



# OUTLINE OF FINANCIAL RESULTS

Second quarter of fiscal year 2012

***NEXT TOYO 2015***

November 13, 2012  
Toyo Engineering Corporation

# Contents

*NEXT TOYO 2015*

## Outline of income statement

Performance summary	3
Income statement, Comprehensive income	4
Net sales	5
Gross profit	7
Operating, Ordinary & Net income	8

## Financial position

Balance sheet	9
Interest bearing debt balance	10
Cash flows	11

## New orders

New orders	12
Backlog of contracts	14

## Forecast

16

## -Reference-

Historical data	18
-----------------	----

# Performance summary

NEXT TOYO 2015

Billion yen

- Increased in revenue but decreased in profit compared with same period last year.
- Decreased in revenue but almost cleared in net income compared with forecast for 2012/9.

	2011/9	2012/9	Difference		Forecast 2012/9	Difference	Achievement
Net sales	62.0	108.3	+46.3	+75%	120.0	(11.7)	90%
Gross profit	11.8	12.4	+0.6	+5%	13.0	(0.6)	95%
Gross profit rate	19.0%	11.5%	-7.5%		10.8%	+0.7%	
Operating income	2.4	1.5	(0.9)	-38%	2.0	(0.5)	75%
Operating income rate	4.0%	1.4%	-2.6%		1.7%	-0.3%	
Ordinary income	1.8	1.6	(0.2)	-11%	1.5	+0.1	107%
Net income	1.5	0.4	(1.1)	-73%	0.5	(0.1)	80%
New orders	75.3	64.0 <sup>*</sup>	(11.3)	-15%	*Reached 21% of target for 2013/3		
Interim dividends per share (yen) (Non-consolidated)	¥0	¥0	-		¥0	-	-

# Income statement, Comprehensive income

NEXT TOYO 2015

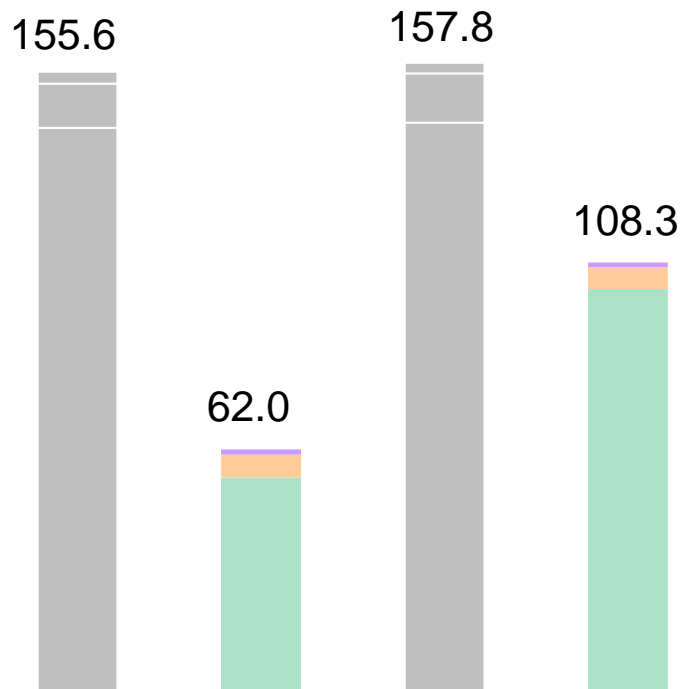
Billion yen

	2011/9		2012/9		Difference	Forecast 2012/9	Difference
	Billion yen	%	Billion yen	%			
Net sales	62.0	100.0	108.3	100.0	+46.3	120.0	(11.7)
Cost of sales	50.2	80.9	95.8	88.5	(45.6)		
Gross profit	11.8	19.0	12.4	11.5	+0.6	13.0	(0.6)
Selling, general and administrative expenses	9.3	15.0	10.9	10.1	(1.6)		
Operating income	2.4	4.0	1.5	1.4	(0.9)	2.0	(0.5)
Total non-operating income and expenses	(0.6)	(1.0)	0.0	0.0	+0.6		
Ordinary income	1.8	3.0	1.6	1.5	(0.2)	1.5	+0.1
Total extraordinary gain and loss	-	-	(0.0)	(0.0)	(0.0)		
Income before income taxes and minority interest	1.8	3.0	1.5	1.4	(0.3)		
Current income taxes and Deferred income taxes	0.3	0.5	1.7	1.6	(1.4)		
Minority interest income (loss)	0.0	0.0	(0.5)	(0.5)	+0.5		
Net income	1.5	2.4	0.4	0.4	(1.1)	0.5	(0.1)
Comprehensive income	0.7		(0.5)		(1.2)		

# Net sales

NEXT TOYO 2015

Billion yen



## Compared with forecast for 2012/9

	2012/9		Difference	Achievement
	Forecast	Result		
EPC	112.8	101.7	(11.1)	90%
IT	6.0	5.5	(0.5)	92%
Real estate	1.2	1.1	(0.1)	92%
<b>Total</b>	<b>120.0</b>	<b>108.3</b>	<b>(11.7)</b>	<b>90%</b>

## Compared with same period last year

	2011/9	2012/9	Difference	
EPC	55.0	101.7	+46.7	+85%
IT	5.7	5.5	(0.2)	-4%
Real estate	1.3	1.1	(0.2)	-15%
<b>Total</b>	<b>62.0</b>	<b>108.3</b>	<b>+46.3</b>	<b>+75%</b>

	2011/9	2012/9	Difference
Japan	18.7	20.2	+1.5
%	30%	19%	-11%
Overseas	43.3	88.1	+44.8
%	70%	81%	+11%
<b>Total</b>	<b>62.0</b>	<b>108.3</b>	<b>+46.3</b>

	2011/3	2011/9	2012/3	2012/9
EPC	141.7	55.0	143.0	101.7
IT	11.0	5.7	12.2	5.5
Real estate	2.9	1.3	2.6	1.1
<b>Total</b>	<b>155.6</b>	<b>62.0</b>	<b>157.8</b>	<b>108.3</b>

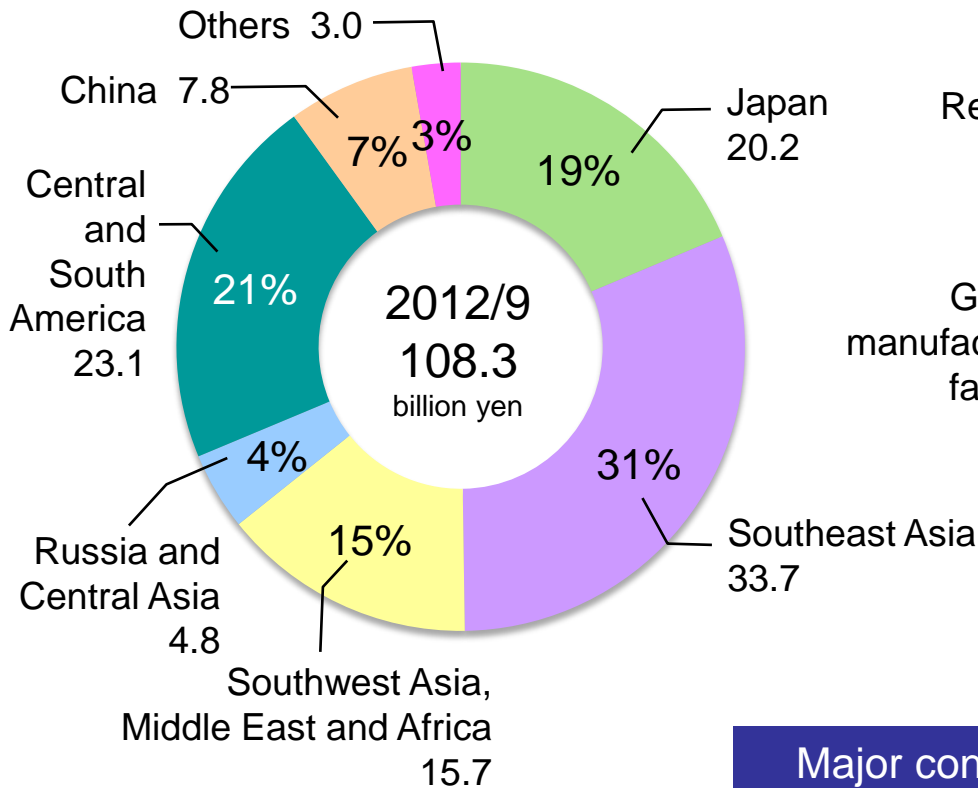
\*EPC: Engineering, Procurement, Construction

# Net sales

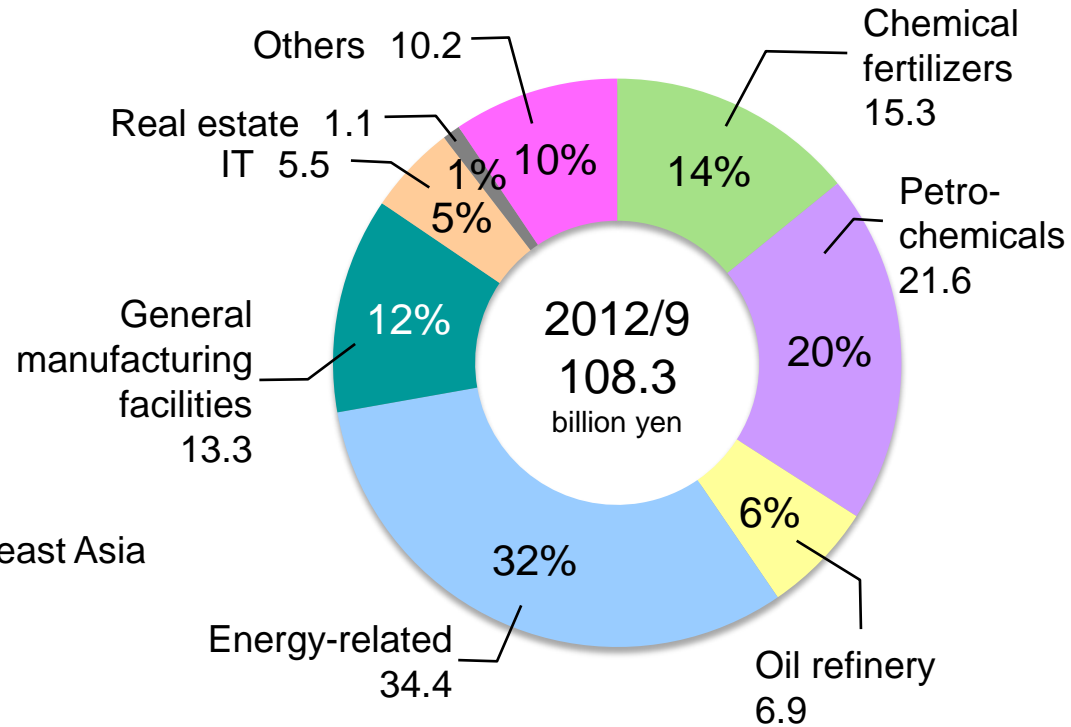
NEXT TOYO 2015

Billion yen

Breakdown by region



Breakdown by segment details



Major contracts

Over 10 billion yen

Energy-related, THAILAND

Over 5 billion yen

Chemical fertilizer, INDONESIA  
Chemical fertilizer, VENEZUELA

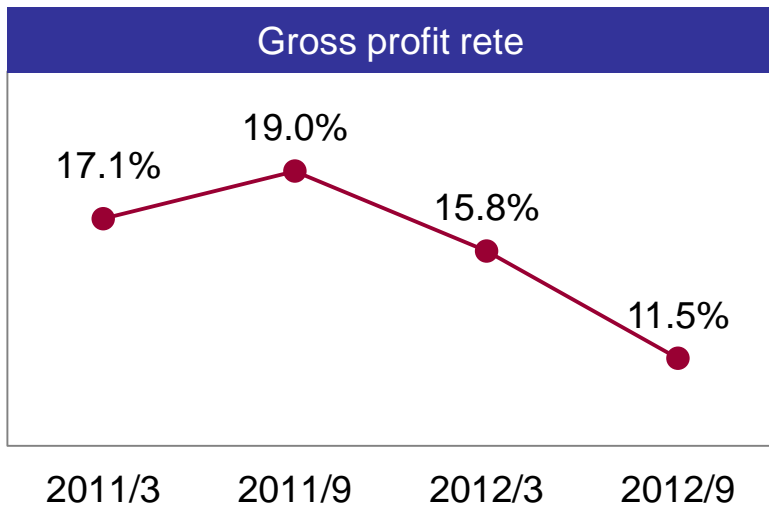
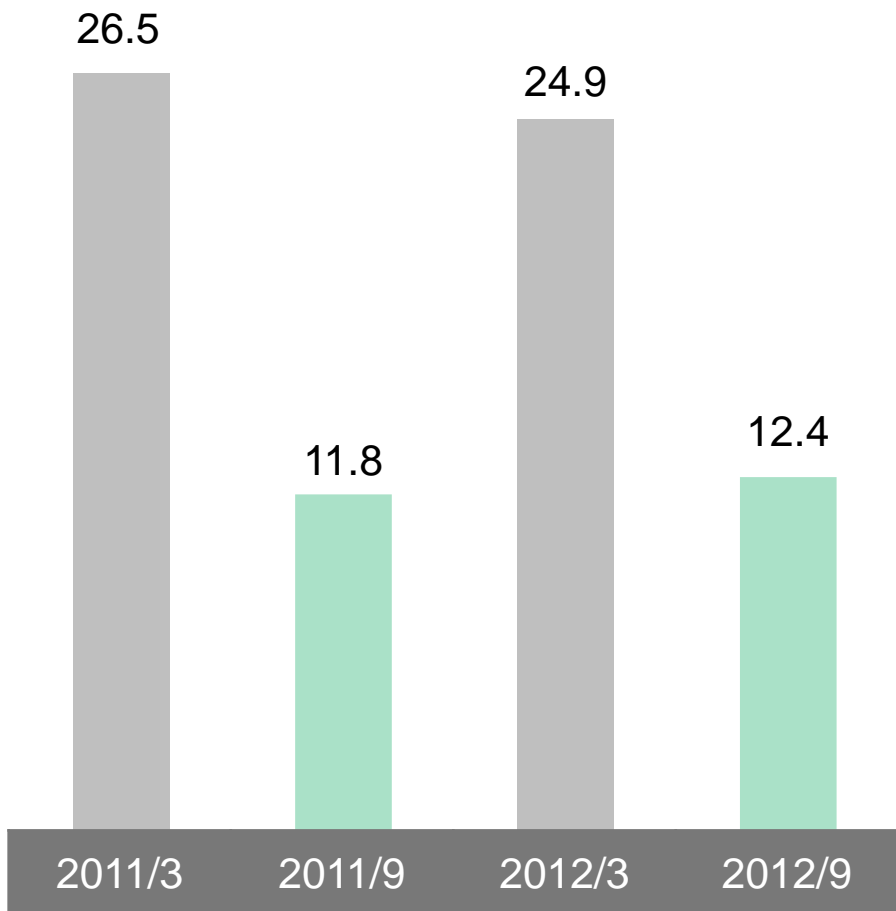
Over 3 billion yen

General manufacturing facilities, INDONESIA  
Petrochemical, INDIA  
Petrochemical, EGYPT  
Energy-related, AZERBAIJAN  
Energy-related, BRAZIL (3 projects)  
Others, BRAZIL

# Gross profit

NEXT TOYO 2015

Billion yen



Compared with forecast for 2012/9

2012/9		Difference	Achievement
Forecast	Result		
13.0	12.4	(0.6)	95%

Compared with same period last year

2011/9	2012/9	Difference	
11.8	12.4	+0.6	+5%

# Operating, Ordinary & Net income

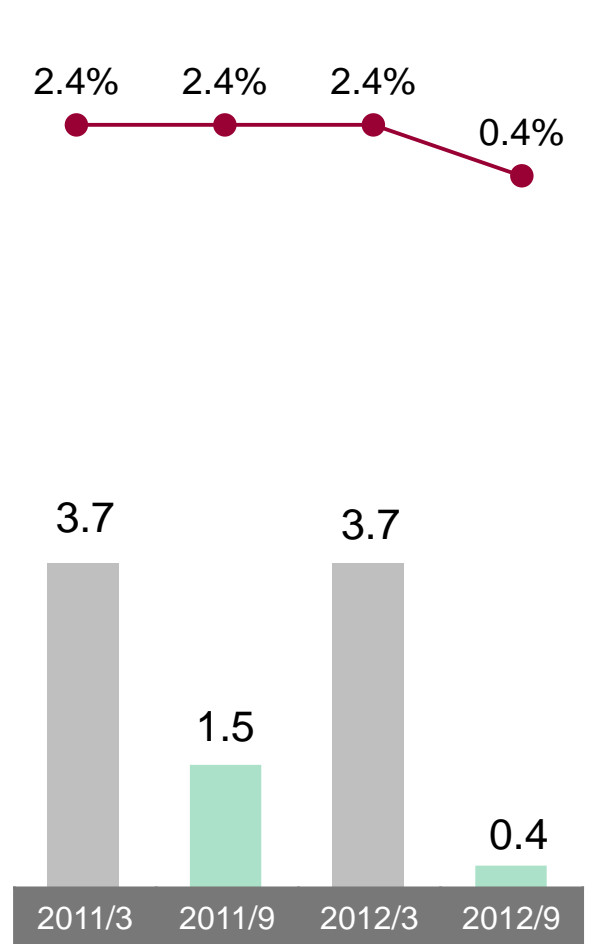
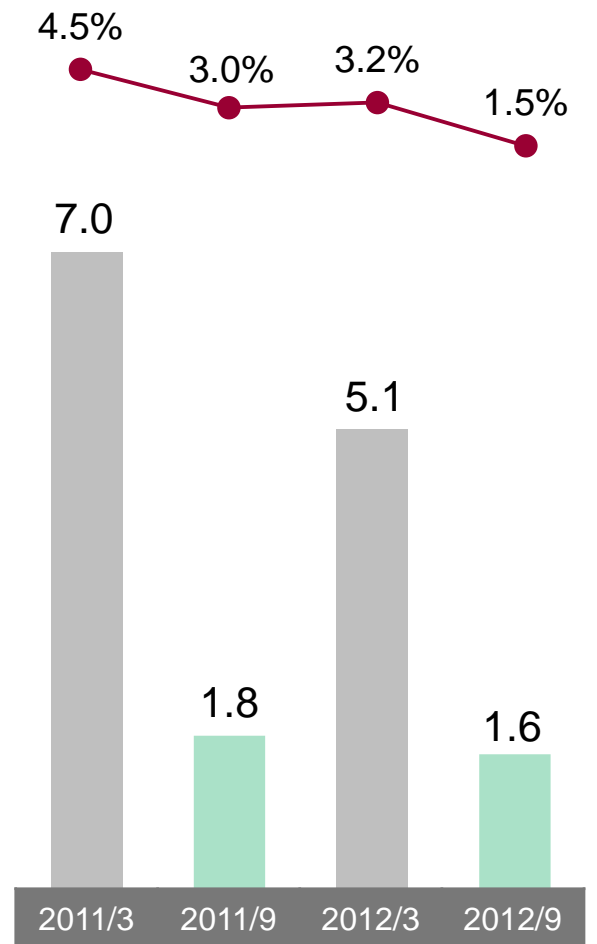
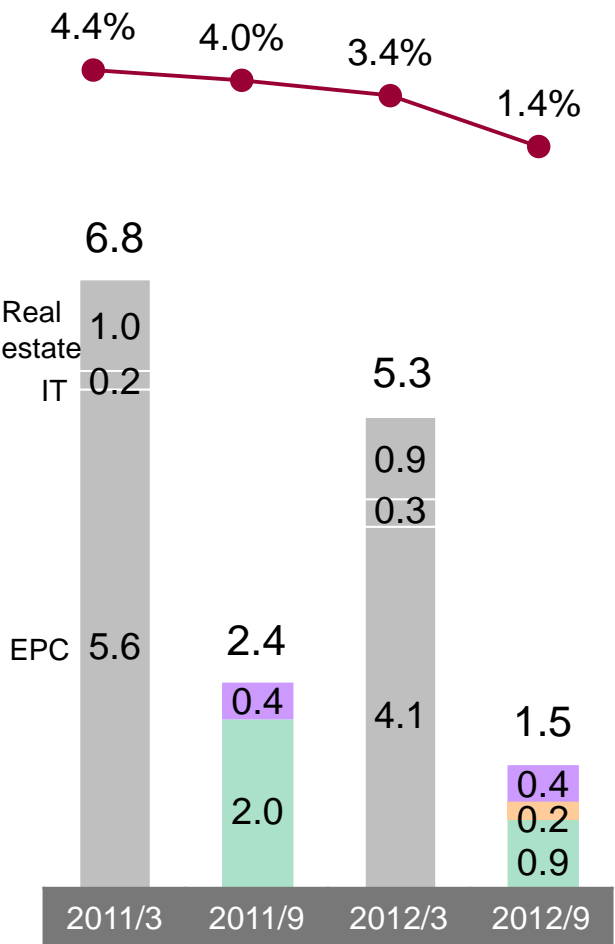
NEXT TOYO 2015

Line chart : Profit rate (%), Bar chart : Amount (billion yen)

## Operating income

## Ordinary income

## Net income





# Balance sheet

NEXT TOYO 2015

Billion yen

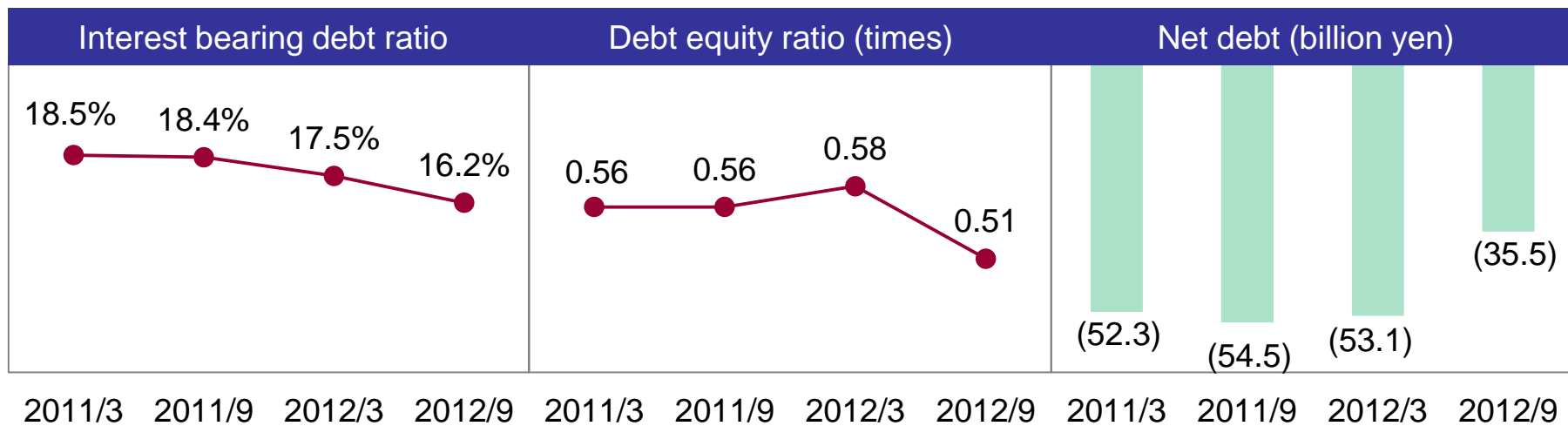
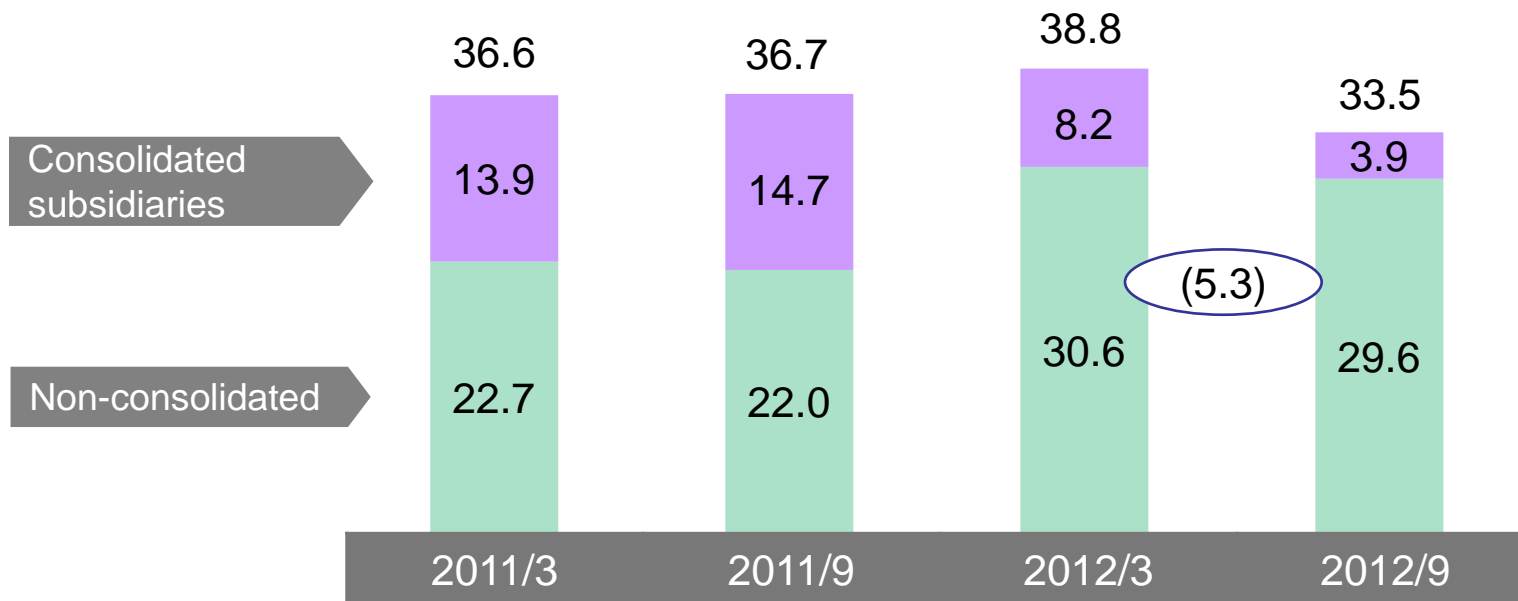
Assets	2012/3	2012/9	Difference
Current assets	170.8	155.8	(15.0)
Cash and deposits	48.0	41.0	(7.0)
Marketable securities	44.4	28.3	(16.1)
Other current assets	16.1	18.5	+2.4
<Operating assets>			
Notes and accounts receivable	35.8	40.3	+4.5
Contract work in progress	26.3	27.4	+1.1
Fixed assets	51.5	51.8	+0.3
Property, plant and equipment	32.1	31.6	(0.5)
Intangible assets	6.4	6.1	(0.3)
Investments and assets	13.0	14.0	+1.0
<b>Total assets</b>	<b>222.4</b>	<b>207.6</b>	<b>(14.8)</b>

Liabilities and net assets	2012/3	2012/9	Difference
Current liabilities	117.9	107.8	(10.1)
Short-term interest bearing debt	13.3	10.3	(3.0)
Other current liabilities	8.3	11.5	+3.2
<Operating liabilities>			
Notes and accounts payable	50.0	47.8	(2.2)
Advance receipts on uncompleted contracts	46.1	38.1	(8.0)
Long-term liabilities	35.2	32.5	(2.7)
Long-term interest bearing debt	25.5	23.2	(2.3)
Other long-term liabilities	9.7	9.2	(0.5)
Net assets	69.2	67.2	(2.0)
Shareholder's equity	69.7	69.0	(0.7)
Accumulated other comprehensive income	(2.7)	(3.1)	(0.4)
Minority interest	2.2	1.3	(0.9)
<b>Total liabilities and net assets</b>	<b>222.4</b>	<b>207.6</b>	<b>(14.8)</b>

# Interest bearing debt balance

NEXT TOYO 2015

Billion yen

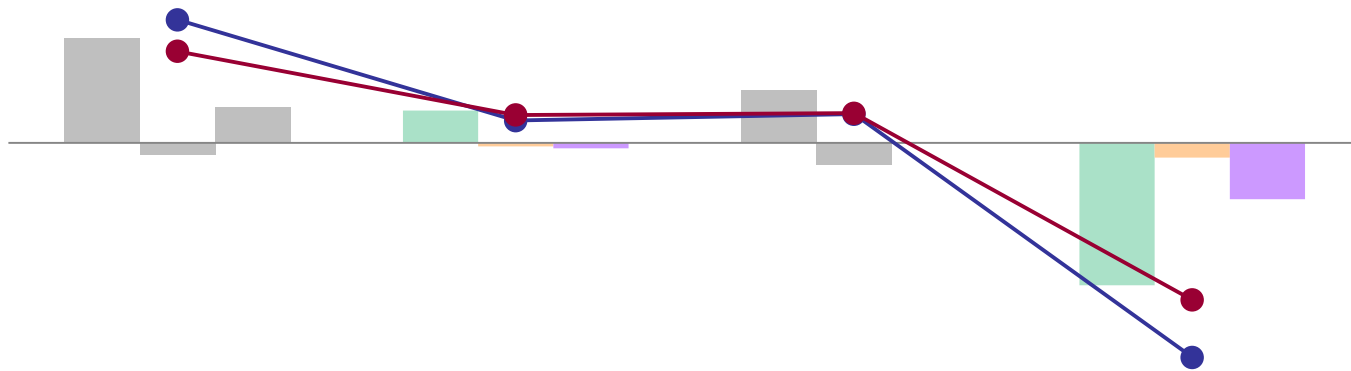


# Cash flows

NEXT TOYO 2015

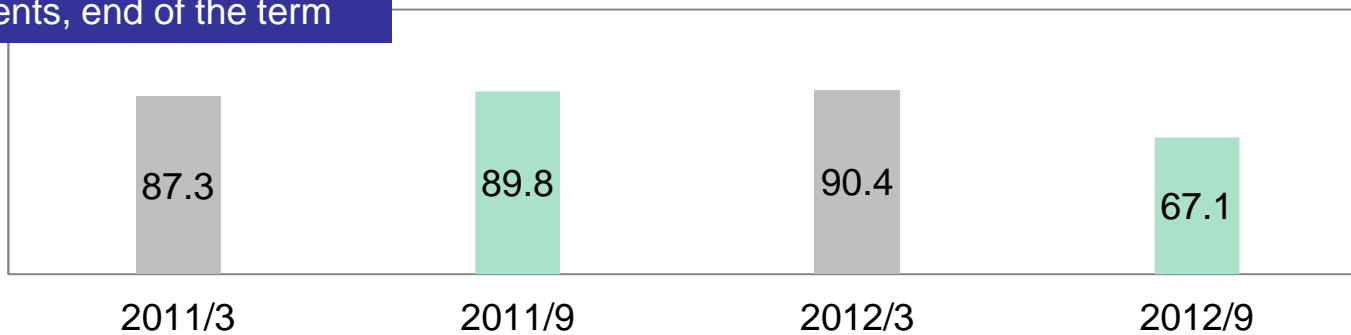
Billion yen

## Cash flows



	2010/4~2011/3	2011/4~9	2011/4~2012/3	2012/4~9
Operating activities	11.3	3.5	5.7	(15.4)
Investing activities	(1.3)	(0.4)	(2.4)	(1.6)
Financing activities	3.8	(0.6)	0.1	(6.1)
Net increase/decrease in cash	13.3	2.4	3.1	(23.2)
Free cash flow	9.9	3.0	3.2	(17.0)

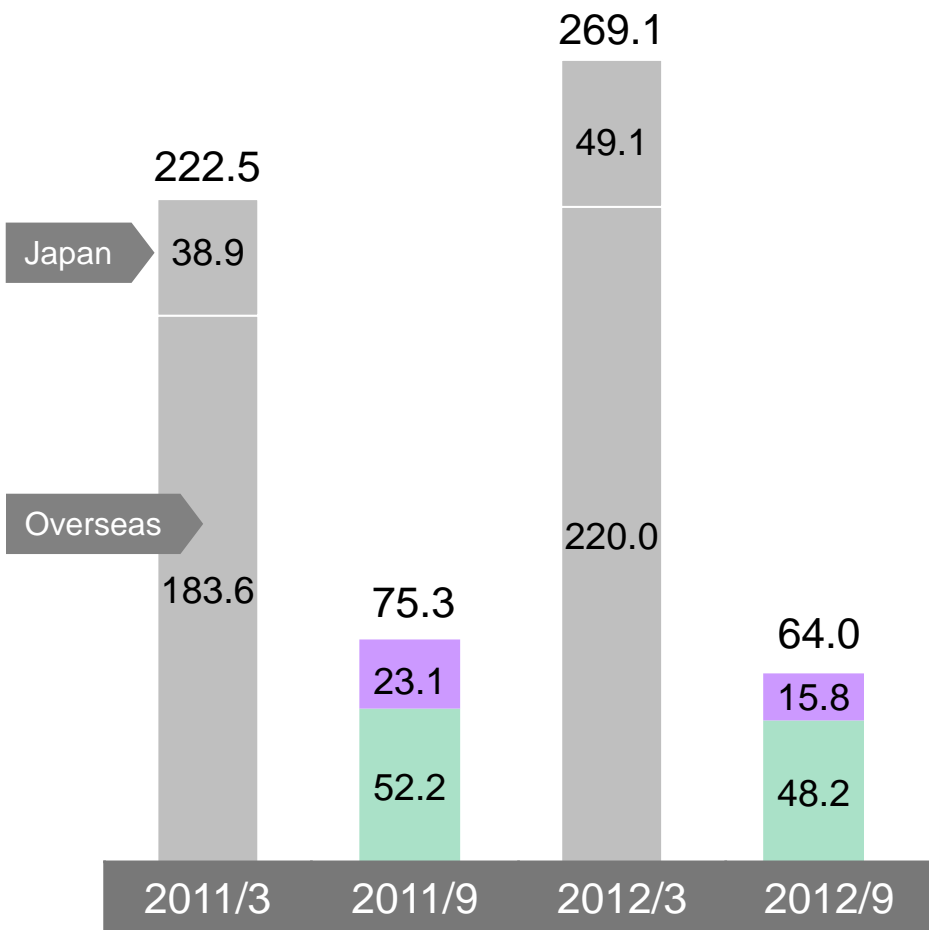
## Cash and cash equivalents, end of the term



# New orders

NEXT TOYO 2015

Billion yen



2012/9 New orders : 64.0 billion yen

Compared with target for 2013/3

	Target 2013/3	Result 2012/9	Difference	Achivement
Japan	42.0	15.8	(26.2)	38%
Overseas	268.0	48.2	(219.8)	18%
Total	310.0	64.0	(246.0)	21%

Major contracts

- Over 10 billion yen : Oil refinery, VENEZUELA
- Over 3 billion yen : Petrochemical, INDIA (2 projects)  
Chemical fertilizer, VENEZUELA  
Petrochemical, GERMANY

Breakdown by consolidated companies

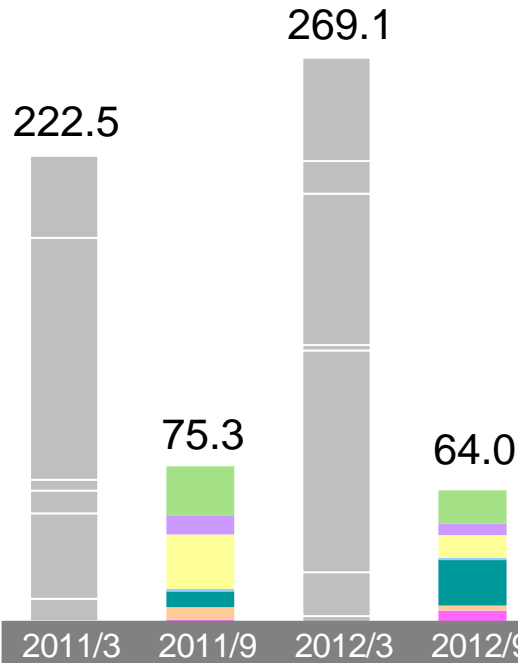
Toyo Engineering Corp.	40.5 billion yen
Domestic subsidiaries	8.8 billion yen
Overseas subsidiaries	14.7 billion yen

# New orders

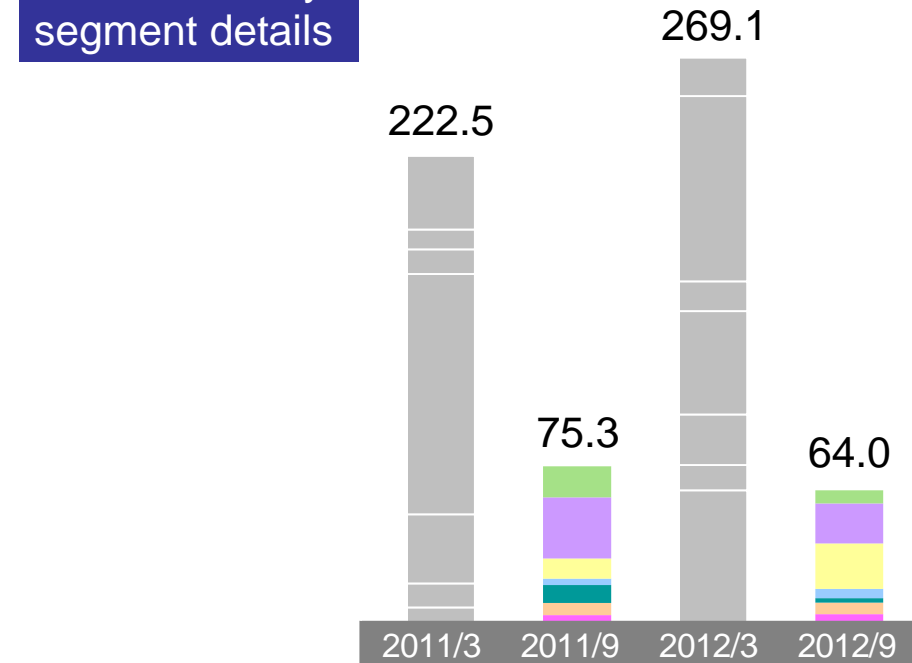
NEXT TOYO 2015

Billion yen

Breakdown by region



Breakdown by segment details



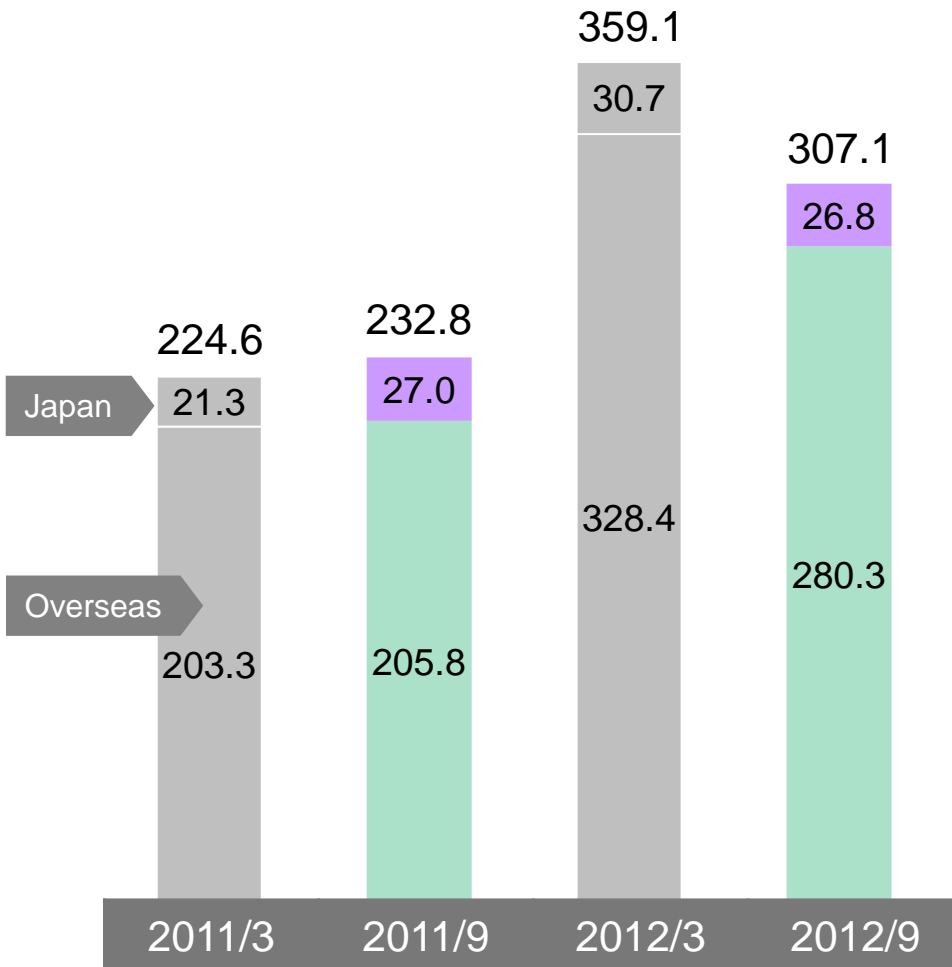
	2011/3	2011/9	2012/3	2012/9
Japan	38.9	23.1	49.1	15.8
Southeast Asia	114.6	9.2	15.4	5.5
Southwest Asia, Middle East and Africa	5.2	25.8	71.8	10.8
Russia and Central Asia	10.7	1.2	2.5	1.0
Central and South America	40.6	7.4	105.2	21.6
China	10.6	6.0	20.7	2.4
Others	1.9	2.6	4.4	6.9
<b>Total</b>	<b>222.5</b>	<b>75.3</b>	<b>269.1</b>	<b>64.0</b>

	2011/3	2011/9	2012/3	2012/9
Chemical fertilizers	34.9	14.7	18.3	6.2
Petrochemicals	9.4	28.9	87.8	19.0
Oil refinery	11.7	9.6	14.1	21.6
Energy-related	113.9	3.1	49.0	4.3
General manufacturing facilities	32.8	8.4	23.9	2.1
IT	11.3	5.8	12.0	5.6
Others	8.5	4.8	64.0	5.2
<b>Total</b>	<b>222.5</b>	<b>75.3</b>	<b>269.1</b>	<b>64.0</b>

# Backlog of contracts

NEXT TOYO 2015

Billion yen



## 2012/9 Backlog of contracts 307.1 billion yen

### Major contracts

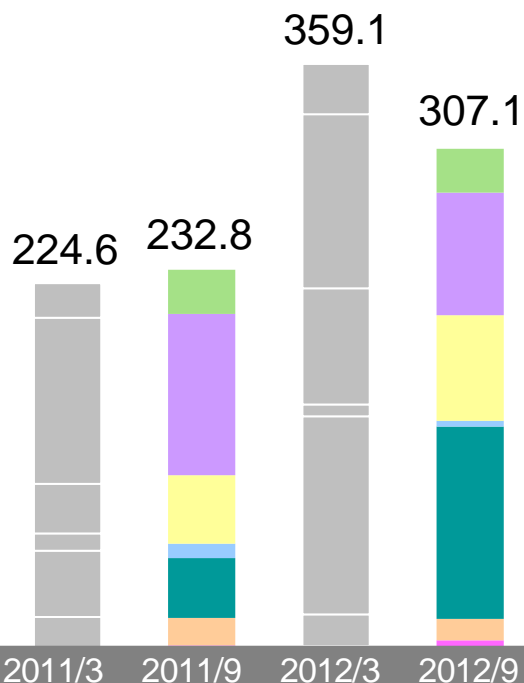
- Over 30 billion yen
  - Petrochemical, EGYPT
  - Others, BRAZIL
- Over 10 billion yen
  - Chemical fertilizer, INDONESIA
  - Energy-related, THAILAND
  - Energy-related, BRAZIL
  - Chemical fertilizer, VENEZUELA
  - Oil refinery, VENEZUELA
- Over 5 billion yen
  - Chemical fertilizer, SAUDI ARABIA

# Backlog of contracts

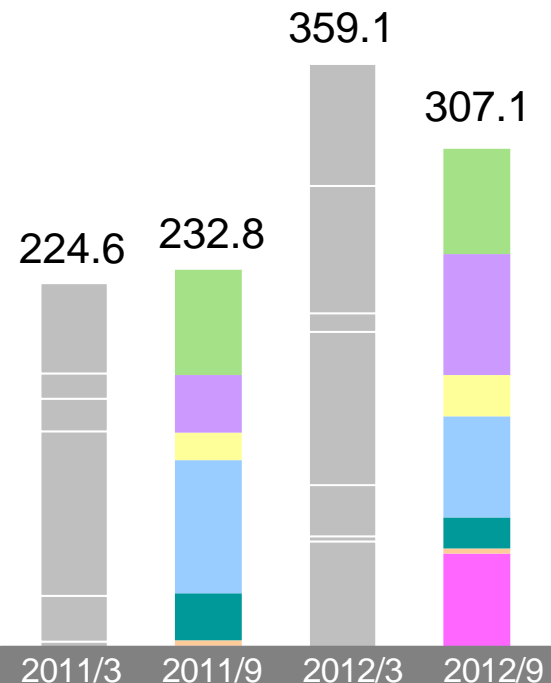
NEXT TOYO 2015

Billion yen

Breakdown by region



Breakdown by segment details



	2011/3	2011/9	2012/3	2012/9
Japan	21.3	27.0	30.7	26.8
Southeast Asia	101.8	99.0	107.0	75.4
Southwest Asia, Middle East and Africa	30.6	42.2	71.2	64.8
Russia and Central Asia	10.6	8.7	7.4	3.6
Central and South America	40.5	36.7	121.5	117.9
China	18.6	16.9	19.5	13.3
Others	1.2	2.3	1.8	5.3
<b>Total</b>	<b>224.6</b>	<b>232.8</b>	<b>359.1</b>	<b>307.1</b>

	2011/3	2011/9	2012/3	2012/9
Chemical fertilizers	55.4	64.6	74.8	64.6
Petrochemicals	15.6	35.3	78.1	74.3
Oil refinery	20.0	17.0	11.5	25.3
Energy-related	101.0	81.7	94.1	62.1
General manufacturing facilities	28.1	28.8	31.4	19.0
IT	3.4	3.4	3.1	3.1
Others	1.1	2.0	66.1	58.7
<b>Total</b>	<b>224.6</b>	<b>232.8</b>	<b>359.1</b>	<b>307.1</b>

# Forecast

NEXT TOYO 2015

Billion yen

	2012/3	Forecast for 2013/3	
		Initial plan	New plan
Net sales	157.8	300.0	270.0
Gross profit	24.9	29.5	28.5
Gross profit rate	15.8%	9.8%	10.6%
Operating income	5.3	8.5	7.5
Operating income rate	3.4%	2.8%	2.8%
Ordinary income	5.1	7.0	7.0
Net income	3.7	3.5	3.5
New orders	269.1	310.0	310.0
Dividends per share (yen) (Non-consolidated)	¥6	¥5	¥5

Exchange rate for Forecast 1US\$= ¥80

## Forecast for breakdowns by segment

Net sales	Initial plan	New plan
EPC	284.9	255.0
IT	12.8	12.8
Real estate	2.3	2.2
Total	300.0	270.0

Operating income	Initial plan	New plan
EPC	7.1	6.1
IT	0.5	0.4
Real estate	0.9	1.0
Total	8.5	7.5

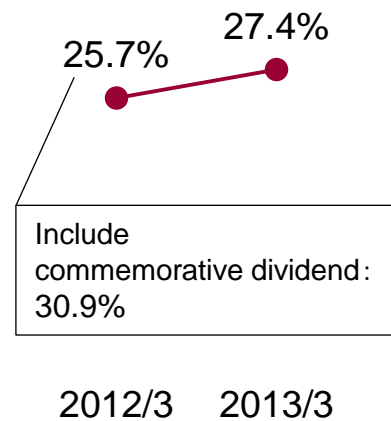
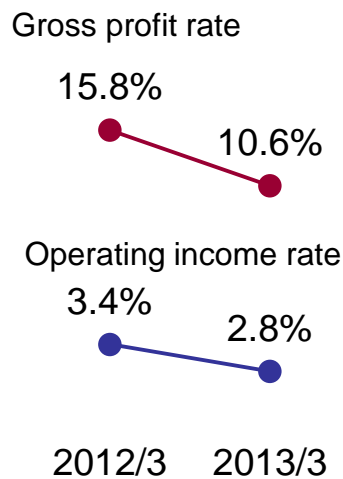
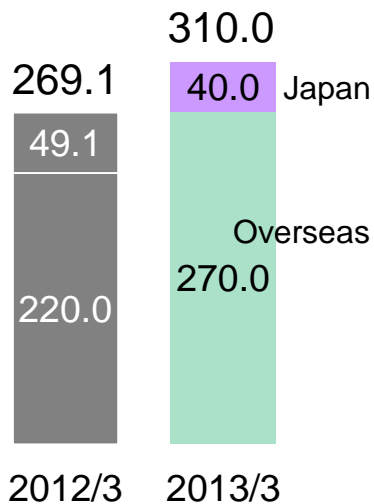
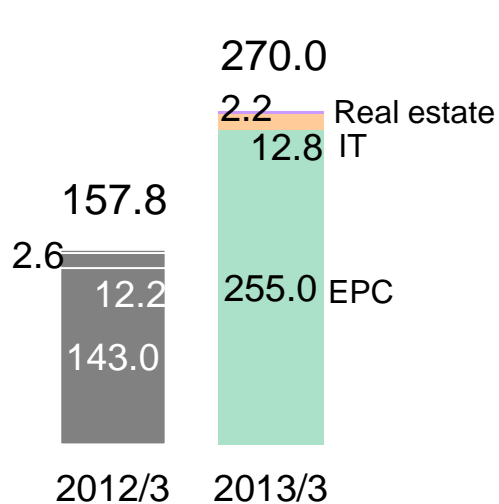


# Forecast

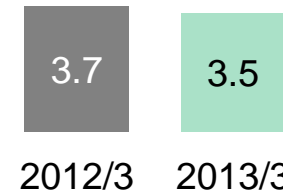
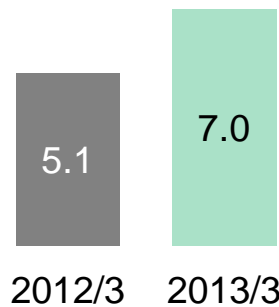
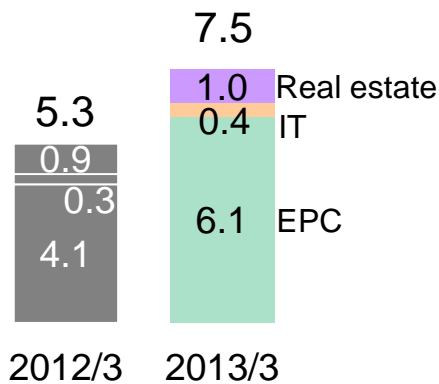
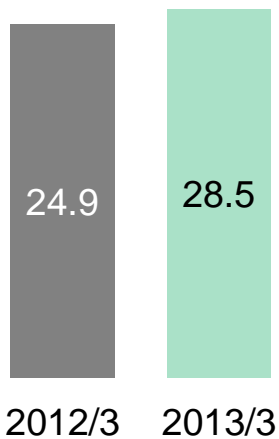
NEXT TOYO 2015

Billion yen

**Net sales      New orders      Profit rate      Payout ratio**



**Gross profit      Operating income      Ordinary income      Net income**



# -Reference- Historical data

NEXT TOYO 2015

		2011/3	2011/9	2012/3	2012/9	Forecast 2013/3
Net sales	Billion yen	155.6	62.0	157.8	108.3	270.0
Gross profit	Billion yen	26.5	11.8	24.9	12.4	28.5
Gross profit rate	%	17.1%	19.0%	15.8%	11.5%	10.6%
Operating income	Billion yen	6.8	2.4	5.3	1.5	7.5
Operating income rate	%	4.4%	4.0%	3.4%	1.4%	2.8%
Ordinary income	Billion yen	7.0	1.8	5.1	1.6	7.0
Net income	Billion yen	3.7	1.5	3.7	0.4	3.5
Comprehensive income	Billion yen	2.7	0.7	2.5	(0.5)	
Interest bearing debt	Billion yen	36.6	36.7	38.8	33.5	
Interest bearing debt ratio	%	18.5%	18.4%	17.5%	16.2%	
Net debt	Billion yen	(52.3)	(54.5)	(53.1)	(35.5)	
Debt equity ratio	Times	0.56	0.56	0.58	0.51	
Equity ratio	%	32.9%	32.7%	30.1%	31.7%	
Operating activities CF	Billion yen	11.3	3.5	5.7	(15.4)	
Investing activities CF	Billion yen	(1.3)	(0.4)	(2.4)	(1.6)	
Financing activities CF	Billion yen	3.8	(0.6)	0.1	(6.1)	
New orders	Billion yen	222.5	75.3	269.1	64.0	310.0
Backlog of contracts	Billion yen	224.6	232.8	359.1	307.1	401.3
Dividends per share (Non-consolidated)	yen	(Annual) 5.0	(Interim) 0.0	(Annual) 6.0	(Interim) 0.0	(Annual) 5.0



## Toyo Engineering Corporation

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

For further questions on this material, please contact:

**Kenji SATO**

General Manager

Corporate Communication Division

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

TEL +81-47-454-1681

E-mail [ir@ga.toyo-eng.co.jp](mailto:ir@ga.toyo-eng.co.jp)

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.