

Mission: Engineering for Sustainable Growth of the Global Community

Vision: Global Leading Engineering Partner

Values: Integrity, Creativity, Diversity, Learning, Team



Third Quarter of Fiscal Year Ending March 2018

OUTLINE OF FINANCIAL RESULTS

February 9, 2018

Toyo Engineering Corporation

		Page
Outline of Income Statement	Performance Summary	3
	Breakdown of Income	4
	Net Sales	5
Financial Position	Balance Sheet	6
New Orders	New Orders	7
	Backlog of Contracts	8
Forecast	Forecast	9

Performance Summary

JPY billion

	2016/12	2017/12	Difference	Forecast 2018/3 as of Feb 7, 2018	Progress
Net sales	304.0	263.3	(40.7)	350.0	75%
Gross profit	11.2	(7.4)	(18.6)	3.0	-247%
Gross profit margin	3.7%	-2.8%	-6.5%	0.9%	
SG&A expenses	12.7	15.5	(2.8)	21.0	74%
Operating income	(1.5)	(23.0)	(21.5)	(18.0)	-
Operating income margin	-0.5%	-8.8%	-8.3%	-5.1%	
Ordinary income	1.4	(20.9)	(22.3)	(16.0)	-
Profit attributable to owners of parent	(1.0)	(23.7)	(22.7)	(18.0)	-
New orders	92.3	143.8	51.5	250.0	58%

Breakdown of Income

JPY billion

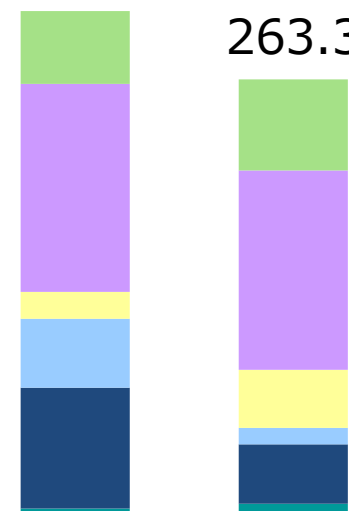
	2016/12	2017/12	Difference
Gross profit	11.2	(7.4)	(18.6)
Selling, general and administrative expenses	12.7	15.5	(2.8)
Operating income	(1.5)	(23.0)	(21.5)
Total non-operating income and expenses	2.9	2.0	(0.9)
Ordinary income	1.4	(20.9)	(22.3)
Total extraordinary gain and loss	-	0.3	0.3
Income before income taxes	1.4	(20.5)	(21.9)
Income taxes	2.3	3.0	(0.7)
Profit	(0.9)	(23.6)	(22.7)
Profit attributable to non-controlling interests	0.0	0.0	(0.0)
Profit attributable to owners of parent	(1.0)	(23.7)	(22.7)

Net Sales

JPY billion

Region

304.0
263.3

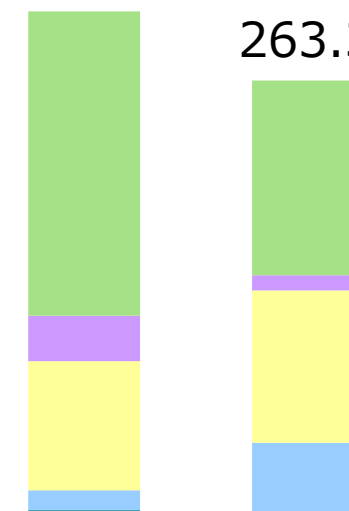


2016/12 2017/12

Japan	43.4	54.2
Southeast Asia	123.9	118.8
Southwest Asia, Middle East and Africa	16.0	34.7
Russia and Central	41.1	9.8
North America	72.0	35.4
Central and South America	2.5	8.0
China	3.8	2.2
Others	1.3	0.2
Total	304.0	263.3

Product

304.0
263.3



2016/12 2017/12

Petrochemicals	179.2	114.7
Oil & Gas	26.8	9.0
Power / Railways etc.	76.1	89.7
Chemicals / Fertilizers	11.6	40.4
Pharmaceuticals etc.	0.4	4.1
Others	9.9	5.4
Total	304.0	263.3

Balance Sheet

JPY billion

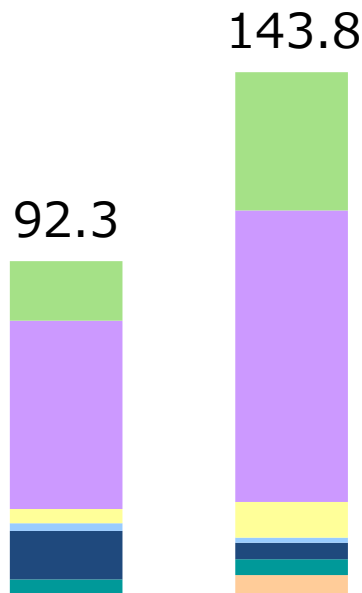
Assets	2017/3	2017/12	Difference
Current assets	281.7	245.2	(36.5)
Cash and deposits	126.0	86.3	(39.7)
Marketable securities	1.1	4.5	3.4
Other current assets	16.6	21.3	4.7
<Operating assets>			
Notes and accounts receivable	88.3	93.3	5.0
Work in progress	49.5	39.6	(9.9)
Non-current assets	35.3	32.7	(2.6)
Property, plant and equipment	12.6	11.9	(0.7)
Intangible assets	1.4	1.0	(0.4)
Investments and other assets	21.2	19.7	(1.5)
Total assets	317.0	277.9	(39.1)

Liabilities and net assets	2017/3	2017/12	Difference
Current liabilities	237.1	215.5	(21.6)
Short-term interest bearing debt	8.4	7.7	(0.7)
Other current liabilities	18.1	22.8	4.7
<Operating liabilities>			
Notes and accounts payable	123.4	118.0	(5.4)
Advance receipts on uncompleted contracts	87.1	66.8	(20.3)
Non-current liabilities	28.6	32.3	3.7
Long-term interest bearing debt	23.4	24.8	1.4
Other non-current liabilities	5.1	7.5	2.4
Net assets	51.3	30.0	(21.3)
Shareholder's equity	47.5	23.4	(24.1)
Accumulated other comprehensive income	3.7	6.5	2.8
Non-controlling interests	0.0	0.0	0.0
Total liabilities and net assets	317.0	277.9	(39.1)

New Orders

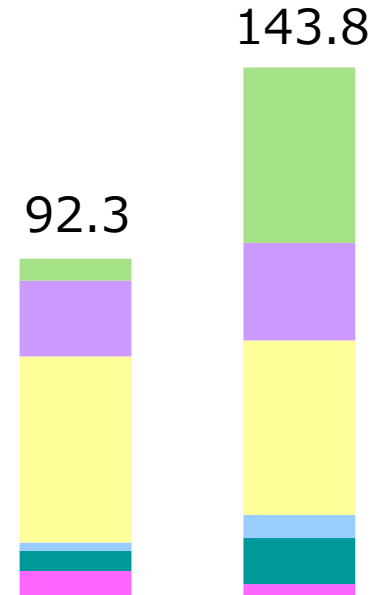
JPY billion

Region



	2016/12	2017/12
Japan	16.2	37.7
Southeast Asia	51.3	79.4
Southwest Asia, Middle East and Africa	3.9	9.7
Russia and Central	2.1	1.4
North America	13.2	4.5
Central and South America	4.6	4.3
China	0.6	6.5
Others	0.4	0.3
Total	92.3	143.8

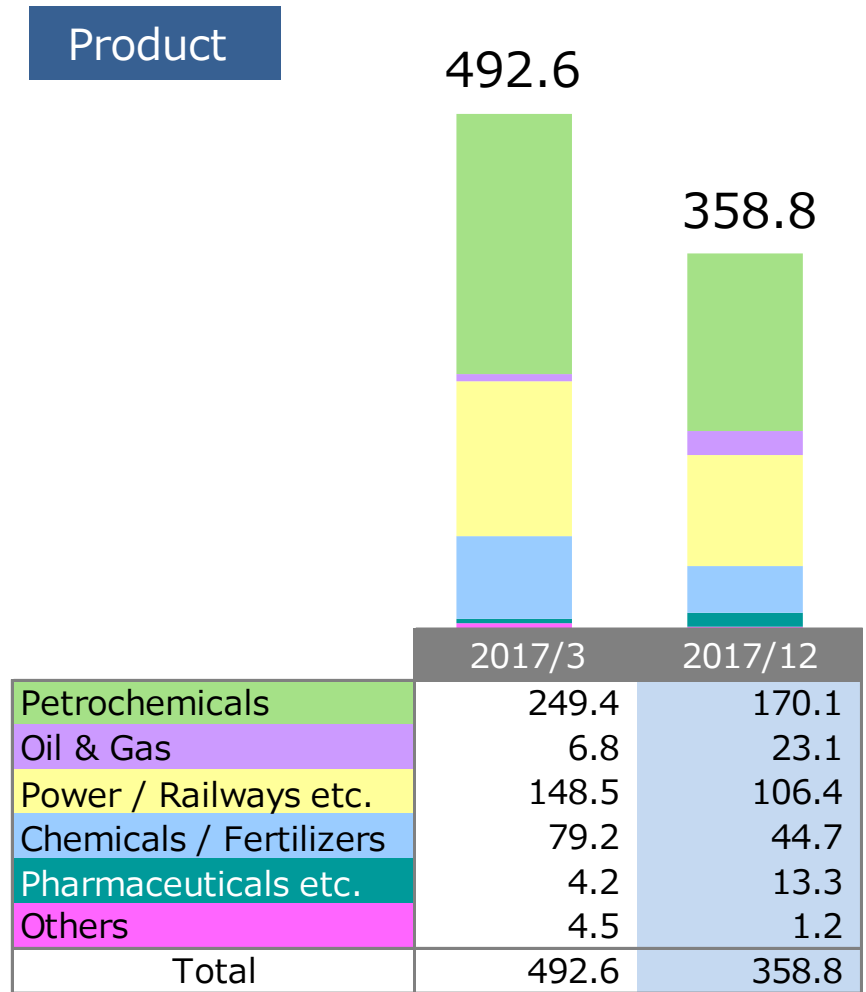
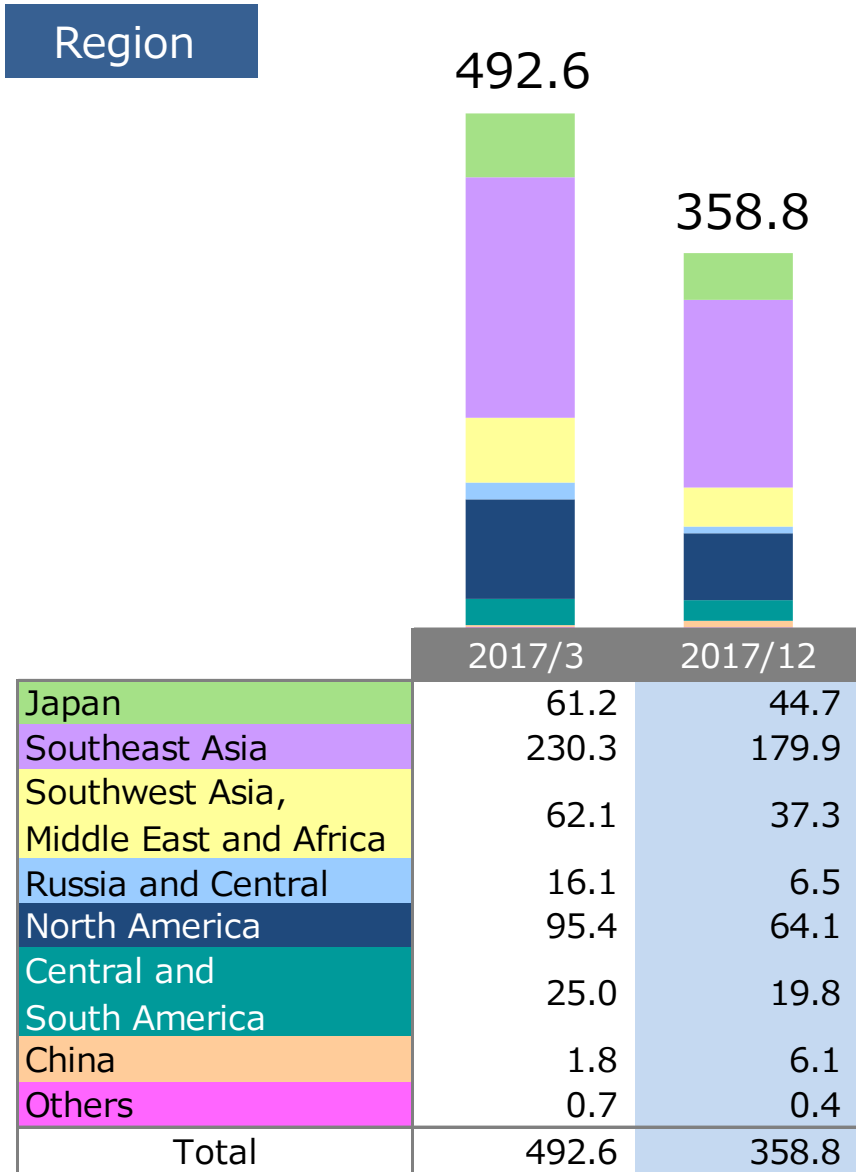
Product



	2016/12	2017/12
Petrochemicals	5.9	47.2
Oil & Gas	20.4	26.3
Power / Railways etc.	50.1	47.0
Chemicals / Fertilizers	2.2	6.2
Pharmaceuticals etc.	5.5	12.4
Others	8.2	4.7
Total	92.3	143.8

Backlog of Contracts

JPY billion



JPY billion

	2017/3	3Q 2017/12	Forecast for 2018/3		
			Initial plan as of May 19, 2017	New plan as of Feb 7, 2018	Difference
Net sales	431.9	263.3	370.0	350.0	(20.0)
Gross profit	15.9	(7.4)	27.5	3.0	(24.5)
Gross profit margin	3.7%	-2.8%	7.4%	0.9%	-6.5%
SG&A expenses	17.9	15.5	21.0	21.0	0.0
Operating income	(2.0)	(23.0)	6.5	(18.0)	(24.5)
Operating income margin	-0.5%	-8.8%	1.8%	-5.1%	-6.9%
Ordinary income	1.6	(20.9)	5.0	(16.0)	(21.0)
Profit attributable to owners of parent	1.4	(23.7)	2.0	(18.0)	(20.0)
New orders	116.7	143.8	250.0	250.0	0.0
Dividends per share	Annual ¥2	Interim ¥0	Annual ¥15 *	Annual ¥0 *	Annual (¥15) *

Exchange rate for the forecast 1US\$= ¥112

* We conducted a one-for-five reverse stock split of our company's shares effective October 1, 2017, which is factored into the per-share amount of the year-end dividends for the fiscal year ending March 31, 2018 shown here.



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.