



OUTLINE OF FINANCIAL RESULTS

Second quarter of
fiscal year ended March 2014

NEXT TOYO 2015

November 13, 2013
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

- Decreased in profit compared with the same period of the previous year due to worsening profitability of a chemical fertilizer project in Indonesia.

Billion yen

| | 2012/9 | 2013/9 | Difference | | Forecast 2014/3 as of Nov 13, 2013 | Progress |
|---|--------|--------|------------|-------|--|----------|
| Net sales | 108.3 | 110.9 | +2.6 | +2% | 250.0 | 44% |
| Gross profit | 12.4 | 6.6 | (5.8) | -47% | 24.0 | 28% |
| Gross profit rate | 11.5% | 6.0% | -5.5% | | 9.6% | |
| Operating income | 1.5 | (4.4) | (5.9) | - | 2.0 | - |
| Operating income rate | 1.4% | -4.0% | -5.4% | | 0.8% | |
| Ordinary income | 1.6 | (2.3) | (3.9) | - | 4.0 | - |
| Net income | 0.4 | (3.6) | (4.0) | - | 0.0 | - |
| New orders | 64.0 | 170.6 | +106.6 | +167% | 330.0 | 52% |
| Interim dividends per share (yen) (Non-consolidated) | ¥0 | ¥0 | - | | (Annual dividends) ¥3 | - |

Income statement, Comprehensive income

NEXT TOYO 2015

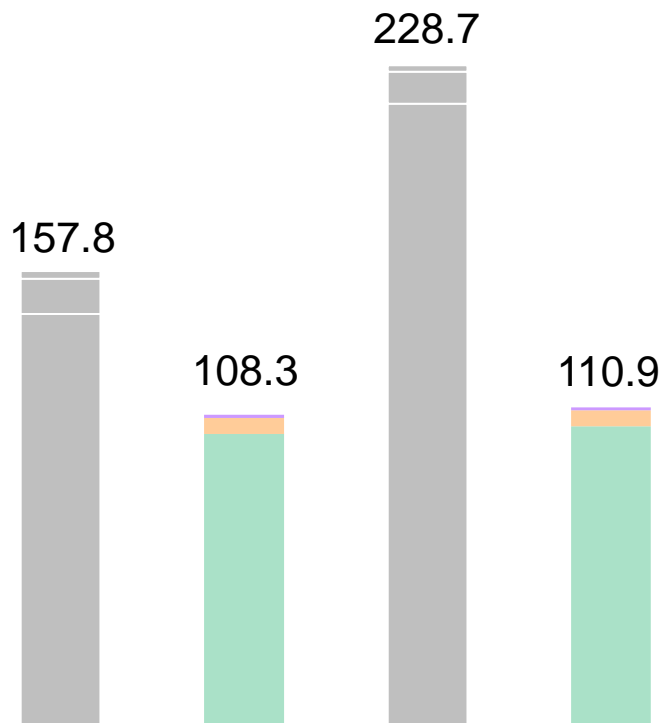
Billion yen

| | 2012/9 | | 2013/9 | | Difference | Forecast 2014/3 as of Nov 13, 2013 | Progress |
|--|-------------|-------|-------------|-------|------------|--|----------|
| | Billion yen | % | Billion yen | % | | | |
| Net sales | 108.3 | 100.0 | 110.9 | 100.0 | +2.6 | 250.0 | 44% |
| Cost of sales | 95.8 | 88.5 | 104.2 | 94.0 | (8.4) | | |
| Gross profit | 12.4 | 11.5 | 6.6 | 6.0 | (5.8) | 24.0 | 28% |
| Selling, general and administrative expenses | 10.9 | 10.1 | 11.1 | 10.1 | (0.2) | | |
| Operating income | 1.5 | 1.4 | (4.4) | (4.0) | (5.9) | 2.0 | - |
| Total non-operating income and expenses | 0.0 | 0.0 | 2.1 | 2.0 | +2.1 | | |
| Ordinary income | 1.6 | 1.5 | (2.3) | (2.1) | (3.9) | 4.0 | - |
| Total extraordinary gain and loss | (0.0) | (0.0) | 0.0 | 0.0 | +0.0 | | |
| Income before income taxes and minority interest | 1.5 | 1.4 | (2.3) | (2.1) | (3.8) | | |
| Income taxes | 1.7 | 1.6 | 1.3 | 1.2 | +0.4 | | |
| Minority interests in income (loss) | (0.5) | (0.5) | 0.0 | 0.0 | (0.5) | | |
| Net income | 0.4 | 0.4 | (3.6) | (3.3) | (4.0) | 0.0 | - |
| Comprehensive income | (0.5) | | (2.8) | | (2.3) | | |

Net sales

NEXT TOYO 2015

Billion yen



| | 2012/3 | 2012/9 | 2013/3 | 2013/9 |
|--------------|--------------|--------------|--------------|--------------|
| EPC | 143.0 | 101.7 | 215.5 | 104.4 |
| IT | 12.2 | 5.5 | 11.0 | 5.5 |
| Real estate | 2.6 | 1.1 | 2.2 | 1.0 |
| Total | 157.8 | 108.3 | 228.7 | 110.9 |

Compared with the same period of the previous year

| | 2012/9 | 2013/9 | Difference | |
|--------------|--------------|--------------|-------------|------------|
| EPC | 101.7 | 104.4 | +2.7 | +3% |
| IT | 5.5 | 5.5 | +0.0 | +0% |
| Real estate | 1.1 | 1.0 | (0.1) | -9% |
| Total | 108.3 | 110.9 | +2.6 | +2% |

| | 2012/9 | 2013/9 | Difference | |
|--------------|--------------|--------------|-------------|--|
| Japan | 20.2 | 17.2 | (3.0) | |
| % | 19% | 15% | -4% | |
| Overseas | 88.1 | 93.7 | +5.6 | |
| % | 81% | 85% | +4% | |
| Total | 108.3 | 110.9 | +2.6 | |

Compared with forecast for 2014/3

| | Forecast 2014/3 | Result 2013/9 | Difference | Progress |
|--------------|--------------------|------------------|----------------|------------|
| EPC | 236.5 | 104.4 | (132.1) | 44% |
| IT | 11.5 | 5.5 | (6.0) | 48% |
| Real estate | 2.0 | 1.0 | (1.0) | 50% |
| Total | 250.0 | 110.9 | (139.1) | 44% |

*EPC: Engineering, Procurement, Construction

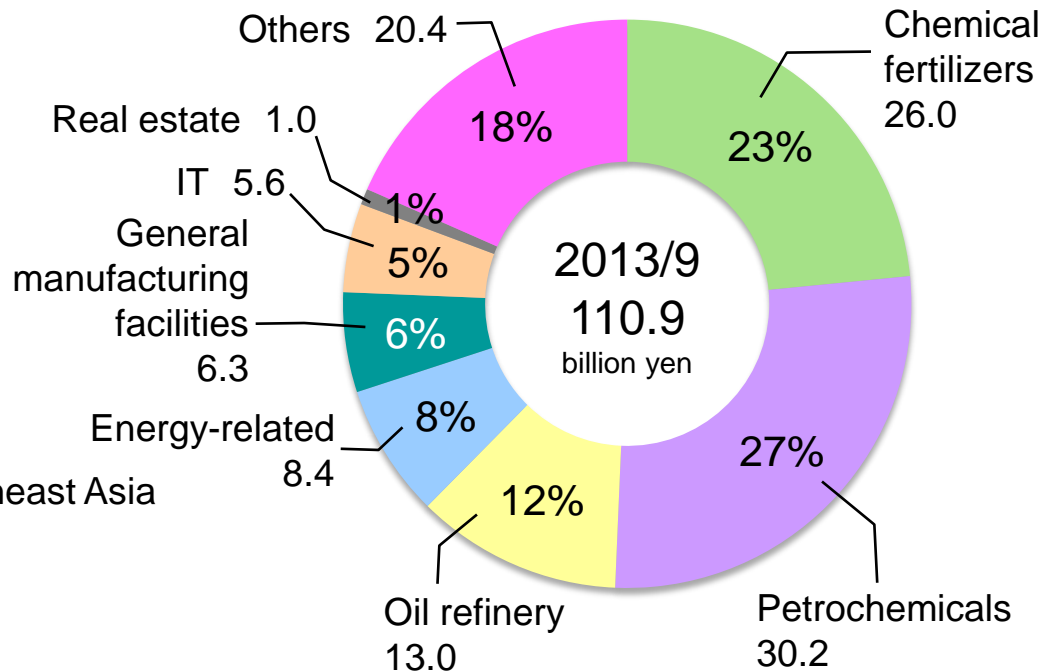
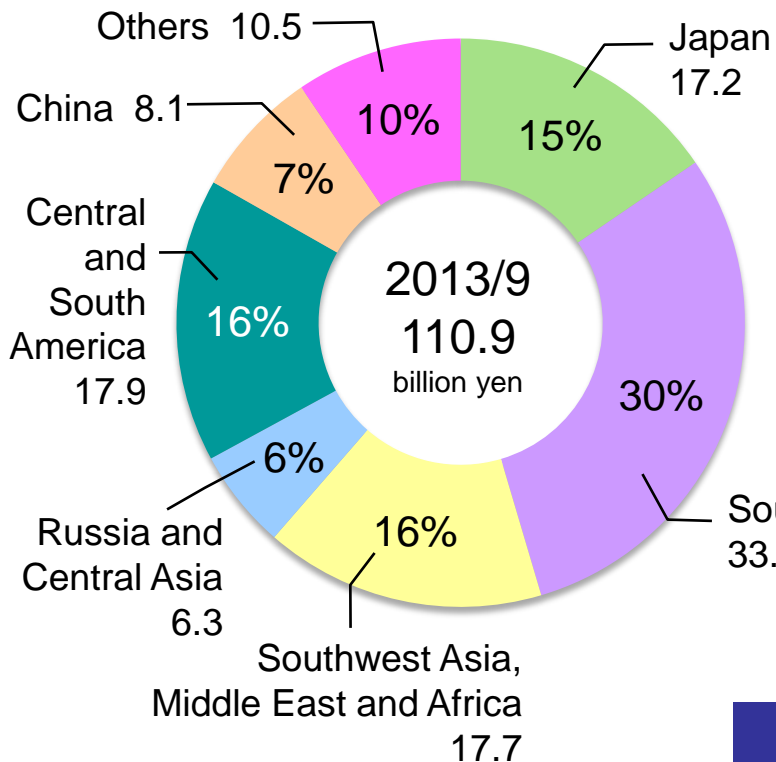
Net sales

NEXT TOYO 2015

Billion yen

Breakdown by region

Breakdown by segment details



Major contracts

Over 10 billion yen

Chemical fertilizer, INDONESIA
Other, BRAZIL

Over 5 billion yen

Oil refinery, RUSSIA

Over 3 billion yen

Energy-related, THAILAND
Petrochemical, EGYPT
Chemical fertilizer, SAUDI ARABIA

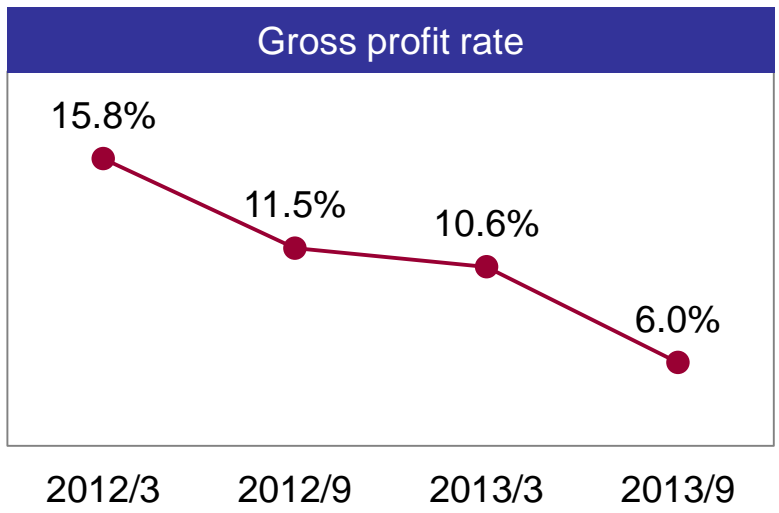
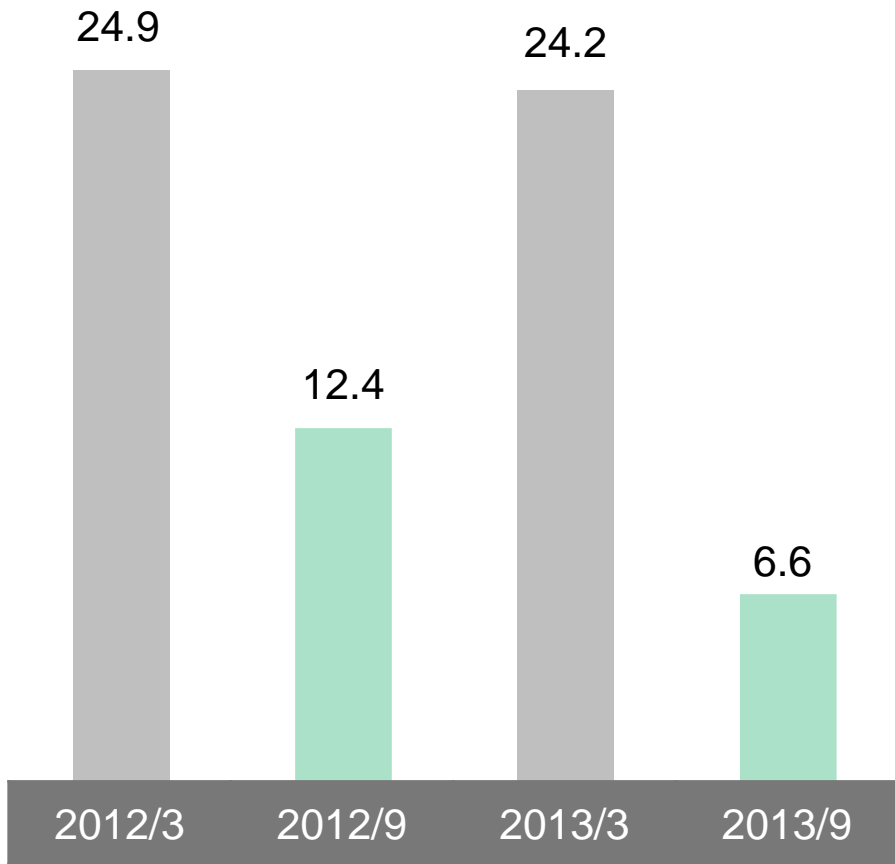
Over 2 billion yen

Petrochemical, INDONESIA
Chemical fertilizer, NIGERIA
Petrochemical, GERMANY

Gross profit

NEXT TOYO 2015

Billion yen



Compared with the same period of the previous year

| 2012/9 | 2013/9 | Difference | |
|--------|--------|------------|------|
| 12.4 | 6.6 | (5.8) | -47% |

Compared with forecast for 2014/3

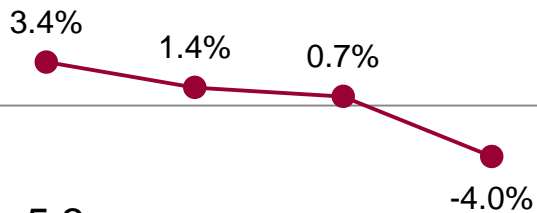
| Forecast 2014/3 | Result 2013/9 | Difference | Progress |
|-----------------|---------------|------------|----------|
| 24.0 | 6.6 | (17.4) | 28% |

Operating, Ordinary & Net income

NEXT TOYO 2015

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

Operating income



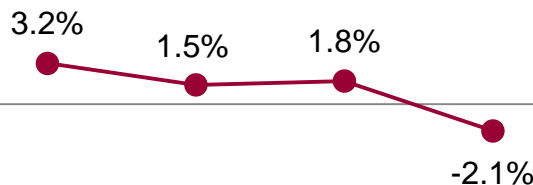
5.3

1.5

1.5

(4.4)

Ordinary income



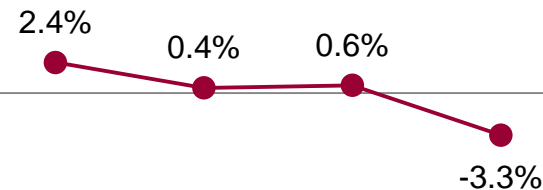
5.1

1.6

4.0

(2.3)

Net income



3.7

0.4

1.4

(3.6)

| | 2012/3 | 2012/9 | 2013/3 | 2013/9 |
|-------------|--------|--------|--------|--------|
| EPC | 4.1 | 0.9 | 0.3 | (5.0) |
| IT | 0.3 | 0.2 | 0.3 | 0.2 |
| Real Estate | 0.9 | 0.4 | 0.9 | 0.4 |
| Total | 5.3 | 1.5 | 1.5 | (4.4) |

2012/3 2012/9 2013/3 2013/9

2012/3 2012/9 2013/3 2013/9

2012/3 2012/9 2013/3 2013/9

Balance sheet

NEXT TOYO 2015

Billion yen

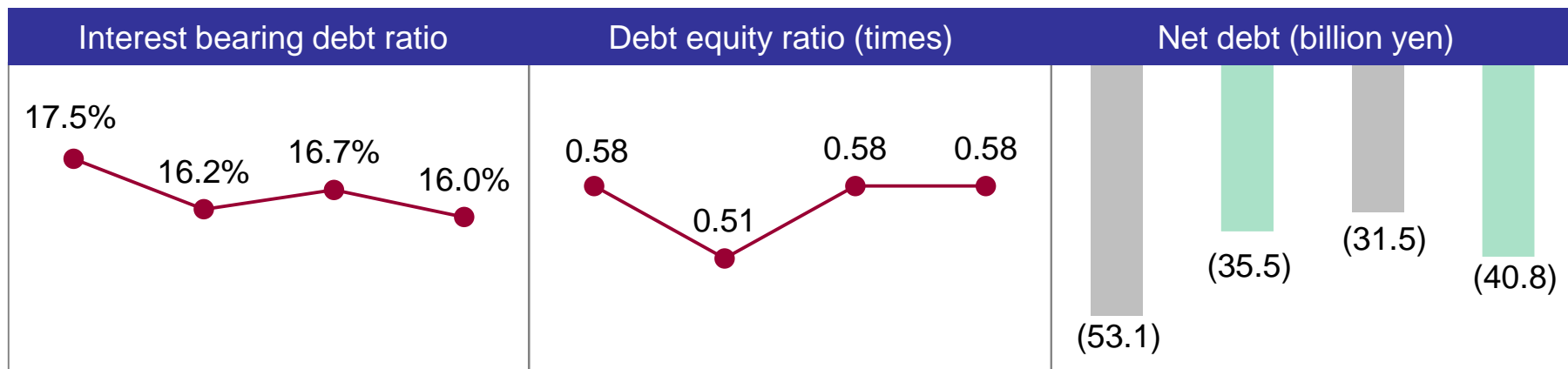
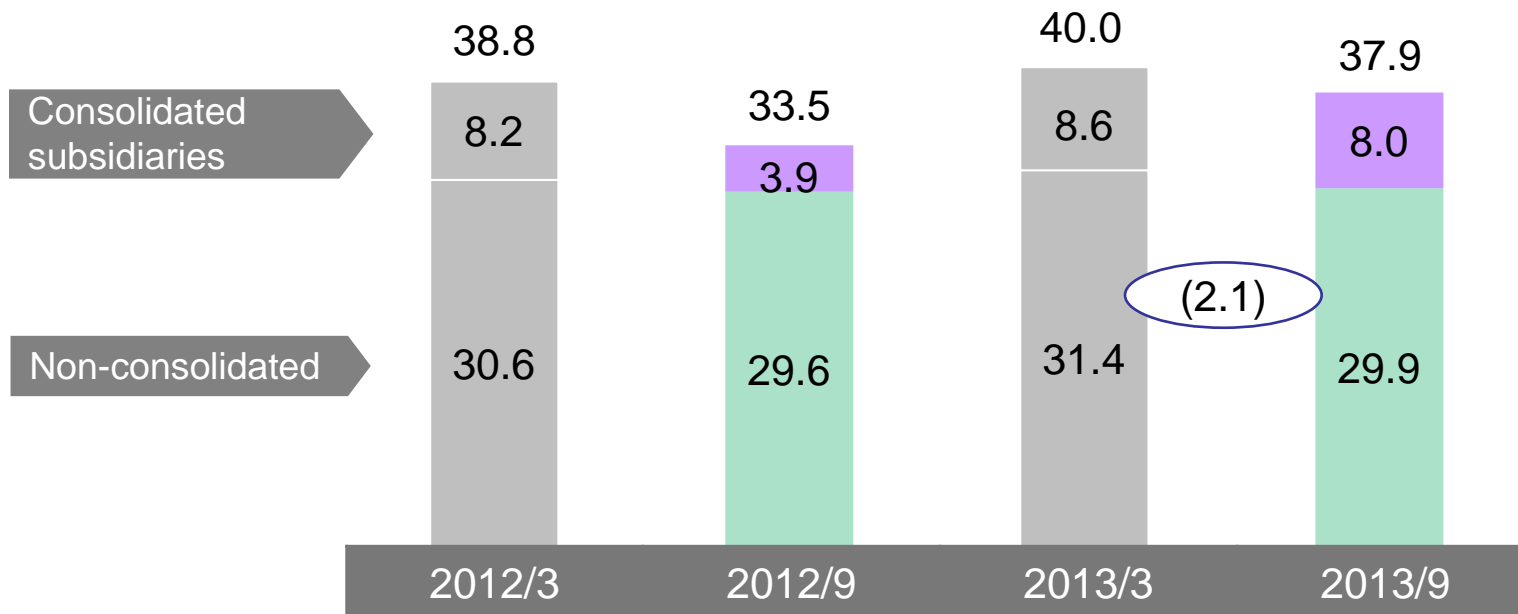
| Assets | 2013/3 | 2013/9 | Difference |
|-------------------------------|--------------|--------------|--------------|
| Current assets | 188.5 | 183.6 | (4.9) |
| Cash and deposits | 52.3 | 56.1 | +3.8 |
| Marketable securities | 21.3 | 24.3 | +3.0 |
| Other current assets | 27.0 | 18.9 | (8.1) |
| <Operating assets> | | | |
| Notes and accounts receivable | 54.4 | 46.0 | (8.4) |
| Contract work in progress | 33.3 | 38.2 | +4.9 |
| Fixed assets | 52.1 | 53.6 | +1.5 |
| Property, plant and equipment | 31.1 | 31.0 | (0.1) |
| Intangible assets | 5.4 | 5.8 | +0.4 |
| Investments and assets | 15.5 | 16.8 | +1.3 |
| Total assets | 240.6 | 237.3 | (3.3) |

| Liabilities and net assets | 2013/3 | 2013/9 | Difference |
|---|--------------|--------------|--------------|
| Current liabilities | 133.1 | 133.9 | +0.8 |
| Short-term interest bearing debt | 12.9 | 11.2 | (1.7) |
| Other current liabilities | 15.3 | 16.3 | +1.0 |
| <Operating liabilities> | | | |
| Notes and accounts payable | 60.3 | 57.1 | (3.2) |
| Advance receipts on uncompleted contracts | 44.4 | 49.1 | +4.7 |
| Long-term liabilities | 36.4 | 36.1 | (0.3) |
| Long-term interest bearing debt | 27.1 | 26.7 | (0.4) |
| Other long-term liabilities | 9.3 | 9.3 | +0.0 |
| Net assets | 71.0 | 67.2 | (3.8) |
| Shareholder's equity | 70.1 | 65.4 | (4.7) |
| Accumulated other comprehensive income | (0.4) | 0.3 | +0.7 |
| Minority interest | 1.4 | 1.4 | +0.0 |
| Total liabilities and net assets | 240.6 | 237.3 | (3.3) |

Interest bearing debt balance

NEXT TOYO 2015

Billion yen



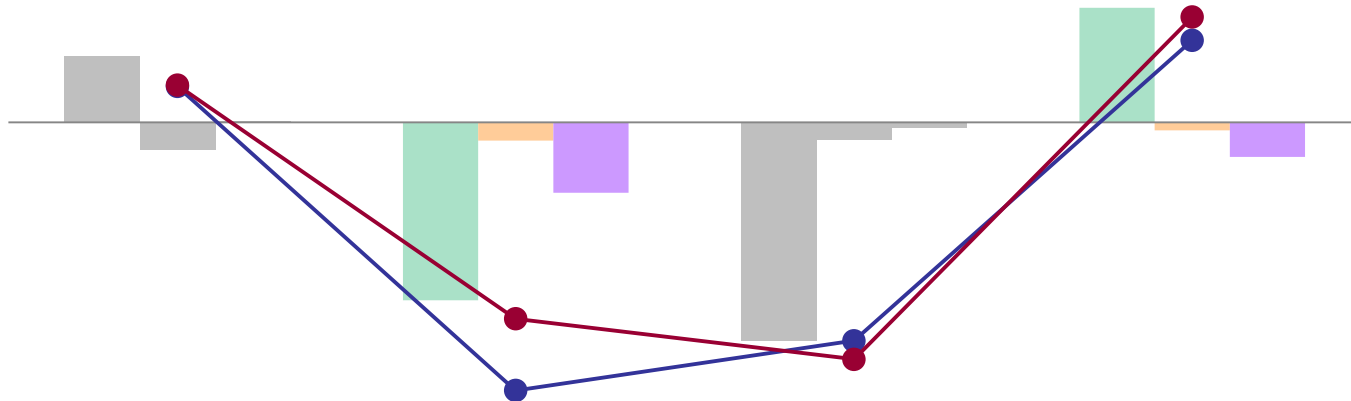
2012/3 2012/9 2013/3 2013/9 2012/3 2012/9 2013/3 2013/9 2012/3 2012/9 2013/3 2013/9

Cash flows

NEXT TOYO 2015

Billion yen

Cash flows



| | 2011/4~2012/3 | 2012/4~9 | 2012/4~2013/3 | 2013/4~9 |
|-------------------------------|---------------|----------|---------------|----------|
| Operating activities | 5.7 | (15.4) | (18.9) | 9.9 |
| Investing activities | (2.4) | (1.6) | (1.5) | (0.7) |
| Financing activities | 0.1 | (6.1) | (0.5) | (3.0) |
| Net increase/decrease in cash | 3.1 | (23.2) | (18.9) | 7.1 |
| Free cash flow | 3.2 | (17.0) | (20.5) | 9.1 |

Cash and cash equivalents, end of the term

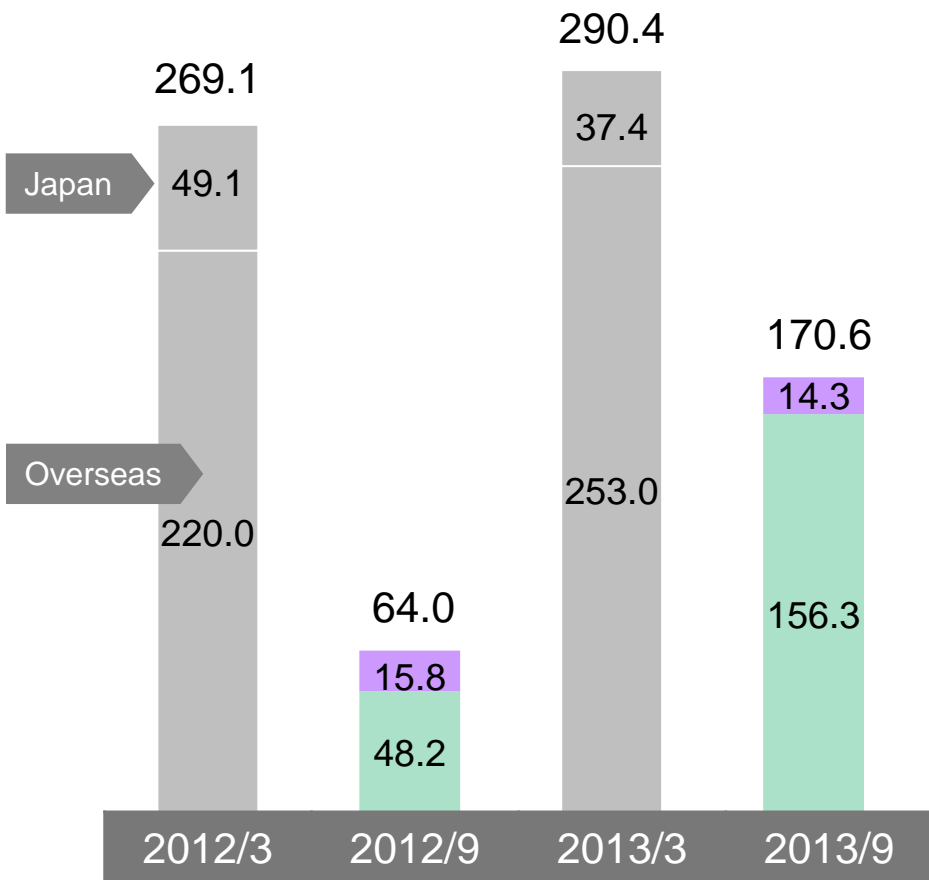


New orders

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Billion yen

2013/9 New orders : 170.6 billion yen



Major contracts

Over 70 billion yen

Oil refinery, CANADA

Over 20 billion yen

Petrochemical, INDONESIA

Petrochemical, EGYPT

Breakdown by consolidated companies

| | | |
|------------------------|--------------------------|-------------|
| Toyo Engineering Corp. | 73.5 billion yen | 43% |
| Domestic subsidiaries | 11.0 billion yen | 7% |
| Overseas subsidiaries | 86.1 billion yen | 50% |
| Total | 170.6 billion yen | 100% |

Compared with target for 2014/3

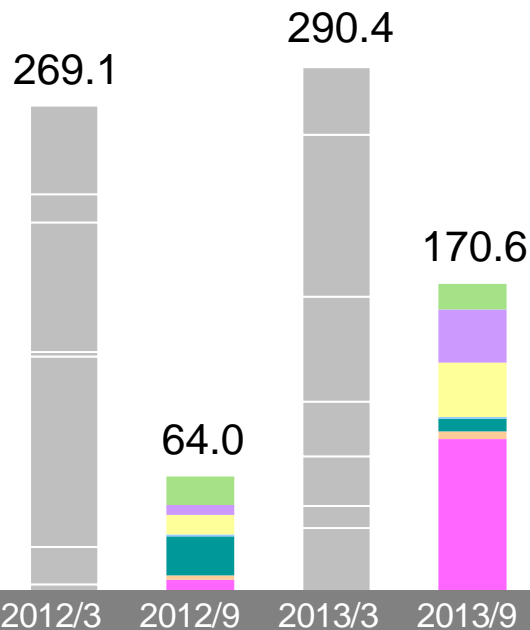
| Target 2014/3 | Result 2013/9 | Difference | Progress |
|---------------|---------------|------------|----------|
| 330.0 | 170.6 | (159.4) | 52% |

New orders

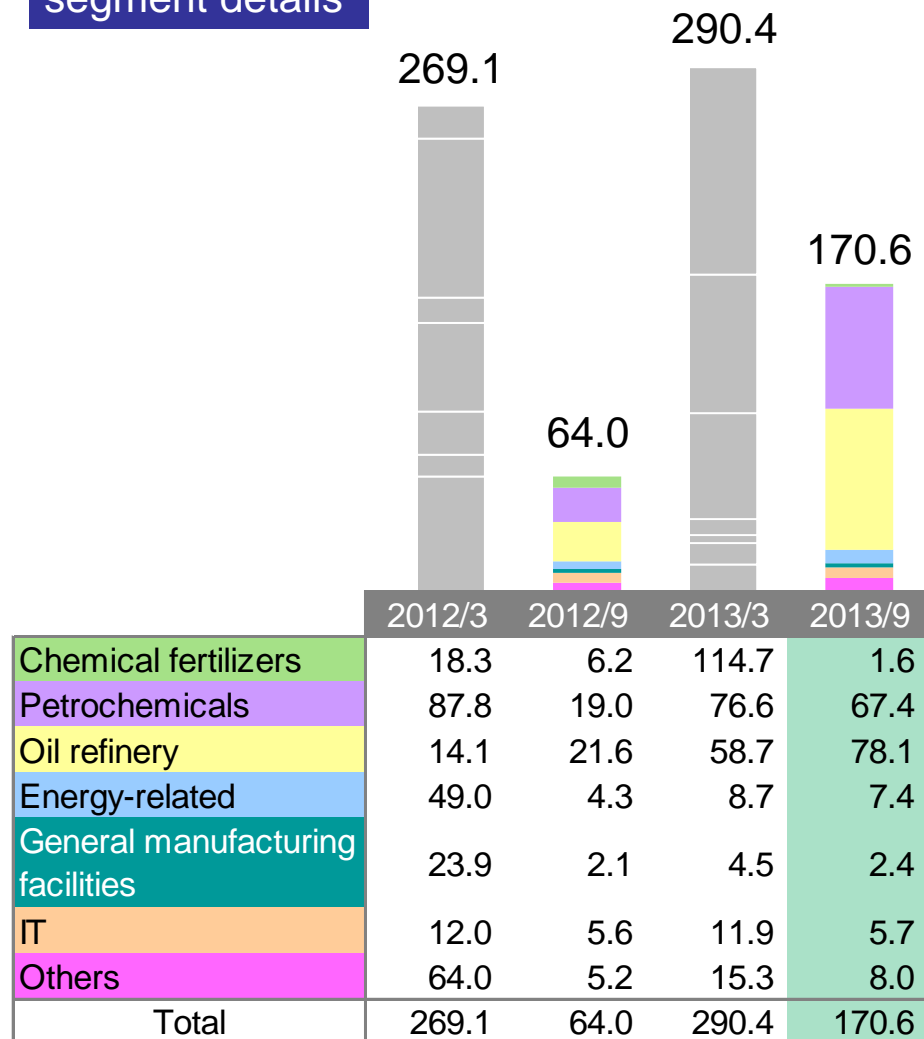
NEXT TOYO 2015

Billion yen

Breakdown by region



Breakdown by segment details

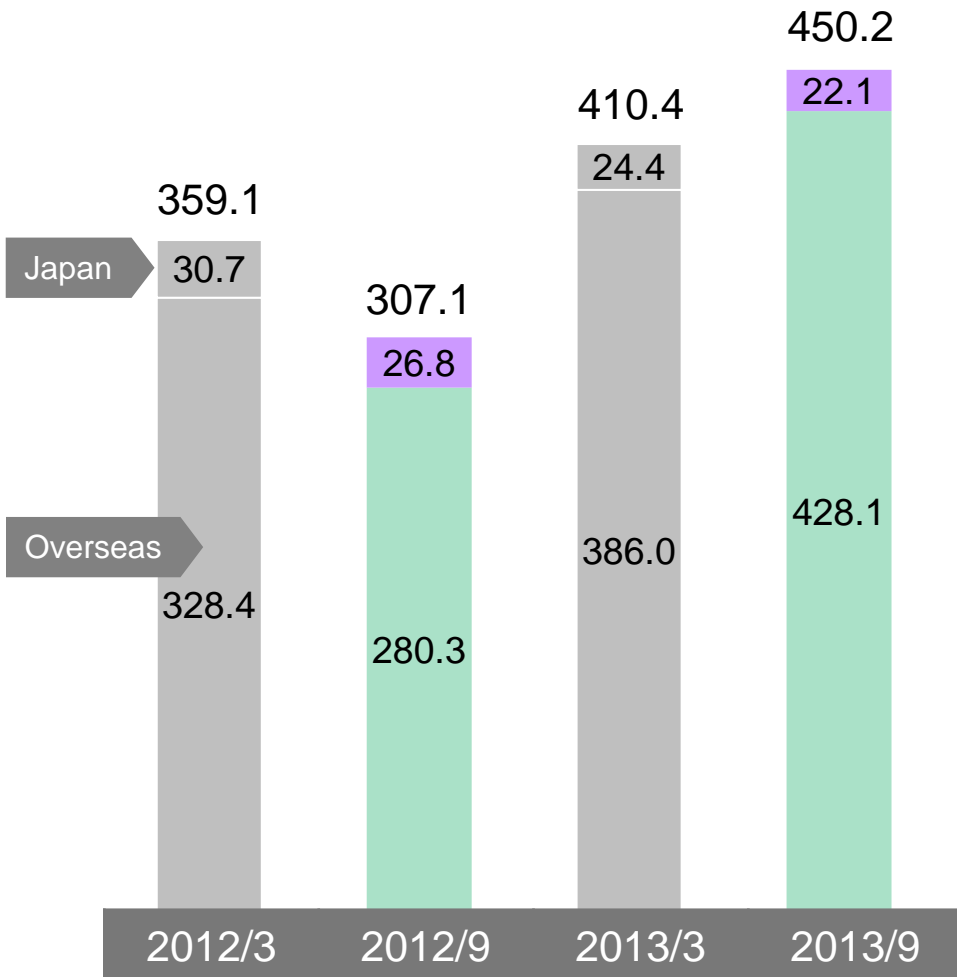


Backlog of contracts

NEXT TOYO 2015

Billion yen

2013/9 Backlog of contracts
450.2 billion yen

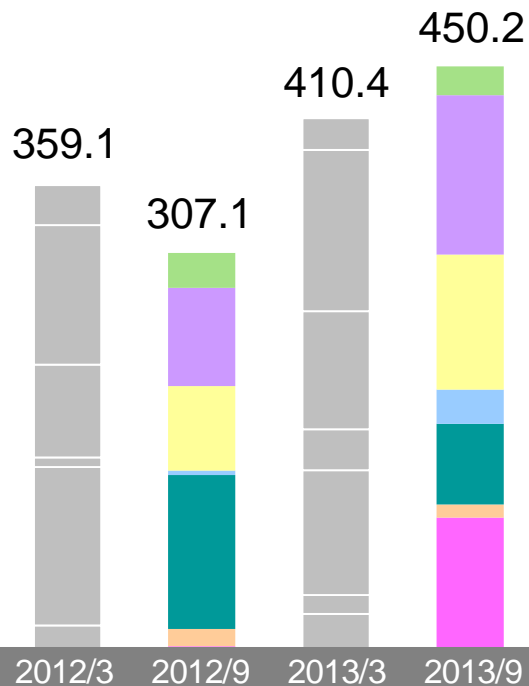


- Major contracts**
- Over 70 billion yen
Oil refinery, CANADA
 - Over 50 billion yen
Chemical fertilizer, INDONESIA
 - Over 40 billion yen
Chemical fertilizer, NIGERIA
 - Over 30 billion yen
Other, BRAZIL
 - Over 10 billion yen
Chemical fertilizer, INDONESIA
Petrochemical, INDONESIA
Energy-related, MALAYSIA
Petrochemical, EGYPT (2 projects)
Oil refinery, RUSSIA
Oil refinery, VENEZUELA

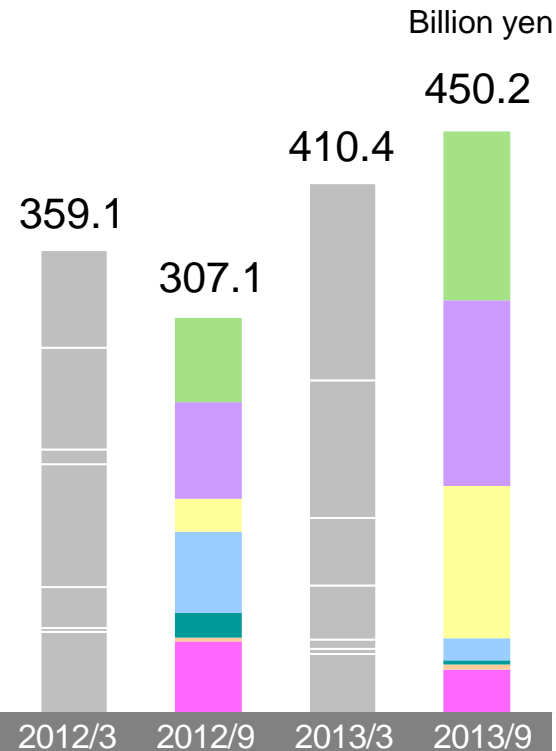
Backlog of contracts

NEXT TOYO 2015

Breakdown by region



Breakdown by segment details



| | 2012/3 | 2012/9 | 2013/3 | 2013/9 |
|--|--------------|--------------|--------------|--------------|
| Japan | 30.7 | 26.8 | 24.4 | 22.1 |
| Southeast Asia | 107.0 | 75.4 | 123.7 | 122.4 |
| Southwest Asia, Middle East and Africa | 71.2 | 64.8 | 90.6 | 103.6 |
| Russia and Central Asia | 7.4 | 3.6 | 31.3 | 26.3 |
| Central and South America | 121.5 | 117.9 | 96.0 | 61.7 |
| China | 19.5 | 13.3 | 14.3 | 10.1 |
| Others | 1.8 | 5.3 | 30.1 | 104.0 |
| Total | 359.1 | 307.1 | 410.4 | 450.2 |

| | 2012/3 | 2012/9 | 2013/3 | 2013/9 |
|----------------------------------|--------------|--------------|--------------|--------------|
| Chemical fertilizers | 74.8 | 64.6 | 151.3 | 129.6 |
| Petrochemicals | 78.1 | 74.3 | 105.5 | 142.5 |
| Oil refinery | 11.5 | 25.3 | 51.8 | 117.0 |
| Energy-related | 94.1 | 62.1 | 41.5 | 16.8 |
| General manufacturing facilities | 31.4 | 19.0 | 7.2 | 3.1 |
| IT | 3.1 | 3.1 | 4.0 | 4.0 |
| Others | 66.1 | 58.7 | 49.1 | 37.2 |
| Total | 359.1 | 307.1 | 410.4 | 450.2 |

Forecast

NEXT TOYO 2015

Billion yen

| | 2013/3 | Second quarter 2013/9 | Forecast for 2014/3 | |
|---|--------|--------------------------|---------------------|----------|
| | | | Initial plan | New plan |
| Net sales | 228.7 | 110.9 | 300.0 | 250.0 |
| Gross profit | 24.2 | 6.6 | 32.0 | 24.0 |
| Gross profit rate | 10.6% | 6.0% | 10.7% | 9.6% |
| Operating income | 1.5 | (4.4) | 10.0 | 2.0 |
| Operating income rate | 0.7% | -4.0% | 3.3% | 0.8% |
| Ordinary income | 4.0 | (2.3) | 10.0 | 4.0 |
| Net income | 1.4 | (3.6) | 5.0 | 0.0 |
| New orders | 290.4 | 170.6 | 330.0 | 330.0 |
| Dividends per share (yen) (Non-consolidated) | ¥5 | ¥0 | ¥6 | ¥3 |

Forecast for breakdowns by segment

| Net sales | Initial plan | New plan |
|-------------|--------------|----------|
| EPC | 285.5 | 236.5 |
| IT | 12.5 | 11.5 |
| Real estate | 2.0 | 2.0 |
| Total | 300.0 | 250.0 |

| Operating income | Initial plan | New plan |
|------------------|--------------|----------|
| EPC | 8.7 | 0.7 |
| IT | 0.4 | 0.4 |
| Real estate | 0.9 | 0.9 |
| Total | 10.0 | 2.0 |

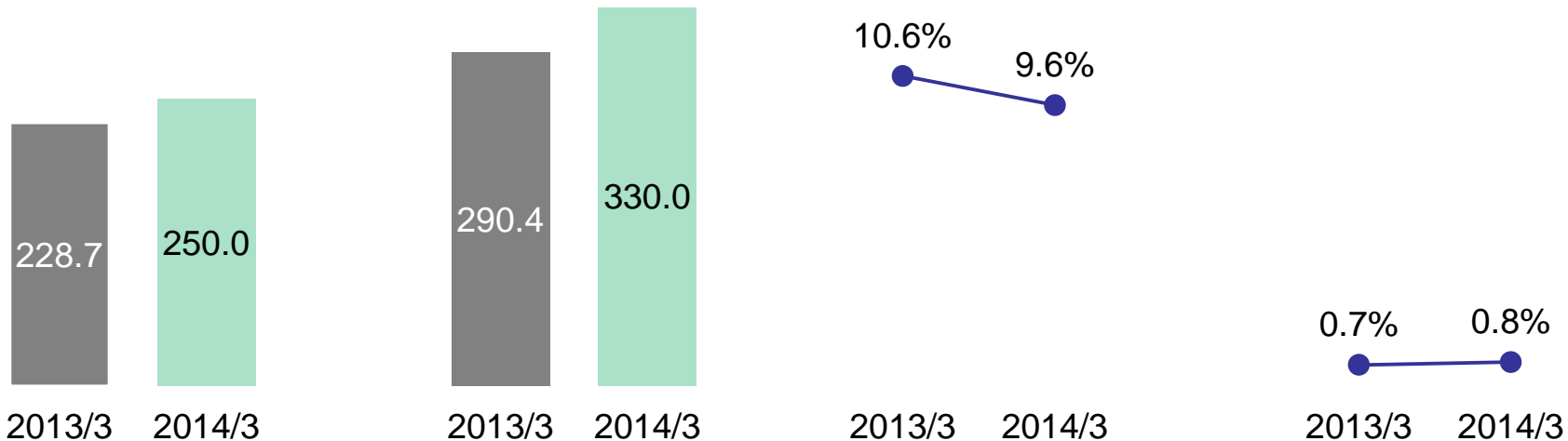
Exchange rate for Forecast 1US\$= ¥98

Forecast

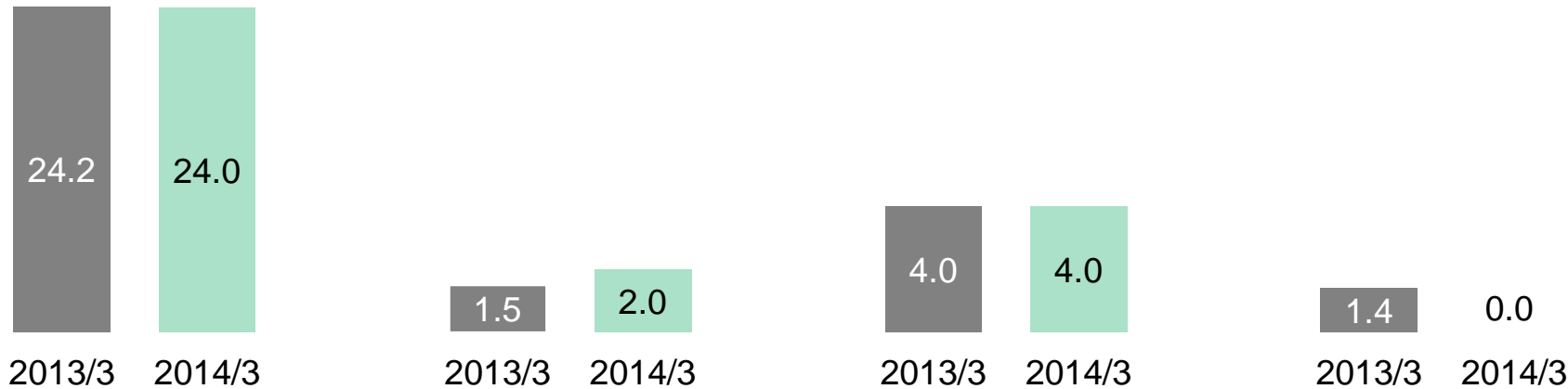
NEXT TOYO 2015

Billion yen

Net sales New orders Gross profit rate Operating income rate



Gross profit Operating income Ordinary income Net income



-Reference- Historical data

NEXT TOYO 2015

| | | 2012/3 | 2012/9 | 2013/3 | 2013/9 | Forecast 2014/3 |
|---|-------------|--------------|---------------|--------------|---------------|--------------------|
| Net sales | Billion yen | 157.8 | 108.3 | 228.7 | 110.9 | 250.0 |
| Gross profit | Billion yen | 24.9 | 12.4 | 24.2 | 6.6 | 24.0 |
| Gross profit rate | % | 15.8% | 11.5% | 10.6% | 6.0% | 9.6% |
| Operating income | Billion yen | 5.3 | 1.5 | 1.5 | (4.4) | 2.0 |
| Operating income rate | % | 3.4% | 1.4% | 0.7% | -4.0% | 0.8% |
| Ordinary income | Billion yen | 5.1 | 1.6 | 4.0 | (2.3) | 4.0 |
| Net income | Billion yen | 3.7 | 0.4 | 1.4 | (3.6) | 0.0 |
| Comprehensive income | Billion yen | 2.5 | (0.5) | 3.1 | (2.8) | |
| Interest bearing debt | Billion yen | 38.8 | 33.5 | 40.0 | 37.9 | |
| Interest bearing debt ratio | % | 17.5% | 16.2% | 16.7% | 16.0% | |
| Net debt | Billion yen | (53.1) | (35.5) | (31.5) | (40.8) | |
| Debt equity ratio | Times | 0.58 | 0.51 | 0.58 | 0.58 | |
| Equity ratio | % | 30.1% | 31.7% | 28.9% | 27.7% | |
| Operating activities CF | Billion yen | 5.7 | (15.4) | (18.9) | 9.9 | |
| Investing activities CF | Billion yen | (2.4) | (1.6) | (1.5) | (0.7) | |
| Financing activities CF | Billion yen | 0.1 | (6.1) | (0.5) | (3.0) | |
| New orders | Billion yen | 269.1 | 64.0 | 290.4 | 170.6 | 330.0 |
| Backlog of contracts | Billion yen | 359.1 | 307.1 | 410.4 | 450.2 | 492.4 |
| Dividends per share (Non-consolidated) | yen | (Annual) 6.0 | (Interim) 0.0 | (Annual) 5.0 | (Interim) 0.0 | (Annual) 3.0 |



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

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.