1521

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 2016(April 1, 2016 - June 30, 2016)

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, 2016 - Jun. 30, 2016	99,074	44.2	3,550	183.4	5,144	163.6	1,861	142.0
Apr. 1, 2015 - Jun. 30, 2015	68,696	23.5	1,252	436.2	1,951	(13.0)	769	(53.7)

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2016 - Jun. 30, 2016 : 3,719 (47.3%) Apr. 1, 2015 - Jun. 30, 2015 : 7,058 347.7%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2016 - Jun. 30, 2016	9.71	-
Apr. 1, 2015 - Jun. 30, 2015	4.01	-

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2016	322,471	53,988	16.7
As of Mar. 31, 2016	321,836	51,036	15.8

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

Jun. 30, 2016: 53,908 Mar. 31, 2016: 50,977

2. Dividends

	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY2015	-	0.00	-	4.00	4.00
FY2016	-	-	-	-	-
FY2016 (Forecast)	-	0.00	-	6.00	6.00

3. Forecast of consolidated operating results for FY2016

(% 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	450,000	50.1	12,500	12.7	10,500	171.1	5,000	64.6	26.08

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, 2016: 192,792,539 Mar. 31, 2016: 192,792,539

Number of treasury stocks at end of term

Jun. 30, 2016: 1,090,826 Mar. 31, 2016: 1,089,256

Average number of stock outstanding during the period: First quarter of FY2016 and FY2015

First quarter of FY2016: 191,702,658 First quarter of FY2015: 191,712,916

* 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, 2016		June 30, 2016	
	Millions of yen		Millions of yen	
[ASSETS]				
I Current assets				
1 Cash and deposits		126,815		107,025
2 Notes and accounts receivable		78,261		95,712
3 Marketable securities		998		1,169
4 Work in progress		54,418		52,148
5 Deferred tax assets		3,536		3,864
6 Other receivables		12,535		11,844
7 Other		4,925		10,675
8 Less: Allowance for doubtful accounts		(1,601)		(556)
Total current assets		279,889		281,885
II Noncurrent assets				
(1) Property, plant and equipment				
1 Buildings and structures		16,299		16,102
2 Machinery, vehicle, tools, furniture and fixtures		5,274		4,791
3 Land		6,944		6,838
4 Leased assets		197		134
5 Construction in progress		6		1
6 Less: Accumulated depreciation and impairment loss		(15,735)		(15,326)
Total property, plant and equipment		12,986		12,541
(2) Intangible assets				
1 Goodwill		5		4
2 Other		1,893		1,732
Total intangible assets		1,898		1,736
(3) Investments and other assets				
1 Investment securities		21,470		21,454
2 Long-term loans receivable		4,575		4,571
3 Deferred tax assets		1,168		549
4 Other		4,502		4,384
5 Less: Allowance for doubtful accounts		(4,654)		(4,652)
Total investments and other assets		27,061		26,307
Total noncurrent assets		41,946		40,585
Total assets		321,836		322,471
[LIABILITIES]				
I Current liabilities				
1 Notes and accounts payable		85,653		95,321
2 Short-term loans payable		13,793		13,685
3 Income taxes payable		1,928		3,096
4 Advance receipts on uncompleted contracts		112,994		108,038
5 Reserve for bonuses		724		417
6 Reserve for compensation for completed works		67		64
7 Reserve for loss on construction contracts		1,404		2,584
8 Forward exchange contracts		7,316		6,989
9 Other		10,021		9,882
Total current liabilities		233,905		240,078
II Noncurrent liabilities				
1 Long-term loans payable		18,764		19,224
2 Lease obligations		52		50
3 Deferred tax liabilities		835		1,391
4 Net defined benefit liability		5,732		5,564
5 Provision for loss on business of subsidiaries and affiliates		458		484
6 Liabilities accounted for using equity method		9,288		-
7 Other		1,762		1,689
Total noncurrent liabilities		36,894		28,403
Total liabilities		270,799		268,482
[NET ASSETS]				
I Shareholders' equity				
1 Capital stock		18,198		18,198
2 Capital surplus		17,656		10,732
3 Retained earnings		11,433		19,452
4 Treasury stock		(436)		(436)
Total shareholders' equity		46,852		47,947
II Accumulated other comprehensive income				
1 Net unrealized gain on available-for-sale securities		3,862		4,351
2 Deferred gains or losses on hedges		(4,761)		(2,368)
3 Foreign currency translation adjustments		4,936		3,883
4 Remeasurements of defined benefit plans		87		94
Total accumulated other comprehensive income		4,124		5,961
III Non-controlling interests		58		80
Total net assets		51,036		53,988
Total liabilities and net assets		321,836		322,471

Consolidated Statements of Income

		Apr. 1, 2015- Jun. 30, 2015		Apr. 1, 2016- Jun. 30, 2016	
		Millions of yen		Millions of yen	
I	Net sales		68,696		99,074
II	Cost of sales		62,353		91,415
	Gross profit		6,342		7,659
III	Selling, general and administrative expenses		5,089		4,108
	Operating income		1,252		3,550
IV	Non-operating income				
1	Interest income	144		185	
2	Dividends income	95		170	
3	Foreign exchange gains	1,054		-	
4	Equity in earnings of affiliates	-		517	
5	Reversal of allowance for doubtful accounts	1,052		1,046	
6	Other	43	2,389	47	1,967
V	Non-operating expenses				
1	Interest expenses	100		106	
2	Foreign exchange losses	-		135	
3	Equity in losses of affiliates	1,400		-	
4	Other	190	1,690	131	373
	Ordinary income		1,951		5,144
	Income before income taxes		1,951		5,144
	Income taxes		1,178		2,365
	Income taxes for prior periods		-		859
	Profit		773		1,920
	Profit attributable to non-controlling interests		4		58
	Profit attributable to owners of parent		769		1,861

Consolidated Statements of Comprehensive Income

		Apr. 1, 2015- Jun. 30, 2015		Apr. 1, 2016- Jun. 30, 2016	
		Millions of yen		Millions of yen	
I	Profit		773		1,920
II	Other comprehensive income				
1	Net unrealized gain on available-for-sale securities	517		488	
2	Deferred gains or losses on hedges	829		2,383	
3	Foreign currency translation adjustments	(354)		(539)	
4	Remeasurements of defined benefit plans	(49)		7	
5	Share of other comprehensive income of affiliates accounted for using equity method	5,341	6,284	(541)	1,799
	Comprehensive income		7,058		3,719
	Comprehensive income attributable to				
	Comprehensive income attributable to owners of parent		7,073		3,697
	Comprehensive income attributable to non-controlling interests		(14)		21

Segment Information

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, 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	745,383
	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	
Apr. 1, 2016- Jun. 30, 2016	Overseas	Chemical fertilizers	105,091	7,893	112,985	2,091	104,307
		Petrochemicals	492,204	1,133	493,337	62,332	430,705
		Oil refinery	17,525	3,552	21,078	8,641	12,335
		Energy-related	73,404	12,589	85,993	11,085	73,796
		General manufacturing facilities	110	273	384	97	282
		Others	23,072	1,294	24,366	1,981	21,808
		Subtotal	711,409	26,736	738,145	86,229	643,235
	Domestic	Petrochemicals	2,503	57	2,560	397	2,163
		Oil refinery	1,157	0	1,157	1	1,155
		Energy-related	104,010	737	104,747	10,618	94,128
		General manufacturing facilities	1,598	1,318	2,917	1	2,915
		Others	2,387	2,619	5,007	1,826	3,181
			Subtotal	111,657	4,733	116,390	12,845
			*(9,392)				*(33,151)
	Grand total	823,066	31,469	854,536	99,074	746,780	

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 3,519 million yen for Apr. 1, 2015-Jun. 30, 2015 and (6,261) million yen for Apr. 1, 2016-Jun. 30, 2016.

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

The amounts are 8,569 million yen for Apr. 1, 2015-Jun. 30, 2015 and (2,419) million yen for Apr.1, 2016-Jun. 30, 2016.

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