



Second quarter of fiscal year 2010
(September 30, 2010)

OUTLINE OF FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

November 11, 2010

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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 and profit compared with same period last year.*

< Billion yen >

	2009/9	2010/9	Difference		Forecast 2010/9	Difference	Achieve- ment
Net sales	90.6	76.8	(13.8)	-15%	80.0	(3.2)	96%
Gross profit	14.1	12.8	(1.3)	-9%	12.5	0.3	102%
Gross profit rate	15.6%	16.7%	1.1%		15.6%	1.1%	
Operating income	5.2	2.2	(3.0)	-58%	2.0	0.2	110%
Operating income rate	5.7%	2.9%	-2.8%		2.5%	0.4%	
Ordinary income	6.6	2.5	(4.1)	-62%	2.0	0.5	125%
Net income	3.7	1.1	(2.6)	-70%	1.0	0.1	110%
New orders	84.4	62.1	(22.3)	-26%	* Reached 22% of target for 2011/3		
Dividends per share (yen) (Non-consolidated)	¥2.5	¥0.0	(¥2.5)		¥0.0	¥0.0	-

Exchange rate for Forecast 1US\$= ¥90.00

Income statement



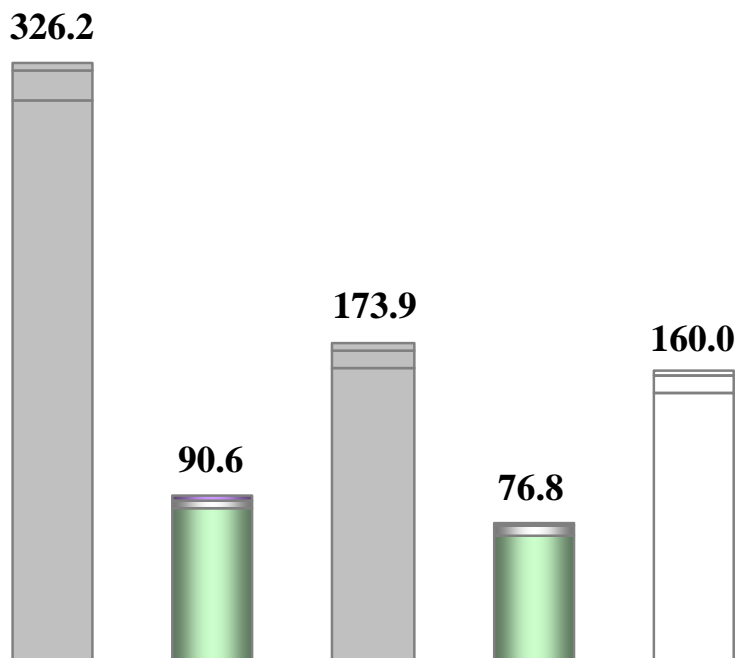
< Billion yen >

	2009/9		2010/9		Difference Billions of yen	Forecast 2010/9	
	Billions of yen	%	Billions of yen	%		Difference	
Net sales	90.6	100.0	76.8	100.0	(13.8)	80.0	(3.2)
Cost of sales	76.5	84.4	64.0	83.3	12.5		
Gross profit	14.1	15.6	12.8	16.7	(1.3)	12.5	0.3
Selling, general and administrative expenses	8.9	9.8	10.5	13.7	(1.6)		
Operating income	5.2	5.7	2.2	2.9	(3.0)	2.0	0.2
Non-operating income	2.2	2.5	0.6	0.9	(1.6)		
Non-operating expenses	0.8	0.9	0.3	0.5	0.5		
Total non-operating income and expenses	1.4		0.3		(1.1)		
Ordinary income	6.6	7.3	2.5	3.3	(4.1)	2.0	0.5
Extraordinary gain	0.1	0.2	-	-	(0.1)		
Extraordinary loss	-	-	-	-	-		
Total extraordinary gain and loss	0.1		-		(0.1)		
Income before income taxes and minority interest	6.8	7.6	2.5	3.3	(4.3)		
Current income taxes and Deferred income taxes	3.0	3.4	1.3	1.8	1.7		
Minority interest income	0.0	0.0	(0.0)	-0.0	0.0		
Net income	3.7	4.1	1.1	1.5	(2.6)	1.0	0.1

Net sales



< Billion yen >



	2009/3	2009/9	2010/3	2010/9	Forecast 2011/3
EPC	306.9	83.9	160.1	70.1	147.0
IT	15.8	5.1	10.8	5.2	10.0
Real estate	3.5	1.6	3.0	1.5	3.0
Total	326.2	90.6	173.9	76.8	160.0

Compared with forecast for 2010/9

	2010/9		Difference	Achievement
	Forecast	Result		
EPC	73.5	70.1	(3.4)	95%
IT	5.0	5.2	0.2	104%
Real estate	1.5	1.5	(0.0)	100%
Total	80.0	76.8	(3.2)	96%

Compared with same period last year

	2009/9	2010/9	Difference	
EPC	83.9	70.1	(13.8)	-16%
IT	5.1	5.2	+0.1	+2%
Real estate	1.6	1.5	(0.1)	-6%
Total	90.6	76.8	(13.8)	-15%

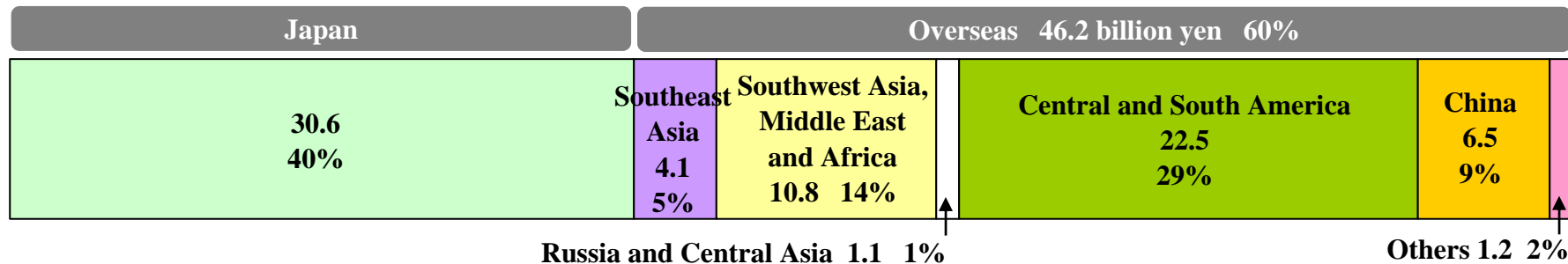
	2009/9	2010/9	Difference
Japan	24.0	30.6	+6.6
%	26%	40%	+14%
Overseas	66.6	46.2	(20.4)
%	74%	60%	-14%
Total	90.6	76.8	(13.8)

Net sales

2010/9 Net sales : 76.8 billion yen

< Billion yen >

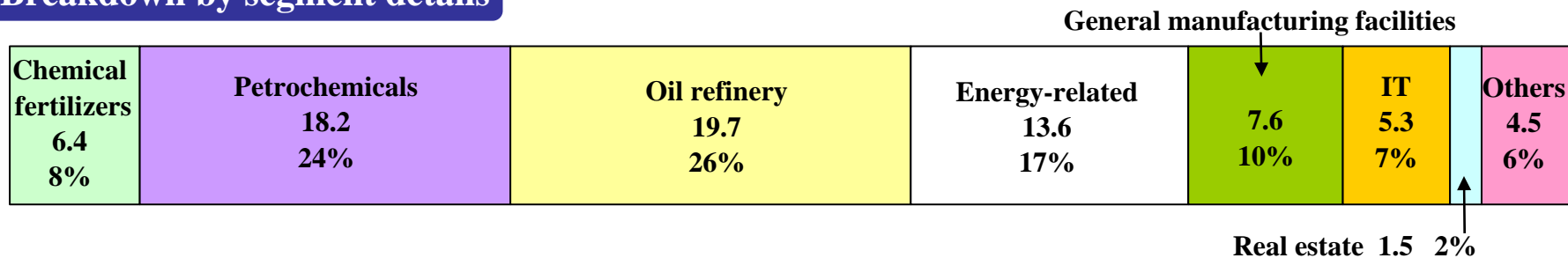
Breakdown by region



Major contracts

Over 5 billion yen	Over 2 billion yen
General manufacturing facility, JAPAN	Oil refinery, JAPAN
Petrochemical, JAPAN	Petrochemical, SINGAPORE
Oil refinery, BRAZIL	Energy-related, QATAR
Energy-related, BRAZIL	Energy-related, ANGOLA
Chemical fertilizer, VENEZUELA	Oil refinery, VENEZUELA
	Petrochemical, CHINA

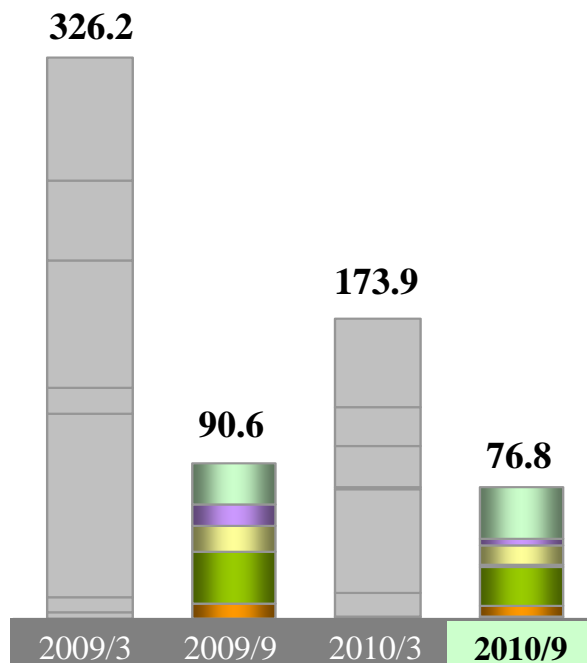
Breakdown by segment details



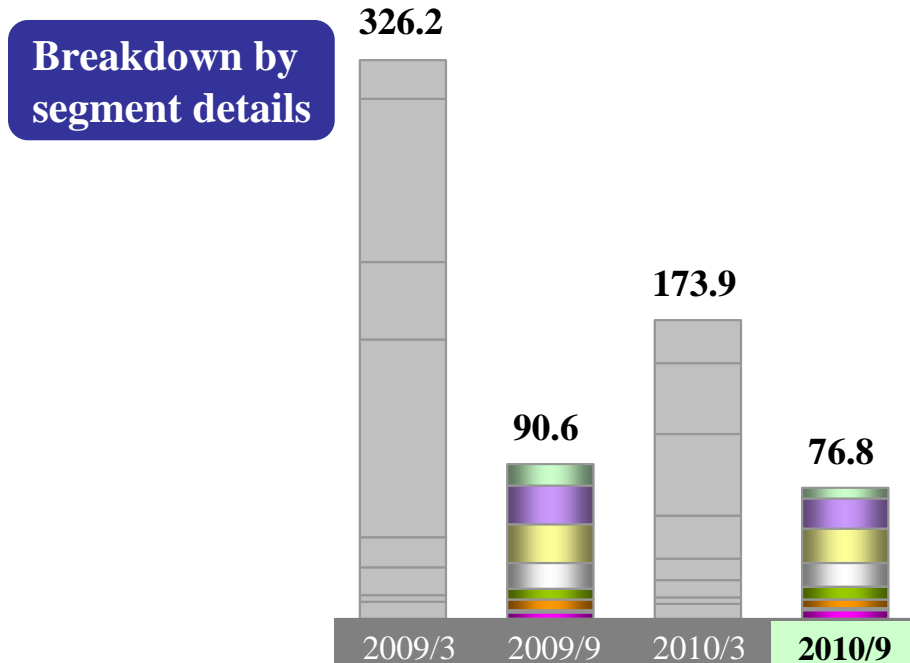
Net sales

< Billion yen >

Breakdown by region



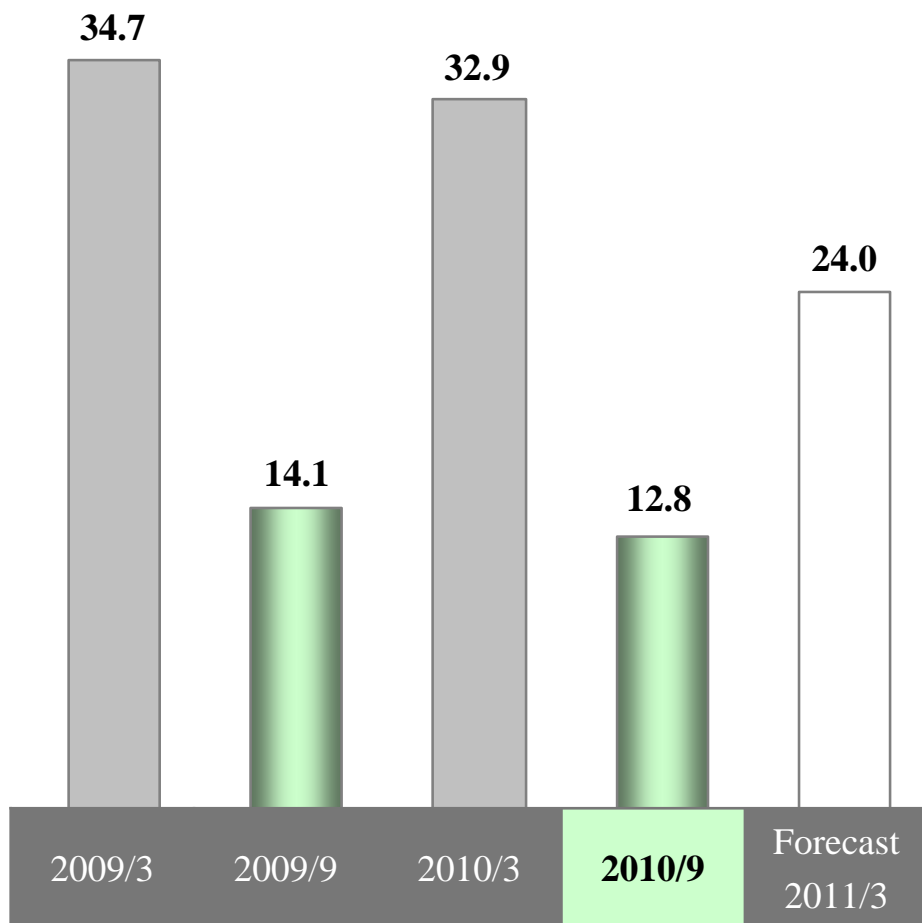
Breakdown by segment details



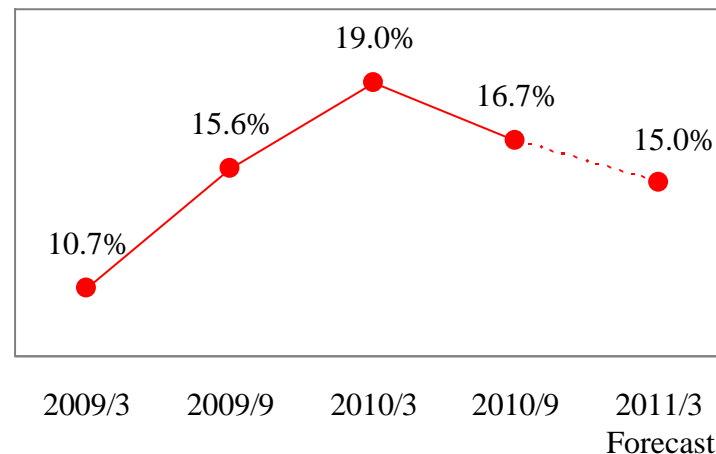
Gross profit



< Billion yen >



Gross profit rate



Compared with forecast for 2010/9

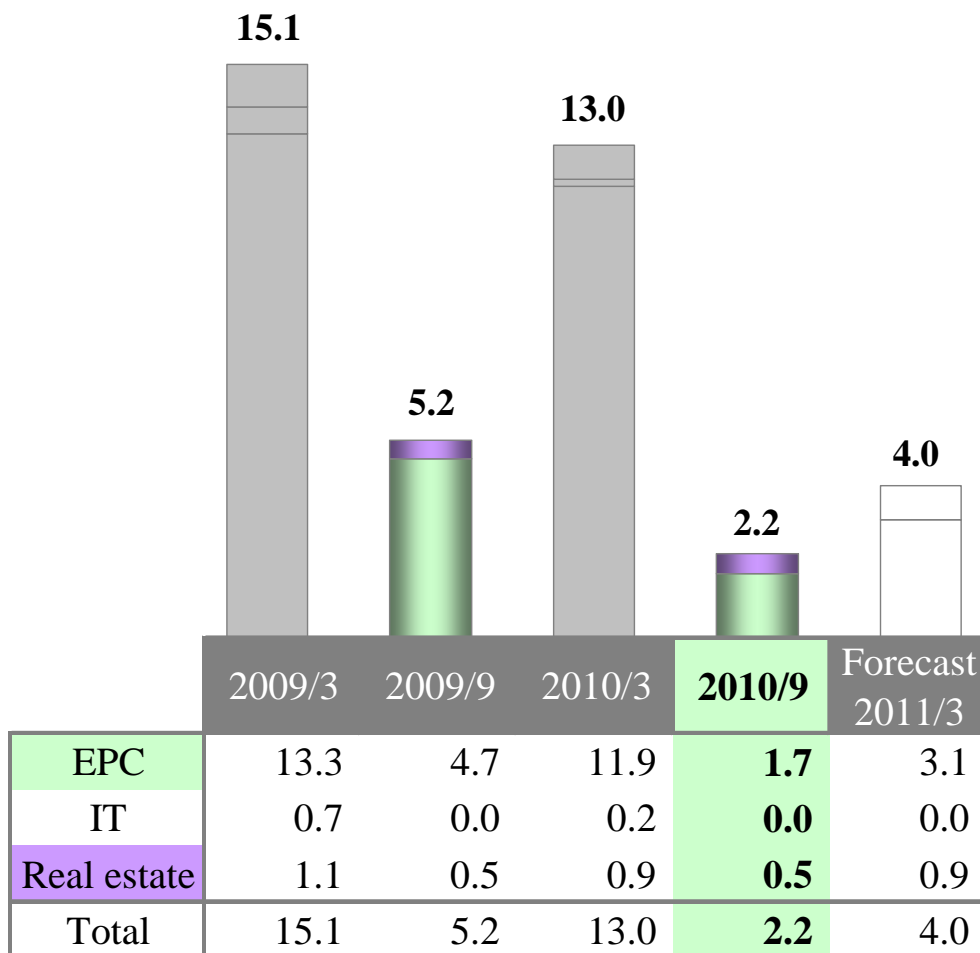
2010/9		Difference	Achievement
Forecast	Result		
12.5	12.8	+0.3	102%

Compared with same period last year

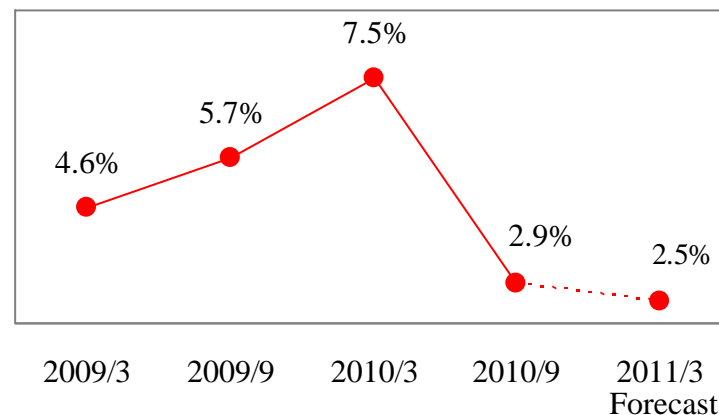
2009/9	2010/9	Difference
14.1	12.8	(1.3)
		-9%

Operating income

< Billion yen >



Operating income rate



Compared with forecast for 2010/9

	2010/9		Difference	Achievement
	Forecast	Result		
EPC	1.5	1.7	0.2	113%
IT	0.0	0.0	0.0	-
Real estate	0.5	0.5	0.0	100%
Total	2.0	2.2	0.2	110%

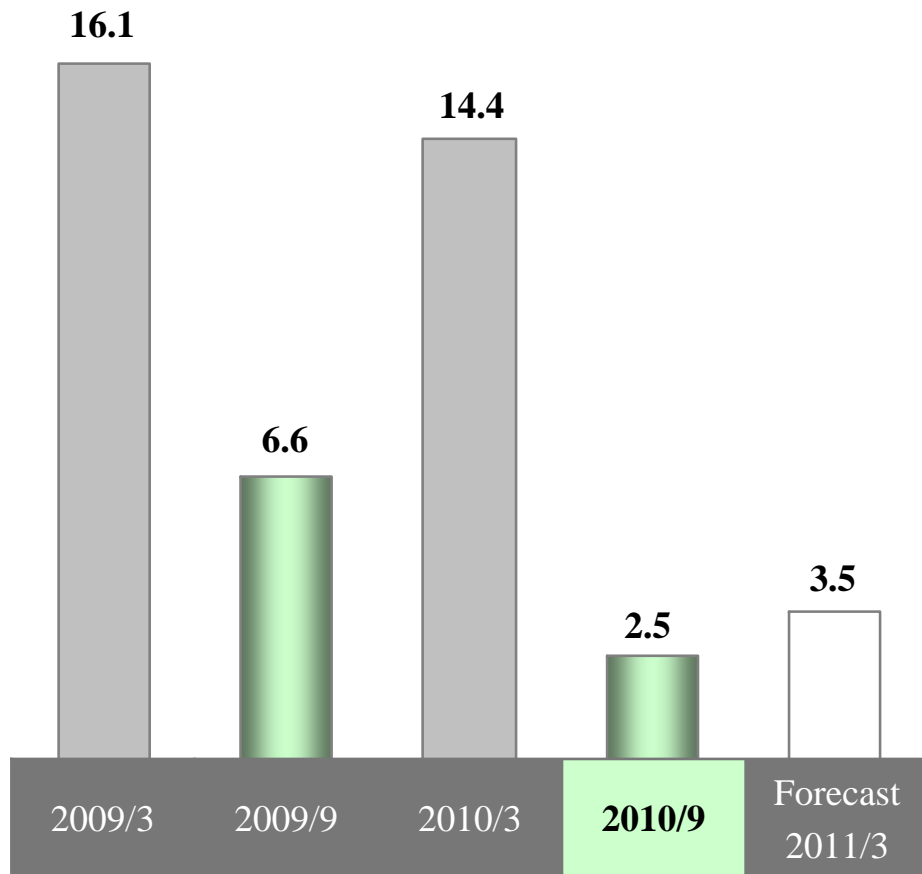
Compared with same period last year

	2009/9	2010/9	Difference	
EPC	4.7	1.7	(3.0)	-64%
IT	0.0	0.0	+0.0	-
Real estate	0.5	0.5	+0.0	+0%
Total	5.2	2.2	(3.0)	-58%

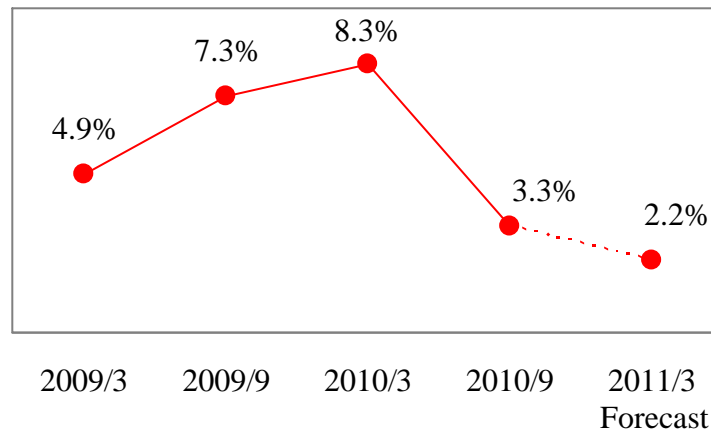
Ordinary income



< Billion yen >



Ordinary income rate



Compared with forecast for 2010/9

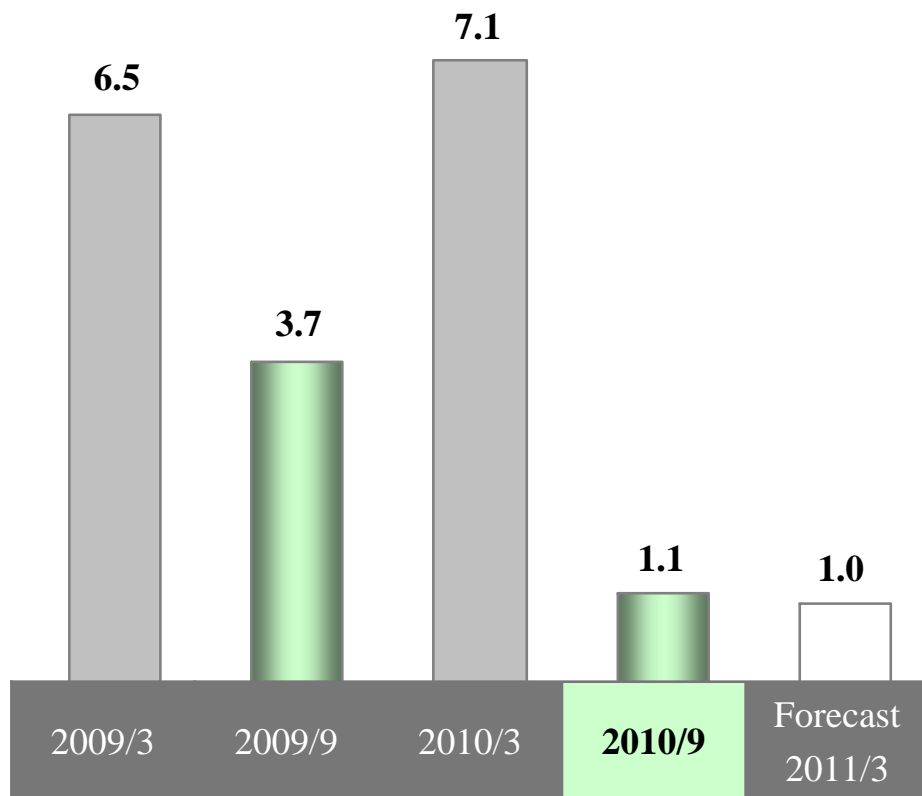
2010/9		Difference	Achievement
Forecast	Result		
2.0	2.5	+0.5	125%

Compared with same period last year

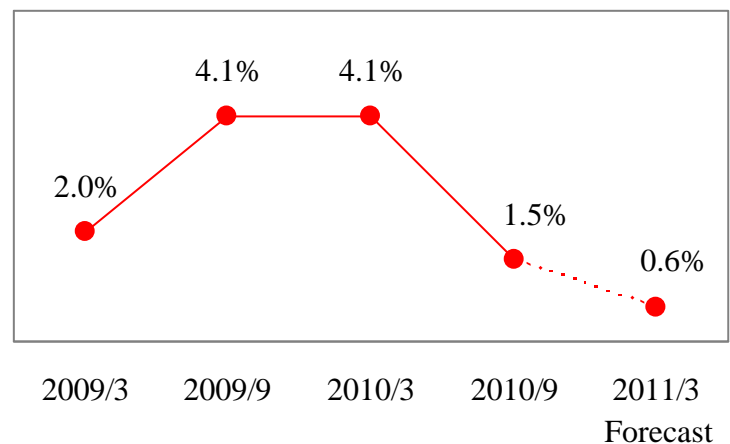
2009/9	2010/9	Difference	Achievement
6.6	2.5	(4.1)	-62%

Net income

< Billion yen >



Net income rate



Compared with forecast for 2010/9

2010/9	Difference	Achievement	
Forecast	Result	Difference	Achievement
1.0	1.1	+0.1	110%

Compared with same period last year

2009/9	2010/9	Difference
3.7	1.1	(2.6)
		-70%

Net income per share

33.91 yen	19.54 yen	37.12 yen	6.05 yen	5.21 yen
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Balance sheet

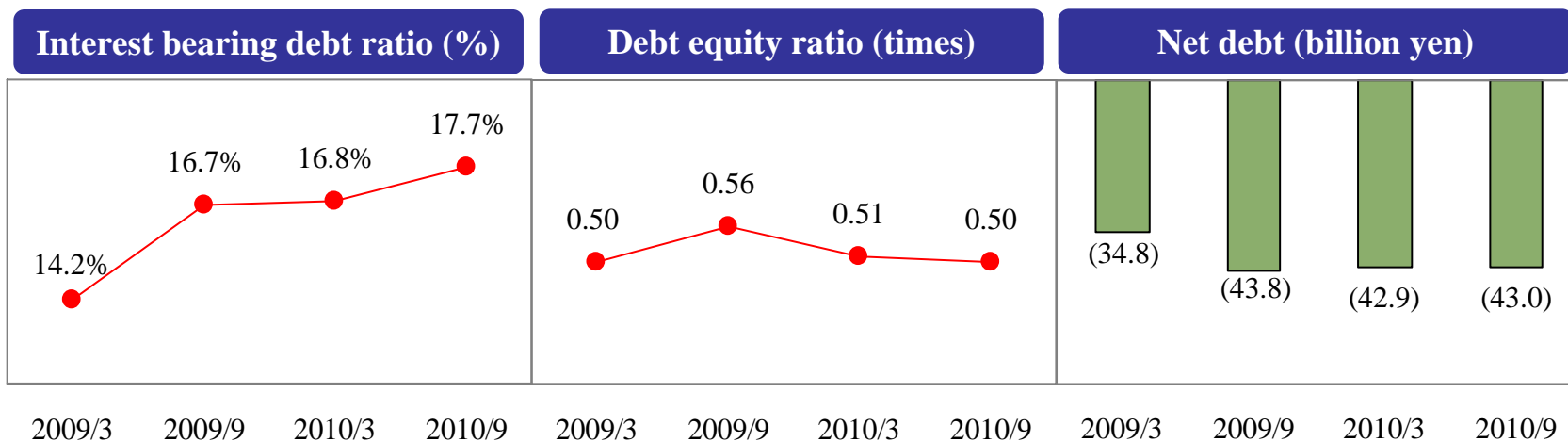
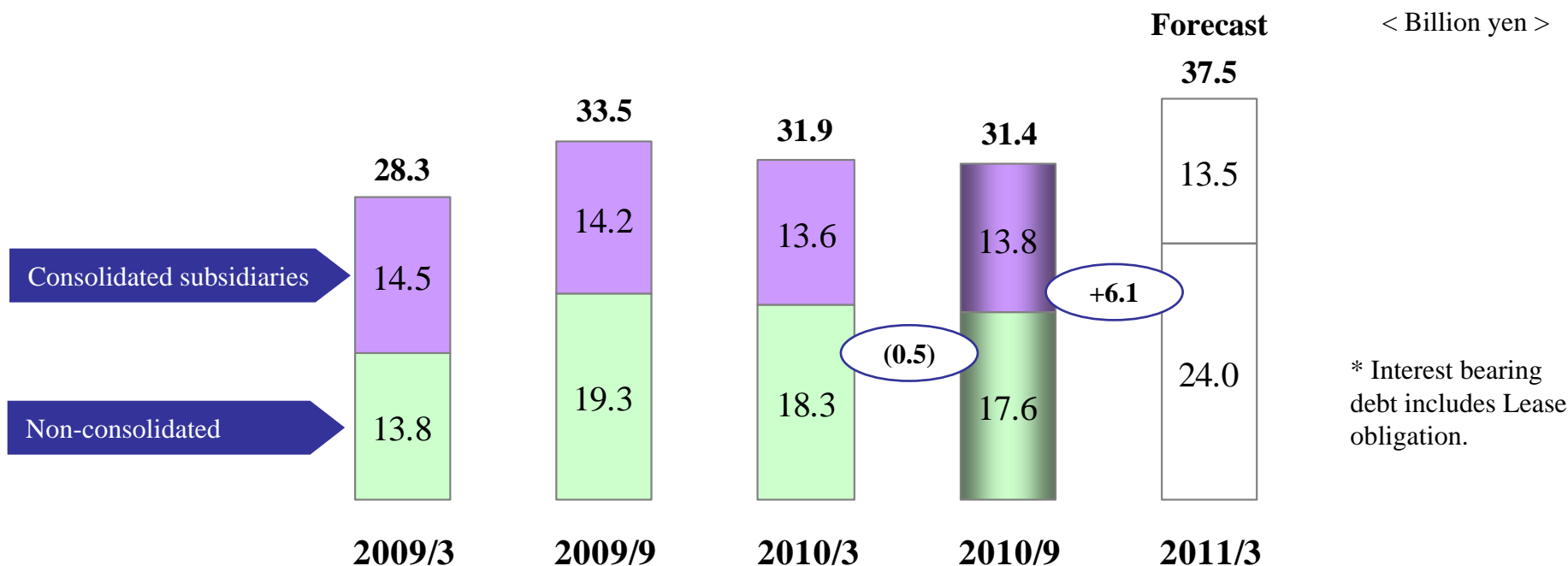


< Billion yen >

Assets	2010/3	2010/9	Difference
Current assets	141.6	130.0	(11.6)
Cash and deposits	36.8	36.3	(0.5)
Marketable securities	37.9	37.9	+0.0
Other current assets	17.7	12.6	(5.1)
<Operating assets>			
Notes and accounts receivable	27.3	27.2	(0.1)
Contract work in progress	21.6	15.7	(5.9)
Fixed assets	48.4	47.0	(1.4)
Property, plant and equipment	32.4	31.8	(0.6)
Intangible assets	3.0	2.9	(0.1)
Investments and assets	13.0	12.1	(0.9)
Total assets	190.1	177.1	(13.0)

Liabilities and net assets	2010/3	2010/9	Difference
Current liabilities	90.6	80.4	(10.2)
Short-term interest bearing debt	8.2	9.1	+0.9
Other current liabilities	11.6	11.4	(0.2)
<Operating liabilities>			
Notes and accounts payable	35.0	38.5	+3.5
Advance receipts on uncompleted contracts	35.5	21.3	(14.2)
Long-term liabilities	34.2	32.3	(1.9)
Long-term interest bearing debt	23.6	22.2	(1.4)
Other long-term liabilities	10.5	10.0	(0.5)
Net assets	65.2	64.3	(0.9)
Shareholder's equity	64.1	64.4	+0.3
Valuation and translation adjustments	(0.8)	(1.9)	(1.1)
Minority interest	2.0	1.8	(0.2)
Total liabilities and net assets	190.1	177.1	(13.0)

Interest bearing debt balance

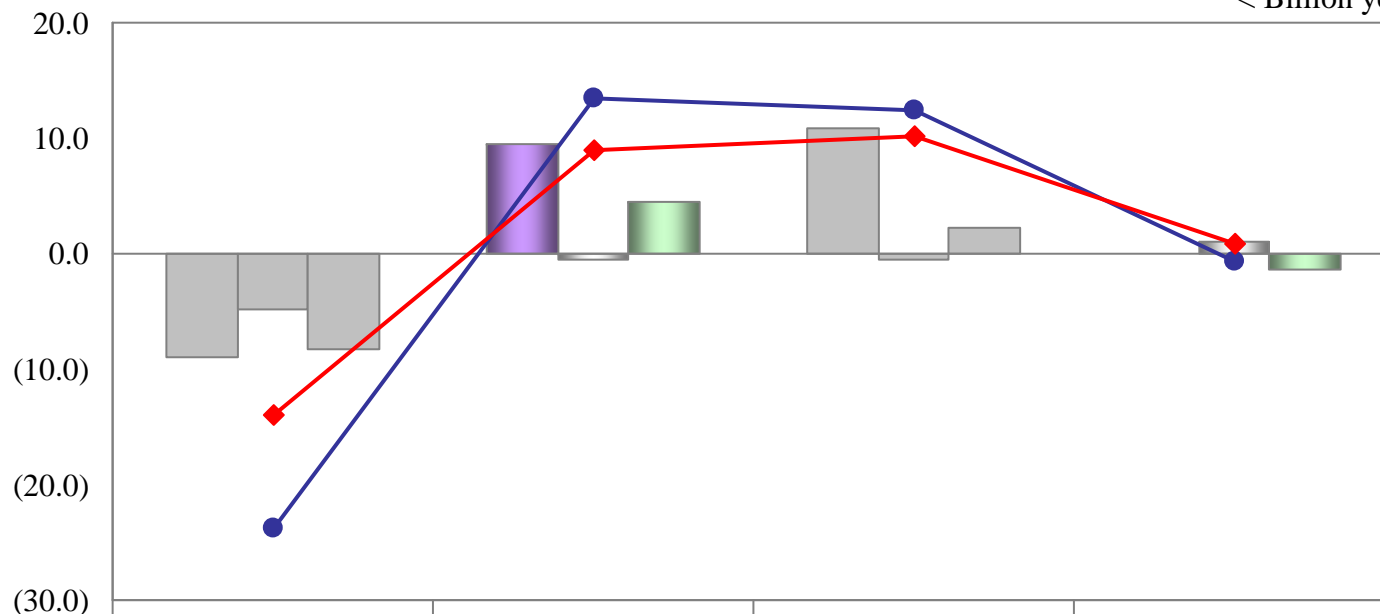


Cash flows



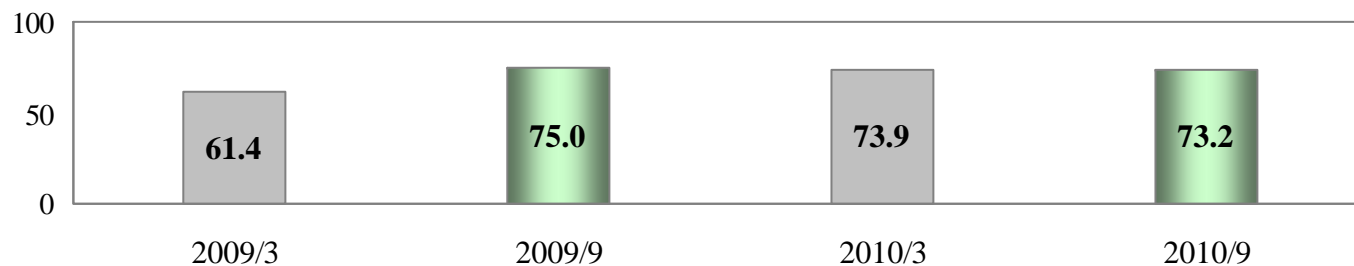
< Billion yen >

Cash flows



	2008/4 - 2009/3	2009/4 - 9	2009/4 - 2010/3	2010/4 - 9
Operating activities	(8.9)	9.5	10.8	(0.0)
Investing activities	(4.9)	(0.5)	(0.6)	1.0
Financing activities	(8.3)	4.4	2.2	(1.3)
Net increase / decrease in cash	(23.8)	13.5	12.4	(0.7)
Free cash flow	(13.9)	9.0	10.1	0.9

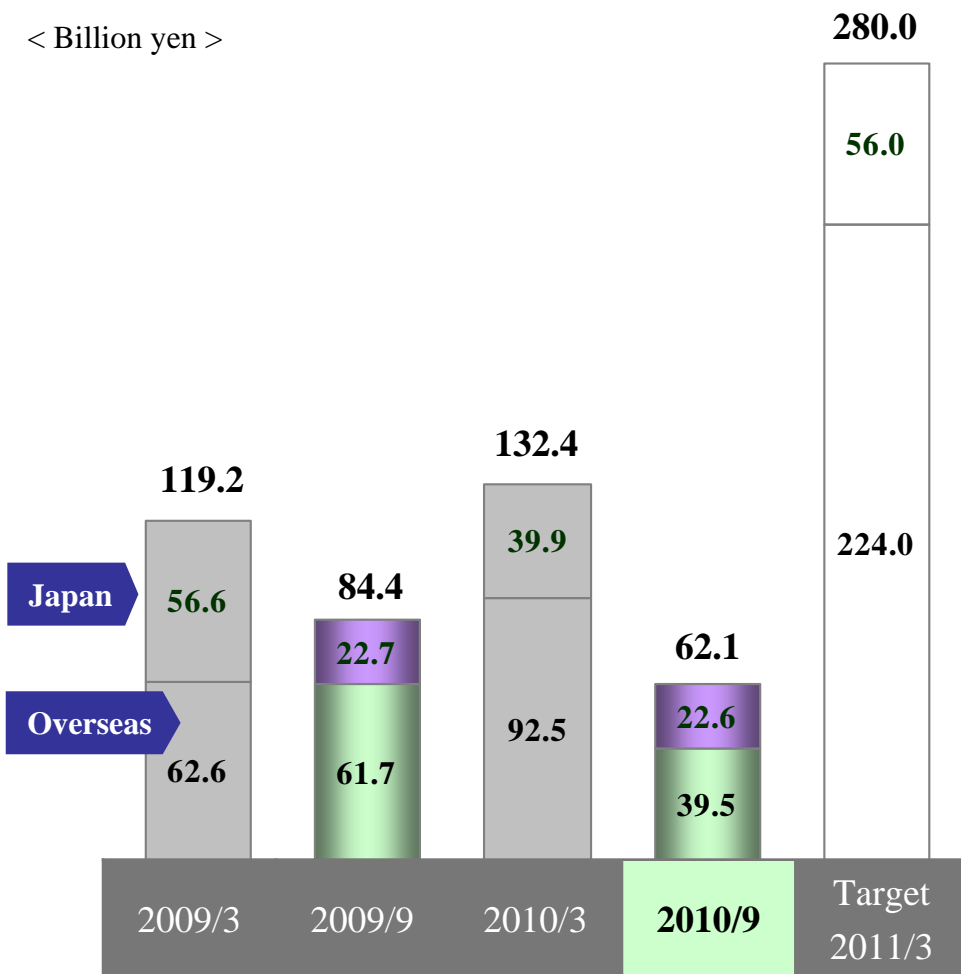
Cash and cash equivalents, end of the term



New orders

➤ Reached 22% of target for 2011/3 (280 billion yen).

< Billion yen >



2010/9 New orders : 62.1 billion yen

Compared with target for 2011/3

	Target 2011/3	Result 2010/9	Difference	Achievement
Japan	56.0	22.6	(33.4)	40%
Overseas	224.0	39.5	(184.5)	18%
Total	280.0	62.1	(217.9)	22%

Major contracts

Over 10 billion yen

Energy-related, BRAZIL

Over 2 billion yen

General manufacturing facility, JAPAN
Energy-related, JAPAN
Petrochemical, SINGAPORE

Breakdown by consolidated companies

Toyo Engineering Corp.	49.9 billion yen
Domestic subsidiaries	9.1 billion yen
Overseas subsidiaries	3.1 billion yen

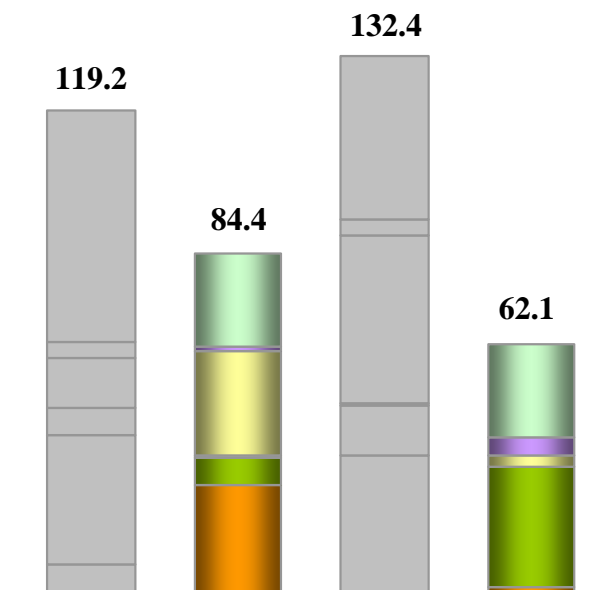
*The above does not include figures related to real estate segment.

New orders

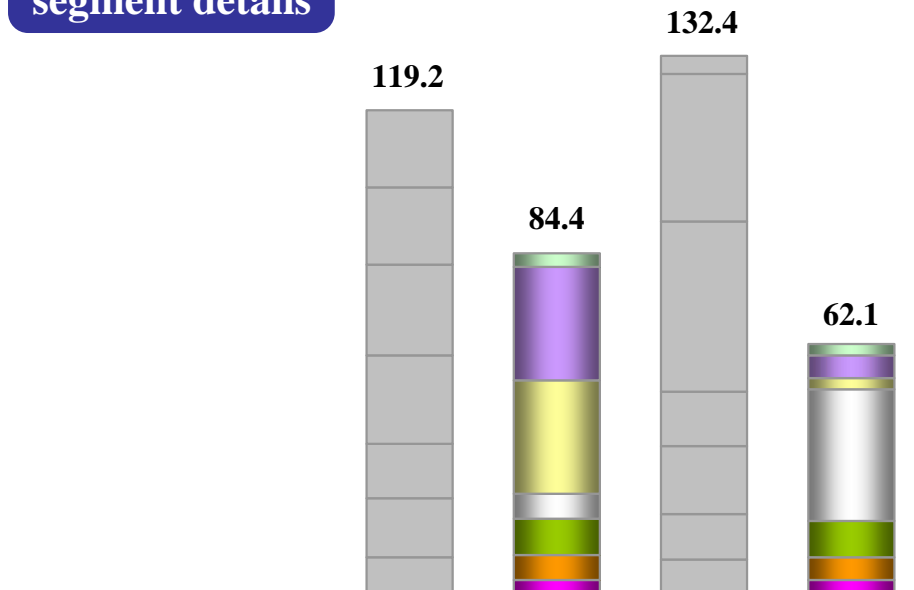


< Billion yen >

Breakdown by region



Breakdown by segment details

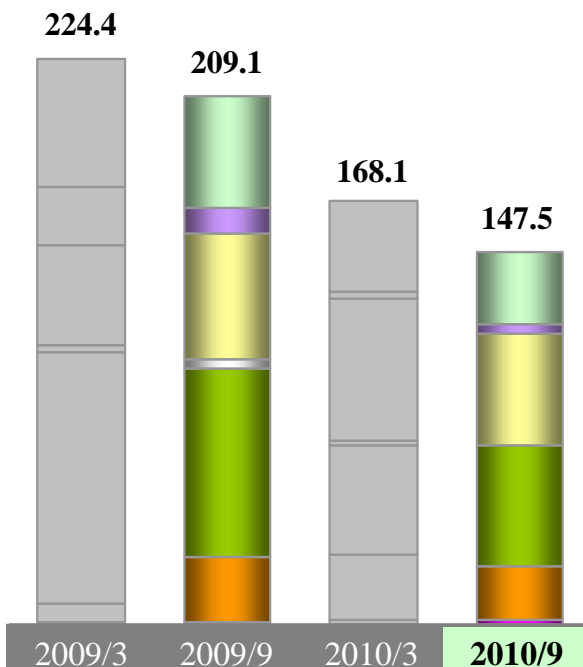


	2009/3	2009/9	2010/3	2010/9
Japan	56.6	22.7	39.9	22.6
Southeast Asia	4.1	1.1	4.0	4.7
Southwest Asia, Middle East and Africa	11.8	26.0	40.9	2.5
Russia and Central Asia	6.8	0.3	0.5	0.0
Central and South America	31.6	6.4	12.0	29.3
China	6.7	27.6	33.2	2.0
Others	1.6	0.3	1.9	1.0
Total	119.2	84.4	132.4	62.1

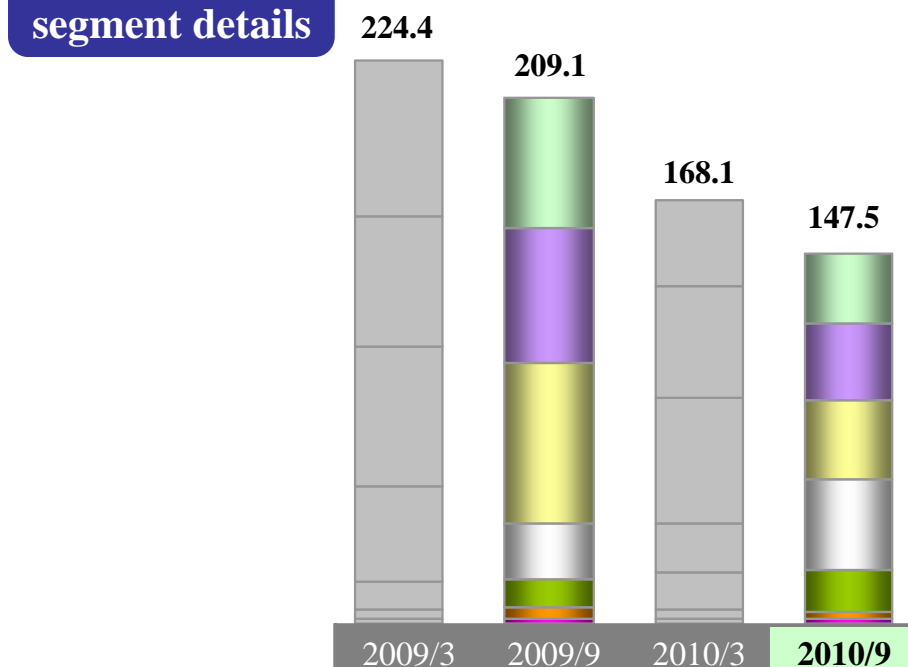
Backlog of contracts

< Billion yen >

Breakdown by region



Breakdown by segment details



Forecast



< Billion yen >

● *Not change by initial forecast.*

	2010/3	Forecast for 2011/3	
		Initial plan	New plan
Net sales	173.9	160.0	160.0
Gross profit	32.9	24.0	24.0
Gross profit rate	19.0%	15.0%	15.0%
Operating income	13.0	4.0	4.0
Operating income rate	7.5%	2.5%	2.5%
Ordinary income	14.4	3.5	3.5
Net income	7.1	1.0	1.0
New orders	132.4	280.0	280.0
Dividends per share (yen) (Non-consolidated)	¥7	¥3	¥3

Forecast for breakdowns by segment

Net sales	Initial plan	New plan
EPC	147.0	147.0
IT	10.0	10.0
Real estate	3.0	3.0
Total	160.0	160.0

Operating income	Initial plan	New plan
EPC	3.1	3.1
IT	0.0	0.0
Real estate	0.9	0.9
Total	4.0	4.0

Exchange rate for Forecast 1US\$ = ¥80.00

- Reference - Subsidiaries information



Results of major subsidiaries and affiliates

		Business fields	Capital	Share	Net sales 2010/9
			Billion yen	%	Billion yen
Consolidated subsidiaries					
Japan	Toyo Business Engineering Corporation	IT	0.7	51	5.3
Japan	TEC Estate, Ltd.	Real Estate	2.7	100	1.0
Japan	Suntec Corporation	Real Estate	0.4	100	0.7
Korea	Toyo Engineering Korea Ltd.	EPC	0.5	100	2.1
India	Toyo Engineering India Ltd.	EPC	0.3	74	5.3
Equity method affiliates					
Thailand	Toyo-Thai Corporation Public Company Ltd.	EPC	1.6	26	8.6

<Companies>

Consolidated Subsidiaries / Equity method affiliates

		2009/3	2009/9	2010/3	2010/9
Consolidated subsidiaries		12	12	12	12
Equity method affiliates		2	2	2	2
Total		14	14	14	14
Japan		8	8	8	8
Overseas		6	6	6	6
Total		14	14	14	14

- Reference - Historical data



		2009/3	2009/9	2010/3	2010/9	Forecast 2011/3
Net sales	Billion yen	326.2	90.6	173.9	76.8	160.0
Gross profit	Billion yen	34.7	14.1	32.9	12.8	24.0
Gross profit rate	%	10.7%	15.6%	19.0%	16.7%	15.0%
Operating income	Billion yen	15.1	5.2	13.0	2.2	4.0
Operating income rate	%	4.6%	5.7%	7.5%	2.9%	2.5%
Ordinary income	Billion yen	16.1	6.6	14.4	2.5	3.5
Net income	Billion yen	6.5	3.7	7.1	1.1	1.0
Interest bearing debt	Billion yen	28.3	33.5	31.9	31.4	37.5
Interest bearing debt ratio	%	14.2%	16.7%	16.8%	17.7%	
Net debt	Billion yen	(34.8)	(43.8)	(42.9)	(43.0)	
Debt equity ratio	times	0.50	0.56	0.51	0.50	
Equity ratio	%	28.4%	30.0%	33.3%	35.3%	
Operating activities CF	Billion yen	(8.9)	9.5	10.8	(0.0)	
Investment activities CF	Billion yen	(4.9)	(0.5)	(0.6)	1.0	
Finance activities CF	Billion yen	(8.3)	4.4	2.2	(1.3)	
New orders	Billion yen	119.2	84.4	132.4	62.1	280.0
Backlog of contracts	Billion yen	224.4	209.1	168.1	147.5	291.1
Dividends per share (Non-consolidated)	yen	(Annual) 7.0	(2Qend) 2.5	(Annual) 7.0	(2Qend) 0.0	(Annual) 3.0



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.