

Mission: Engineering for Sustainable Growth of the Global Community

Vision: Global Leading Engineering Partner

Values: Integrity, Creativity, Diversity, Learning, Team



First quarter of fiscal year ending March 2018

OUTLINE OF FINANCIAL RESULTS

August 10, 2017

Toyo Engineering Corporation

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Performance summary

JPY billion

	2016/6	2017/6	Difference	Forecast 2018/3	Progress
Net sales	99.0	87.3	(11.7)	370.0	24%
Gross profit	7.6	5.7	(1.9)	27.5	21%
Gross profit rate	7.7%	6.5%	-1.2%	7.4%	
Selling, general and administrative expenses	4.1	5.1	(1.0)	21.0	-
Operating income	3.5	0.5	(3.0)	6.5	8%
Operating income rate	3.6%	0.7%	-2.9%	1.8%	
Ordinary income	5.1	1.9	(3.2)	5.0	38%
Profit attributable to owners of parent	1.8	1.0	(0.8)	2.0	50%
New orders	31.4	51.7	20.3	250.0	21%

Breakdown of Income

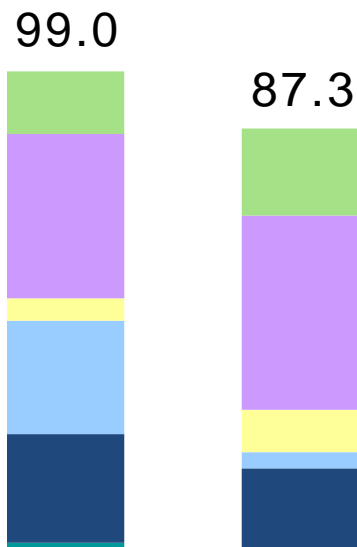
JPY billion

	2016/6	2017/6	Difference
Gross profit	7.6	5.7	(1.9)
Selling, general and administrative expenses	4.1	5.1	(1.0)
Operating income	3.5	0.5	(3.0)
Total non-operating income and expenses	1.5	1.3	(0.2)
Ordinary income	5.1	1.9	(3.2)
Total extraordinary gain and loss	-	-	-
Income before income taxes	5.1	1.9	(3.2)
Income taxes	3.2	0.8	2.4
Profit	1.9	1.1	(0.8)
Profit attributable to non-controlling interests	0.0	0.0	(0.0)
Profit attributable to owners of parent	1.8	1.0	(0.8)

Net sales

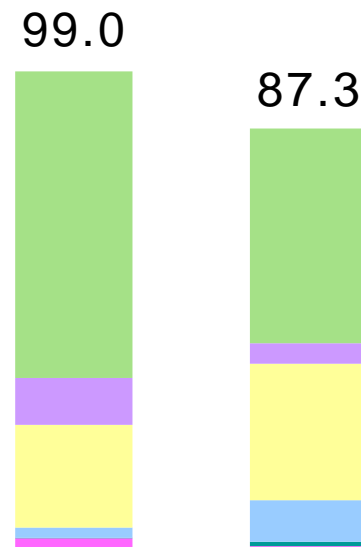
JPY billion

Region



	2016/6	2017/6
Japan	12.8	17.8
Southeast Asia	33.6	39.7
Southwest Asia, Middle East and Africa	4.6	8.7
Russia and Central	23.2	3.3
North America	22.2	16.8
Central and South America	1.3	0.5
China	1.0	0.5
Others	0.3	0.0
Total	99.0	87.3

Product



	2016/6	2017/6
Petrochemicals	62.7	43.9
Oil & Gas	9.6	4.2
Power / Railways etc.	21.0	27.9
Chemicals / Fertilizers	2.1	8.5
Pharmaceuticals etc.	0.1	0.9
Others	3.5	1.9
Total	99.0	87.3

- ◆ The classification of the product within the EPC business was restructured with effect from this fiscal year. Therefore Net sales in this quarter and corresponding the same period of the last year are disclosed under the new classification.

Balance sheet

JPY billion

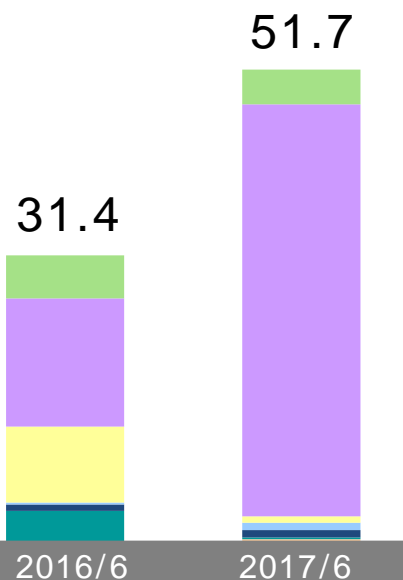
Assets	2017/3	2017/6	Difference
Current assets	281.7	257.6	(24.1)
Cash and deposits	126.0	104.7	(21.3)
Marketable securities	1.1	3.4	2.3
Other current assets	16.6	18.3	1.7
<Operating assets>			
Notes and accounts receivable	88.3	81.1	(7.2)
Work in progress	49.5	49.9	0.4
Noncurrent assets	35.3	35.5	0.2
Property, plant and equipment	12.6	12.4	(0.2)
Intangible assets	1.4	1.3	(0.1)
Investments and other assets	21.2	21.8	0.6
Total assets	317.0	293.2	(23.8)

Liabilities and net assets	2017/3	2017/6	Difference
Current liabilities	237.1	211.3	(25.8)
Short-term interest bearing debt	8.4	6.7	(1.7)
Other current liabilities	18.1	15.2	(2.9)
<Operating liabilities>			
Notes and accounts payable	123.4	115.3	(8.1)
Advance receipts on uncompleted contracts	87.1	73.9	(13.2)
Noncurrent liabilities	28.6	28.8	0.2
Long-term interest bearing debt	23.4	23.5	0.1
Other noncurrent liabilities	5.1	5.2	0.1
Net assets	51.3	53.0	1.7
Shareholder's equity	47.5	48.2	0.7
Accumulated other comprehensive income	3.7	4.7	1.0
Non-controlling interests	0.0	0.0	0.0
Total liabilities and net assets	317.0	293.2	(23.8)

New orders

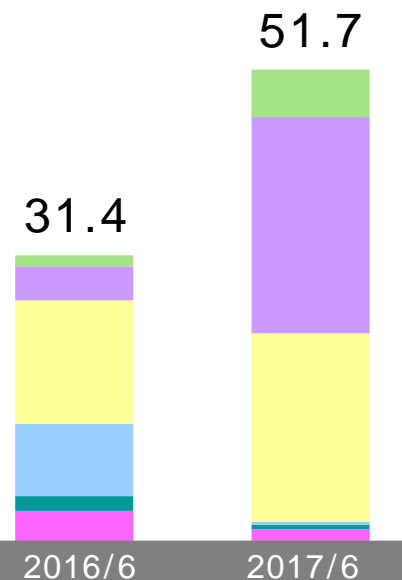
JPY billion

Region



Region	2016/6	2017/6
Japan	4.7	3.8
Southeast Asia	14.0	45.0
Southwest Asia, Middle East and Africa	8.3	0.7
Russia and Central North America	0.2	0.8
Central and South America	3.4	0.2
China	0.1	0.3
Others	0.0	0.1
Total	31.4	51.7

Product



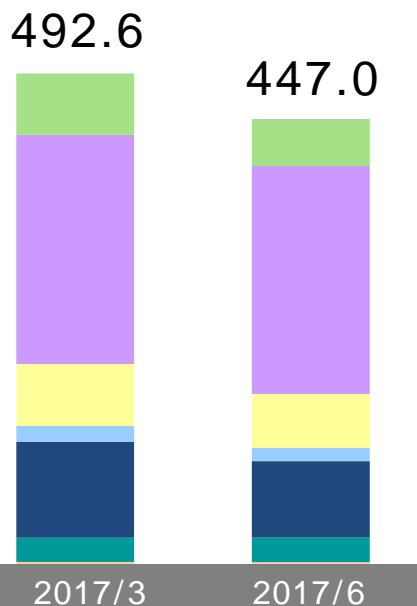
Product	2016/6	2017/6
Petrochemicals	1.2	5.2
Oil & Gas	3.7	23.6
Power / Railways etc.	13.5	20.6
Chemicals / Fertilizers	7.9	0.3
Pharmaceuticals etc.	1.6	0.5
Others	3.5	1.5
Total	31.4	51.7

- ◆ The classification of the product within the EPC business was restructured with effect from this fiscal year. Therefore New orders in this quarter and corresponding the same period of the last year are disclosed under the new classification.

Backlog of contracts

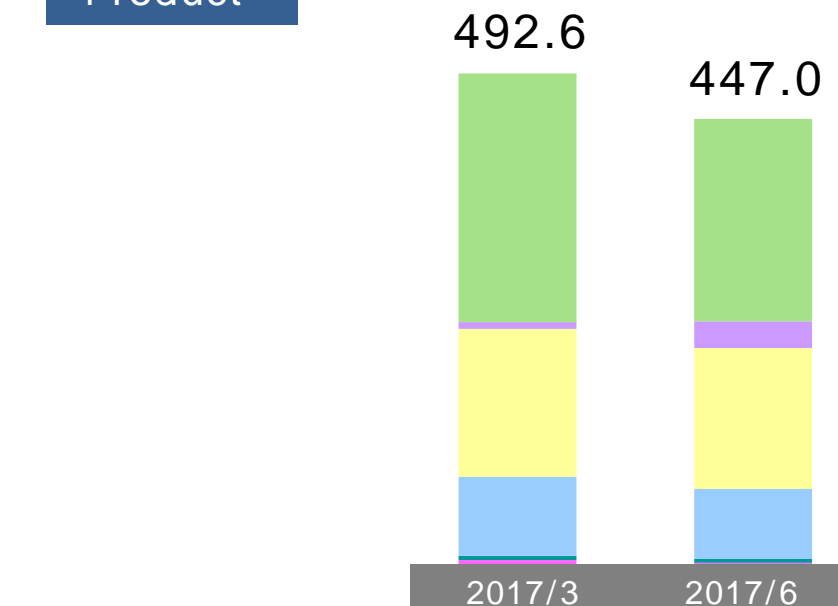
JPY billion

Region



Region	2017/3	2017/6
Japan	61.2	47.3
Southeast Asia	230.3	228.7
Southwest Asia, Middle East and Africa	62.1	53.7
Russia and Central	16.1	13.6
North America	95.4	76.8
Central and South America	25.0	24.6
China	1.8	1.5
Others	0.7	0.8
Total	492.6	447.0

Product



Product	2017/3	2017/6
Petrochemicals	249.4	203.1
Oil & Gas	6.8	26.7
Power / Railways etc.	148.5	141.3
Chemicals / Fertilizers	79.2	70.0
Pharmaceuticals etc.	4.2	4.1
Others	4.5	1.8
Total	492.6	447.0

- ◆ The classification of the product within the EPC business was restructured with effect from this fiscal year. Therefore Backlog of contracts in this quarter and corresponding the end of the last fiscal year are disclosed under the new classification.

◆ No change from initial forecast as of 19 May, 2017.

JPY billion

	2017/3	1Q 2017/6	Forecast 2018/3
Net sales	431.9	87.3	370.0
Gross profit	15.9	5.7	27.5
Gross profit rate	3.7%	6.5%	7.4%
Selling, general and administrative expenses	17.9	5.1	21.0
Operating income	(2.0)	0.5	6.5
Operating income rate	-0.5%	0.7%	1.8%
Ordinary income	1.6	1.9	5.0
Profit attributable to owners of parent	1.4	1.0	2.0
New orders	116.7	51.7	250.0
Dividends per share (yen)	¥2	-	¥3 *

Exchange rate for the forecast 1US\$ = ¥108

* We plan to conduct a one-for-five reverse stock split of our company's shares effective October 1, 2017 in which case the annual dividend per share for the fiscal year ending March 31, 2018 would be JPY 15 (forecast).



Toyo Engineering Corporation

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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.