

Mission: Engineering for Sustainable Growth of the Global Community

Vision: Global Leading Engineering Partner

Values: Integrity, Creativity, Diversity, Learning, Team



Second quarter of fiscal year ending March 2018

Management Policy Update

November 10, 2017

Toyo Engineering Corporation

1. The 1st Half Performance and FY2017 Forecast
2. Situation of Mega Projects
3. Major Ongoing Projects
4. Sales Update
5. Reinforcement of Corporate Foundation

1. The 1st Half Performance and FY2017 Forecast

(Unit : JPY Billion)

	1 st Half Performance as of 2017/9/30	FY2017 Forecast as of 2017/5/19	1 st Half/ FY2017 Forecast
Net Sales	180.9	370.0	49%
Gross Profit	12.1	27.5	44%
Gross Profit Ratio	6.7%	7.4%	
Selling, General and Administrative expenses	10.2	21.0	49%
Operating Income	1.9	6.5	29%
Non-operating Profit (Loss)	0.7	(1.5)	
Ordinary Income	2.6	5.0	52%
Net Income	1.1	2.0	55%
New Orders	108.0	250.0	43%

◆ Dividends : JPY 15 per share (Plan)

2. Situation of Mega Projects

◆ Ethylene Project in USA

- Heavy erections completed, and proceeding to the peak of construction work such as steel structure and piping installation toward the completion in FY2018
- Focus on minimization of impacts of large hurricane and unusually long rain

◆ Ethylene Project in Malaysia

- Continued peak of construction work such as piping installation and electrical work with reinforcement of management staffs to keep project schedule

3. Major Ongoing Projects

As of 2017/9/30



Russia

2013 Refinery Modernization



Turkmenistan

2014 Gas Petrochemical Complex



India

2015 Fertilizer



Malaysia

2014 Ethylene Complex



Indonesia

2017 Polyethylene
2017 Gas Compression
2015 S-SBR
2015 Railway Systems (MRT)



Japan

2017 Mega-Solar x1
2015 Mega-Solar x1
2014 Mega-Solar x1



Thailand

2017 Gas Power SPPx1
2016 Gas Power SPPx5
2015 Gas Power SPPx3



USA

2015 Ethylene



Brazil

2013 FPSO Topside (P-74)

<Priority>

- Enhancement of proposal-making ability from planning stage through integration of Sales and Project functions
- Strengthening of competitiveness by technologies, strategic partnering, active cost-down measures
- Entry into O&M and other Business Operation utilizing EPC knowledge

<Focus in the 2nd half of FY2017>

- ◆ Plant Business
 - Petrochemical and fertilizer projects in India, S.E. Asia, Russia, Central Asia, etc.
 - Petrochemical and Pharmaceutical projects in Japan
- ◆ Infrastructure Business
 - Domestic power plant projects such as gas power, mega solar, bio-mas power
 - Overseas power plant projects mainly in S.E. Asia
- ◆ Energy Business
 - Service for oil & gas development based on GESA*

5. Reinforcement of Corporate Foundation

- ◆ Expanding Infrastructure Business
- ◆ Resource Optimization among TOYO Group
- ◆ Thorough compression of SG&A while enhancing Proposal & Sales activities
- ◆ New Business Development & Promotion
 - Innovative energy-saving distillation system *SUPERHIDIC*®
 - *Digital Fertilizer* utilizing IoT (Internet of Things)
 - Indoor vertical farming using artificial lighting, etc.



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.