



Second quarter of fiscal year 2011  
(September 30, 2011)

# OUTLINE OF FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

**November 11, 2011**

# Contents

## I Outline of income statement

Performance summary	3
Income statement, Comprehensive income	4
Net sales	5
Gross profit	8
Operating income	9
Ordinary income	10
Net income	11

## II Financial position

Balance sheet	12
Interest bearing debt balance	13
Cash flows	14

## III New orders

New orders	15
Backlog of contracts	17

## IV Forecast

19

## -Reference-

Subsidiaries information	20
Historical data	21

•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 profit compared with forecast for 2011/9.*

< Billion yen >

	2010/9	2011/9	Difference		Forecast 2011/9	Difference	Achievement
<b>Net sales</b>	<b>76.8</b>	<b>62.0</b>	<b>(14.8)</b>	<b>-19%</b>	<b>80.0</b>	<b>(18.0)</b>	<b>78%</b>
<b>Gross profit</b>	<b>12.8</b>	<b>11.8</b>	<b>(1.0)</b>	<b>-8%</b>	<b>10.7</b>	<b>+1.1</b>	<b>110%</b>
Gross profit rate	16.7%	19.0%	+2.3%		13.4%	+5.6%	
<b>Operating income</b>	<b>2.2</b>	<b>2.4</b>	<b>+0.2</b>	<b>+9%</b>	<b>(1.0)</b>	<b>+3.4</b>	<b>-</b>
Operating income rate	2.9%	4.0%	+1.1%		-1.3%	+5.3%	
<b>Ordinary income</b>	<b>2.5</b>	<b>1.8</b>	<b>(0.7)</b>	<b>-28%</b>	<b>(0.9)</b>	<b>+2.7</b>	<b>-</b>
<b>Net income</b>	<b>1.1</b>	<b>1.5</b>	<b>+0.4</b>	<b>+36%</b>	<b>(1.0)</b>	<b>+2.5</b>	<b>-</b>
<b>New orders</b>	<b>62.1</b>	<b>75.3</b>	<b>+13.2</b>	<b>+21%</b>	* Reached 27% of target for 2012/3		
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥0.0</b>	<b>¥0.0</b>	<b>-</b>		<b>¥0.0</b>	<b>¥0.0</b>	<b>-</b>

Exchange rate for Forecast 1US\$= ¥76.50

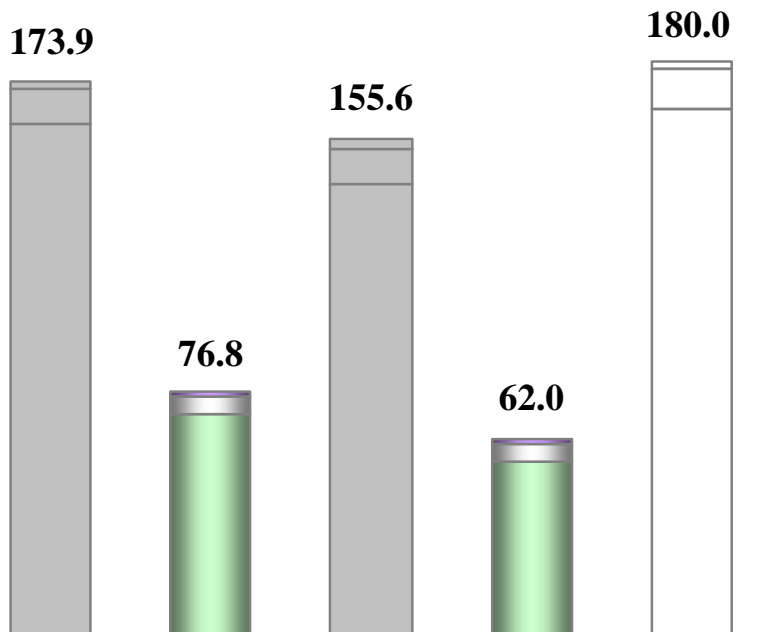
# Income statement, Comprehensive income

< Billion yen >

	2010/9		2011/9		Difference	Forecast	
	Billions of yen	%	Billions of yen	%	Billions of yen	2011/9	Difference
<b>Net sales</b>	<b>76.8</b>	100.0	<b>62.0</b>	100.0	<b>(14.8)</b>	<b>80.0</b>	<b>(18.0)</b>
Cost of sales	64.0	83.3	50.2	80.9	+13.8		
<b>Gross profit</b>	<b>12.8</b>	16.7	<b>11.8</b>	19.0	<b>(1.0)</b>	<b>10.7</b>	<b>+1.1</b>
Selling, general and administrative expenses	10.5	13.7	9.3	15.0	+1.2		
<b>Operating income</b>	<b>2.2</b>	2.9	<b>2.4</b>	4.0	<b>+0.2</b>	<b>(1.0)</b>	<b>+3.4</b>
Non-operating income	0.6	0.9	0.7	1.1	+0.1		
Non-operating expenses	0.3	0.5	1.3	2.1	(1.0)		
Total non-operating income and expenses	0.3		(0.6)		(0.9)		
<b>Ordinary income</b>	<b>2.5</b>	3.3	<b>1.8</b>	3.0	<b>(0.7)</b>	<b>(0.9)</b>	<b>+2.7</b>
Income before income taxes and minority interest	2.5	3.3	1.8	3.0	(0.7)		
Current income taxes and Deferred income taxes	1.3	1.8	0.3	0.5	+1.0		
Minority interest income	(0.0)	(0.0)	0.0	0.0	(0.0)		
<b>Net income</b>	<b>1.1</b>	1.5	<b>1.5</b>	2.4	<b>+0.4</b>	<b>(1.0)</b>	<b>+2.5</b>
Comprehensive income	(0.0)		0.7		+0.7		

# Net sales

< Billion yen >



	2010/3	2010/9	2011/3	2011/9	Forecast 2012/3
EPC	160.1	70.1	141.7	55.0	165.1
IT	10.8	5.2	11.0	5.7	12.2
Real estate	3.0	1.5	2.9	1.3	2.7
<b>Total</b>	<b>173.9</b>	<b>76.8</b>	<b>155.6</b>	<b>62.0</b>	<b>180.0</b>

## Compared with forecast for 2011/9

	2011/9		Difference	Achievement
	Forecast	Result		
EPC	73.0	55.0	(18.0)	75%
IT	5.7	5.7	+0.0	100%
Real estate	1.3	1.3	+0.0	100%
<b>Total</b>	<b>80.0</b>	<b>62.0</b>	<b>(18.0)</b>	<b>78%</b>

## Compared with same period last year

	2010/9	2011/9	Difference	
EPC	70.1	55.0	(15.1)	-22%
IT	5.2	5.7	+0.5	+10%
Real estate	1.5	1.3	(0.2)	-13%
<b>Total</b>	<b>76.8</b>	<b>62.0</b>	<b>(14.8)</b>	<b>-19%</b>

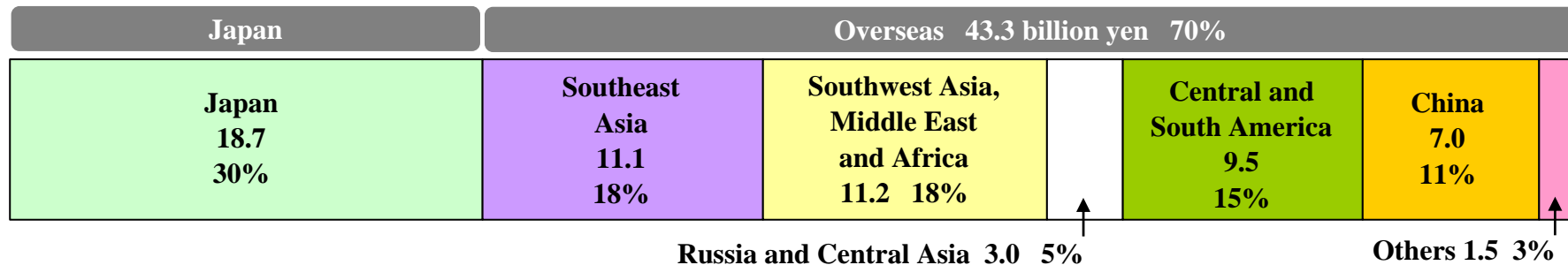
	2010/9	2011/9	Difference
Japan	30.6	18.7	(11.9)
%	40%	30%	-10%
Overseas	46.2	43.3	(2.9)
%	60%	70%	+10%
<b>Total</b>	<b>76.8</b>	<b>62.0</b>	<b>(14.8)</b>

# Net sales

**2011/9 Net sales : 62.0 billion yen**

< Billion yen >

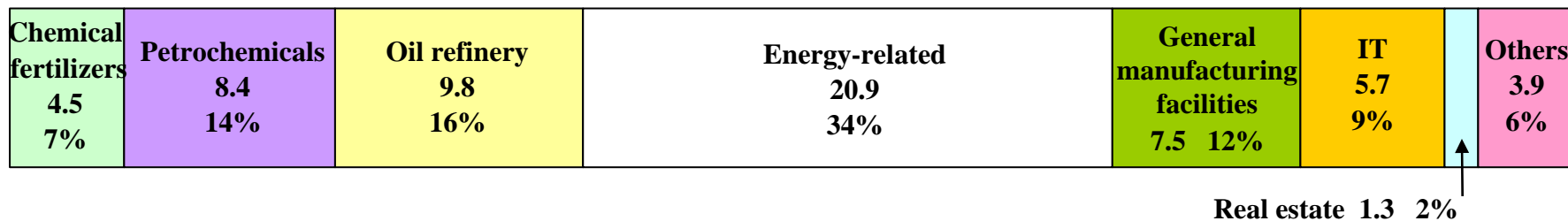
## Breakdown by region



## Major contracts

Over 5 billion yen	Over 3 billion yen	Over 1 billion yen
Energy-related, THAILAND	Energy-related, BRAZIL Chemical fertilizer, VENEZUELA Petrochemical, CHINA	General manufacturing facility, JAPAN (2 projects) Oil refinery, INDIA (3 projects) Energy-related, AZERBAIDZHAN Energy-related, QATAR Petrochemical, CHINA (2 projects)

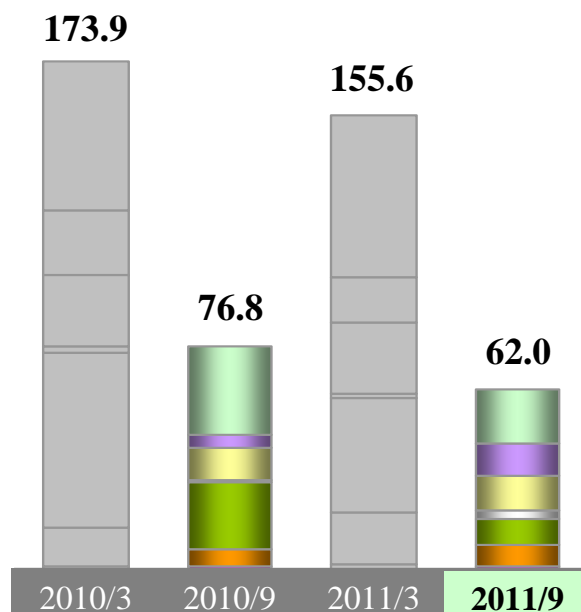
## Breakdown by segment details



# Net sales

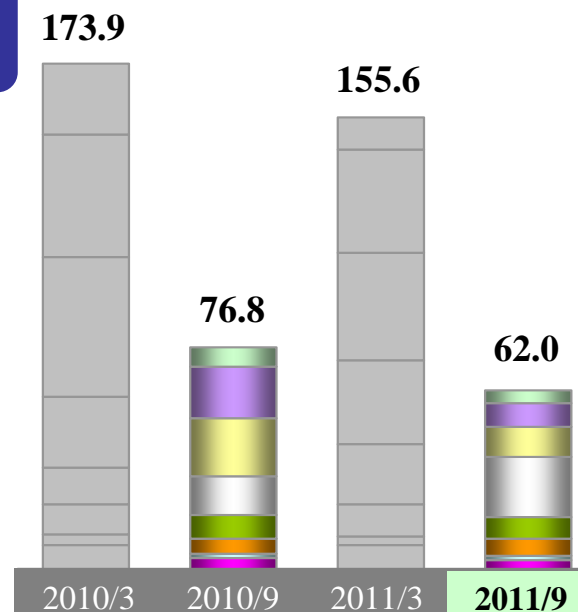
< Billion yen >

## Breakdown by region



	2010/3	2010/9	2011/3	2011/9
Japan	50.9	30.6	55.4	18.7
Southeast Asia	22.2	4.1	15.3	11.1
Southwest Asia, Middle East and Africa	23.7	10.8	24.5	11.2
Russia and Central Asia	2.4	1.1	1.6	3.0
Central and South America	59.8	22.5	39.0	9.5
China	13.7	6.5	17.3	7.0
Others	1.2	1.2	2.5	1.5
Total	173.9	76.8	155.6	62.0

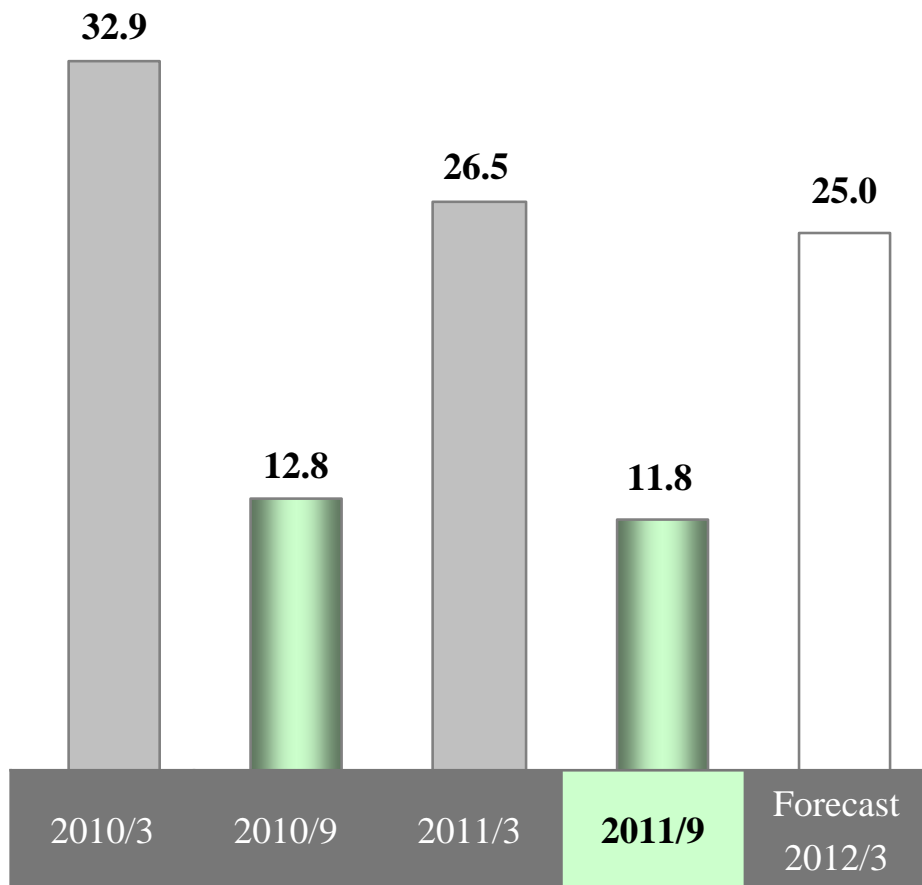
## Breakdown by segment details



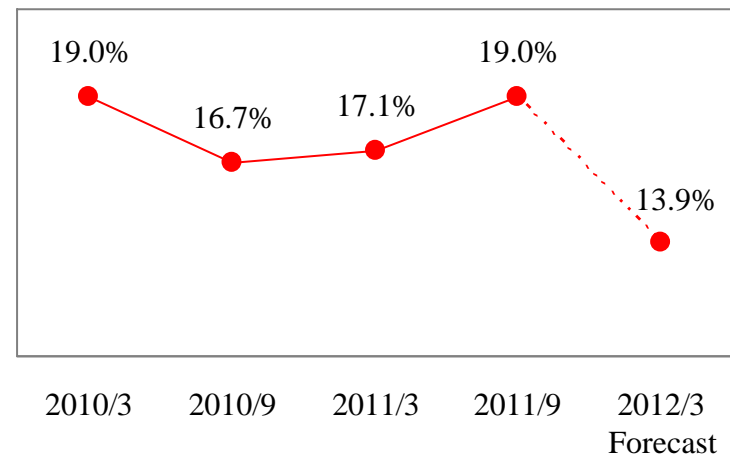
	2010/3	2010/9	2011/3	2011/9
Chemical fertilizers	24.3	6.4	10.8	4.5
Petrochemicals	41.5	18.2	35.4	8.4
Oil refinery	48.0	19.7	37.0	9.8
Energy-related	25.0	13.6	29.1	20.9
General manufacturing facilities	12.1	7.6	20.1	7.5
IT	10.8	5.3	11.1	5.7
Real estate	3.0	1.5	2.9	1.3
Others	9.2	4.5	9.2	3.9
Total	173.9	76.8	155.6	62.0

# Gross profit

< Billion yen >



## Gross profit rate



## Compared with forecast for 2011/9

2011/9		Difference	Achievement
Forecast	Result		
10.7	11.8	+1.1	110%

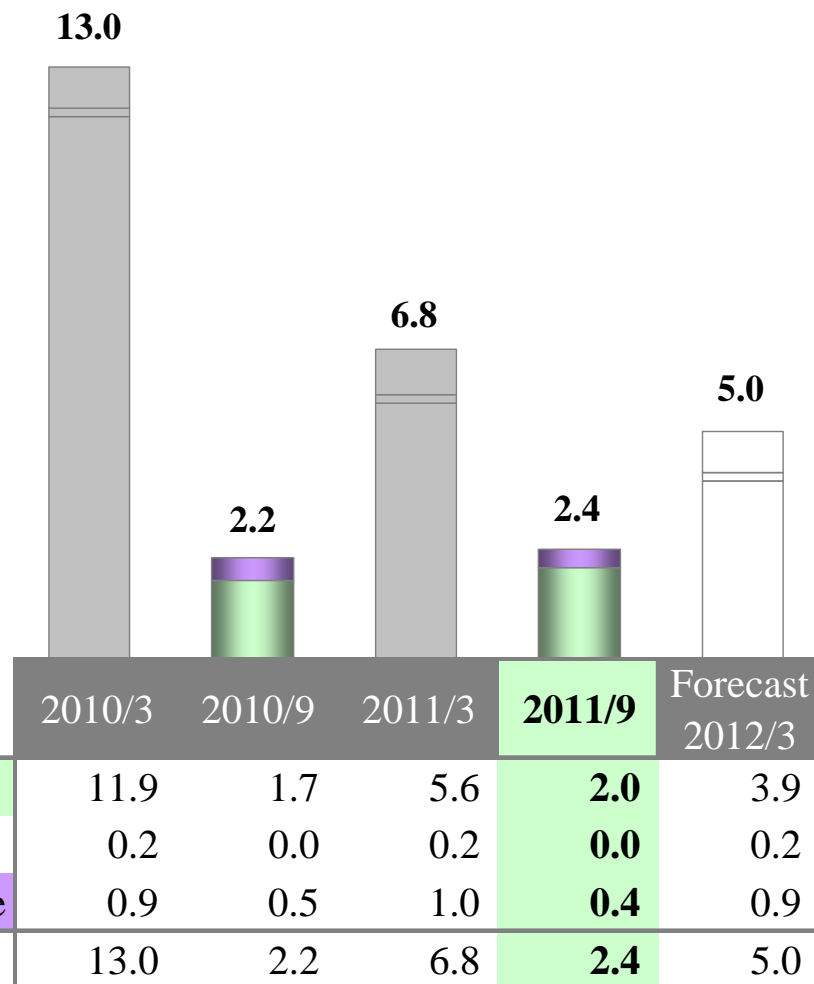
## Compared with same period last year

2010/9	2011/9	Difference
12.8	11.8	(1.0)
		-8%

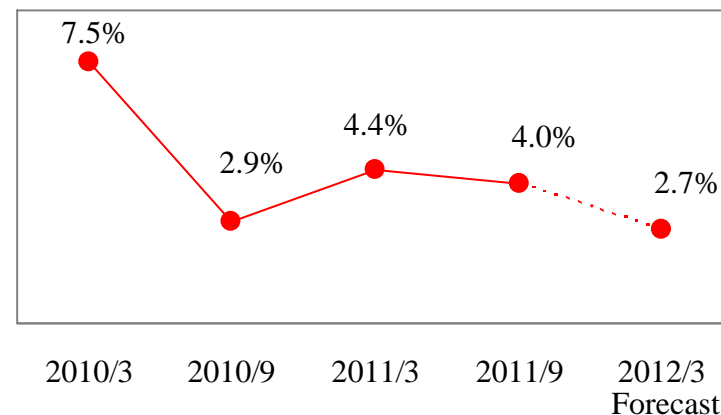


# Operating income

< Billion yen >



## Operating income rate



## Compared with forecast for 2011/9

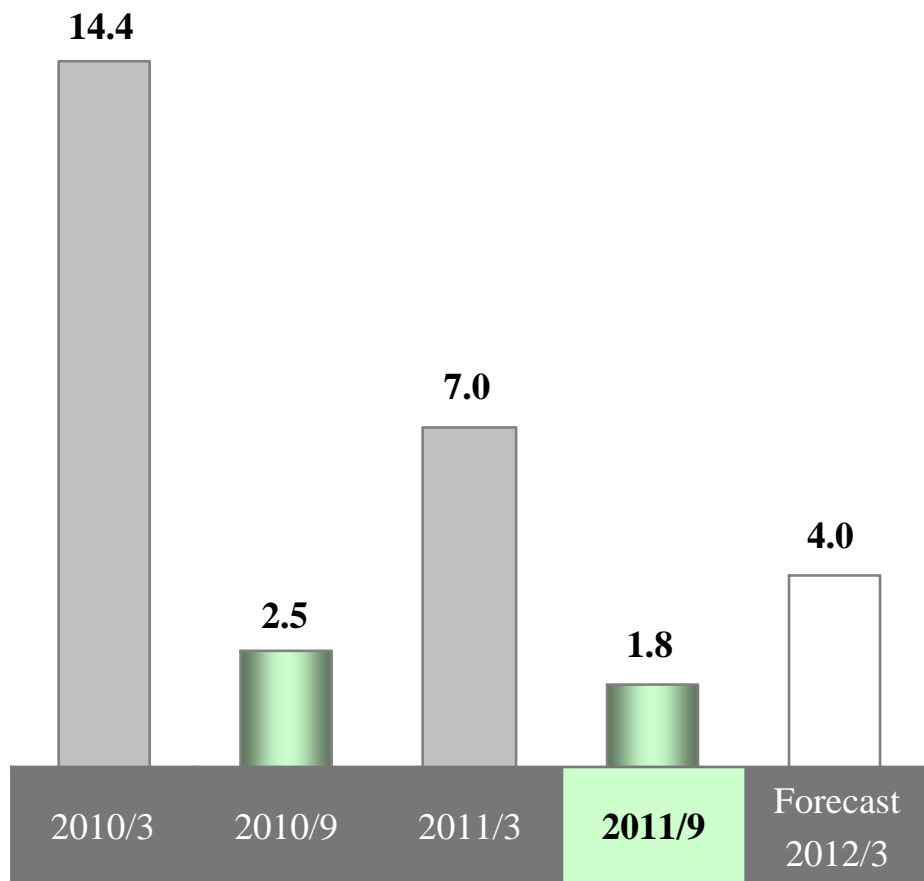
	2011/9		Difference	Achievement
	Forecast	Result		
EPC	(1.4)	2.0	+3.4	-
IT	(0.0)	0.0	+0.0	-
Real estate	0.4	0.4	+0.0	100%
<b>Total</b>	<b>(1.0)</b>	<b>2.4</b>	<b>+3.4</b>	<b>-</b>

## Compared with same period last year

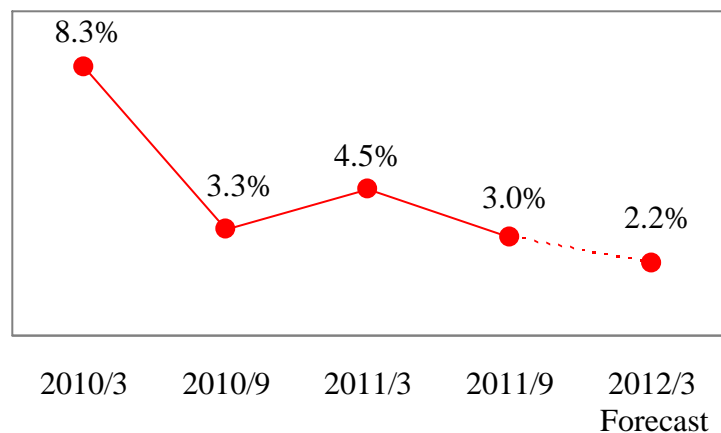
	2010/9	2011/9	Difference	
EPC	1.7	2.0	+0.3	+18%
IT	0.0	0.0	+0.0	-
Real estate	0.5	0.4	(0.1)	-20%
<b>Total</b>	<b>2.2</b>	<b>2.4</b>	<b>+0.2</b>	<b>+9%</b>

# Ordinary income

< Billion yen >



## Ordinary income rate



## Compared with forecast for 2011/9

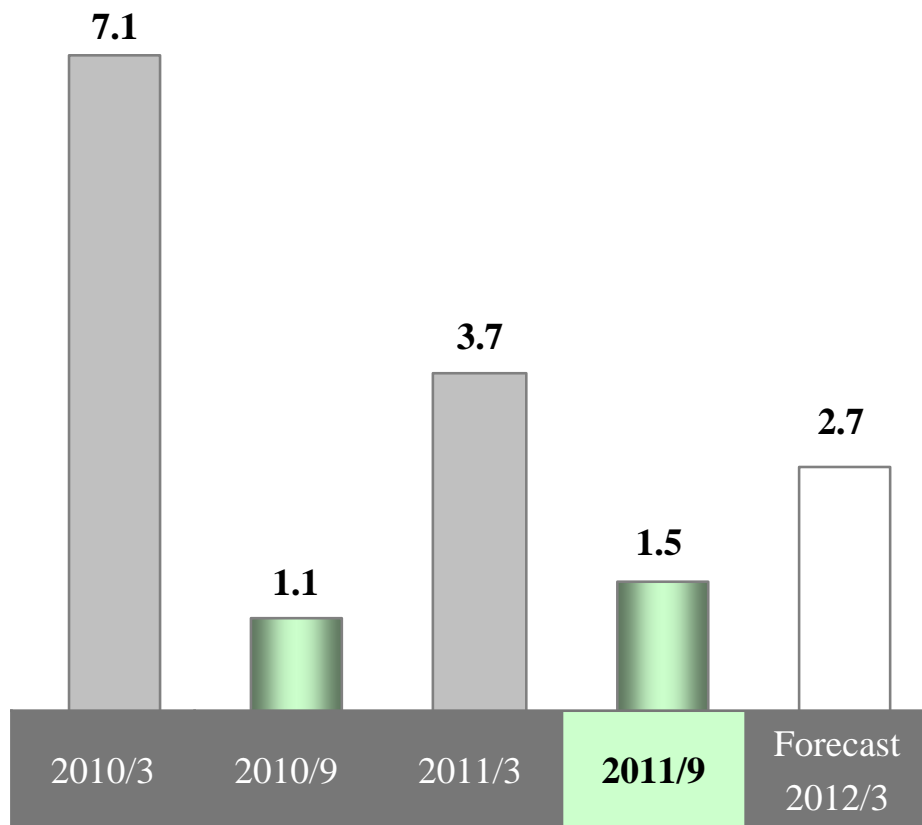
2011/9		Difference	Achievement
Forecast	Result		
(0.9)	1.8	+2.7	-

## Compared with same period last year

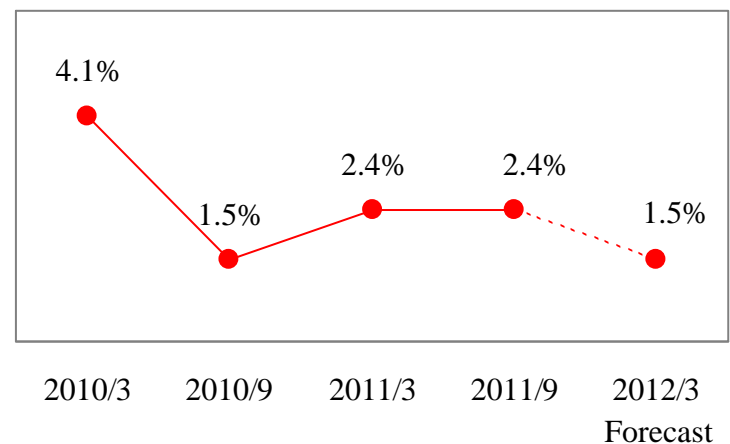
2010/9	2011/9	Difference	
2.5	1.8	(0.7)	-28%

# Net income

< Billion yen >



## Net income rate



## Compared with forecast for 2011/9

2011/9		Difference	Achievement
Forecast	Result		
(1.0)	1.5	+2.5	-

## Compared with same period last year

2010/9	2011/9	Difference	
1.1	1.5	+0.4	+36%

## Net income per share

37.12 yen	6.05 yen	19.65 yen	7.86 yen	14.07 yen
-----------	----------	-----------	----------	-----------

# Balance sheet

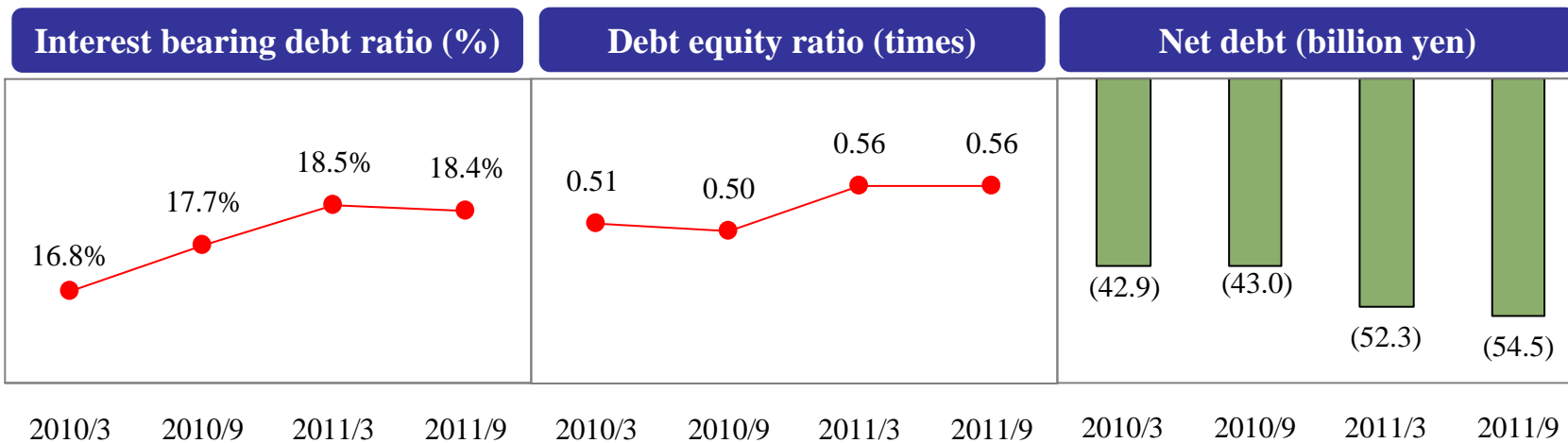
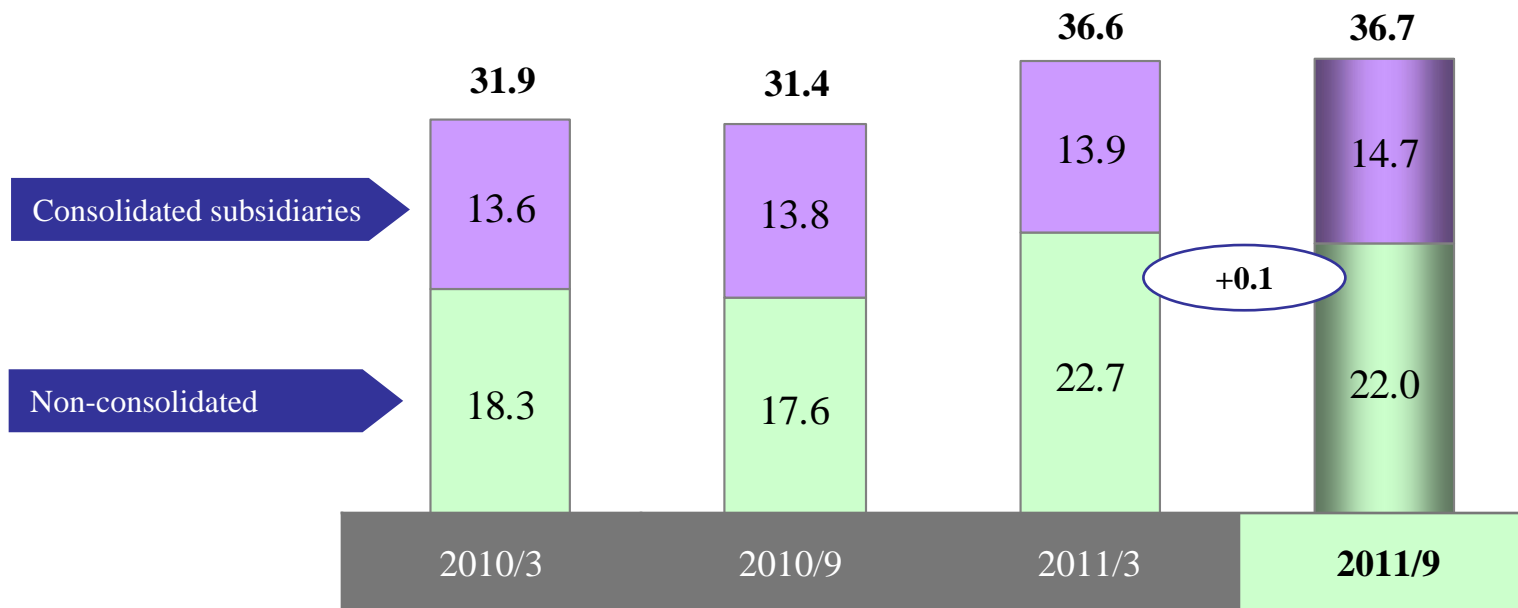
< Billion yen >

Assets	2011/3	2011/9	Difference
<b>Current assets</b>	<b>148.6</b>	<b>150.1</b>	<b>+1.5</b>
Cash and deposits	45.0	46.9	+1.9
Marketable securities	43.9	44.3	+0.4
Other current assets	10.1	10.2	+0.1
<Operating assets>			
Notes and accounts receivable	30.7	24.4	(6.3)
Contract work in progress	18.7	24.1	+5.4
<b>Fixed assets</b>	<b>49.6</b>	<b>49.2</b>	<b>(0.4)</b>
Property, plant and equipment	31.5	31.2	(0.3)
Intangible assets	4.7	4.6	(0.1)
Investments and assets	13.4	13.2	(0.2)
<b>Total assets</b>	<b>198.3</b>	<b>199.3</b>	<b>+1.0</b>

Liabilities and net assets	2011/3	2011/9	Difference
<b>Current liabilities</b>	<b>105.2</b>	<b>106.4</b>	<b>+1.2</b>
Short-term interest bearing debt	20.2	20.2	+0.0
Other current liabilities	10.2	9.0	(1.2)
<Operating liabilities>			
Notes and accounts payable	40.8	32.2	(8.6)
Advance receipts on uncompleted contracts	33.9	44.9	+11.0
<b>Long-term liabilities</b>	<b>26.0</b>	<b>25.9</b>	<b>(0.1)</b>
Long-term interest bearing debt	16.4	16.4	+0.0
Other long-term liabilities	9.5	9.5	+0.0
<b>Net assets</b>	<b>67.0</b>	<b>66.8</b>	<b>(0.2)</b>
Shareholder's equity	67.0	67.5	+0.5
Accumulated other comprehensive income	(1.7)	(2.3)	(0.6)
Minority interest	1.7	1.6	(0.1)
<b>Total liabilities and net assets</b>	<b>198.3</b>	<b>199.3</b>	<b>+1.0</b>

# Interest bearing debt balance

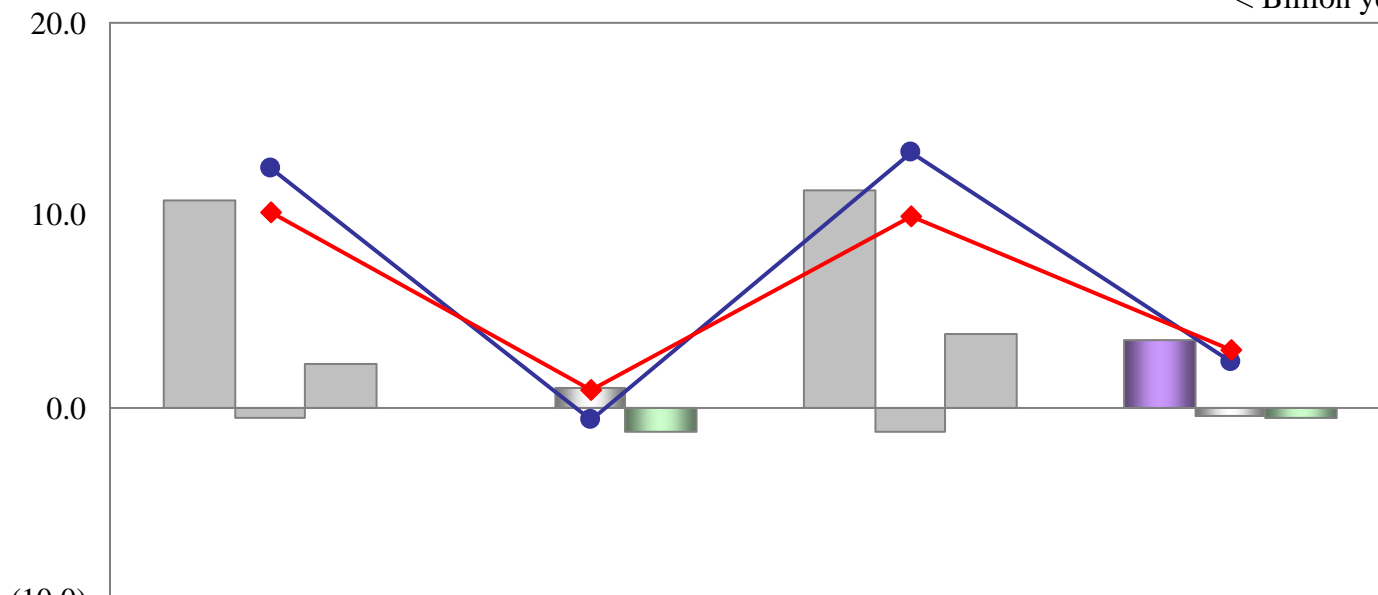
< Billion yen >



# Cash flows

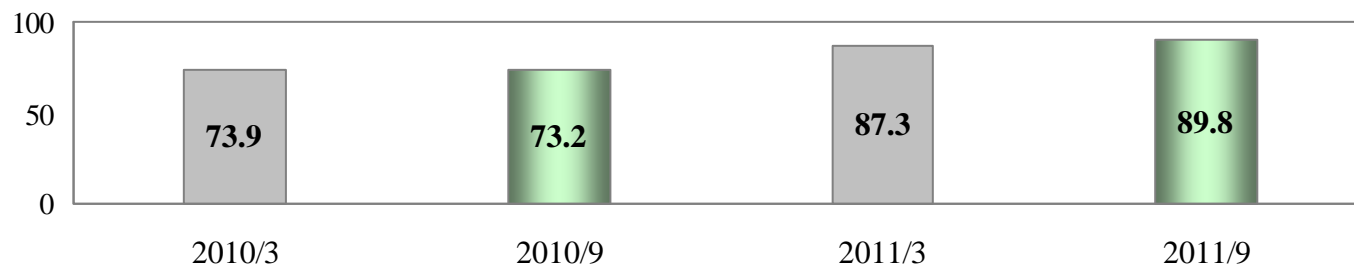
< Billion yen >

## Cash flows



	2009/4 - 2010/3	2010/4 - 9	2010/4 - 2011/3	2011/4 - 9
Operating activities	10.8	(0.0)	11.3	3.5
Investing activities	(0.6)	1.0	(1.3)	(0.4)
Financing activities	2.2	(1.3)	3.8	(0.6)
Net increase / decrease in cash	12.4	(0.7)	13.3	2.4
Free cash flow	10.1	0.9	9.9	3.0

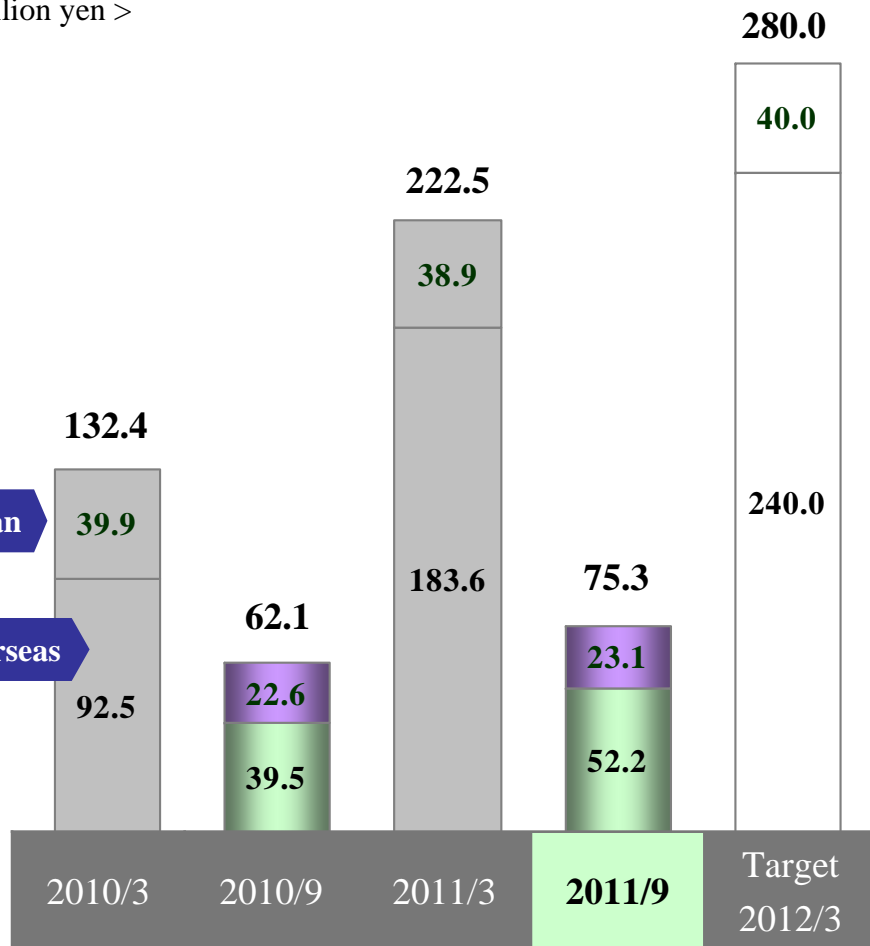
## Cash and cash equivalents, end of the term



# New orders

➤ Reached 27% of target for 2012/3 (280 billion yen).

< Billion yen >



**2011/9 New orders : 75.3 billion yen**

## Compared with target for 2012/3

	Target 2012/3	Result 2011/9	Difference	Achievement
Japan	40.0	23.1	(16.9)	58%
Overseas	240.0	52.2	(187.8)	22%
Total	280.0	75.3	(204.7)	27%

## Major contracts

- Over 10 billion yen** Chemical fertilizer, SAUDI ARABIA
- Over 5 billion yen** Petrochemical, INDONESIA  
Petrochemical, INDIA  
Oil refinery, VENEZUELA
- Over 2 billion yen** Petrochemical, JAPAN (2 projects)  
General manufacturing facility, JAPAN

## Breakdown by consolidated companies

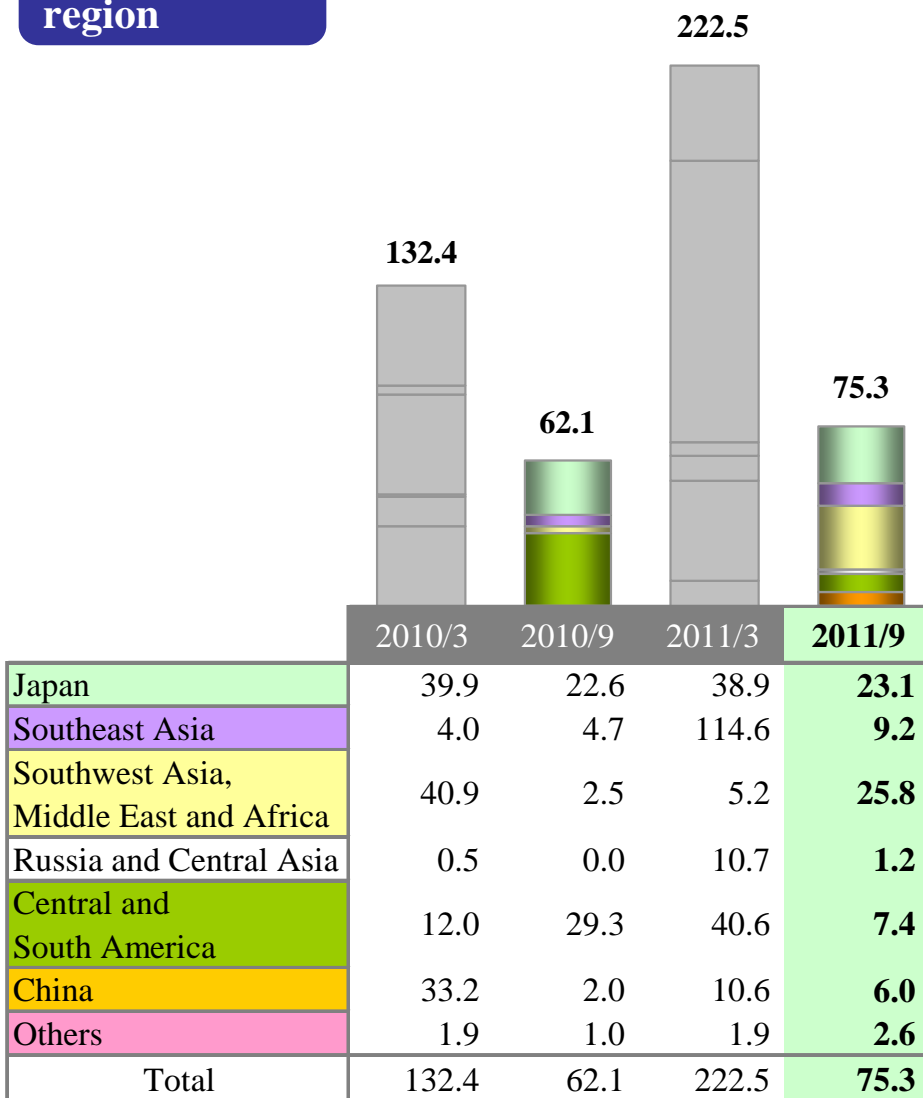
Toyo Engineering Corp.	43.4 billion yen
Domestic subsidiaries	9.2 billion yen
Overseas subsidiaries	22.7 billion yen

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

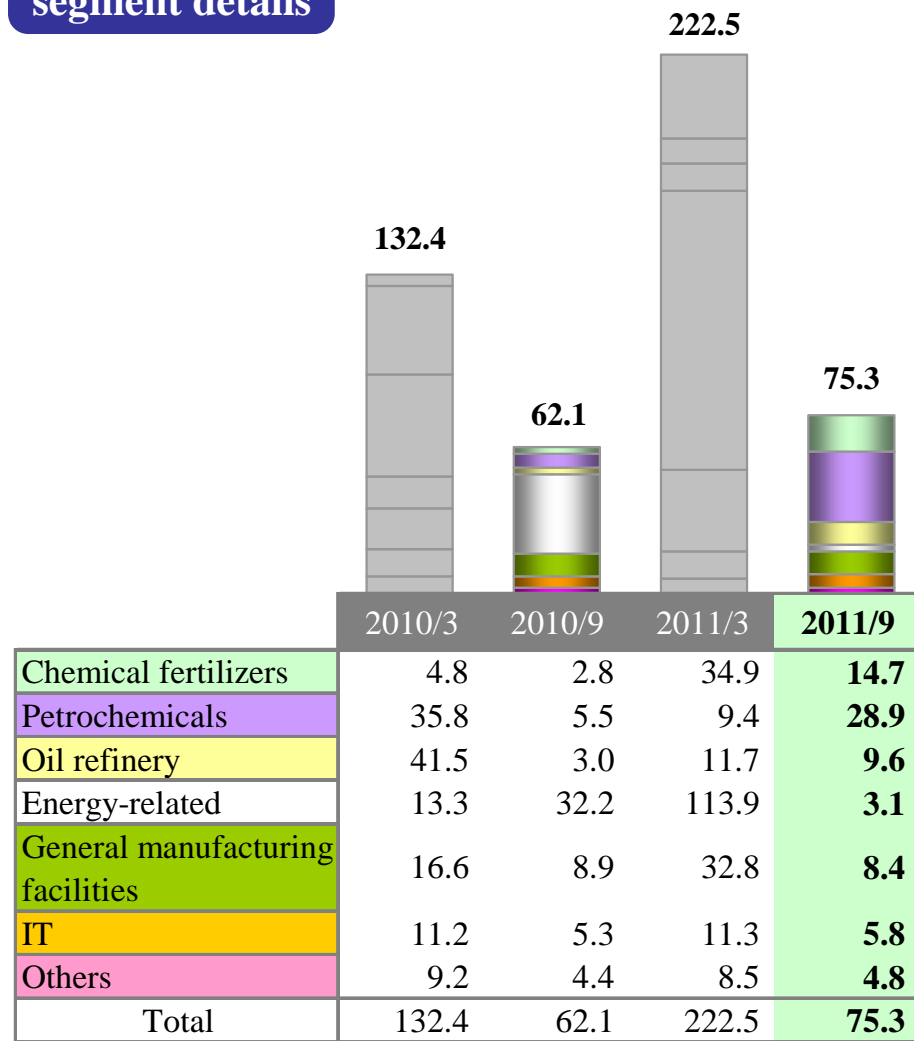
# New orders

< Billion yen >

Breakdown by region



Breakdown by segment details





# Backlog of contracts

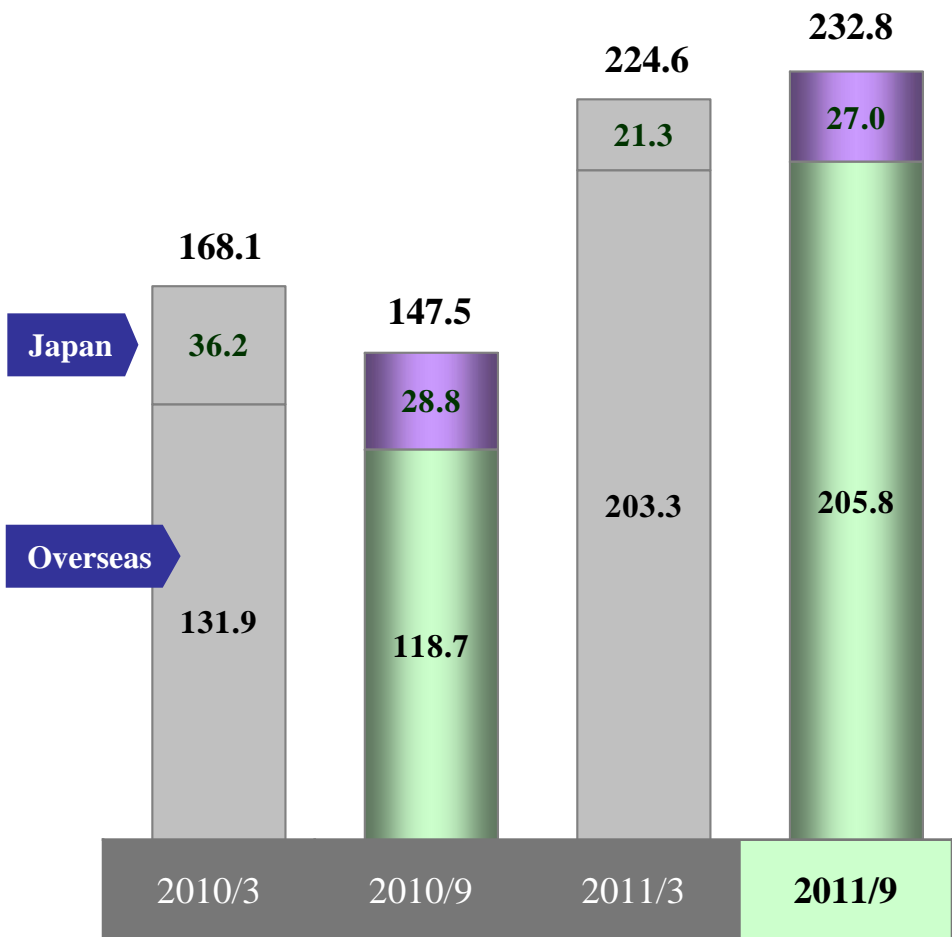
< Billion yen >

**2011/9 Backlog of contracts : 232.8 billion yen**

**Major contracts**

**Over 10 billion yen**

- Chemical fertilizer, INDONESIA
- General manufacturing facility, INDONESIA
- Energy-related, THAILAND
- Chemical fertilizer, SAUDI ARABIA
- Energy-related, BRAZIL
- Chemical fertilizer, VENEZUELA

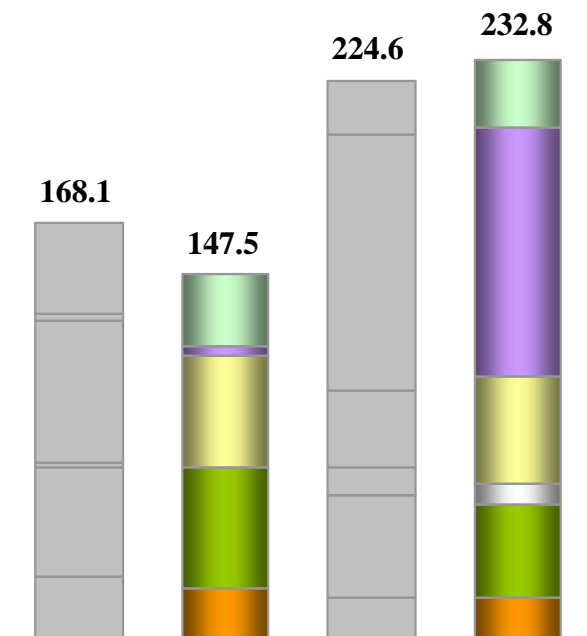


\*The above does not include figures related to real estate segment.

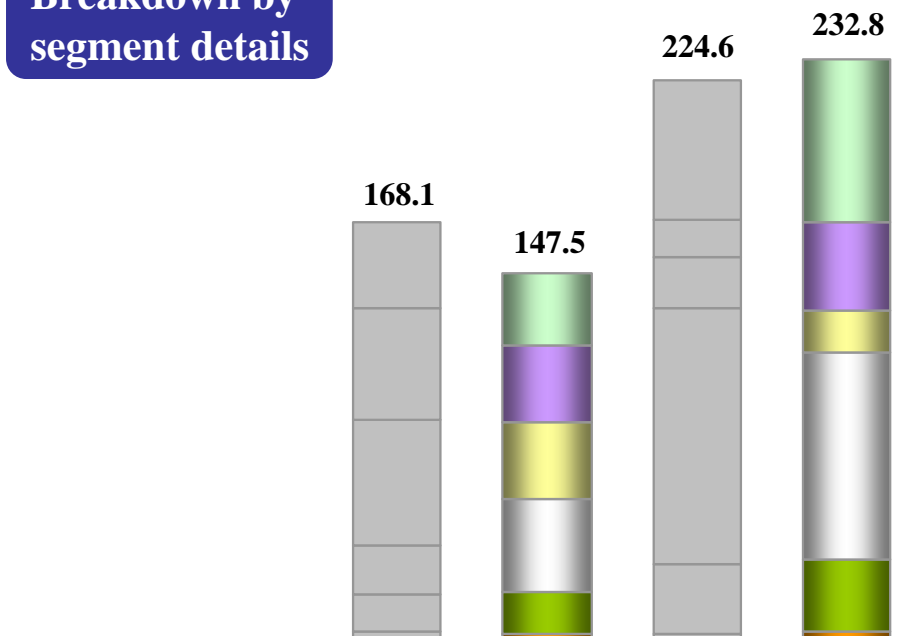
# Backlog of contracts

< Billion yen >

Breakdown by region



Breakdown by segment details



	2010/3	2010/9	2011/3	2011/9
Japan	36.2	28.8	21.3	27.0
Southeast Asia	2.8	3.2	101.8	99.0
Southwest Asia, Middle East and Africa	56.2	44.3	30.6	42.2
Russia and Central Asia	1.5	0.4	10.6	8.7
Central and South America	43.3	47.9	40.5	36.7
China	26.3	21.4	18.6	16.9
Others	1.8	1.5	1.2	2.3
<b>Total</b>	<b>168.1</b>	<b>147.5</b>	<b>224.6</b>	<b>232.8</b>

	2010/3	2010/9	2011/3	2011/9
Chemical fertilizers	33.9	28.4	55.4	64.6
Petrochemicals	44.4	30.2	15.6	35.3
Oil refinery	50.3	31.1	20.0	17.0
Energy-related	19.0	36.5	101.0	81.7
General manufacturing facilities	15.1	16.3	28.1	28.8
IT	3.4	3.2	3.4	3.4
Others	2.0	1.8	1.1	2.0
<b>Total</b>	<b>168.1</b>	<b>147.5</b>	<b>224.6</b>	<b>232.8</b>

# Forecast

< Billion yen >

	2011/3	Forecast for 2012/3	
		Initial plan	New plan
<b>Net sales</b>	<b>155.6</b>	<b>180.0</b>	<b>180.0</b>
<b>Gross profit</b>	<b>26.5</b>	<b>24.0</b>	<b>25.0</b>
Gross profit rate	17.1%	13.3%	13.9%
<b>Operating income</b>	<b>6.8</b>	<b>2.5</b>	<b>5.0</b>
Operating income rate	4.4%	1.4%	2.7%
<b>Ordinary income</b>	<b>7.0</b>	<b>2.0</b>	<b>4.0</b>
<b>Net income</b>	<b>3.7</b>	<b>0.5</b>	<b>2.7</b>
<b>New orders</b>	<b>222.5</b>	<b>280.0</b>	<b>280.0</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥5</b>	<b>¥3</b>	<b>¥5</b>

## Forecast for breakdowns by segment

Net sales	Initial plan	New plan
EPC	165.8	165.1
IT	11.5	12.2
Real estate	2.7	2.7
<b>Total</b>	<b>180.0</b>	<b>180.0</b>

Operating income	Initial plan	New plan
EPC	1.2	3.9
IT	0.3	0.2
Real estate	1.0	0.9
<b>Total</b>	<b>2.5</b>	<b>5.0</b>

Exchange rate for Forecast 1US\$= ¥76.50

# - Reference - Subsidiaries information

## Results of major subsidiaries and affiliates

		Business fields	Capital	Share	Net sales 2011/9
			Billion yen	%	Billion yen
<b>Consolidated subsidiaries</b>					
Japan	Toyo Business Engineering Corporation	IT	0.7	51	5.7
Japan	TEC Estate, Ltd.	Real Estate	2.7	100	0.9
Japan	Suntec Corporation	Real Estate	0.4	100	0.7
Korea	Toyo Engineering Korea Ltd.	EPC	0.5	100	0.9
India	Toyo Engineering India Ltd.	EPC	0.3	74	7.4
<b>Equity method affiliates</b>					
Thailand	Toyo-Thai Corporation Public Company Ltd.	EPC	1.6	26	7.8

<Companies>

## Consolidated Subsidiaries / Equity method affiliates

	2010/3	2010/9	2011/3	2011/9
Consolidated subsidiaries	12	12	13	13
Equity method affiliates	2	2	3	3
<b>Total</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>16</b>
Japan	8	8	8	8
Overseas	6	6	8	8
<b>Total</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>16</b>

## - Reference - Historical data

		2010/3	2010/9	2011/3	2011/9	Forecast 2012/3
Net sales	Billion yen	173.9	76.8	155.6	62.0	180.0
Gross profit	Billion yen	32.9	12.8	26.5	11.8	25.0
Gross profit rate	%	19.0%	16.7%	17.1%	19.0%	13.9%
Operating income	Billion yen	13.0	2.2	6.8	2.4	5.0
Operating income rate	%	7.5%	2.9%	4.4%	4.0%	2.7%
Ordinary income	Billion yen	14.4	2.5	7.0	1.8	4.0
Net income	Billion yen	7.1	1.1	3.7	1.5	2.7
Comprehensive income	Billion yen	-	(0.0)	2.7	0.7	
Interest bearing debt	Billion yen	31.9	31.4	36.6	36.7	
Interest bearing debt ratio	%	16.8%	17.7%	18.5%	18.4%	
Net debt	Billion yen	(42.9)	(43.0)	(52.3)	(54.5)	
Debt equity ratio	times	0.51	0.50	0.56	0.56	
Equity ratio	%	33.3%	35.3%	32.9%	32.7%	
Operating activities CF	Billion yen	10.8	(0.0)	11.3	3.5	
Investment activities CF	Billion yen	(0.6)	1.0	(1.3)	(0.4)	
Finance activities CF	Billion yen	2.2	(1.3)	3.8	(0.6)	
New orders	Billion yen	132.4	62.1	222.5	75.3	280.0
Backlog of contracts	Billion yen	168.1	147.5	224.6	232.8	327.3
Dividends per share (Non-consolidated)	yen	(Annual) 7.0	(2Qend) 0.0	(Annual) 5.0	(2Qend) 0.0	(Annual) 5.0



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

 **TOYO ENGINEERING CORPORATION**

URL <http://www.toyo-eng.co.jp>

**Kazuhiro SAKUMA**

**IR Manager**

**Corporate Communications Division**

**2-8-1 Akanehama, Narashino, Chiba, Japan 275-0024**

**TEL 81-90-4377-2980**

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.