

Your Success, Our Pride.



Fiscal Year Ended March 2020

OUTLINE OF FINANCIAL RESULTS

June 18, 2020

Toyo Engineering Corporation

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Performance Summary

Versus Revised Forecast for 2020/3



- ◆ Plant Acceptance of Ethylene Project in USA / Profitability on Operating Income
- ◆ Significant Shortfall of New Orders by Suspension/Postponement of Capital Investments

JPY billion

	2020/3		Difference	Achievement
	Forecast	Result		
Net sales	240.0	219.0	(21.0)	91%
Gross profit	21.5	18.7	(2.8) *1	87%
Gross profit margin	9.0%	8.6%	-0.4%	
SG&A expenses	18.5	16.8	1.7 *2	91%
Operating income	3.0	1.8	(1.2)	60%
Operating income margin	1.3%	0.9%	-0.4%	
Non-operating income & expenses	0.0	0.5	0.5 *3	-
Ordinary income	3.0	2.4	(0.6)	80%
Extraordinary income	1.0	1.9	0.9	190%
Profit before income taxes	4.0	4.4	0.4	110%
Income taxes	2.0	2.7	(0.7) *4	135%
Profit attributable to owners of parent	2.0	1.6	(0.4)	80%
New orders	300.0	187.0	(113.0) *5	62%
Dividends per share	¥0	¥0	¥0	-

*1 Rising costs of Ethylene Project in USA and some projects due to impact of COVID-19

*2 Cost reduction mainly on proposal expenses

*3 Profit improvement of equity method affiliates in Brazil
Foreign exchange losses incurred

*4 Wrote off deferred tax assets

*5 Downward due to postponement of final investment decisions by some clients

Performance Summary

Versus Prior Year



JPY billion

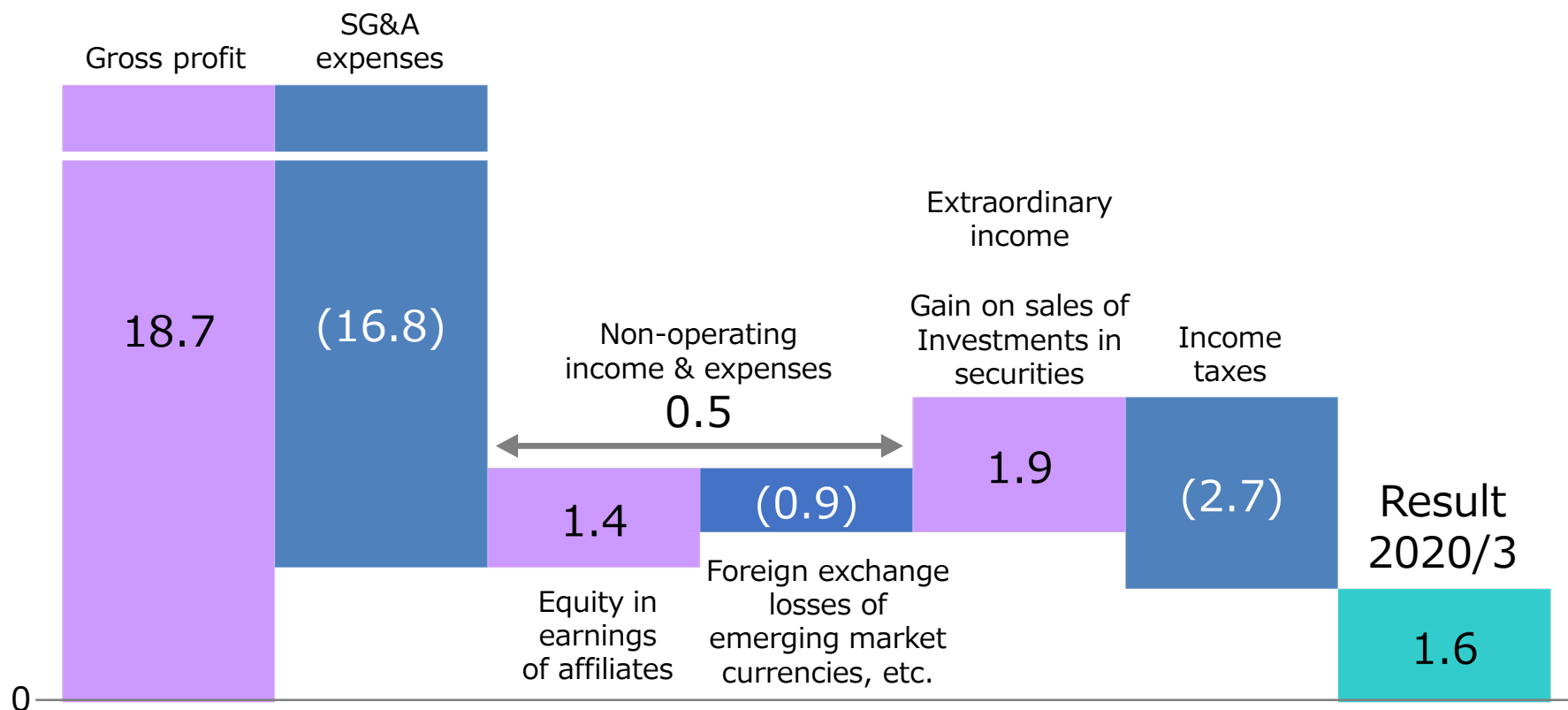
	2019/3	2020/3	Difference	
Net sales	294.9	219.0	(75.9)	Completion of Ethylene Project in USA
Gross profit	10.6	18.7	8.1	*1 Profit improvement of other projects
Gross profit margin	3.6%	8.6%	5.0%	
SG&A expenses	16.2	16.8	(0.6)	*2 Continued cost reduction Increased in R&D expenses
Operating income	(5.6)	1.8	7.4	
Operating income margin	-1.9%	0.9%	2.8%	
Non-operating income & expenses	9.0	0.5	(8.5)	*3 Profit improvement of equity method affiliates in Brazil and increase in interest income in 2019/3
Ordinary income	3.4	2.4	(1.0)	
Extraordinary income	0.0	1.9	1.9	
Profit before income taxes	3.5	4.4	0.9	
Income taxes	4.2	2.7	1.5	*4 Tax expense increased due to profit improvement of overseas subsidiaries in 2019/3
Profit attributable to owners of parent	(0.8)	1.6	2.4	
New orders	298.0	187.0	(111.0)	
Dividends per share	¥0	¥0	¥0	

Performance Summary

Profit Attributable to Owners of Parent Breakdown



JPY billion

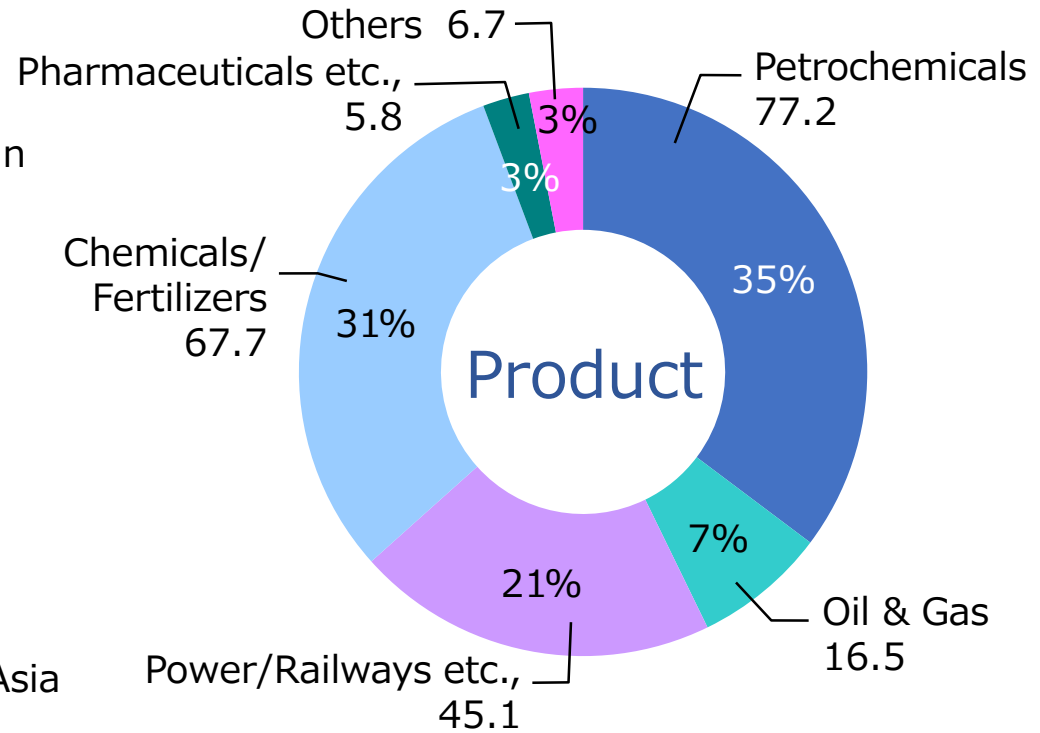
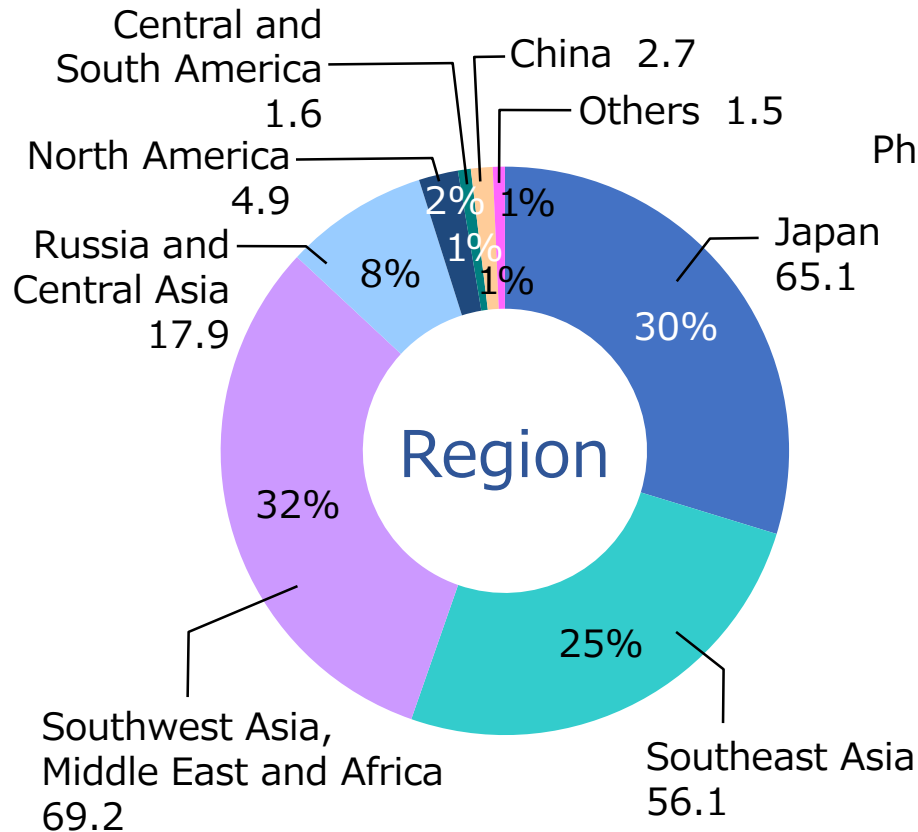


Net Sales



JPY billion

2020/3 Net sales : JPY 219.0 billion



Major Contracts

Over JPY 30 billion

Chemical/Fertilizer,
INDIA

Over JPY 20 billion

Chemical/Fertilizer,
NIGERIA

Over JPY 8 billion

Petrochemicals, THAILAND (2 projects)
Petrochemicals, RUSSIA (2 projects)
Petrochemical, INDONESIA

Balance Sheet

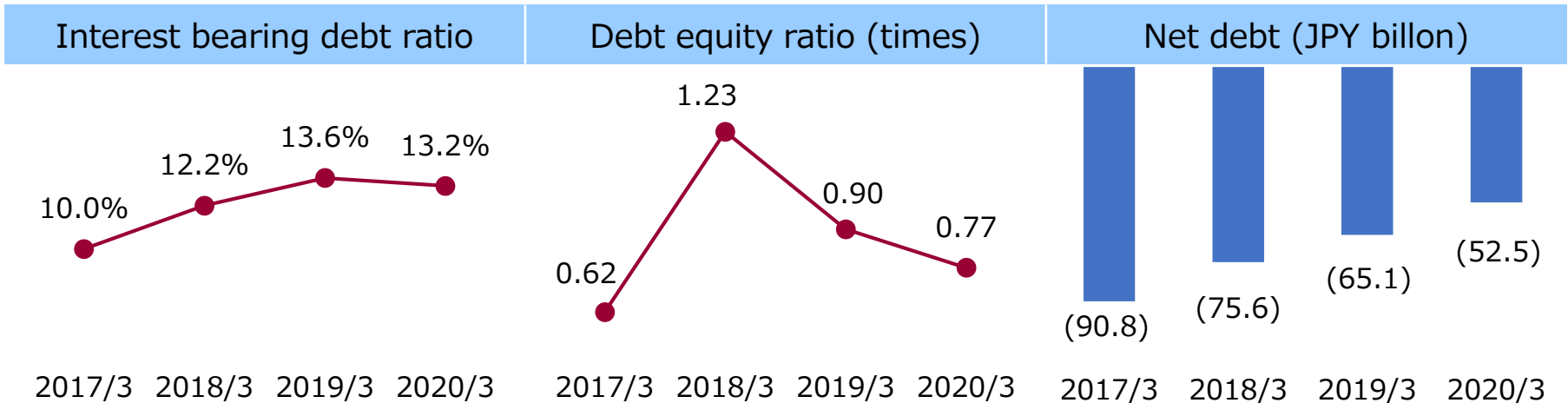
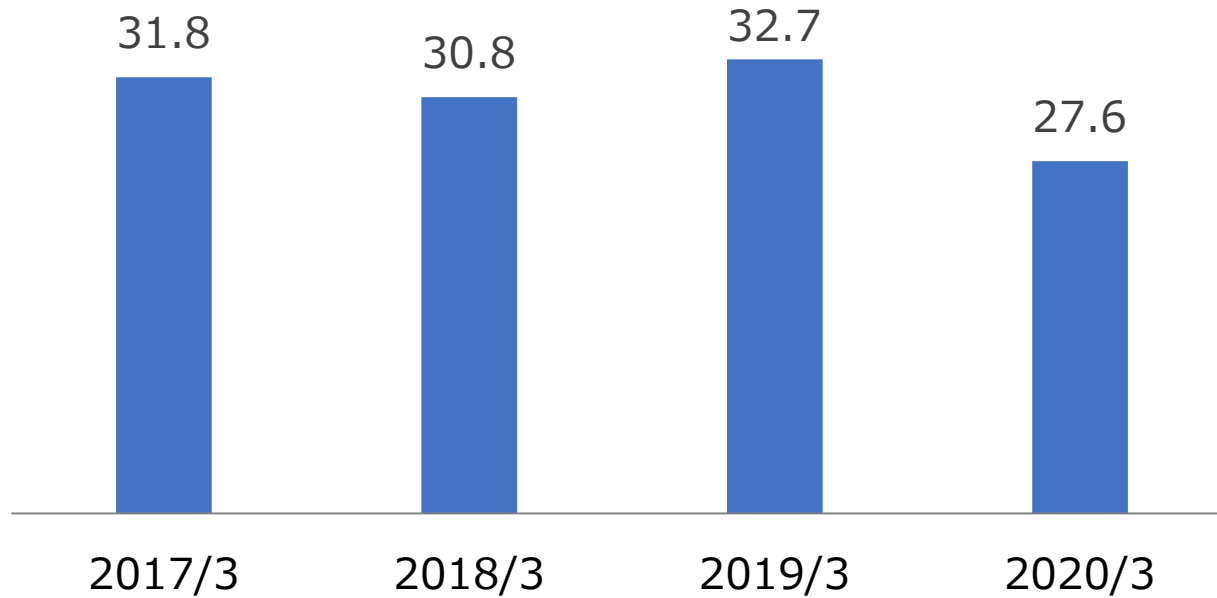


JPY billion

Assets	2019/3	2020/3	Difference	Liabilities and net assets	2019/3	2020/3	Difference
Current assets	212.7	187.8	(24.9)	Current liabilities	178.4	155.6	(22.8)
Cash and deposits	101.7	81.9	(19.8)	Short-term interest bearing debt	13.4	17.3	3.9
Notes and accounts receivable	68.1	55.1	(13.0)	Notes and accounts payable	82.5	64.0	(18.5)
Work in progress	26.4	19.3	(7.1)	Advance receipts on uncompleted contracts	69.2	64.1	(5.1)
Other current assets	16.3	31.2	14.9	Other current liabilities	13.2	10.1	(3.1)
Non-current assets	26.9	20.9	(6.0)	Noncurrent liabilities	24.8	17.0	(7.8)
Property, plant and equipment	11.1	11.5	0.4	Long-term interest bearing debt	19.3	10.3	(9.0)
Intangible assets	0.9	1.3	0.4	Other noncurrent liabilities	5.5	6.7	1.2
Investments and other assets	14.8	8.0	(6.8)	Net assets	36.3	35.9	(0.4)
				Shareholder's equity	34.5	36.1	1.6
				Accumulated other comprehensive income	1.7	(0.3)	(2.0)
				Non-controlling interests	0.1	0.1	0.0
Total assets	239.6	208.7	(30.9)	Total liabilities and net assets	239.6	208.7	(30.9)
				Equity ratio	15.1%	17.2%	2.1%

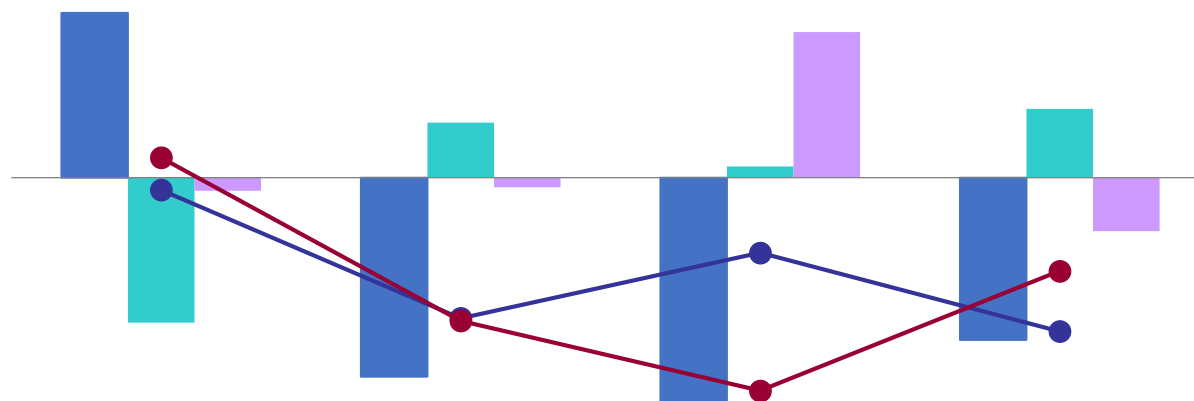
Interest Bearing Debt Balance

JPY billion



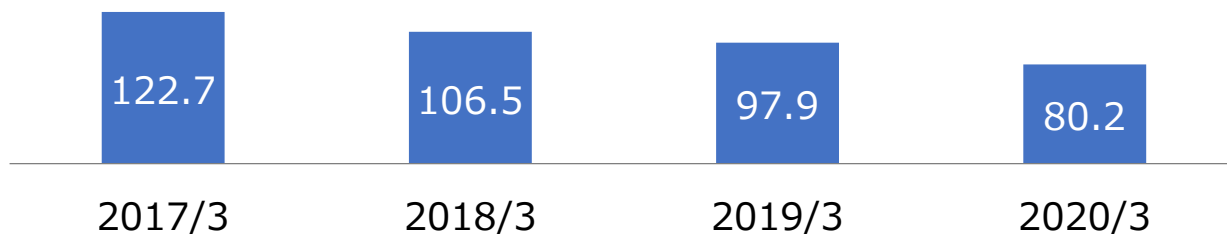
Cash Flows

JPY billion



	2017/3	2018/3	2019/3	2020/3
Operating activities	18.9	(22.8)	(25.8)	(18.6)
Investing activities	(16.6)	6.3	1.3	7.9
Financing activities	(1.5)	(1.1)	16.7	(6.1)
Net increase/decrease in cash	(1.4)	(16.1)	(8.6)	(17.6)
Free cash flow	2.3	(16.4)	(24.4)	(10.7)

Cash and cash equivalents, end of the term

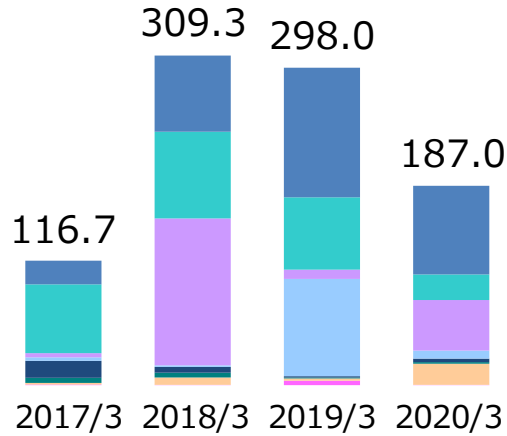


New Orders

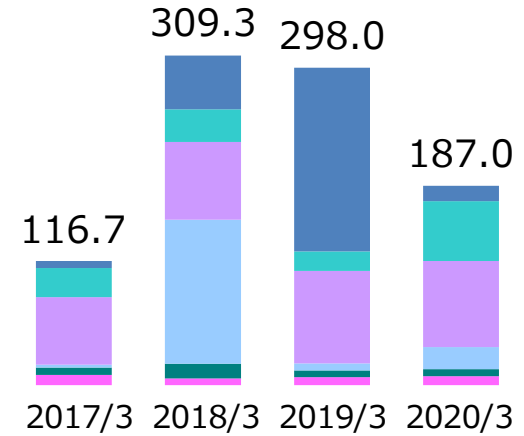


JPY billion

Region



Product



Region	2017/3	2018/3	2019/3	2020/3
Japan	22.1	71.4	121.9	83.2
Southeast Asia	64.7	81.4	67.8	23.8
Southwest Asia, Middle East and Africa	3.7	138.0	8.5	47.5
Russia and Central Asia	3.3	1.5	91.3	7.5
North America	16.0	5.3	1.4	3.5
Central and South America	4.8	4.5	0.8	1.5
China	1.5	6.8	2.0	19.6
Others	0.6	0.4	4.3	0.4
Total	116.7	309.3	298.0	187.0

Product	2017/3	2018/3	2019/3	2020/3
Petrochemicals	6.7	50.3	172.3	14.4
Oil & Gas	27.3	30.7	18.5	55.9
Power / Railways etc.	63.3	73.1	86.6	81.0
Chemicals / Fertilizers	2.9	134.9	6.8	20.6
Pharmaceuticals etc.	6.7	13.9	6.4	6.8
Others	9.8	6.4	7.4	8.3
Total	116.7	309.3	298.0	187.0

2020/3

Major Contracts

Over JPY 20 billion

Power/Railways etc., JAPAN (2 projects)
Oil & Gas, INIDA

Over JPY 10 billion

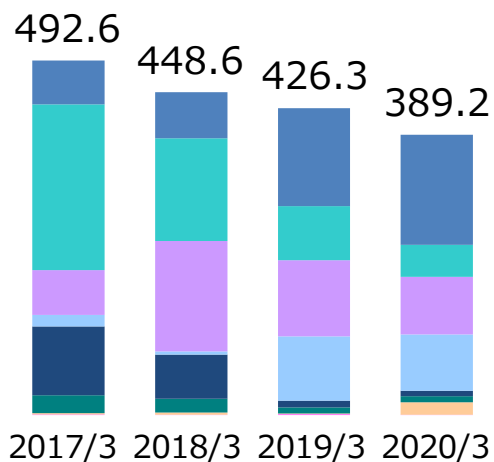
Oil & Gas, INDIA
Chemical/Fertilizer, CHINA

Over JPY 5 billion

Power/Railway etc., JAPAN

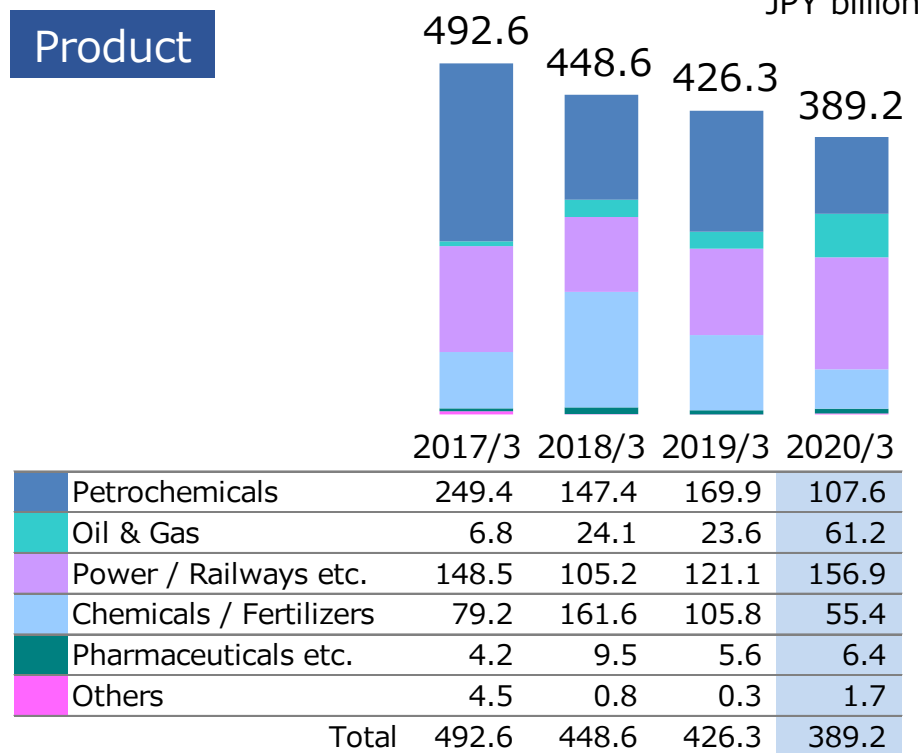
Backlog of Contracts

Region



Region	2017/3	2018/3	2019/3	2020/3
Japan	61.2	64.1	135.9	152.7
Southeast Asia	230.3	142.6	75.4	44.6
Southwest Asia, Middle East and Africa	62.1	153.7	105.9	80.1
Russia and Central Asia	16.1	4.4	89.1	78.3
North America	95.4	61.1	9.5	7.3
Central and South America	25.0	19.2	8.6	8.6
China	1.8	3.3	0.7	17.5
Others	0.7	0.2	1.2	0.1
Total	492.6	448.6	426.3	389.2

Product



Product	2017/3	2018/3	2019/3	2020/3
Petrochemicals	249.4	147.4	169.9	107.6
Oil & Gas	6.8	24.1	23.6	61.2
Power / Railways etc.	148.5	105.2	121.1	156.9
Chemicals / Fertilizers	79.2	161.6	105.8	55.4
Pharmaceuticals etc.	4.2	9.5	5.6	6.4
Others	4.5	0.8	0.3	1.7
Total	492.6	448.6	426.3	389.2

2020/3

Major Contracts

Over 40 JPY billion

Petrochemical, RUSSIA

Over 20 JPY billion

Power/Railways etc., JAPAN (2 projects)
Petrochemical, RUSSIA
Oil & Gas, INDIA
Chemical/Fertilizer, INDIA

Over 15 JPY billion

Power/Railway etc., JAPAN (2 projects)
Oil & Gas, INDIA
Chemical/Fertilizer, CHINA

Forecast for 2021/3



JPY billion

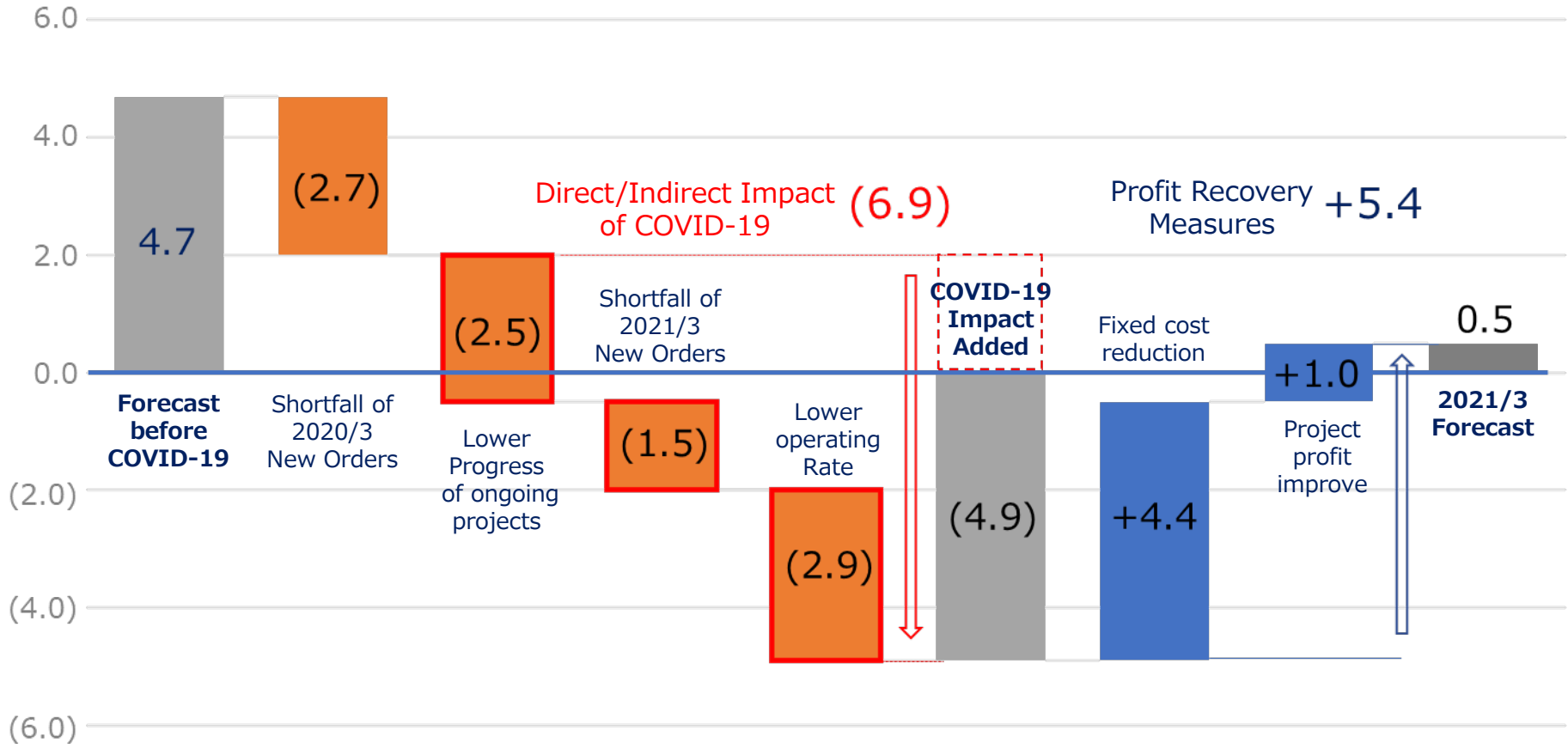
	2020/3 Result	2021/3 Forecast	Difference
Net sales	219.0	210.0	(9.0)
Gross profit	18.7	17.5	(1.2)
Gross profit margin	8.6%	8.3%	-0.3%
SG&A expenses	16.8	17.0	(0.2)
Operating income	1.8	0.5	(1.3)
Operating income margin	0.9%	0.2%	-0.7%
Non-operating income & expenses	0.5	0.0	(0.5)
Ordinary income	2.4	0.5	(1.9)
Profit attributable to owners of parent	1.6	0.0	(1.6)
New orders	187.0	220.0	33.0
Dividends per share	¥0	¥0	¥0

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

Analysis on Ordinary Income Forecast for 2021/3



JPY billion



■ Increase ■ Decrease ■ Total

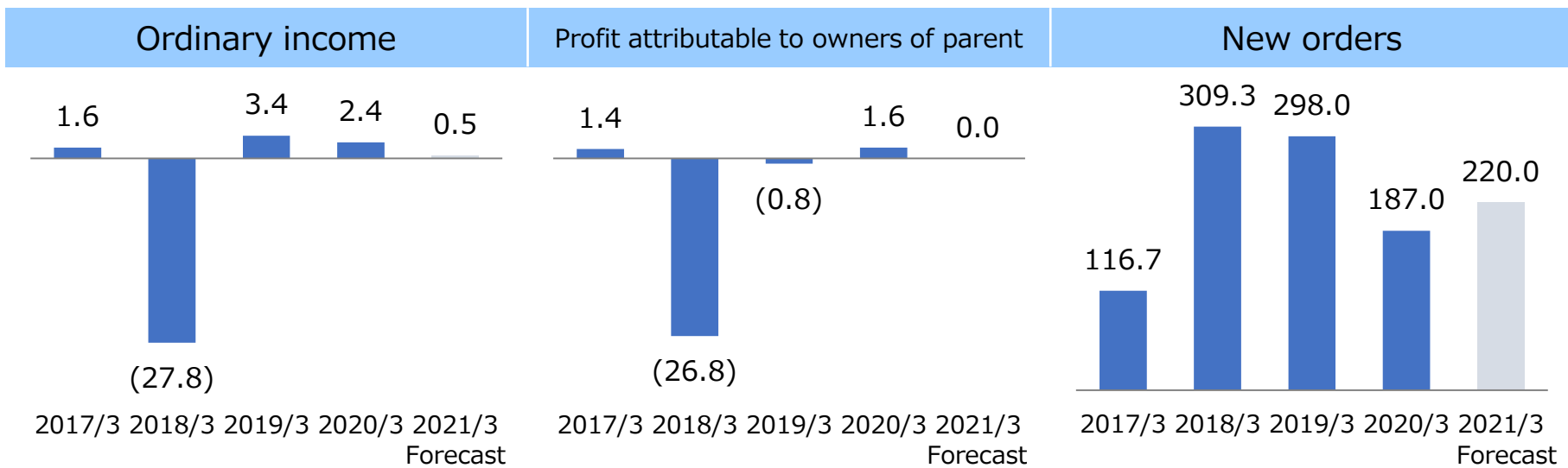
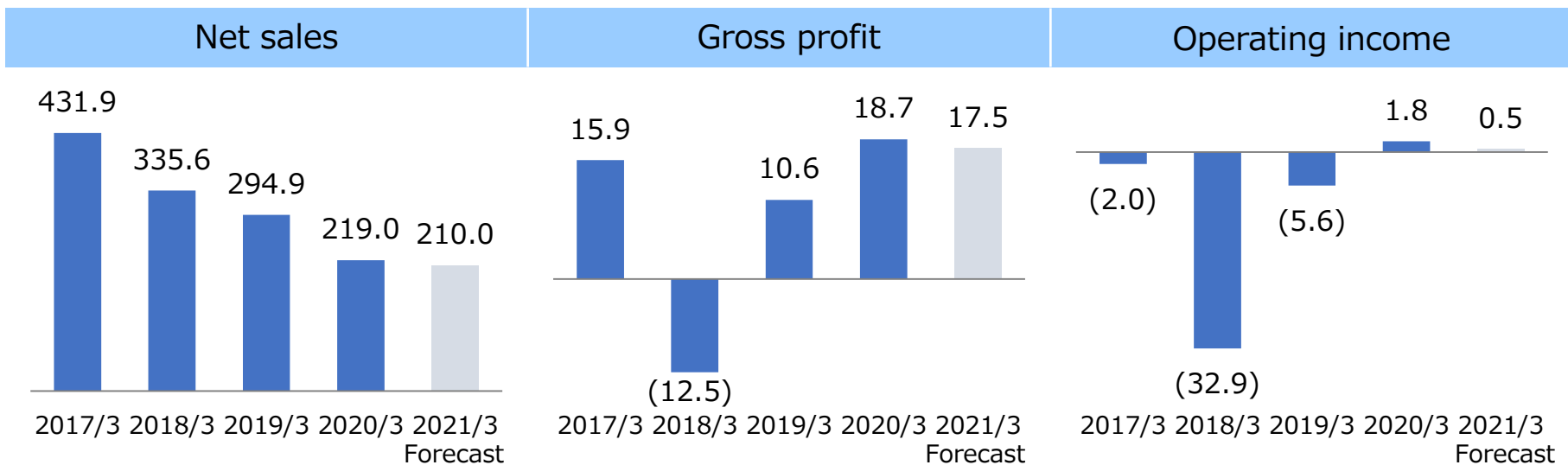
-Reference- Historical Data



		2017/3	2018/3	2019/3	2020/3	2021/3 Forecast
Net sales	JPY billion	431.9	335.6	294.9	219.0	210.0
Gross profit	JPY billion	15.9	(12.5)	10.6	18.7	17.5
Gross profit margin	%	3.7%	-3.7%	3.6%	8.6%	8.3%
SG&A expenses	JPY billion	17.9	20.4	16.2	16.8	17.0
Operating income	JPY billion	(2.0)	(32.9)	(5.6)	1.8	0.5
Operating income margin	%	-0.5%	-9.8%	-1.9%	0.9%	0.2%
Ordinary income	JPY billion	1.6	(27.8)	3.4	2.4	0.5
Profit attributable to owners of parent	JPY billion	1.4	(26.8)	(0.8)	1.6	0.0
Comprehensive income	JPY billion	1.0	(25.7)	(3.8)	(0.0)	
Interest bearing debt	JPY billion	31.8	30.8	32.7	27.6	
Interest bearing debt ratio	%	10.0%	12.2%	13.6%	13.2%	
Debt equity ratio	Times	0.62	1.23	0.90	0.77	
Net debt	JPY billion	(90.8)	(75.6)	(65.1)	(52.5)	
Equity ratio	%	16.2%	10.0%	15.1%	17.2%	
Operating activities CF	JPY billion	18.9	(22.8)	(25.8)	(18.6)	
Investing activities CF	JPY billion	(16.6)	6.3	1.3	7.9	
Financing activities CF	JPY billion	(1.5)	(1.1)	16.7	(6.1)	
New orders	JPY billion	116.7	309.3	298.0	187.0	220.0
Backlog of contracts	JPY billion	492.6	448.6	426.3	389.2	
Dividends per share (Annual)	JPY	2.0	0.0	0.0	0.0	0.0

-Reference- Historical Data Chart

JPY billion



Your Success, Our Pride.



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.