

The document is an English-language translation of the consolidated financial summary of the financial results for the third quarter ended December 31, 2020. 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 Third Quarter ended December 31, 2020

For the Fiscal Year Ending March 31, 2021

February 10, 2021

TOYO ENGINEERING CORPORATION

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1. Business results for the third quarter of fiscal year 2020 (April 1, 2020 - December 31, 2020)

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	%
Apr. 1, 2020 - Dec. 31, 2020	133,088	(19.4)	2,109	14.0	1,963	53.5	882	(48.9)
Apr. 1, 2019 - Dec. 31, 2019	165,211	(26.3)	1,850	222.7	1,279	(66.2)	1,726	18.8

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2020 - Dec. 31, 2020 : (1,509) -% Apr. 1, 2019 - Dec. 31, 2019: 789 -%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2020 - Dec. 31, 2020	15.05	—
Apr. 1, 2019 - Dec. 31, 2019	29.46	—

(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
	Millions of yen	Millions of yen	%
As of Dec. 31, 2020	207,316	34,470	16.6
As of Mar. 31, 2020	208,719	35,980	17.2

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

Dec. 31, 2020: 34,342 Mar. 31, 2020 : 35,859

2. Dividends

	Cash dividends per share									
	Q1		Q2		Q3		Q4		Annual	
FY2019	—	Yen	0.00	Yen	—	Yen	0.00	Yen	0.00	Yen
FY2020	—	Yen	0.00	Yen	—	Yen				
FY2020 (Forecast)							0.00	Yen	0.00	Yen

(Note) Revision of forecast for this period: No

3. Forecast of consolidated operating results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(% 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	210,000	(4.2)	500	(73.6)	500	(79.7)	0	(100.0)	0.00

(Note) Revision of forecast for this period: No

(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)		
Dec. 31, 2020 : 38,558,507		Mar. 31, 2020 : 38,558,507

Number of treasury stocks at end of period		
Dec. 31, 2020 : 225,911		Mar. 31, 2020 : 225,464

Average number of stock outstanding during the period: Third quarter of FY2020 and FY2019		
Third quarter of FY2020 : 38,332,867		Third quarter of FY2019 : 38,333,547

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

* 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	December 31, 2020
		Millions of yen	Millions of yen
[Assets]			
I	Current assets		
1	Cash and deposits	81,989	92,703
2	Notes receivable, accounts receivable from completed construction contracts and other	55,130	46,559
3	Costs on uncompleted construction contracts	19,391	20,945
4	Accounts receivable - other	7,138	5,499
5	Deposits paid	6,236	3,861
6	Forward exchange contracts	422	328
7	Other	18,188	16,428
8	Allowance for doubtful accounts	(692)	(647)
	Total current assets	187,804	185,678
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	14,510	14,407
2	Machinery, vehicles, tools, furniture and fixtures	5,031	5,016
3	Land	6,264	6,225
4	Leased assets	1,120	1,938
5	Construction in progress	19	30
6	Accumulated depreciation and impairment loss	(15,429)	(15,891)
	Total property, plant and equipment	11,517	11,727
(2)	Intangible assets		
1	Other	1,338	1,604
	Total intangible assets	1,338	1,604
(3)	Investments and other assets		
1	Investment securities	2,842	3,052
2	Long-term loans receivable	4,598	4,601
3	Deferred income taxes	480	532
4	Other	4,701	4,679
5	Allowance for doubtful accounts	(4,563)	(4,559)
	Total investments and other assets	8,059	8,305
	Total non-current assets	20,914	21,637
	Total assets	208,719	207,316
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	64,053	68,838
2	Short-term loans payable	17,008	6,765
3	Income taxes payable	554	521
4	Advances received on uncompleted construction contracts	64,193	61,845
5	Provision for bonuses	459	252
6	Provision for warranties for completed construction	158	91
7	Provision for loss on construction contracts	349	167
8	Forward exchange contracts	1,027	687
9	Other	7,866	6,650
	Total current liabilities	155,672	145,820
II	Non-current liabilities		
1	Long-term loans payable	9,964	19,515
2	Lease obligations	388	771
3	Deferred income taxes	2,408	2,552
4	Net defined benefit liability	1,950	1,913
5	Provision for losses on business of subsidiaries and affiliates	390	400
6	Other	1,964	1,871
	Total non-current liabilities	17,066	27,025
	Total liabilities	172,739	172,845
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	13,862	14,744
4	Treasury stock, at cost	(445)	(445)
	Total shareholders' equity	36,182	37,064
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	(425)	(293)
2	Deferred (losses) gains on hedges	(764)	1
3	Foreign currency translation adjustments	1,687	(1,571)
4	Remeasurements of defined benefit plans	(820)	(857)
	Total accumulated other comprehensive income	(323)	(2,722)
III	Non-controlling interests	121	127
	Total net assets	35,980	34,470
	Total liabilities and net assets	208,719	207,316

Consolidated Statements of Income

		April 1, 2019 - December 31, 2019		April 1, 2020 - December 31, 2020	
		Millions of yen		Millions of yen	
I	Net sales		165,211		133,088
II	Cost of sales		151,372		118,938
	Gross profit		13,838		14,150
III	Selling, general and administrative expenses		11,988		12,040
	Operating income		1,850		2,109
IV	Non-operating income				
1	Interest income	804		442	
2	Dividends income	44		142	
3	Equity in earnings of affiliates	-		130	
4	Reversal of allowance for doubtful accounts	-		45	
5	Miscellaneous income	404	1,253	308	1,069
V	Non-operating expenses				
1	Interest expenses	303		304	
2	Equity in losses of affiliates	280		-	
3	Foreign exchange losses, net	1,082		597	
4	Miscellaneous expenses	158	1,824	313	1,215
	Ordinary income		1,279		1,963
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		3,252		1,963
VII	Income taxes				
1	Income taxes	1,507	1,507	1,072	1,072
	Net profit		1,745		890
	Net profit attributable to non-controlling interests		19		8
	Net profit attributable to owners of parent		1,726		882

Consolidated Statements of Comprehensive Income (Loss)

		April 1, 2019 - December 31, 2019		April 1, 2020 - December 31, 2020	
		Millions of yen		Millions of yen	
I	Net profit		1,745		890
II	Other comprehensive loss				
1	Valuation difference on available-for-sale securities	32		132	
2	Deferred gains on hedges	1,299		765	
3	Foreign currency translation adjustments	(1,530)		(1,229)	
4	Remeasurements of defined benefit plans	(89)		(36)	
5	Share of other comprehensive loss of affiliates accounted for by the equity method	(667)	(955)	(2,031)	(2,400)
	Comprehensive income (loss)		789		(1,509)
	Comprehensive income (loss) attributable to :				
	Owners of parent		775		(1,516)
	Non-controlling interests		14		6

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 - Dec. 31, 2019	Overseas	Petrochemicals	158,220	7,681	165,902	50,911	113,908
		Oil & Gas	10,232	23,488	33,720	7,470	25,890
		Power/Railways etc.	13,577	13,869	27,447	4,746	22,629
		Chemicals/Fertilizers	105,771	18,789	124,560	54,929	68,922
		Pharmaceutical/Environmental/Industrial Facilities	2,391	655	3,047	1,505	1,449
		Others	298	1,824	2,122	547	1,448
		Subtotal	290,491	66,309	356,801	120,109	234,249
	Domestic	Petrochemicals	11,798	383	12,182	7,641	4,541
		Oil & Gas	13,349	4,496	17,845	3,582	14,262
		Power/Railways etc.	107,498	63,311	170,809	27,047	143,764
		Pharmaceutical/Environmental/Industrial Facilities	3,209	1,863	5,072	2,202	2,869
		Others	26	4,670	4,696	4,627	69
			Subtotal	135,881	74,724	210,606	45,101
			*(1,550)				*(5,149)
	Grand total	426,373	141,033	567,407	165,211	399,756	
Apr. 1, 2020 - Dec. 31, 2020	Overseas	Petrochemicals	104,521	8,091	112,612	35,270	69,492
		Oil & Gas	49,553	7,464	57,018	10,179	46,417
		Power/Railways etc.	24,644	389	25,034	2,964	21,345
		Chemicals/Fertilizers	55,375	10,211	65,587	16,604	47,442
		Pharmaceutical/Environmental/Industrial Facilities	682	2,530	3,213	799	2,339
		Others	1,717	709	2,427	810	1,548
		Subtotal	236,495	29,397	265,892	66,628	188,586
	Domestic	Petrochemicals	3,056	7,669	10,726	2,572	8,153
		Oil & Gas	11,622	5,519	17,141	11,224	5,917
		Power/Railways etc.	132,247	36,299	168,546	48,309	120,247
		Pharmaceutical/Environmental/Industrial Facilities	5,764	4,800	10,565	3,069	7,495
		Others	50	1,354	1,405	1,284	120
			Subtotal	152,741	55,642	208,384	66,460
			*(5,646)				*(4,642)
	Grand total	389,236	85,040	474,277	133,088	330,521	

- 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 (2,637) million yen for Apr. 1, 2019 - Dec. 31, 2019 and (2,920) million yen for Apr. 1, 2020 - Dec. 31, 2020.
 3. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are 198 million yen for Apr. 1, 2019 - Dec. 31, 2019 and (7,746) million yen for Apr. 1, 2020 - Dec. 31, 2020.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.