



Second quarter of fiscal year 2009  
(September 30, 2009)

# OUTLINE OF FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

**November 11, 2009**

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\* Unit of amount figures shown in this material is billion yen with first decimal place on round down basis.

# Performance summary



- *Decreased in revenue but increased in net income compared with interim target.*
- *Achieved the same level of net income and new orders as same period last year.*

< Billion yen >

	2008/9	2009/9	Difference		Forecast 2009/9	Difference	Achieve- ment
<b>Net sales</b>	<b>179.3</b>	<b>90.6</b>	<b>(88.7)</b> -49%		<b>100.0</b>	<b>(9.4)</b>	<b>91%</b>
<b>Gross profit</b>	<b>18.5</b>	<b>14.1</b>	<b>(4.4)</b> -24%		<b>13.5</b>	<b>0.6</b>	<b>104%</b>
Gross profit rate	10.4%	15.6%	5.2%		13.5%	2.1%	
<b>Operating income</b>	<b>6.8</b>	<b>5.2</b>	<b>(1.6)</b> -24%		<b>5.0</b>	<b>0.2</b>	<b>104%</b>
Operating income rate	3.8%	5.7%	1.9%		5.0%	0.7%	
<b>Ordinary income</b>	<b>7.9</b>	<b>6.6</b>	<b>(1.3)</b> -16%		<b>5.5</b>	<b>1.1</b>	<b>120%</b>
<b>Net income</b>	<b>3.8</b>	<b>3.7</b>	<b>(0.1)</b> -3%		<b>3.0</b>	<b>0.7</b>	<b>123%</b>
<b>New orders</b>	<b>85.6</b>	<b>84.4</b>	<b>(1.2)</b> -1%		* Reached 37% of target for 2010/3		
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥3.0</b>	<b>¥2.5</b>	<b>(¥0.5)</b>		<b>¥2.5</b>	<b>¥0.0</b>	<b>100%</b>

Exchange rate for Forecast 1US\$= ¥90.00

# Income statement

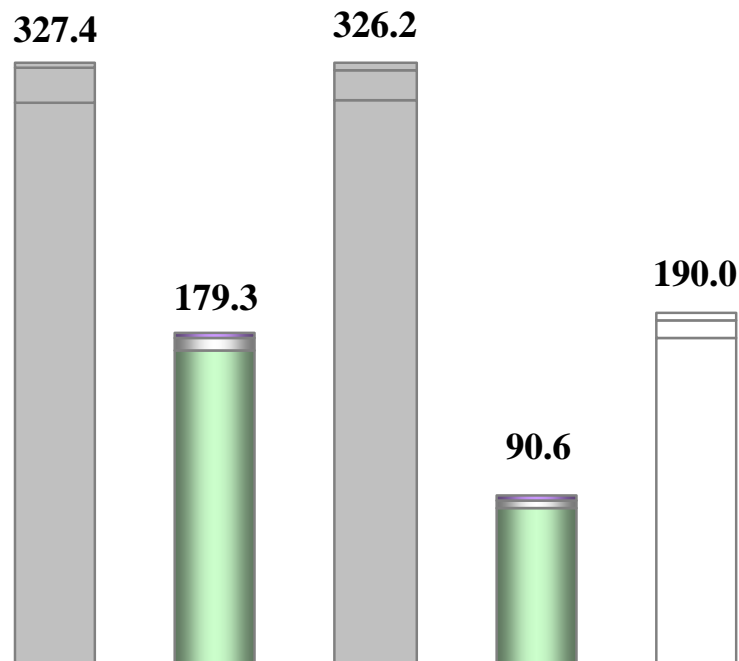


< Billion yen >

	2008/9		2009/9		Difference	Forecast 2009/9	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen		
<b>Net sales</b>	<b>179.3</b>	100.0	<b>90.6</b>	100.0	<b>(88.7)</b>	<b>100.0</b>	<b>(9.4)</b>
Cost of sales	160.7	89.6	76.5	84.4	84.2		
<b>Gross profit</b>	<b>18.5</b>	10.4	<b>14.1</b>	15.6	<b>(4.4)</b>	<b>13.5</b>	<b>0.6</b>
Selling, general and administrative expenses	11.7	6.6	8.9	9.8	2.8		
<b>Operating income</b>	<b>6.8</b>	3.8	<b>5.2</b>	5.7	<b>(1.6)</b>	<b>5.0</b>	<b>0.2</b>
Non-operating income	1.6	0.9	2.2	2.5	0.6		
Non-operating expenses	0.6	0.3	0.8	0.9	(0.2)		
Total non-operating income and expenses	1.0		1.4		0.4		
<b>Ordinary income</b>	<b>7.9</b>	4.4	<b>6.6</b>	7.3	<b>(1.3)</b>	<b>5.5</b>	<b>1.1</b>
Extraordinary gain	0.1	0.1	0.1	0.2	(0.0)		
Extraordinary loss	1.2	0.7	-	-	-		
Total extraordinary gain and loss	(1.0)		0.1		1.1		
<b>Income before income taxes and minority interest</b>	<b>6.8</b>	3.8	<b>6.8</b>	7.6	<b>0.0</b>		
Current income taxes and Deferred income taxes	2.8	1.6	3.0	3.4	(0.2)		
Minority interest income	0.2	0.1	0.0	0.0	0.2		
<b>Net income</b>	<b>3.8</b>	2.1	<b>3.7</b>	4.1	<b>(0.1)</b>	<b>3.0</b>	<b>0.7</b>

# Net sales

< Billion yen >



	2008/3	2008/9	2009/3	2009/9	Forecast 2010/3
EPC	305.4	169.6	306.9	83.9	176.5
IT	18.2	7.7	15.8	5.1	10.5
Real estate	3.8	2.0	3.5	1.6	3.0
<b>Total</b>	<b>327.4</b>	<b>179.3</b>	<b>326.2</b>	<b>90.6</b>	<b>190.0</b>

## Compared with forecast for 2009/9

	Forecast	2009/9	Difference	Achievement
EPC	94.3	83.9	(10.4)	89%
IT	4.1	5.1	1.0	124%
Real estate	1.6	1.6	(0.0)	100%
<b>Total</b>	<b>100.0</b>	<b>90.6</b>	<b>(9.4)</b>	<b>91%</b>

## Compared with same period last year

	2008/9	2009/9	Difference
EPC	169.6	83.9	(85.7)
IT	7.7	5.1	(2.6)
Real estate	2.0	1.6	(0.4)
<b>Total</b>	<b>179.3</b>	<b>90.6</b>	<b>(88.7)</b>

	2008/9	2009/9	Difference
Japan	33.9	24.0	(9.9)
%	19%	26%	+7%
Overseas	145.4	66.6	(78.8)
%	81%	74%	-7%
<b>Total</b>	<b>179.3</b>	<b>90.6</b>	<b>(88.7)</b>

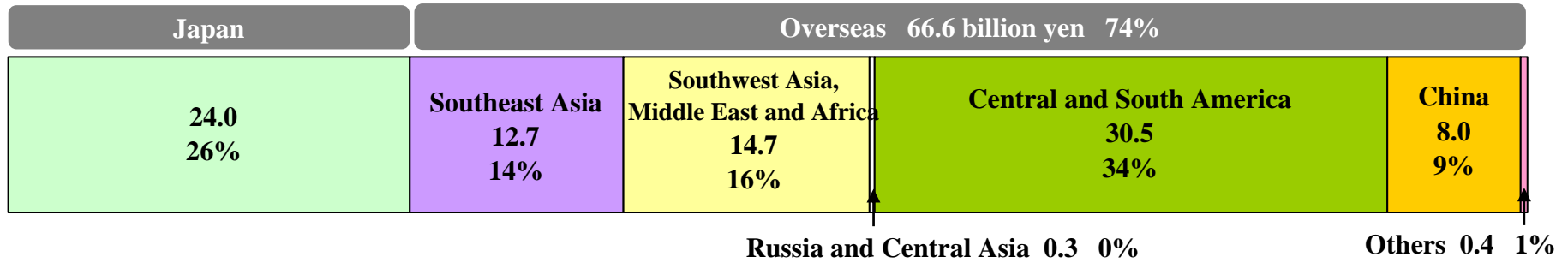
# Net sales



**2009/9 Net sales : 90.6 billion yen**

< Billion yen >

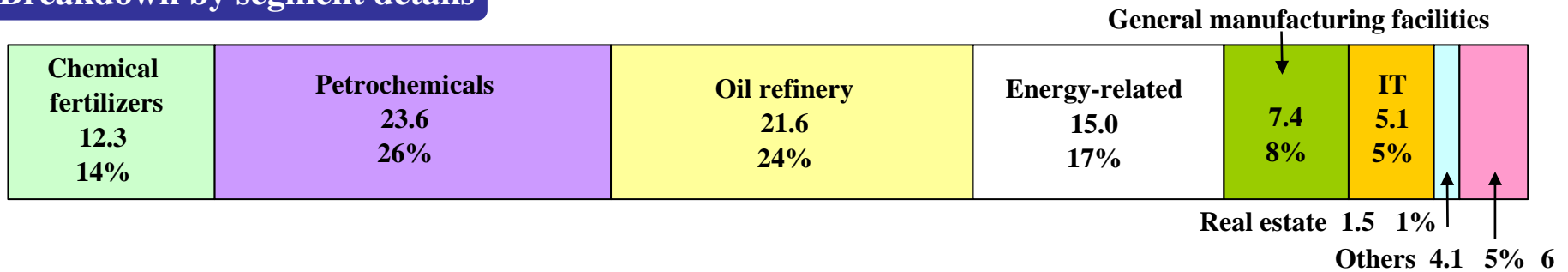
## Breakdown by region



## Major contracts

Over 10 billion yen	Over 5 billion yen	Over 3 billion yen
Oil refinery, BRAZIL Chemical fertilizer, VENEZUELA	Energy-related, BRAZIL	Petrochemical, JAPAN Oil refinery, JAPAN Petrochemical, INDONESIA Energy-related, IRAN Energy-related, QATAR General manufacturing facility, CHINA

## Breakdown by segment details

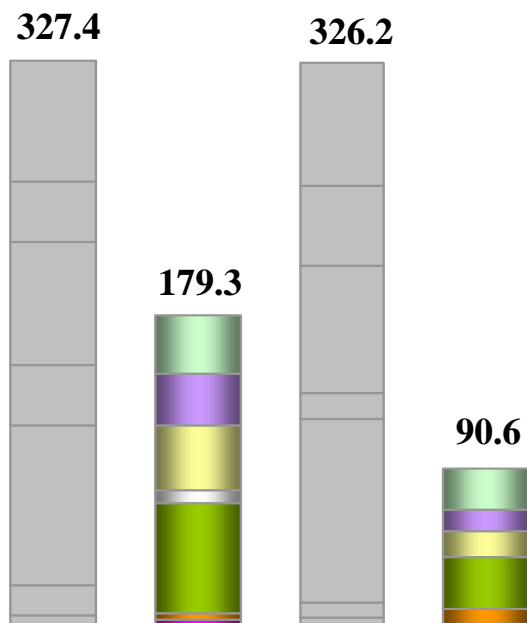


# Net sales

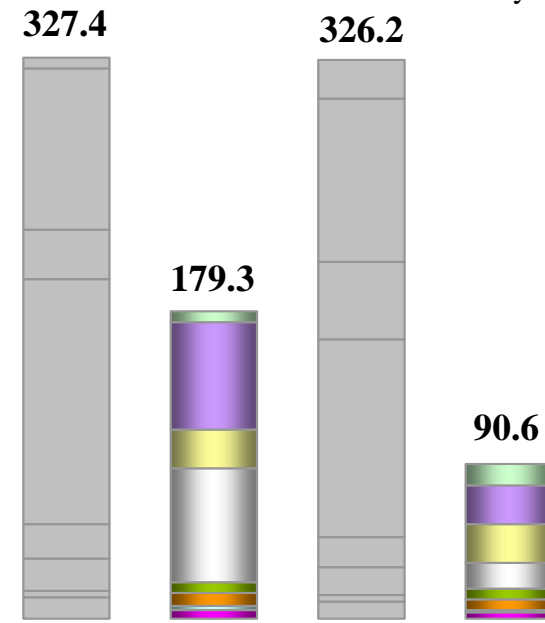


< Billion yen >

## Breakdown by region



## Breakdown by segment details



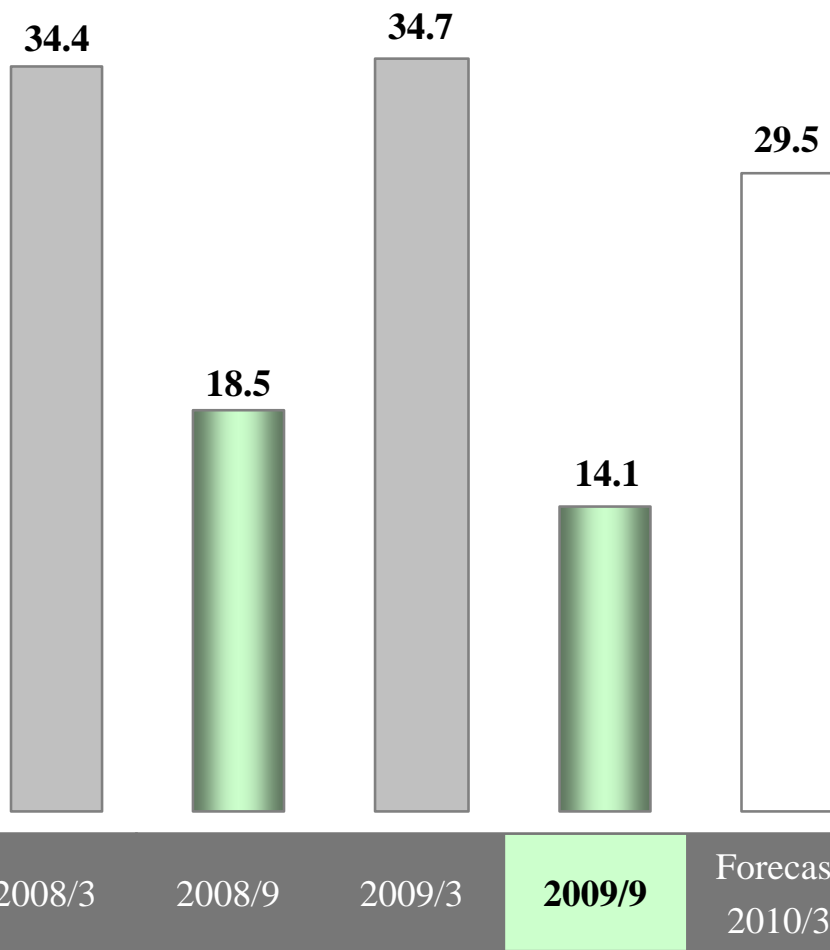
	2008/3	2008/9	2009/3	2009/9
Japan	70.8	33.9	71.7	24.0
Southeast Asia	34.1	30.4	45.8	12.7
Southwest Asia, Middle East and Africa	71.6	36.7	74.4	14.7
Russia and Central Asia	35.3	8.2	15.7	0.3
Central and South America	92.8	64.2	106.3	30.5
China	17.5	3.6	8.0	8.0
Others	5.3	2.3	4.3	0.4
<b>Total</b>	<b>327.4</b>	<b>179.3</b>	<b>326.2</b>	<b>90.6</b>

	2008/3	2008/9	2009/3	2009/9
Chemical fertilizers	6.4	6.2	22.5	12.3
Petrochemicals	94.0	62.1	95.4	23.6
Oil refinery	28.9	22.9	45.7	21.6
Energy-related	142.9	66.2	114.4	15.0
General manufacturing facilities	20.3	6.9	18.7	7.4
IT	18.2	7.7	15.8	5.1
Real estate	3.8	2.0	3.5	1.5
Others	12.9	5.3	10.2	4.1
<b>Total</b>	<b>327.4</b>	<b>179.3</b>	<b>326.2</b>	<b>90.6</b>

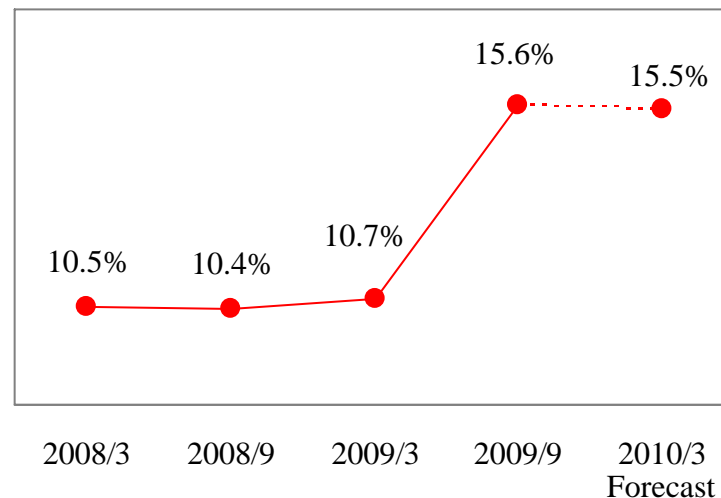
# Gross profit



< Billion yen >



## Gross profit rate



## Compared with forecast for 2009/9

Forecast	2009/9	Difference	Achievement
13.5	14.1	+0.6	104%

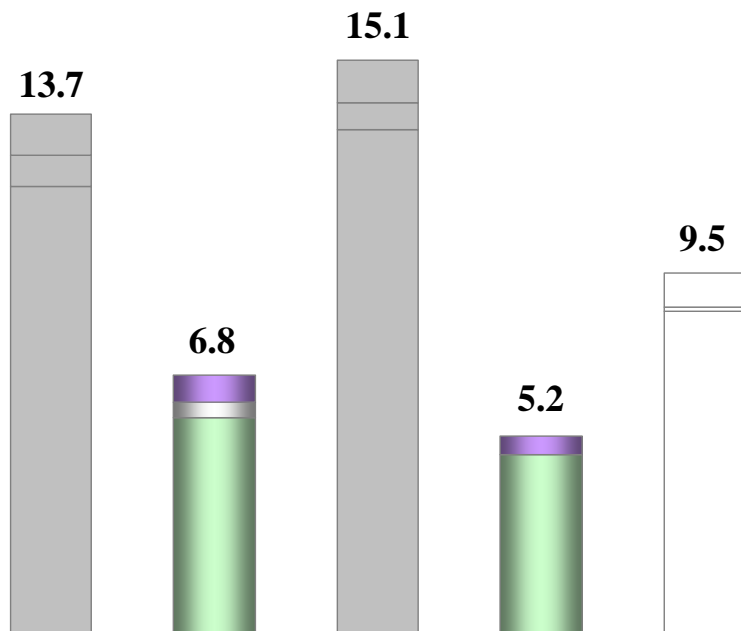
## Compared with same period last year

2008/9	2009/9	Difference
18.5	14.1	(4.4)
		-24%



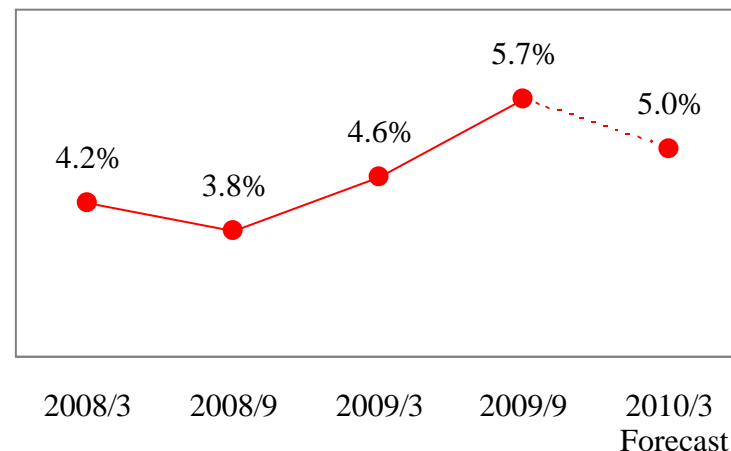
# Operating income

< Billion yen >



	2008/3	2008/9	2009/3	2009/9	Forecast 2010/3
EPC	11.8	5.7	13.3	4.7	8.5
IT	0.8	0.4	0.7	0.0	0.1
Real estate	1.1	0.7	1.1	0.5	0.9
Total	13.7	6.8	15.1	5.2	9.5

## Operating income rate



## Compared with forecast for 2009/9

	Forecast	2009/9	Difference	Achievement
EPC	4.5	4.7	0.2	104%
IT	0.0	0.0	0.0	-
Real estate	0.5	0.5	0.0	100%
Total	5.0	5.2	0.2	104%

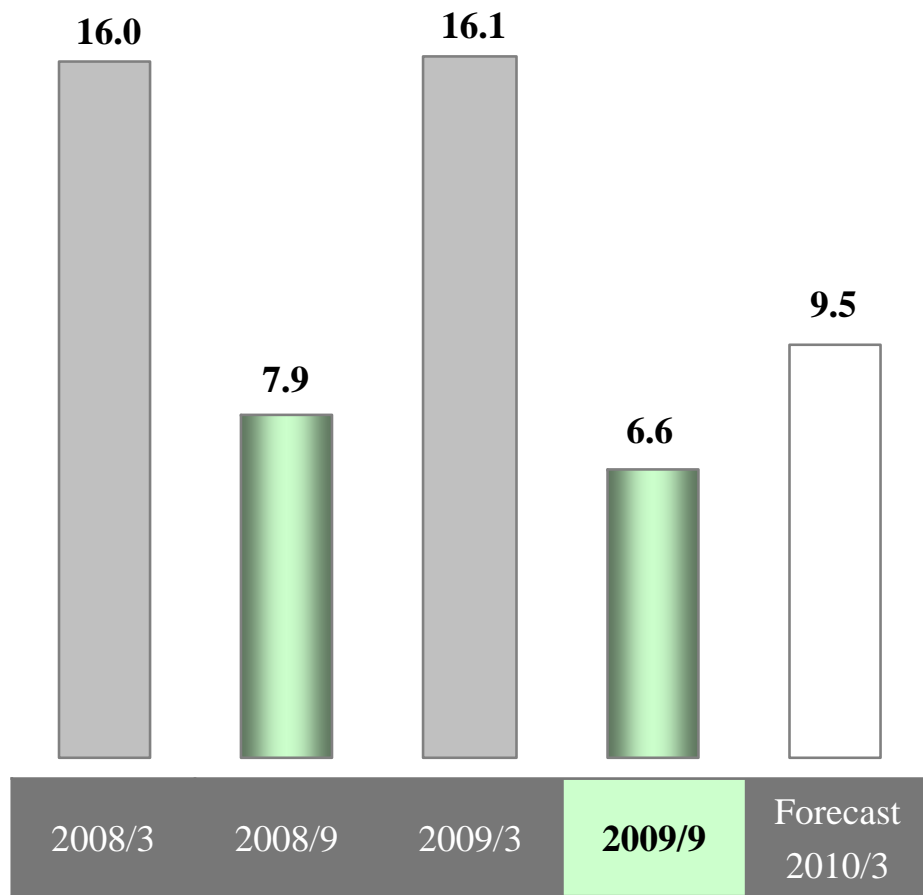
## Compared with same period last year

	2008/9	2009/9	Difference
EPC	5.7	4.7	(1.0)
IT	0.4	0.0	(0.4)
Real estate	0.7	0.5	(0.2)
Total	6.8	5.2	(1.6)

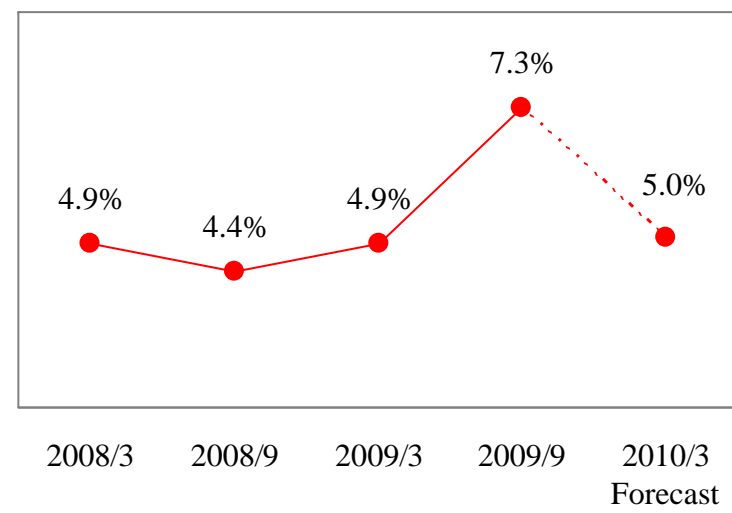
# Ordinary income



< Billion yen >



## Ordinary income rate



## Compared with forecast for 2009/9

Forecast	2009/9	Difference	Achievement
5.5	6.6	+1.1	120%

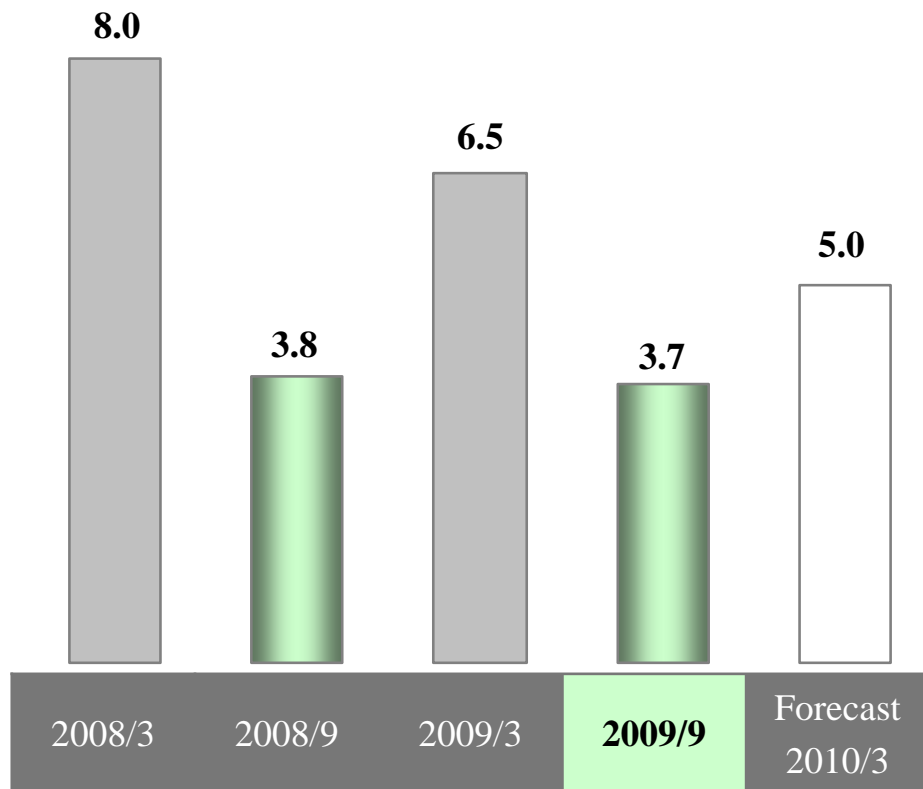
## Compared with same period last year

2008/9	2009/9	Difference	
7.9	6.6	(1.3)	-16%

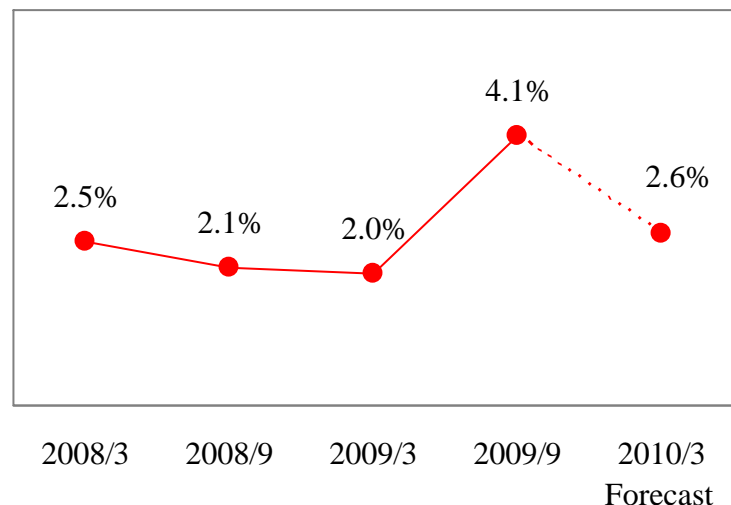
# Net income



< Billion yen >



## Net income rate



## Compared with forecast for 2009/9

Forecast	2009/9	Difference	Achievement
3.0	3.7	+0.7	123%

## Net income per share

41.76 yen	19.81 yen	33.91 yen	19.54 yen	26.03 yen
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## Compared with same period last year

2008/9	2009/9	Difference
3.8	3.7	(0.1)
		-3%

# Balance sheet



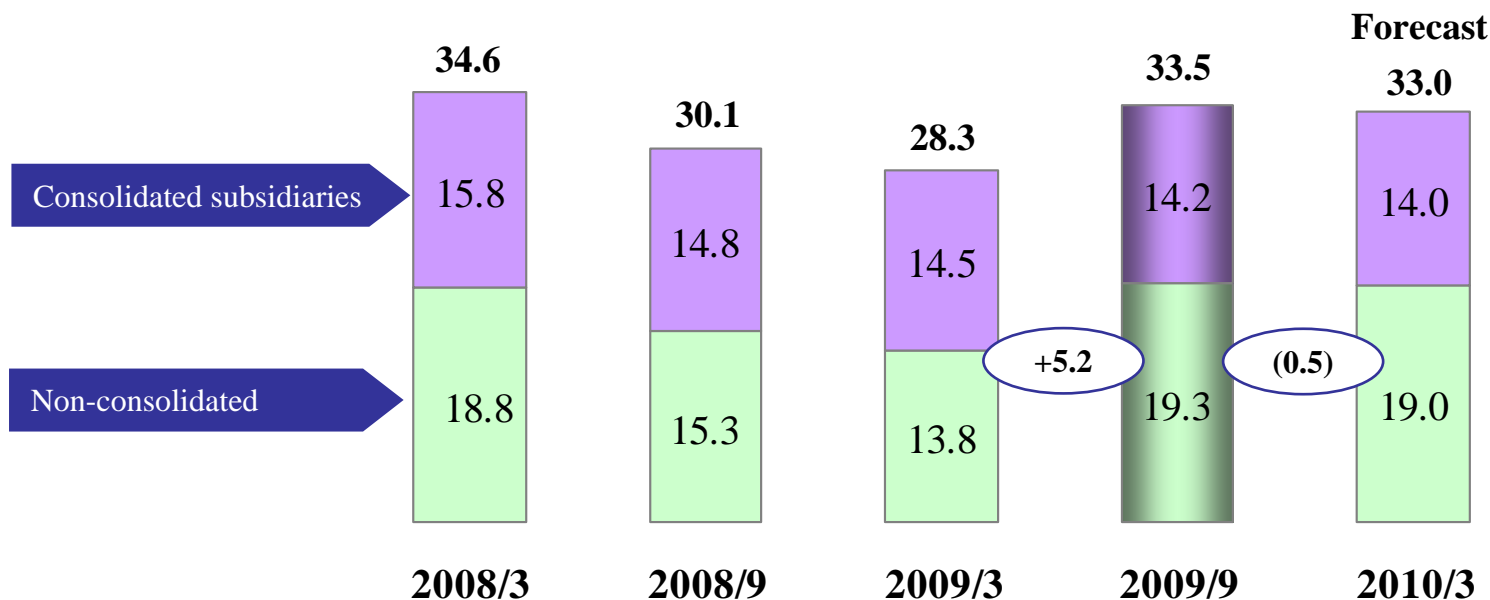
< Billion yen >

Assets	2009/3	2009/9	Difference
<b>Current assets</b>	<b>149.1</b>	<b>151.0</b>	<b>+1.9</b>
Cash and deposits	33.1	38.3	+5.2
Marketable securities	29.9	38.9	+9.0
Other current assets	24.3	22.5	(1.8)
<Operating assets>			
Notes and accounts receivable	35.8	24.4	(11.4)
Contract work in progress	25.7	26.6	+0.9
<b>Fixed assets</b>	<b>50.3</b>	<b>49.7</b>	<b>(0.6)</b>
Property, plant and equipment	34.5	33.9	(0.6)
Intangible assets	2.1	2.5	+0.4
Investments and assets	13.5	13.2	(0.3)
<b>Total assets</b>	<b>199.4</b>	<b>200.8</b>	<b>+1.4</b>

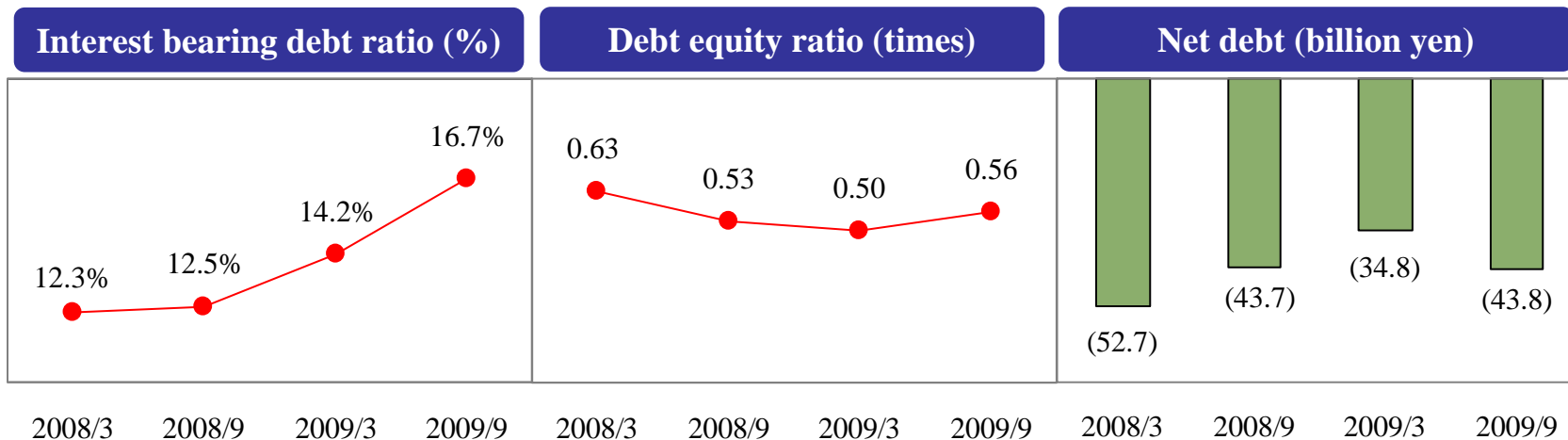
Liabilities and net assets	2009/3	2009/9	Difference
<b>Current liabilities</b>	<b>110.4</b>	<b>104.6</b>	<b>(5.8)</b>
Short-term interest bearing debt	6.1	8.4	+2.3
Other current liabilities	11.3	13.0	+1.7
<Operating liabilities>			
Notes and accounts payable	44.3	32.4	(11.9)
Advance and other receipts	48.6	50.6	+2.0
<b>Long-term liabilities</b>	<b>30.4</b>	<b>34.1</b>	<b>+3.7</b>
Long-term interest bearing debt	22.2	25.1	+2.9
Other long-term liabilities	8.2	9.0	+0.8
<b>Net assets</b>	<b>58.5</b>	<b>62.0</b>	<b>+3.5</b>
Shareholder's equity	58.3	61.2	+2.9
Valuation and translation adjustments	(1.6)	(1.0)	+0.6
Minority interest	1.8	1.8	(0.0)
<b>Total liabilities and net assets</b>	<b>199.4</b>	<b>200.8</b>	<b>+1.4</b>

# Interest bearing debt balance

< Billion yen >



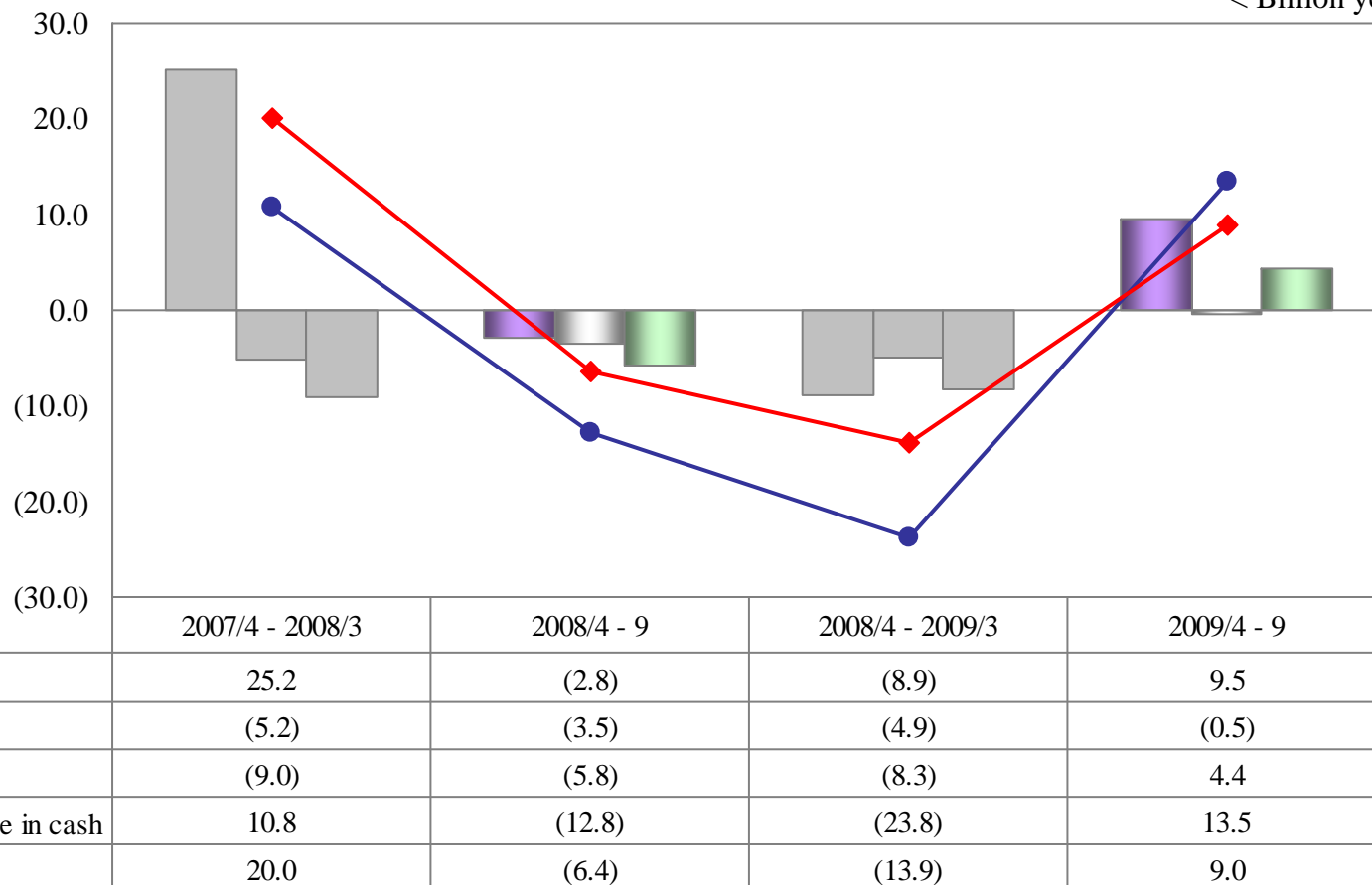
\* Interest bearing debt includes Lease obligation since 2008/3.



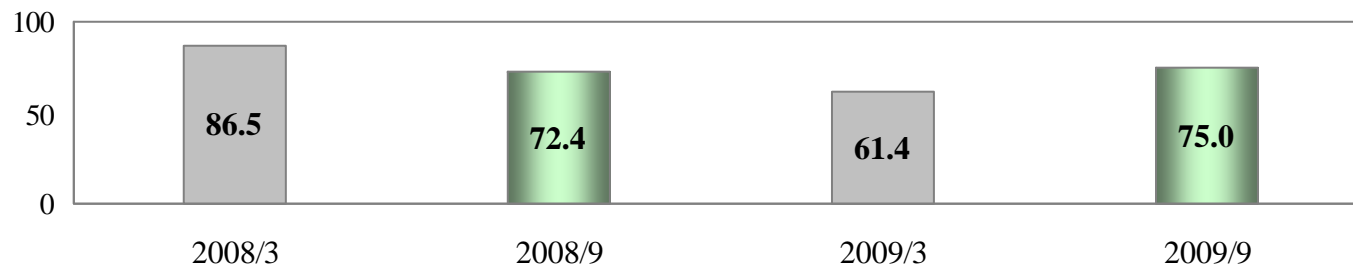
# Cash flows

< Billion yen >

## Cash flows



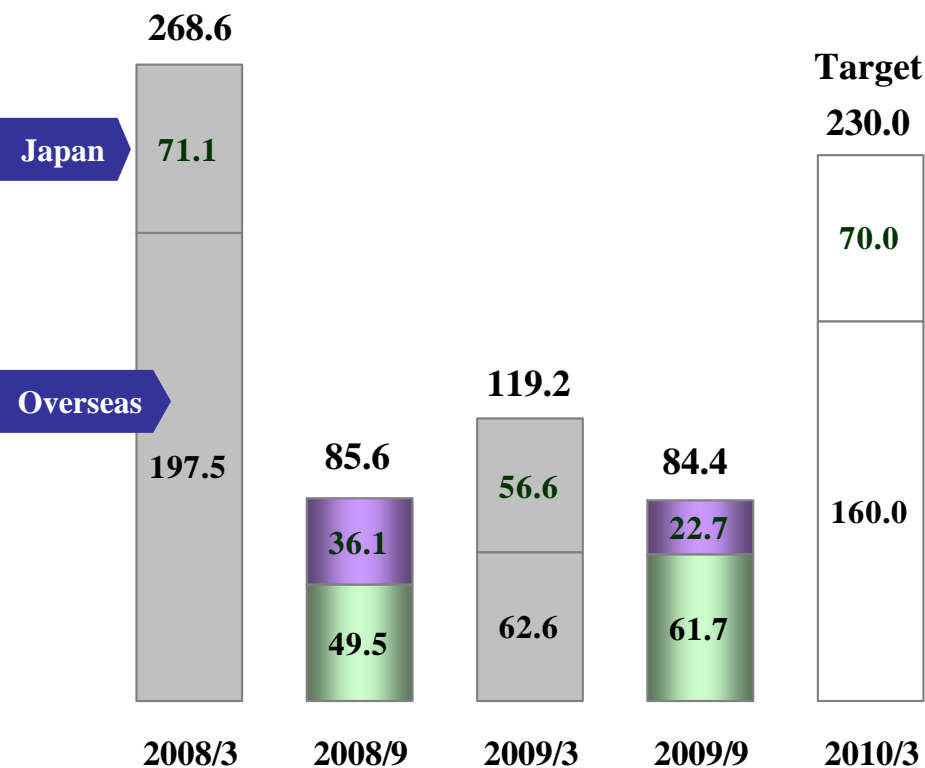
## Cash and cash equivalents, end of the term



# New orders

➤ Reached 37% of target for 2010/3 (230 billion yen).

< Billion yen >



**2009/9 New orders : 84.4 billion yen**

## Compared with target for 2010/3

	Target	2009/9	Difference	Achievement
Japan	70.0	22.7	(47.3)	32%
Overseas	160.0	61.7	(98.3)	39%
Total	230.0	84.4	(145.6)	37%

## Major contracts

- Over 10 billion yen** : Petrochemical, CHINA
- Over 5 billion yen** : Oil refinery, INDIA (2 projects)  
Petrochemical, CHINA (2 projects)  
General manufacturing facility, JAPAN
- Over 3 billion yen** : Oil refinery, BRAZIL  
Oil refinery, INDIA

## Breakdown by consolidated companies

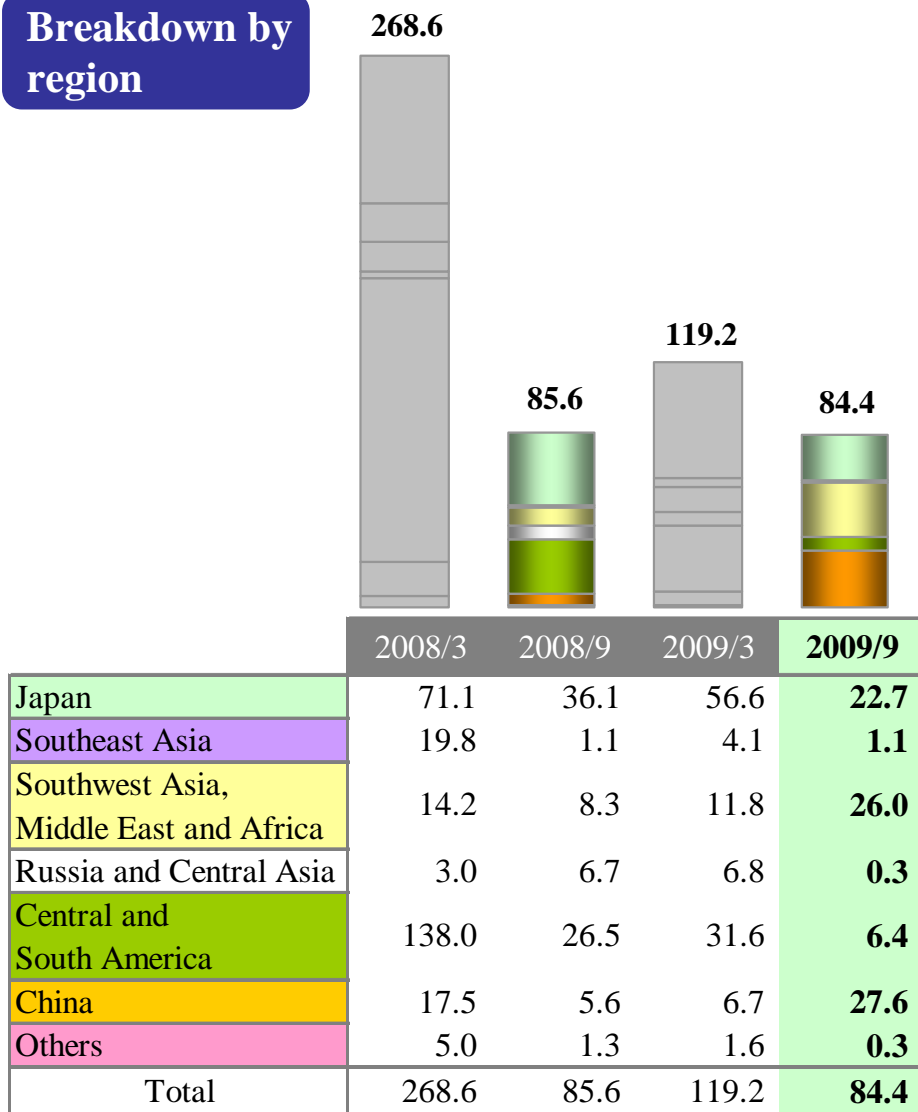
Toyo Engineering Corp.	49.2 billion yen
Domestic subsidiaries	8.9 billion yen
Overseas subsidiaries	26.3 billion yen

\*The above does not include figures related to real estate segment.

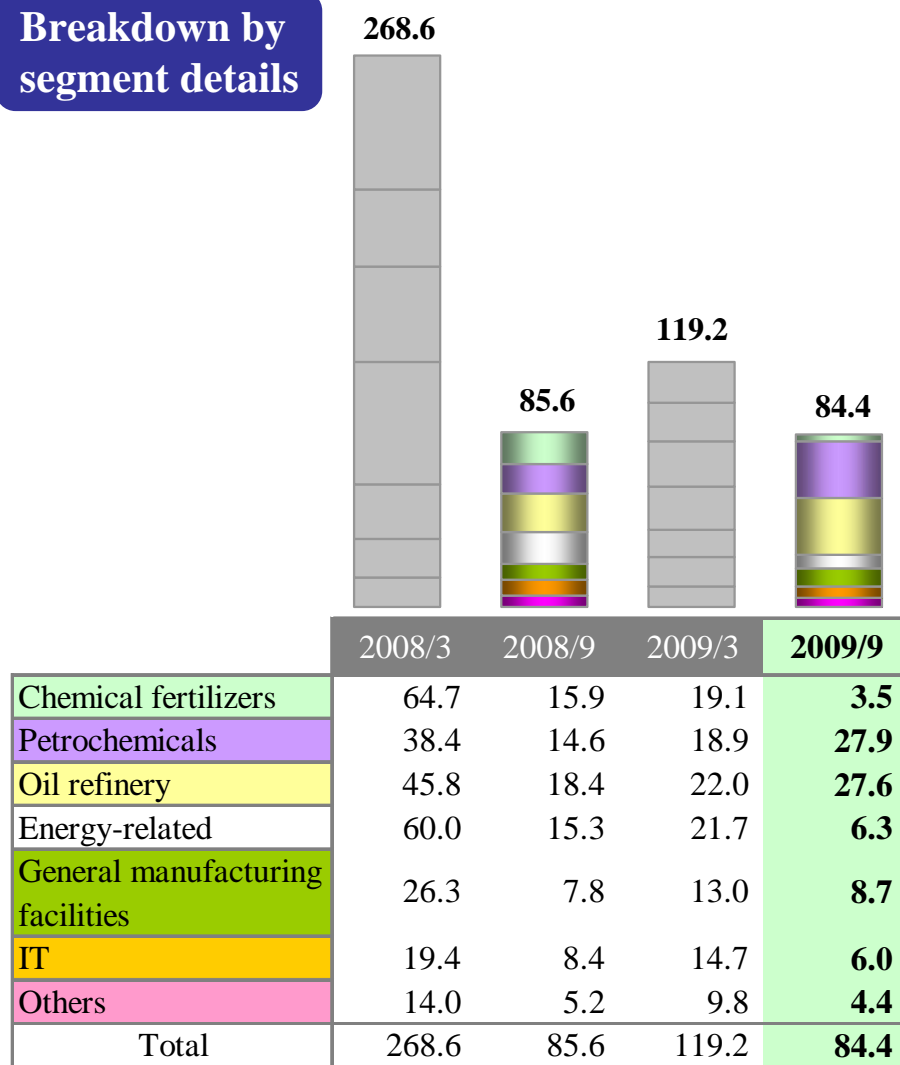
# New orders

< Billion yen >

## Breakdown by region



## Breakdown by segment details

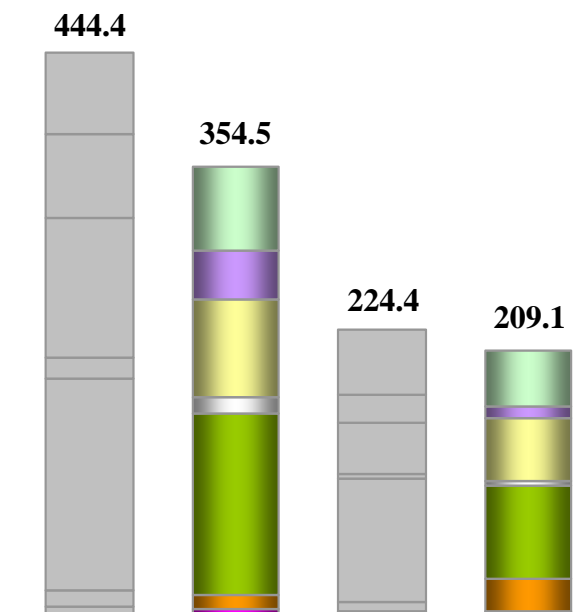




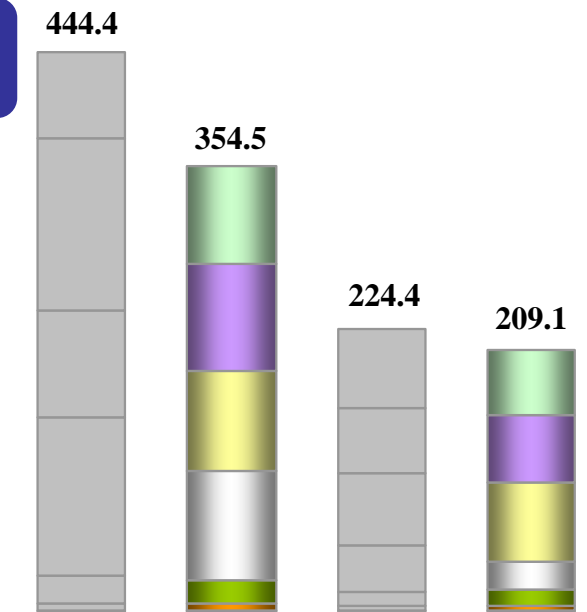
# Backlog of contracts

< Billion yen >

## Breakdown by region



## Breakdown by segment details



	2008/3	2008/9	2009/3	2009/9
Japan	63.5	67.5	51.1	44.4
Southeast Asia	67.6	37.3	22.6	9.9
Southwest Asia, Middle East and Africa	110.9	78.6	39.7	49.8
Russia and Central Asia	16.4	12.7	3.3	3.3
Central and South America	168.2	143.6	99.1	74.6
China	12.6	11.1	7.5	26.1
Others	5.2	3.7	1.1	1.0
<b>Total</b>	<b>444.4</b>	<b>354.5</b>	<b>224.4</b>	<b>209.1</b>

	2008/3	2008/9	2009/3	2009/9
Chemical fertilizers	67.6	77.1	62.4	51.7
Petrochemicals	136.7	85.5	51.4	54.1
Oil refinery	84.9	80.0	56.4	63.5
Energy-related	125.9	85.8	37.8	22.0
General manufacturing facilities	21.3	18.1	11.3	11.5
IT	5.5	5.6	3.1	4.0
Others	2.5	2.4	2.0	2.3
<b>Total</b>	<b>444.4</b>	<b>354.5</b>	<b>224.4</b>	<b>209.1</b>

# Forecast



< Billion yen >

	2009/3	Forecast for 2010/3	
		Initial plan	New plan
<b>Net sales</b>	<b>326.2</b>	<b>200.0</b>	<b>190.0</b>
<b>Gross profit</b>	<b>34.7</b>	<b>28.0</b>	<b>29.5</b>
Gross profit rate	10.7%	14.0%	15.5%
<b>Operating income</b>	<b>15.1</b>	<b>8.0</b>	<b>9.5</b>
Operating income rate	4.6%	4.0%	5.0%
<b>Ordinary income</b>	<b>16.1</b>	<b>8.0</b>	<b>9.5</b>
<b>Net income</b>	<b>6.5</b>	<b>5.0</b>	<b>5.0</b>
<b>New orders</b>	<b>119.2</b>	<b>230.0</b>	<b>230.0</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥7.0</b>	<b>¥5.0</b>	<b>¥5.0</b>

**Forecast for breakdowns by segment**

Net sales	Initial plan	New plan
EPC	185.3	176.5
IT	11.5	10.5
Real estate	3.2	3.0
<b>Total</b>	<b>200.0</b>	<b>190.0</b>

Operating income	Initial plan	New plan
EPC	6.8	8.5
IT	0.3	0.1
Real estate	0.9	0.9
<b>Total</b>	<b>8.0</b>	<b>9.5</b>

Exchange rate for Forecast 1US\$= ¥90.00

# - Reference - Subsidiaries information



## Results of major subsidiaries and affiliates

		Business fields	Capital	Share	Net sales 2009/9
			Billion yen	%	Billion yen
<b>Consolidated subsidiaries</b>					
Japan	Toyo Business Engineering Corporation	IT	0.7	51	5.0
Japan	TEC Estate, Ltd.	Real Estate	6.0	100	1.1
Japan	Suntec Corporation	Real Estate	0.5	100	0.8
Korea	Toyo Engineering Korea Ltd.	EPC	0.5	100	6.2
India	Toyo Engineering India Ltd.	EPC	0.3	74	4.1
<b>Equity method affiliates</b>					
Thailand	Toyo-Thai Corporation Public Company Ltd.	EPC	1.6	26	17.4

<Companies>

## Consolidated Subsidiaries / Equity method affiliates

	2008/3	2008/9	2009/3	2009/9
Consolidated subsidiaries	14	12	12	12
Equity method affiliates	1	2	2	2
<b>Total</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>
Japan	7	8	8	8
Overseas	8	6	6	6
<b>Total</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>

# - Reference - Historical data



		2008/3	2008/9	2009/3	2009/9	Forecast 2010/3
Net sales	Billion yen	327.4	179.3	326.2	90.6	190.0
Gross profit	Billion yen	34.4	18.5	34.7	14.1	29.5
Gross profit rate	%	10.5%	10.4%	10.7%	15.6%	15.5%
Operating income	Billion yen	13.7	6.8	15.1	5.2	9.5
Operating income rate	%	4.2%	3.8%	4.6%	5.7%	5.0%
Ordinary income	Billion yen	16.0	7.9	16.1	6.6	9.5
Net income	Billion yen	8.0	3.8	6.5	3.7	5.0
Interest bearing debt	Billion yen	34.6	30.1	28.3	33.5	33.0
Interest bearing debt ratio	%	12.3%	12.5%	14.2%	16.7%	
Net debt	Billion yen	(52.7)	(43.7)	(34.8)	(43.8)	
Debt equity ratio	times	0.63	0.53	0.50	0.56	
Equity ratio	%	19.5%	23.3%	28.4%	30.0%	
Operating activities CF	Billion yen	25.2	(2.8)	(8.9)	9.5	
Investment activities CF	Billion yen	(5.2)	(3.5)	(4.9)	(0.5)	
Finance activities CF	Billion yen	(9.0)	(5.8)	(8.3)	4.4	
New orders	Billion yen	268.6	85.6	119.2	84.4	230.0
Backlog of contracts	Billion yen	444.4	354.5	224.4	209.1	267.4
Dividends per share (Non-consolidated)	yen	(Annual) 6.0	(2Qend) 3.0	(Annual) 7.0	(2Qend) 2.5	(Annual) 5.0



**For further questions on this material, please contact ;**

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The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.