

Mission: Engineering for Sustainable Growth of the Global Community

Vision: Global Leading Engineering Partner

Values: Integrity, Creativity, Diversity, Learning, Team



Fiscal Year Ended March 2018

OUTLINE OF FINANCIAL RESULTS

May 15, 2018

Toyo Engineering Corporation

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Performance Summary

Versus Revised Forecast for 2018/3

- ◆ Decrease in revenue and profit mainly due to loss on Ethylene Project in USA
- ◆ Achieved the New Orders' income goal

	2018/3		Difference	Achievement	JPY billion
	Forecast as of Feb 7, 2018	Result			
Net sales	350.0	335.6	(14.4)	96%] Loss on ethylene project in USA
Gross profit	3.0	(12.5)	(15.5)	-417%	
Gross profit margin	0.9%	-3.7%	-4.6%] Cost reduction
SG&A expenses	21.0	20.4	0.6	97%	
Operating income	(18.0)	(32.9)	(14.9)	-] Improvement in the balance of payments of some equity method affiliates
Operating income margin	-5.1%	-9.8%	-4.7%		
Non-operating income and expenses	2.0	5.1	3.1	255%	
Ordinary income	(16.0)	(27.8)	(11.8)	-	
Profit attributable to owners of parent	(18.0)	(26.8)	(8.8)	-	
New orders	250.0	309.3	59.3	124%] Goal achievement
Dividends per share	¥0	¥0	¥0	-	

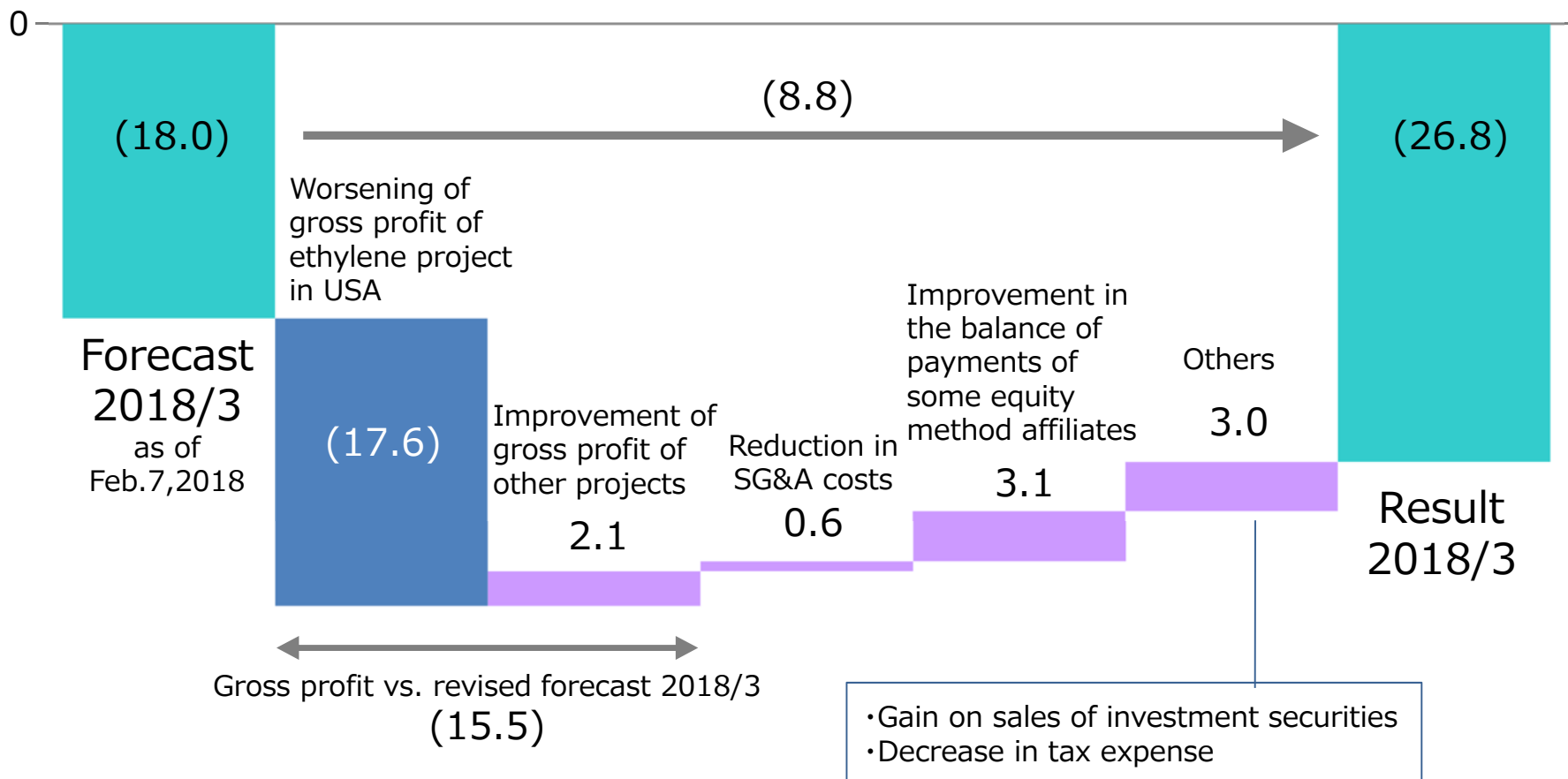
Performance Summary

Versus Revised Forecast for 2018/3

JPY billion

Profit attributable to owners of parent

Versus the revised forecast 2018/3



Performance Summary

Versus Prior Year

- ◆ Decrease in revenue and profit mainly due to loss on Ethylene Project in USA

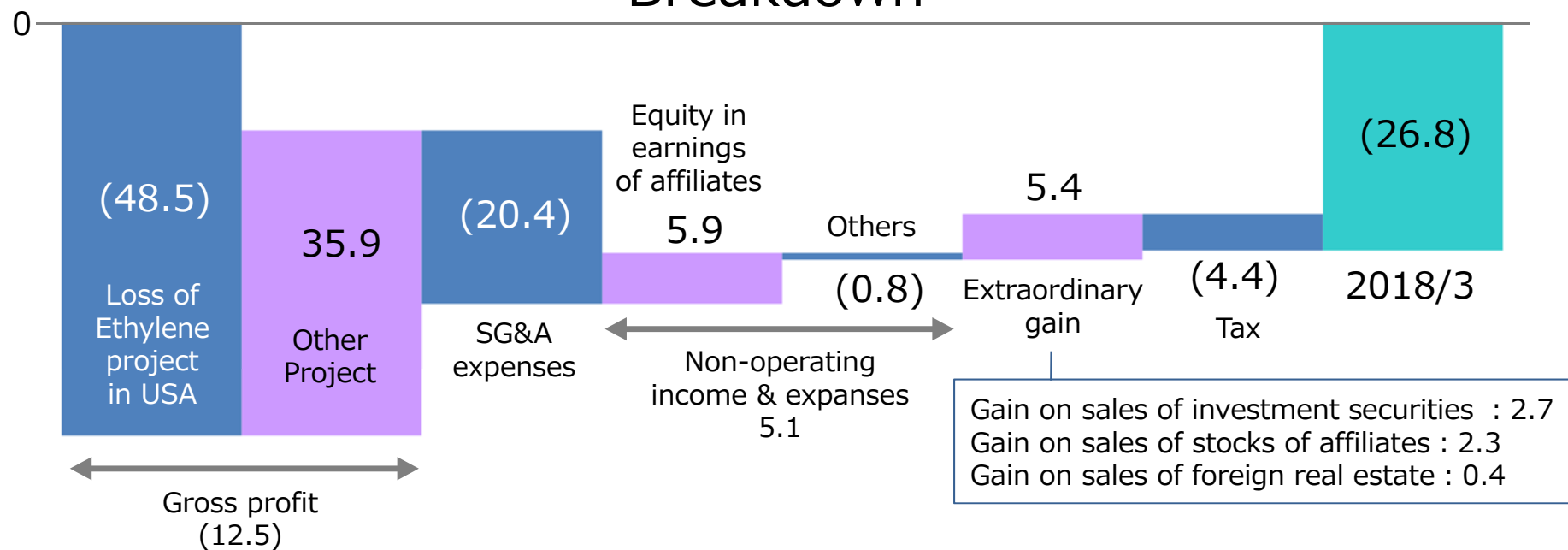
	2017/3	2018/3	Difference	
Net sales	431.9	335.6	(96.3)	
Gross profit	15.9	(12.5)	(28.4)	Due to decrease of net sales, and the loss on ethylene project in USA
Gross profit margin	3.7%	-3.7%	-7.4%	
SG&A expenses	17.9	20.4	(2.5)	Increase in SG&A costs due to sales activities
Operating income	(2.0)	(32.9)	(30.9)	Improvement in the balance of payments of some equity method affiliates
Operating income margin	-0.5%	-9.8%	-9.3%	
Non-operating income and expenses	3.6	5.1	1.5	
Ordinary income	1.6	(27.8)	(29.4)	
Profit attributable to owners of parent	1.4	(26.8)	(28.2)	Extraordinary income of 5.4 billion yen
New orders	116.7	309.3	192.6	
Dividends per share	¥2	¥0	(¥2)	No dividend

Performance Summary

Profit Attributable to Owners of Parent Breakdown

JPY billion

Profit Attributable to Owners of Parent Breakdown



Project Income Breakdown

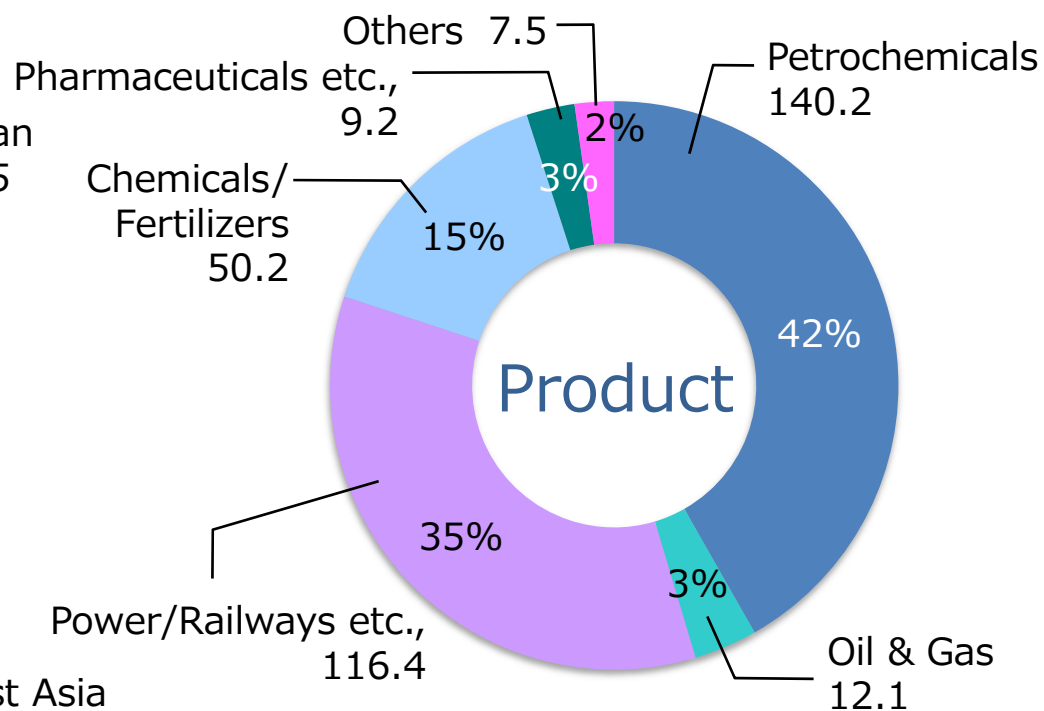
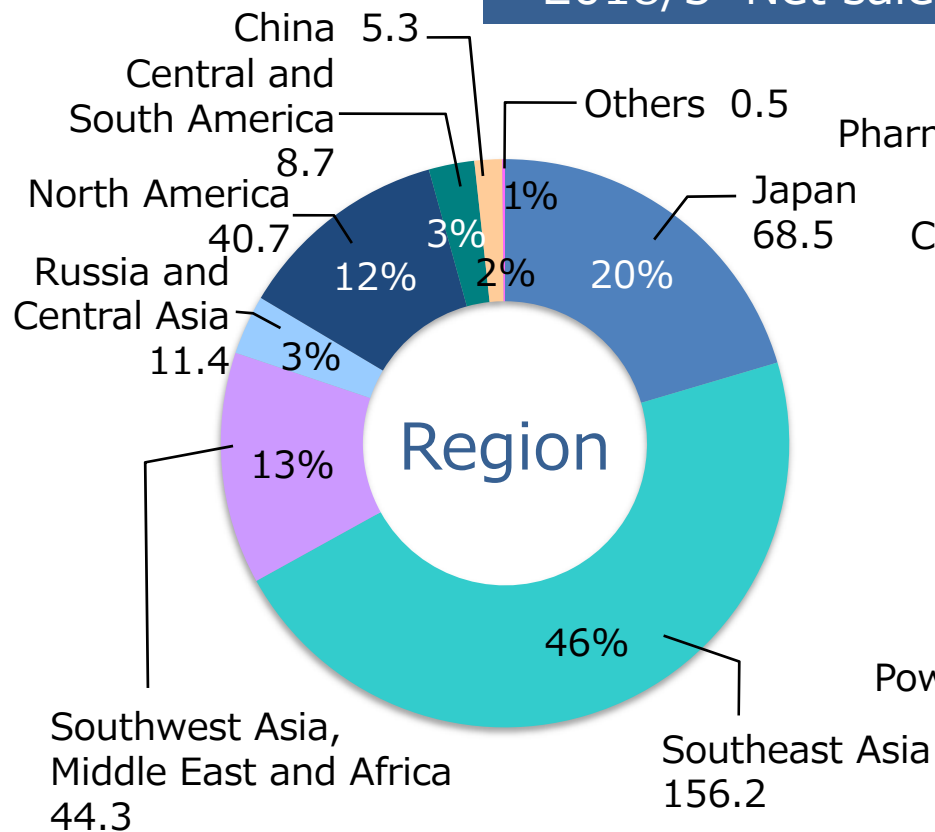
– Our projects except Ethylene project in USA are going as planned –

2018/3	Net sales	Gross profit	Gross profit margin
Ethylene project in USA	34.4	(48.5)	-140.7%
Other project	301.2	35.9	11.9%
Total	335.6	(12.5)	-3.7%

Net sales

JPY billion

2018/3 Net sales :JPY 335.6 billion



Major Contracts	Over JPY 50 billion	Over JPY 30 billion	Over JPY 10 billion
	Petrochemical, MALAYSIA Power/Railway etc., THAILNAD	Chemical/Fertilizer, INDIA Power/Railway etc., JAPAN Petrochemical, USA	Petrochemical, INCONESIA Power/Railway etc., JAPAN

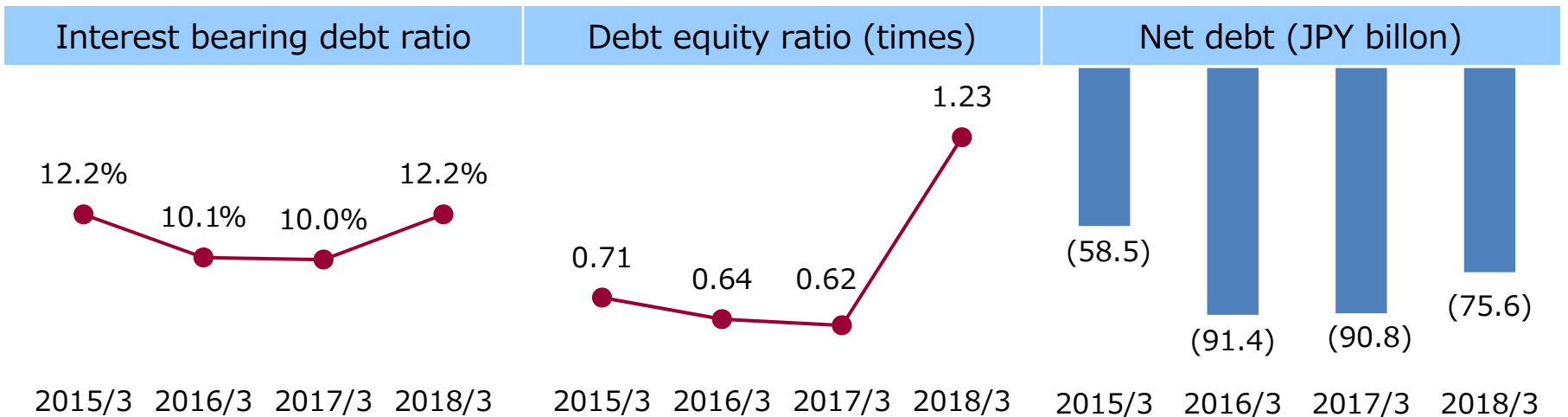
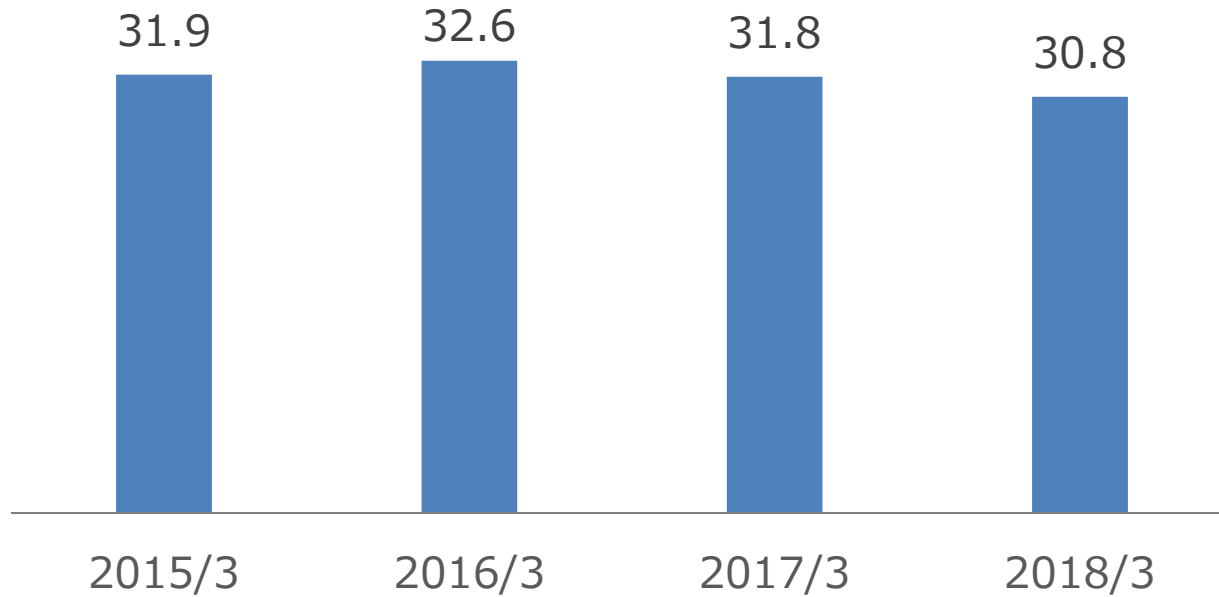
Balance Sheet

JPY billion

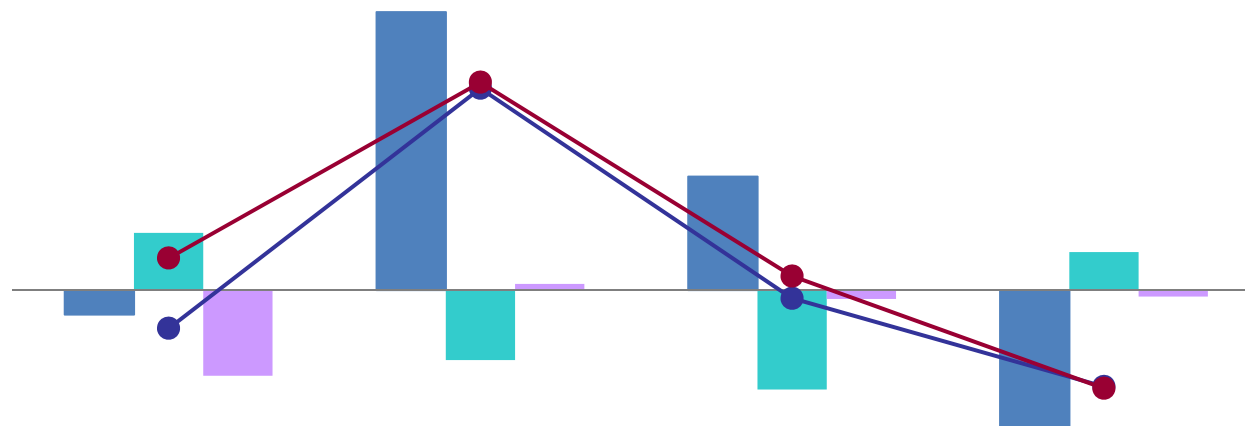
Assets	2017/3	2018/3	Difference	Liabilities and net assets	2017/3	2018/3	Difference
Current assets	281.7	223.1	(58.6)	Current liabilities	237.1	198.4	(38.7)
Cash and deposits	126.0	111.0	(15.0)	Short-term interest bearing debt	8.4	7.1	(1.3)
Marketable securities	1.1	1.0	(0.1)	Other current liabilities	18.1	24.1	6.0
Other current assets	16.6	17.2	0.6				
<Operating assets>				<Operating liabilities>			
Notes and accounts receivable	88.3	62.0	(26.3)	Notes and accounts payable	123.4	104.7	(18.7)
Work in progress	49.5	31.7	(17.8)	Advance receipts on uncompleted contracts	87.1	62.4	(24.7)
Non-current assets	35.3	29.7	(5.6)	Noncurrent liabilities	28.6	29.3	0.7
Property, plant and equipment	12.6	11.9	(0.7)	Long-term interest bearing debt	23.4	23.7	0.3
Intangible assets	1.4	0.9	(0.5)	Other noncurrent liabilities	5.1	5.6	0.5
Investments and other assets	21.2	16.8	(4.4)				
				Net assets	51.3	25.1	(26.2)
				Shareholder's equity	47.5	20.3	(27.2)
				Accumulated other comprehensive income	3.7	4.7	1.0
				Non-controlling interests	0.0	0.0	0.0
Total assets	317.0	252.9	(64.1)	Total liabilities and net assets	317.0	252.9	(64.1)

Interest Bearing Debt Balance

JPY billion

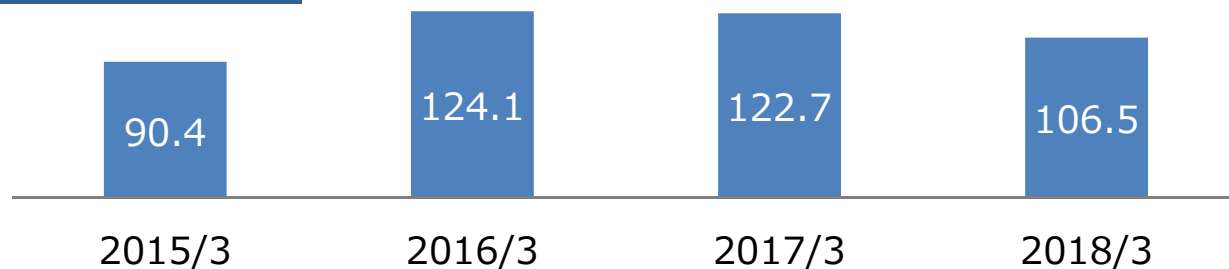


Cash flows



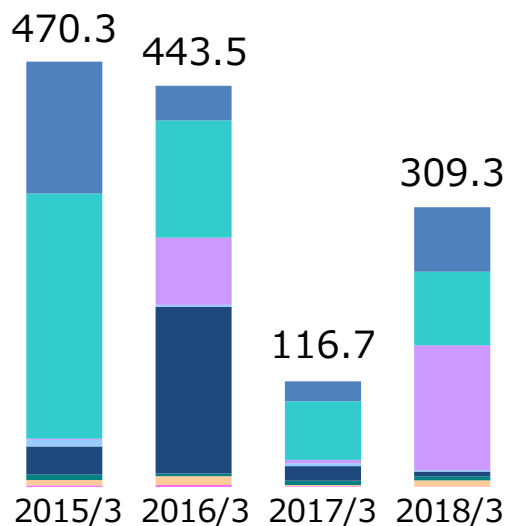
	2015/3	2016/3	2017/3	2018/3
Operating activities	(4.1)	46.3	18.9	(22.8)
Investing activities	9.5	(11.7)	(16.6)	6.3
Financing activities	(14.3)	1.0	(1.5)	(1.1)
Net increase/decrease in cash	(6.4)	33.6	(1.4)	(16.1)
Free cash flow	5.3	34.6	2.3	(16.4)

Cash and cash equivalents, end of the term

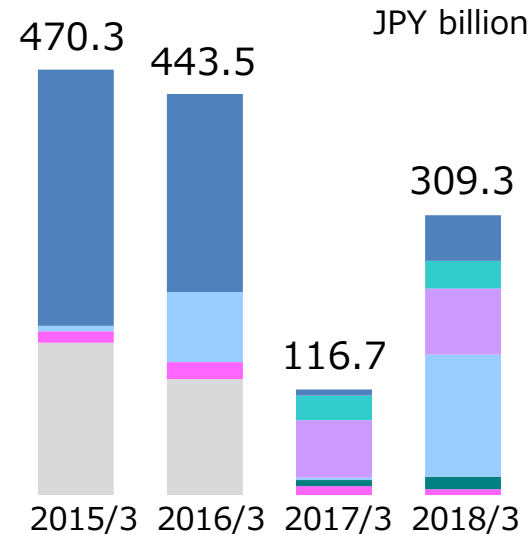


New Orders

Region



Product



Region	2015/3	2016/3	2017/3	2018/3
Japan	145.8	38.2	22.1	71.4
Southeast Asia	271.2	129.6	64.7	81.4
Southwest Asia, Middle East and Africa	1.3	74.4	3.7	138.0
Russia and Central Asia	7.2	2.3	3.3	1.5
North America	31.0	184.1	16.0	5.3
Central and South America	6.2	3.1	4.8	4.5
China	6.0	9.7	1.5	6.8
Others	1.6	2.1	0.6	0.4
Total	470.3	443.5	116.7	309.3

Product	2015/3	2016/3	2017/3	2018/3
Petrochemicals	283.2	219.1	6.7	50.3
Oil & Gas	-	-	27.3	30.7
Power / Railways etc.	-	-	63.3	73.1
Chemicals / Fertilizers	6.1	77.4	2.9	134.9
Pharmaceuticals etc.	-	-	6.7	13.9
Others	12.6	18.8	9.8	6.4
Oil refinery	15.5	25.3	-	-
Energy-related	136.4	97.8	-	-
General manufacturing facilities	8.2	5.1	-	-
IT	8.3	-	-	-
Total	470.3	443.5	116.7	309.3

2018/3 Major Contracts

Over JPY 50 billion

Chemical/Fertilizer, INDIA

Over JPY 30 billion

Chemical/Fertilizer, NIGERIA
Petrochemical, INDONESIA

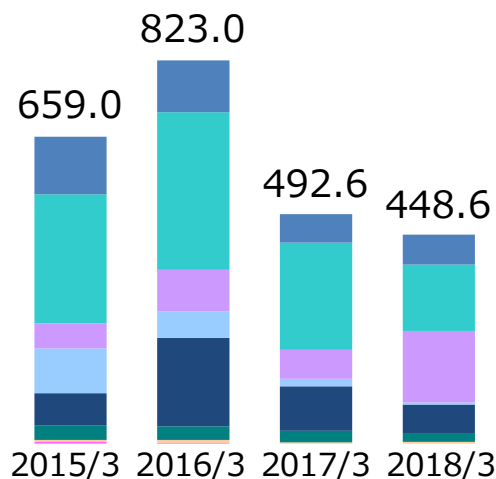
Over JPY 10 billion

Oil & Gas, INDONESIA
Power/Railway etc., JAPAN
Power/Railway etc., THAILAND

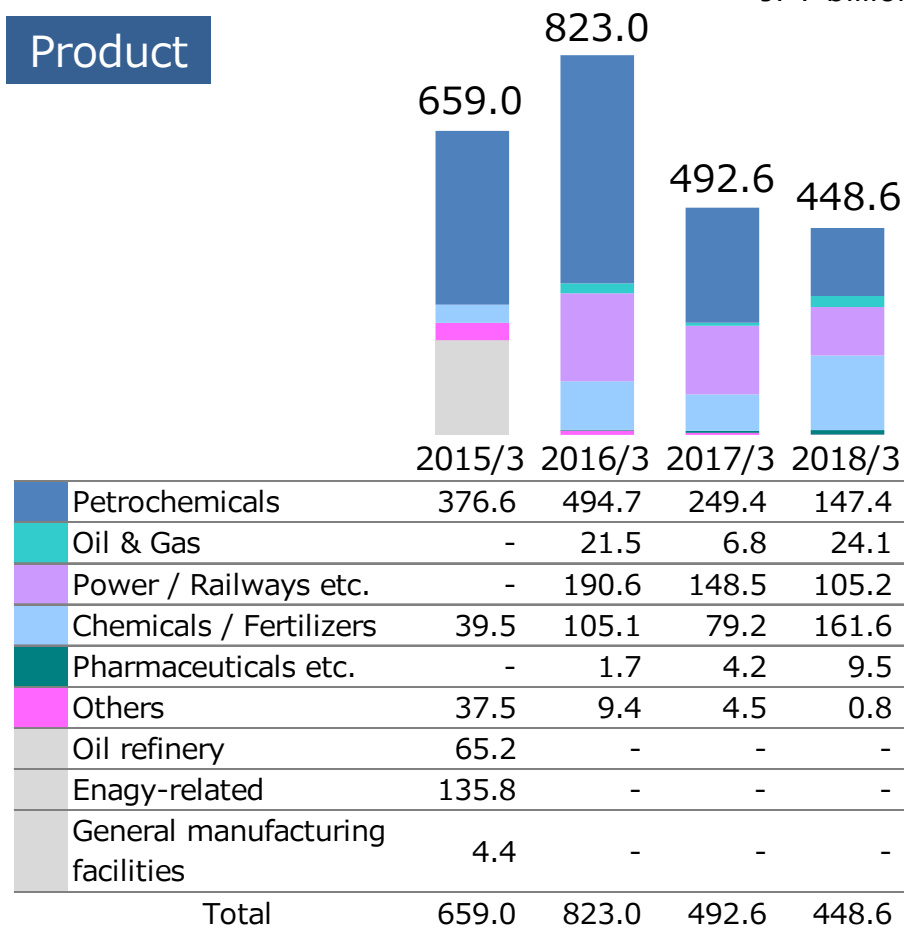
Backlog of Contracts

JPY billion

Region



Product



Over 50 JPY billion

Chemical/Fertilizer, INDIA
Petrochemical, USA

Over 30 JPY billion

Chemical/Fertilizer, NIGERIA
Power/Railway etc., THAILAND
Petrochemical, MALAYSIA

Over 10 JPY billion

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

2018/3
Major
Contracts

Forecast for 2019/3

JPY billion

	2018/3	Forecast 2019/3
Net sales	335.6	300.0
Gross profit	(12.5)	21.0
Gross profit margin	-3.7%	7.0%
SG&A expenses	20.4	19.0
Operating income	(32.9)	2.0
Operating income margin	-9.8%	0.7%
Non-operating income and expenses	5.1	0.5
Ordinary income	(27.8)	2.5
Profit attributable to owners of parent	(26.8)	1.0
New orders	309.3	300.0
Dividends per share	¥0	¥0

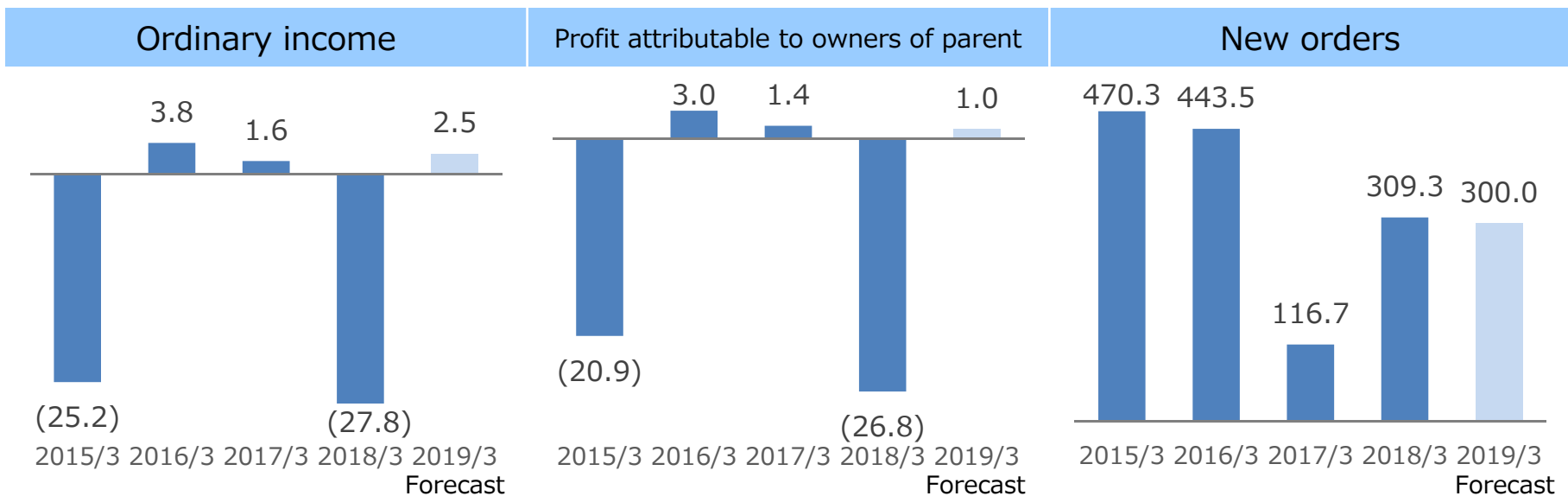
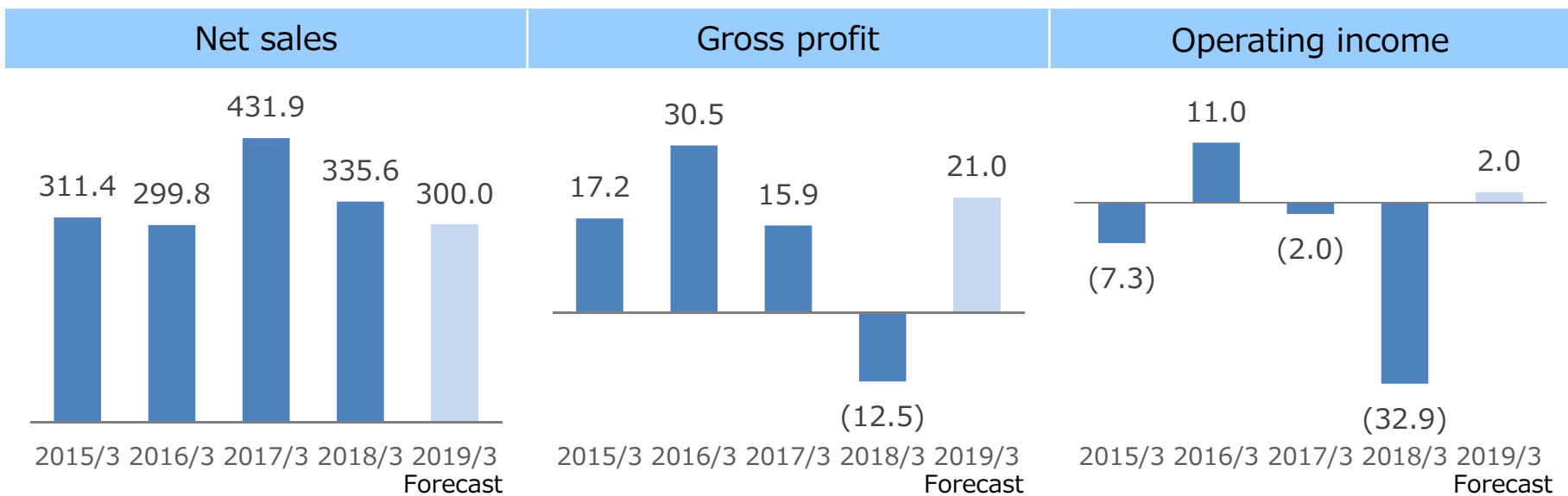
Exchange rate for the forecast 1US\$= ¥108

-Reference- Historical Data

		2015/3	2016/3	2017/3	2018/3	Forecast 2019/3
Net sales	JPY billion	311.4	299.8	431.9	335.6	300.0
Gross profit	JPY billion	17.2	30.5	15.9	(12.5)	21.0
Gross profit margin	%	5.5%	10.2%	3.7%	-3.7%	7.0%
SG&A expenses	JPY billion	24.5	19.4	17.9	20.4	19.0
Operating income	JPY billion	(7.3)	11.0	(2.0)	(32.9)	2.0
Operating income margin	%	-2.4%	3.7%	-0.5%	-9.8%	0.7%
Ordinary income	JPY billion	(25.2)	3.8	1.6	(27.8)	2.5
Profit attributable to owners of parent	JPY billion	(20.9)	3.0	1.4	(26.8)	1.0
Comprehensive income	JPY billion	(25.5)	8.4	1.0	(25.7)	
Interest bearing debt	JPY billion	31.9	32.6	31.8	30.8	
Interest bearing debt ratio	%	12.2%	10.1%	10.0%	12.2%	
Net debt	JPY billion	(58.5)	(91.4)	(90.8)	(75.6)	
Debt equity ratio	Times	0.71	0.64	0.62	1.23	
Equity ratio	%	17.2%	15.8%	16.2%	9.9%	
Operating activities CF	JPY billion	(4.1)	46.3	18.9	(22.8)	
Investing activities CF	JPY billion	9.5	(11.7)	(16.6)	6.3	
Financing activities CF	JPY billion	(14.3)	1.0	(1.5)	(1.1)	
New orders	JPY billion	470.3	443.5	116.7	309.3	300.0
Backlog of contracts	JPY billion	659.0	823.0	492.6	448.6	448.6
Dividends per share (Annual)	JPY	4.0	4.0	2.0	0.0	0.0

-Reference- Historical Data Chart

JPY billion





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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.