

The document is an English-language translation of the consolidated financial summary of the financial results for the fiscal year ended March 31, 2021. This summary was prepared originally in Japanese in accordance with generally accepted accounting principles in Japan. If there are discrepancies between this summary and the original document in Japanese, the Japanese version will take precedence.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

May 13, 2021

TOYO ENGINEERING CORPORATION

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

Representative: Haruo Nagamatsu, President and Chief Executive Officer,
Contact: Takeshi Yamato, General Manager of Accounting Dept.

TEL +81-47-454-1521

1. Business results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

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		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	184,000	(16.0)	1,615	(14.6)	2,781	12.7	814	(51.0)
FY2019	219,094	(25.7)	1,890	—	2,467	(28.0)	1,664	—

(Reference) Comprehensive income (millions of yen):

FY2020 : 4,097 —% FY2019: (376) —%

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2020	13.91	—	2.2	1.3	0.9
FY2019	28.40	—	4.6	1.1	0.9

(Reference) Equity in earnings of affiliates (millions of yen):

FY2020 : 632 FY2019 : 1,451

(Note) Upon calculation of "Net income per share", the number of class A preferred stocks which were issued in March 2019 is included.

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2020	218,255	40,077	18.3	650.52
FY2019	208,719	35,980	17.2	544.16

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

FY2020 : 39,935 FY2019 : 35,859

(Note) Upon calculation of "Book value per share", Residual assets attributable to class A preferred stocks is deducted from total net assets.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020	17,753	(2,712)	(451)	94,483
FY2019	(18,696)	7,980	(6,159)	80,213

2. Dividends

	Cash dividends per share					Total Cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	Q1	Q2	Q3	Q4	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2019	—	0.00	—	0.00	0.00	—	—	—
FY2020	—	0.00	—	0.00	0.00	—	—	—
FY2021 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Forecast of consolidated operating results for the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(% 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	240,000	30.4	2,500	54.7	2,500	(10.1)	1,500	84.1	25.60	

(Note) Upon calculation of "Net income per share", the number of class A preferred stocks which were issued in March 2019 is included.

4. Others

(1) Significant changes in scope of consolidation : No

(2) Number of shares issued (common shares)

Number of shares issued at end of period (including treasury stocks)

FY2020 : 38,558,507

FY2019 : 38,558,507

Number of treasury stocks at end of term

FY2020 : 226,161

FY2019 : 225,464

Average number of stock outstanding during the period: FY2020 and FY2019

FY2020 : 38,332,772

FY2019 : 38,333,441

(Note)

The number of class A preferred stocks is not included in the number of shares issued.

(Reference) Non-consolidated business results

1. Business results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

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

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	101,416	(24.3)	(1,045)	—	(615)	—	(512.0)	—
FY2019	133,997	5.9	(1,386)	—	(5,442)	—	(3,380.0)	—

	Net income per share		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
FY2020	(8.75)	—	—	—
FY2019	(57.68)	—	—	—

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Book value per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	Yen
FY2020	148,371	10,771	10,771	7.3	—	—	(110.32)	—
FY2019	151,529	8,723	8,723	5.8	—	—	(163.75)	—

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

FY2020 : 10,771

FY2019 : 8,723

(Note)

Upon calculation of "Book value per share", Residual assets attributable to class A preferred stocks is deducted from total net assets.

* 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. Actual results may vary significantly from the forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

Consolidated Balance Sheets

		March 31, 2020	March 31, 2021
		Millions of yen	
[Assets]			
I	Current assets		
1	Cash and deposits	81,989	97,609
2	Notes receivable, accounts receivable from completed construction contracts and other	55,130	51,069
3	Costs on uncompleted construction contracts	19,391	18,475
4	Accounts receivable - other	7,138	4,218
5	Deposits paid	6,236	5,005
6	Forward exchange contracts	422	2,393
7	Other	18,188	16,715
8	Allowance for doubtful accounts	(692)	(1,114)
	Total current assets	187,804	194,373
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	14,510	14,428
2	Machinery, vehicles, tools, furniture and fixtures	5,031	5,190
3	Land	6,264	6,209
4	Leased assets	1,120	1,913
5	Construction in progress	19	27
6	Accumulated depreciation and impairment loss	(15,429)	(16,131)
	Total property, plant and equipment	11,517	11,638
(2)	Intangible assets		
1	Other	1,338	1,792
	Total intangible assets	1,338	1,792
(3)	Investments and other assets		
1	Investment securities	2,842	2,658
2	Long-term loans receivable	4,598	4,602
3	Net defined benefit asset	-	3,391
4	Deferred income taxes	480	526
5	Other	4,701	3,829
6	Allowance for doubtful accounts	(4,563)	(4,557)
	Total investments and other assets	8,059	10,450
	Total non-current assets	20,914	23,881
	Total assets	208,719	218,255
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	64,053	72,555
2	Short-term loans payable	17,008	10,613
3	Income taxes payable	554	693
4	Advances received on uncompleted construction contracts	64,193	61,138
5	Provision for bonuses	459	533
6	Provision for warranties for completed construction	158	18
7	Provision for loss on construction contracts	349	359
8	Provision for loss on guarantees	-	45
9	Forward exchange contracts	1,027	156
10	Other	7,866	7,078
	Total current liabilities	155,672	153,193
II	Non-current liabilities		
1	Long-term loans payable	9,964	16,419
2	Lease obligations	388	718
3	Deferred income taxes	2,408	4,309
4	Net defined benefit liability	1,950	1,213
5	Provision for losses on business of subsidiaries and affiliates	390	389
6	Other	1,964	1,934
	Total non-current liabilities	17,066	24,984
	Total liabilities	172,739	178,177
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	13,862	14,677
4	Treasury stock, at cost	(445)	(446)
	Total shareholders' equity	36,182	36,997
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	(425)	(128)
2	Deferred (losses) gains on hedges	(764)	1,495
3	Foreign currency translation adjustments	1,687	(525)
4	Remeasurements of defined benefit plans	(820)	2,096
	Total accumulated other comprehensive income	(323)	2,938
III	Non-controlling interests	121	142
	Total net assets	35,980	40,077
	Total liabilities and net assets	208,719	218,255

Consolidated Statements of Income

		April 1, 2019 - March 31, 2020		April 1, 2020 - March 31, 2021	
		Millions of yen		Millions of yen	
I	Net sales		219,094		184,000
II	Cost of sales		200,328		165,443
	Gross profit		18,765		18,557
III	Selling, general and administrative expenses		16,875		16,941
	Operating income		1,890		1,615
IV	Non-operating income				
1	Interest income	1,012		613	
2	Dividends income	53		221	
3	Foreign exchange gains, net	-		285	
4	Equity in earnings of affiliates	1,451		632	
5	Miscellaneous income	632	3,149	386	2,140
V	Non-operating expenses				
1	Interest expenses	422		421	
2	Foreign exchange losses, net	1,908		-	
3	Loss on valuation of investments securities	-		155	
4	Miscellaneous expenses	241	2,572	396	973
	Ordinary income		2,467		2,781
VI	Extraordinary income				
1	Gain on sales of investments in capital	1,857		-	
2	Gain on sales of shares of subsidiaries and affiliates	116	1,973	-	-
	Profit before income taxes		4,441		2,781
VII	Income taxes				
1	Income taxes	2,036		1,686	
2	Income taxes-deferred	724	2,760	265	1,952
	Net profit		1,681		829
	Net profit attributable to non-controlling interests		16		14
	Net profit attributable to owners of parent		1,664		814

Consolidated Statements of Comprehensive Income (Loss)

		April 1, 2019 - March 31, 2020		April 1, 2020 - March 31, 2021	
		Millions of yen		Millions of yen	
I	Net profit		1,681		829
II	Other comprehensive (loss) income				
1	Valuation difference on available-for-sale securities	(302)		297	
2	Deferred gains on hedges	698		2,260	
3	Foreign currency translation adjustments	(788)		(462)	
4	Remeasurements of defined benefit plans	(1,221)		2,917	
5	Share of other comprehensive loss of affiliates accounted for by the equity method	(444)	(2,057)	(1,744)	3,268
	Comprehensive (loss) income		(376)		4,097
	Comprehensive (loss) income attributable to :				
	Owners of parent		(381)		4,076
	Non-controlling interests		4		20

Consolidated Statement of Changes in Net Assets

From April 1, 2019 through March 31, 2020

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interest	Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans			Total accumulated other comprehensive income
Balance at beginning of year (Millions of yen)	18,198	25,749	(8,984)	(445)	34,519	(123)	(1,463)	2,908	400	1,722	116	36,357
Changes in the fiscal year												
Transfer to retained earnings from capital surplus		(21,182)	21,182		—					—		—
Income attributable to owners of parent			1,664		1,664					—		1,664
Purchase of treasury stock				(0)	(0)					—		(0)
Net changes of items other than shareholders' equity					—	(302)	698	(1,220)	(1,221)	(2,045)	4	(2,040)
Total changes in the fiscal year (Millions of yen)	—	(21,182)	22,846	(0)	1,663	(302)	698	(1,220)	(1,221)	(2,045)	4	(377)
Balance at end of year (Millions of yen)	18,198	4,567	13,862	(445)	36,182	(425)	(764)	1,687	(820)	(323)	121	35,980

From April 1, 2020 through March 31, 2021

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interest	Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred (losses) gains on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans			Total accumulated other comprehensive income
Balance at beginning of year (Millions of yen)	18,198	4,567	13,862	(445)	36,182	(425)	(764)	1,687	(820)	(323)	121	35,980
Changes in the fiscal year												
Income attributable to owners of parent			814		814					—		814
Purchase of treasury stock				(0)	(0)					—		(0)
Net changes of items other than shareholders' equity					—	297	2,260	(2,212)	2,917	3,262	20	3,283
Total changes in the fiscal year (Millions of yen)	—	—	814	(0)	814	297	2,260	(2,212)	2,917	3,262	20	4,097
Balance at end of year (Millions of yen)	18,198	4,567	14,677	(446)	36,997	(128)	1,495	(525)	2,096	2,938	142	40,077

Consolidated Statements of Cash Flows

	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021
	Millions of yen	Millions of yen
I Cash flows from operating activities		
1 Profit before income taxes	4,441	2,781
2 Depreciation and amortization	1,442	1,508
3 Amortization of goodwill	(10)	(10)
4 Increase in allowance for doubtful accounts	14	416
5 Decrease in net defined benefit liability	(6)	(292)
6 (Decrease) increase in provision for loss on construction contracts	(1,793)	14
7 Interest and dividends income	(1,065)	(834)
8 Interest expenses	422	421
9 Foreign exchange losses (gains)	373	(609)
10 Loss (gain) on sales of property, plant and equipment	0	(16)
11 Equity in earnings of affiliates	(1,451)	(632)
12 Loss on valuation of investment securities	-	155
13 Gain on sales of shares of subsidiaries and affiliates	(116)	-
14 Gain on sales of investments in capital	(1,857)	-
15 Decrease in notes receivable, accounts receivable from completed construction contracts	11,380	4,329
16 Decrease in costs on uncompleted construction contracts	6,561	1,022
17 (Increase) decrease in accounts receivable - other	(806)	2,270
18 (Decrease) increase in notes and accounts payable - trade	(17,470)	8,549
19 Decrease in advances received on uncompleted construction contracts	(4,158)	(3,048)
20 (Increase) decrease in deposits paid	(5,395)	1,231
21 Other, net	(6,883)	681
Subtotal	(16,380)	17,937
22 Interest and dividends income received	1,079	1,195
23 Interest expenses paid	(349)	(356)
24 Income taxes paid	(3,045)	(1,022)
Net cash (used in) provided by operating activities	(18,696)	17,753
II Cash flows from investing activities		
1 Net decrease (increase) in time deposits	1,721	(1,340)
2 Purchase of property, plant and equipment	(464)	(388)
3 Proceeds from sales of property, plant and equipment	18	59
4 Purchase of intangible assets	(660)	(890)
5 Proceeds from sales of shares of subsidiaries and affiliates	3,081	-
6 Proceeds from sales of investments in capital	4,255	-
7 Net (increase) decrease in short-term loans receivable	(3)	2
8 Other, net	32	(155)
Net cash provided by (used in) investing activities	7,980	(2,712)
III Cash flows from financing activities		
1 Net decrease in short-term loans payable	(1,088)	(4,401)
2 Proceeds from long-term loans payable	900	14,682
3 Repayment of long-term loans payable	(5,459)	(10,236)
4 Repayment of finance lease obligations	(511)	(495)
5 Other, net	(0)	(0)
Net cash used in financing activities	(6,159)	(451)
IV Effect of exchange rate change on cash and cash equivalents	(818)	(318)
V Net (decrease) increase in cash and cash equivalents	(17,694)	14,270
VI Cash and cash equivalents at beginning of period	97,907	80,213
VII Cash and cash equivalents at the end of period	80,213	94,483

Segment Information

The company's reportable operating segment has a single segment, namely EPC Business.

Consolidated New Orders, Net Sales and Backlog of Contracts

		Millions of yen					
		Backlog Beginning of period	New Orders	Total	Net Sales	Backlog the End of period	
Apr. 1, 2019 - Mar. 31, 2020	Overseas	Petrochemicals	158,220	13,757	171,978	67,837	104,521
		Oil & Gas	10,232	49,595	59,827	9,714	49,553
		Power/Railways etc.	13,577	16,760	30,337	5,654	24,644
		Chemicals/Fertilizers	105,771	20,582	126,353	67,726	55,375
		Pharmaceutical/Environmental/Industrial Facilities	2,391	677	3,068	2,172	682
		Others	298	2,508	2,806	928	1,717
		Subtotal	290,491	103,881	394,373	154,033	236,495
	Domestic	Petrochemicals	11,798	684	12,483	9,426	3,056
		Oil & Gas	13,349	6,291	19,640	6,785	11,622
		Power/Railways etc.	107,498	64,203	171,701	39,436	132,247
		Pharmaceutical/Environmental/Industrial Facilities	3,209	6,165	9,375	3,607	5,764
		Others	26	5,828	5,854	5,804	50
			Subtotal	135,881	83,173	219,055	65,060
			*(1,550)				*(5,646)
	Grand total	426,373	187,054	613,428	219,094	389,236	
Apr. 1, 2020 - Mar. 31, 2021	Overseas	Petrochemicals	104,521	17,482	122,003	44,128	69,984
		Oil & Gas	49,553	12,025	61,579	20,654	41,413
		Power/Railways etc.	24,644	13,534	38,179	3,415	29,910
		Chemicals/Fertilizers	55,375	12,756	68,132	27,143	36,054
		Pharmaceutical/Environmental/Industrial Facilities	682	3,999	4,682	2,302	2,339
		Others	1,717	691	2,409	1,050	1,130
		Subtotal	236,495	60,491	296,986	98,695	180,833
	Domestic	Petrochemicals	3,056	9,636	12,693	3,327	9,365
		Oil & Gas	11,622	7,953	19,576	14,049	5,526
		Power/Railways etc.	132,247	37,531	169,779	60,778	109,018
		Pharmaceutical/Environmental/Industrial Facilities	5,764	5,276	11,041	5,315	5,726
		Others	50	2,005	2,055	1,834	221
			Subtotal	152,741	62,404	215,145	85,305
			*(5,646)				*1,411
	Grand total	389,236	122,895	512,132	184,000	310,691	

- 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 (5,325) million yen for Apr. 1, 2019 - Mar. 31, 2020 and (1,146) million yen for Apr. 1, 2020 - Mar. 31, 2021.
 3. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are 229 million yen for Apr. 1, 2019 - Mar. 31, 2020 and (16,293) million yen for Apr. 1, 2020 - Mar. 31, 2021.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.