

Your Success, Our Pride.



Second Quarter of Fiscal Year Ending March 2020

OUTLINE OF FINANCIAL RESULTS

November 13, 2019

Toyo Engineering Corporation

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Performance Summary

Versus Forecast for 2020/3



JPY billion

	2019/9	Forecast 2020/3	Progress
Net sales	112.6	240.0	47%
Gross profit	10.5	21.5	49%
Gross profit margin	9.4%	9.0%	
SG&A expenses	7.6	18.5	41%
Operating income	2.8	3.0	93%
Operating income margin	2.5%	1.3%	
Non-operating income and expenses	(1.0)	0.0	-
Ordinary income	1.8	3.0	60%
Extraordinary income	1.9	-	-
Profit before income taxes	3.7	-	-
Income taxes	1.0	-	-
Profit attributable to owners of parent	2.7	2.0	135%
New orders	55.5	300.0	19%
Dividends per share	Interim ¥0	Annual ¥0	-

Performance Summary

Versus the Same Period of the Previous Year

- ◆ Decrease in revenue but increase in profit compared with the same period of the previous year

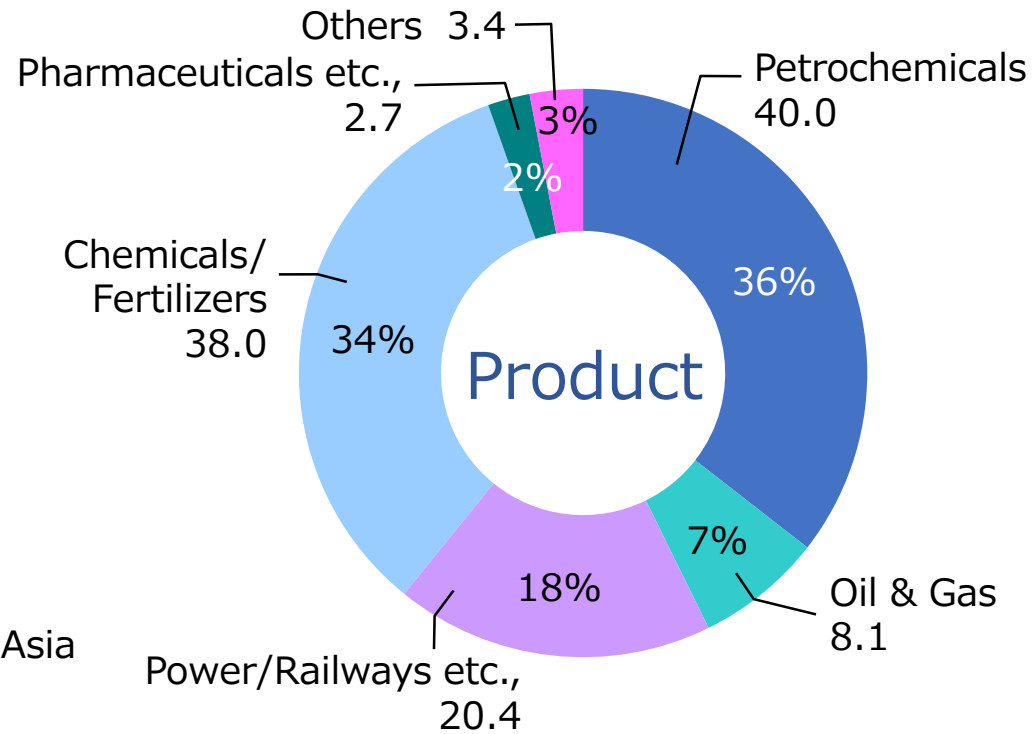
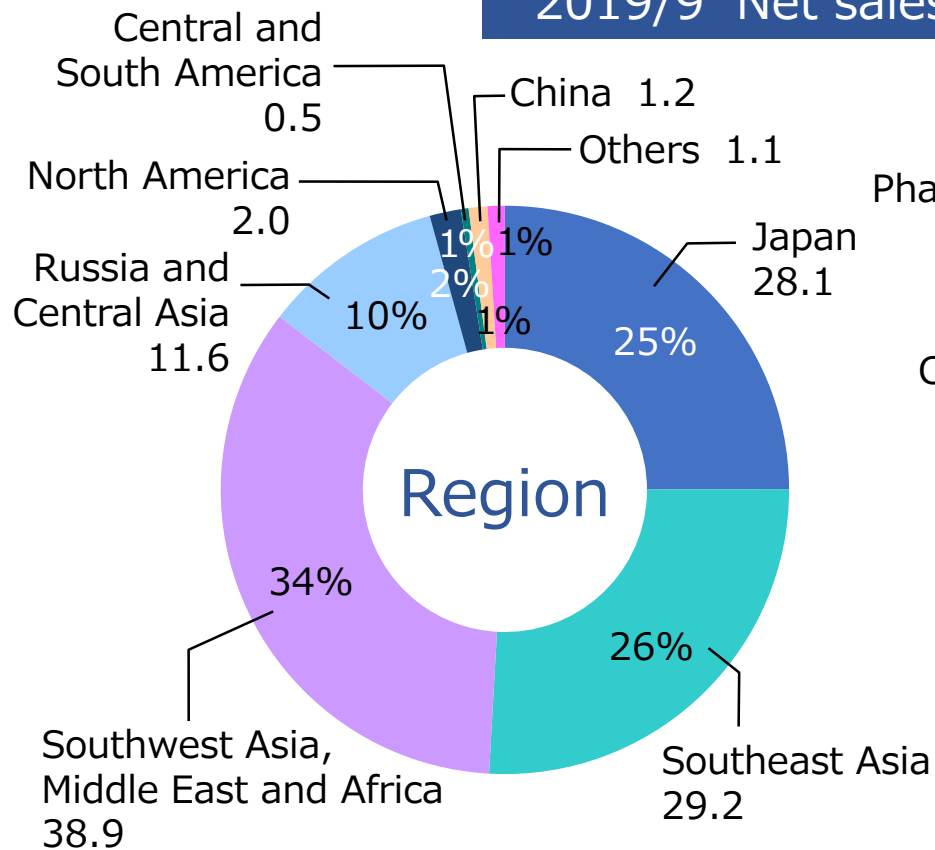
	2018/9	2019/9	Difference
Net sales	147.8	112.6	(35.2)
Gross profit	8.3	10.5	2.2
Gross profit margin	5.7%	9.4%	3.7%
SG&A expenses	7.5	7.6	(0.1)
Operating income	0.8	2.8	2.0
Operating income margin	0.6%	2.5%	1.9%
Non-operating income and expenses	2.2	(1.0)	(3.2)
Ordinary income	3.0	1.8	(1.2)
Extraordinary income	-	1.9	1.9
Profit before income taxes	3.0	3.7	0.7
Income taxes	1.4	1.0	0.4
Profit attributable to owners of parent	1.6	2.7	1.1
New orders	100.4	55.5	(44.9)
Dividends per share	Interim ¥0	Interim ¥0	¥0

Net Sales



JPY billion

2019/9 Net sales : JPY 112.6 billion



Major Contracts

Over JPY 20 billion	Over JPY 10 billion	Over JPY 5 billion
Chemical/Fertilizer, NIGERIA	Chemical/Fertilizer, INDIA	Petrochemicals, RUSSIA (2 Projects) Petrochemical, THAILAND

Balance Sheet



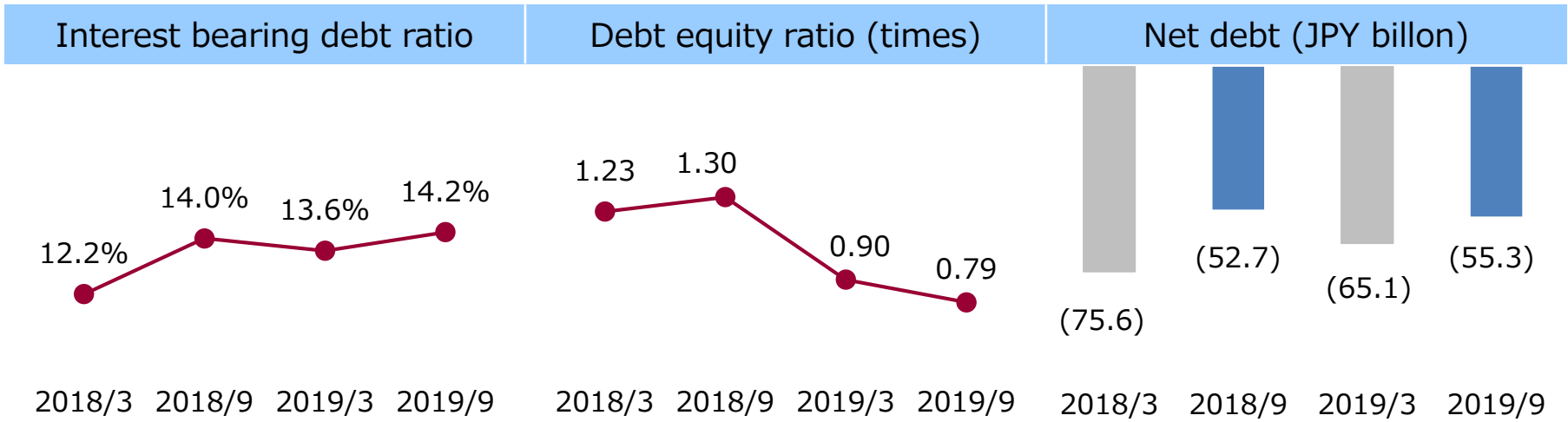
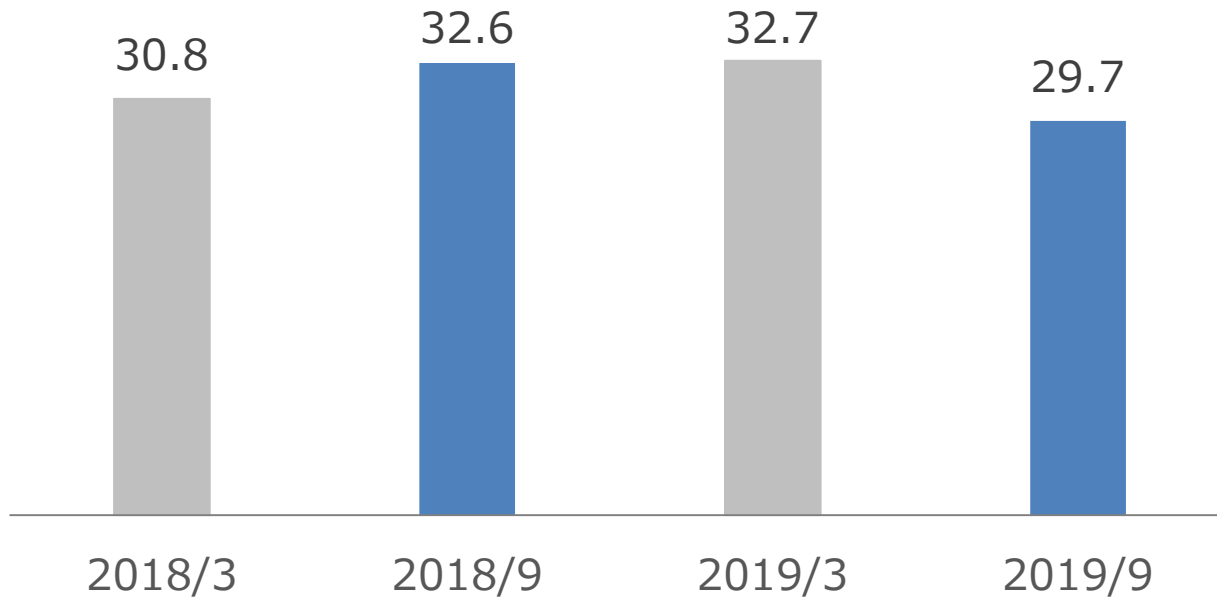
JPY billion

Assets	2019/3	2019/9	Difference	Liabilities and net assets	2019/3	2019/9	Difference
Current assets	212.7	187.4	(25.3)	Current liabilities	178.4	154.2	(24.2)
Cash and deposits	101.7	88.1	(13.6)	Short-term interest bearing debt	13.4	18.1	4.7
Other current assets	16.3	17.7	1.4	Other current liabilities	13.2	10.6	(2.6)
<Operating assets>				<Operating liabilities>			
Notes and accounts receivable	68.1	56.6	(11.5)	Notes and accounts payable	82.5	65.8	(16.7)
Work in progress	26.4	24.8	(1.6)	Advance receipts on uncompleted contracts	69.2	59.6	(9.6)
Non-current assets	26.9	22.1	(4.8)	Noncurrent liabilities	24.8	17.4	(7.4)
Property, plant and equipment	11.1	11.8	0.7	Long-term interest bearing debt	19.3	11.6	(7.7)
Intangible assets	0.9	1.1	0.2	Other noncurrent liabilities	5.5	5.7	0.2
Investments and other assets	14.8	9.1	(5.7)	Net assets	36.3	37.8	1.5
				Shareholder's equity	34.5	37.2	2.7
				Accumulated other comprehensive income	1.7	0.4	(1.3)
				Non-controlling interests	0.1	0.1	0.0
Total assets	239.6	209.5	(30.1)	Total liabilities and net assets	239.6	209.5	(30.1)

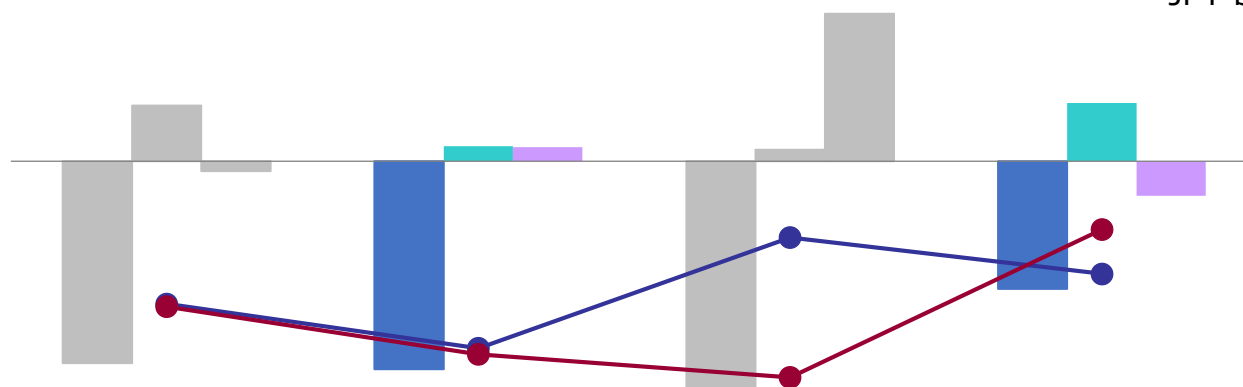
Interest Bearing Debt Balance



JPY billion



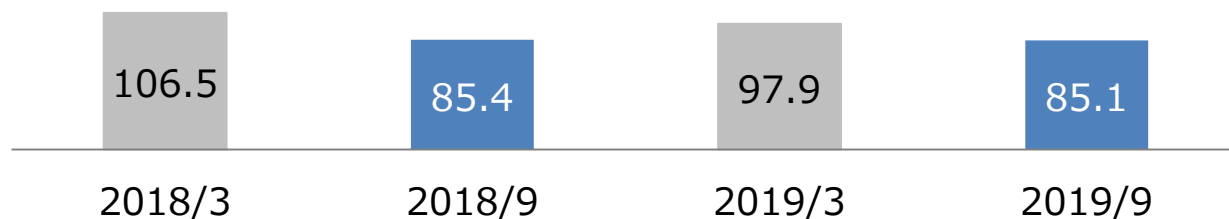
Cash Flows



2017/4~2018/3 2018/4~9 2018/4~2019/3 2019/4~9

Operating activities	(22.8)	(23.5)	(25.8)	(14.4)
Investing activities	6.3	1.7	1.3	6.6
Financing activities	(1.1)	1.6	16.7	(3.9)
Net increase/decrease in cash	(16.1)	(21.1)	(8.6)	(12.7)
Free cash flow	(16.4)	(21.8)	(24.4)	(7.7)

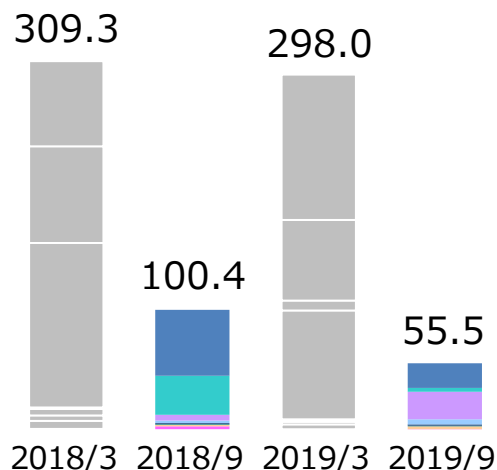
Cash and cash equivalents, end of the term



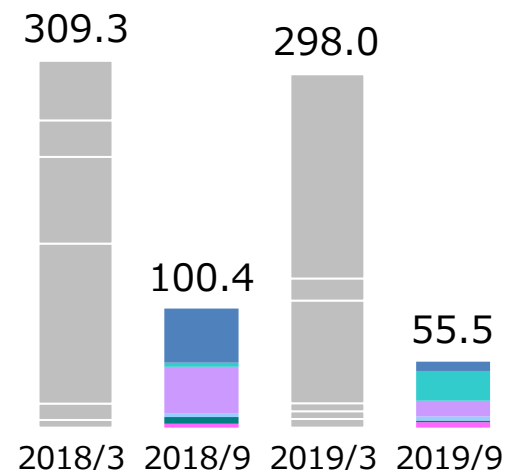
New Orders

JPY billion

Region



Product



Region	2018/3	2018/9	2019/3	2019/9
Japan	71.4	55.4	121.9	20.6
Southeast Asia	81.4	32.9	67.8	3.4
Southwest Asia, Middle East and Africa	138.0	4.7	8.5	22.9
Russia and Central Asia	1.5	2.2	91.3	4.5
North America	5.3	0.8	1.4	1.0
Central and South America	4.5	0.6	0.8	0.5
China	6.8	1.2	2.0	2.4
Others	0.4	2.6	4.3	0.2
Total	309.3	100.4	298.0	55.5

Product	2018/3	2018/9	2019/3	2019/9
Petrochemicals	50.3	45.6	172.3	7.6
Oil & Gas	30.7	3.5	18.5	25.1
Power / Railways etc.	73.1	39.3	86.6	13.4
Chemicals / Fertilizers	134.9	3.1	6.8	3.4
Pharmaceuticals etc.	13.9	5.5	6.4	1.3
Others	6.4	3.4	7.4	4.7
Total	309.3	100.4	298.0	55.5

2019/9

Major Contracts

Over JPY 20 billion

Oil & Gas, INDIA

Over JPY 5 billion

Power/Railway etc., JAPAN

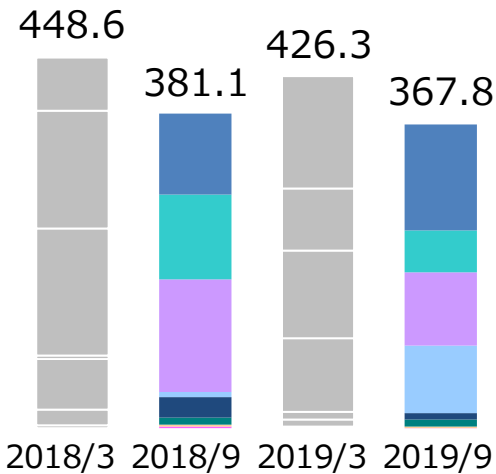
Over JPY 2 billion

Petrochemical, RUSSIA

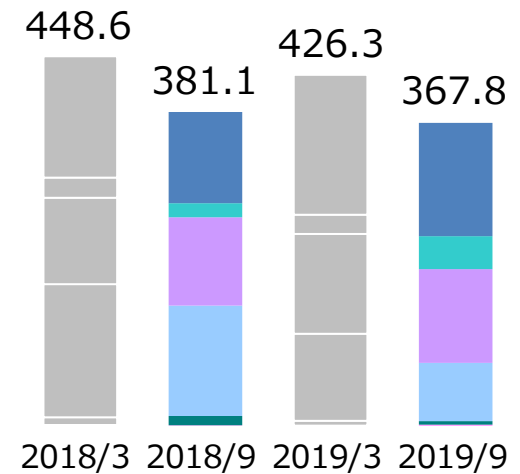
Backlog of Contracts

JPY billion

Region



Product



Region	2018/3	2018/9	2019/3	2019/9
Japan	64.1	98.1	135.9	128.4
Southeast Asia	142.6	102.6	75.4	50.6
Southwest Asia, Middle East and Africa	153.7	136.6	105.9	88.9
Russia and Central Asia	4.4	5.9	89.1	81.6
North America	61.1	24.8	9.5	7.6
Central and South America	19.2	8.6	8.6	8.6
China	3.3	2.3	0.7	1.8
Others	0.2	2.2	1.2	0.3
Total	448.6	381.1	426.3	367.8

Product	2018/3	2018/9	2019/3	2019/9
Petrochemicals	147.4	110.9	169.9	137.4
Oil & Gas	24.1	16.9	23.6	40.2
Power / Railways etc.	105.2	107.2	121.1	114.0
Chemicals / Fertilizers	161.6	134.2	105.8	70.6
Pharmaceuticals etc.	9.5	11.3	5.6	4.1
Others	0.8	0.6	0.3	1.5
Total	448.6	381.1	426.3	367.8

2019/9

Major Contracts

Over JPY 30 billion

Petrochemical, RUSSIA
Chemical / Fertilizer, INDIA

Over JPY 20 billion

Petrochemical, RUSSIA
Power/Railways etc., JAPAN
(2 Projects)

Over JPY 15 billion

Oil & Gas, INDIA
Power/Railways etc., JAPAN
(2 Projects)

Forecast for 2020/3

◆ No change from initial forecast as of May 15, 2019

	2019/3	2Q 2019/9	Forecast 2020/3
Net sales	294.9	112.6	240.0
Gross profit	10.6	10.5	21.5
Gross profit margin	3.6%	9.4%	9.0%
SG&A expenses	16.2	7.6	18.5
Operating income	(5.6)	2.8	3.0
Operating income margin	-1.9%	2.5%	1.3%
Non-operating income and expenses	9.0	(1.0)	0.0
Ordinary income	3.4	1.8	3.0
Profit attributable to owners of parent	(0.8)	2.7	2.0
New orders	298.0	55.5	300.0
Dividends per share	Annual ¥0	Interim ¥0	Annual ¥0

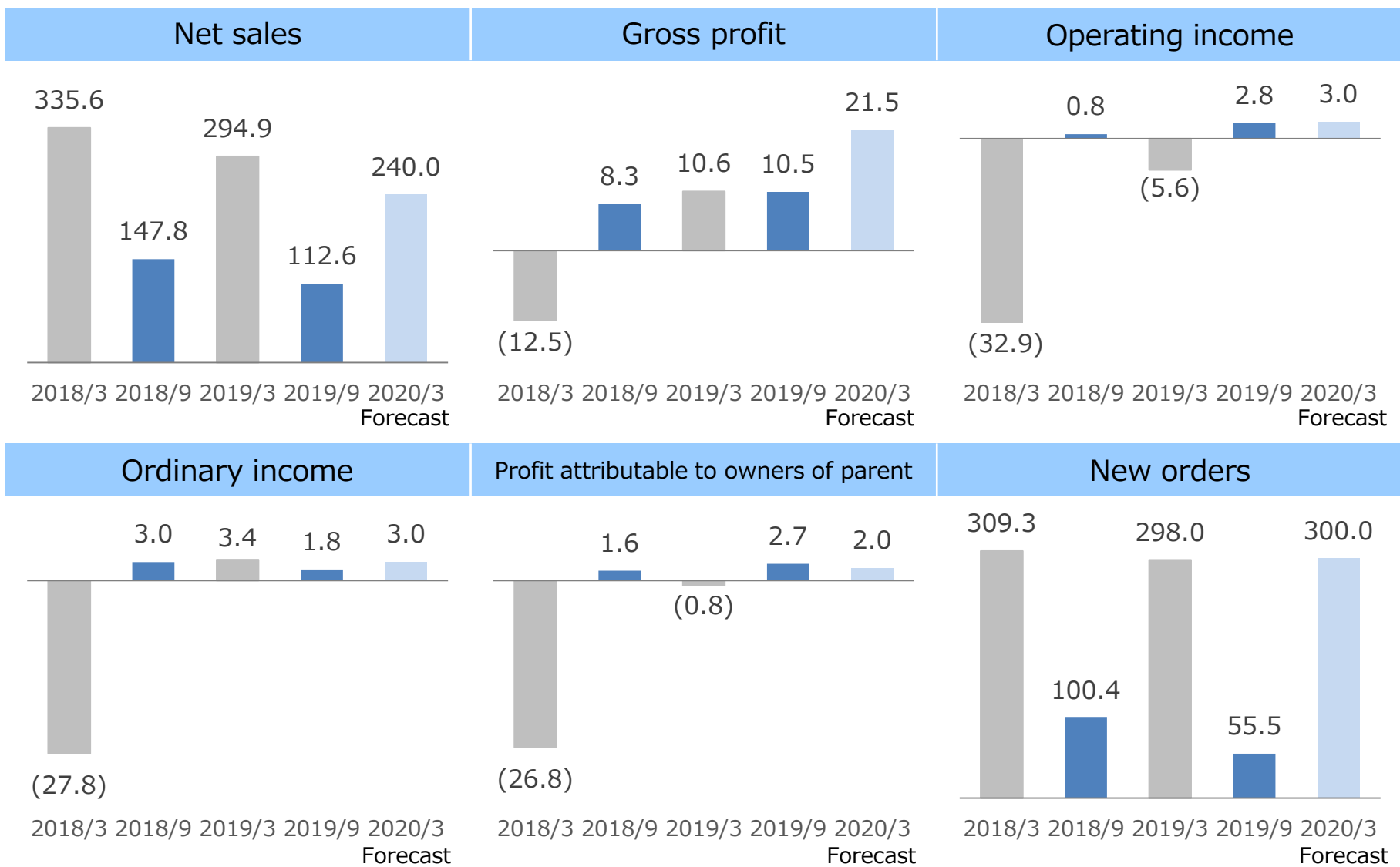
Exchange rate for the forecast 1US\$= ¥108

-Reference- Historical Data



		2018/3	2018/9	2019/3	2019/9	2020/3 Forecast
Net sales	JPY billion	335.6	147.8	294.9	112.6	240.0
Gross profit	JPY billion	(12.5)	8.3	10.6	10.5	21.5
Gross profit margin	%	-3.7%	5.7%	3.6%	9.4%	9.0%
SG&A expenses	JPY billion	20.4	7.5	16.2	7.6	18.5
Operating income	JPY billion	(32.9)	0.8	(5.6)	2.8	3.0
Operating income margin	%	-9.8%	0.6%	-1.9%	2.5%	1.3%
Ordinary income	JPY billion	(27.8)	3.0	3.4	1.8	3.0
Profit attributable to owners of parent	JPY billion	(26.8)	1.6	(0.8)	2.7	2.0
Comprehensive income	JPY billion	(25.7)	(0.0)	(3.8)	1.4	
Interest bearing debt	JPY billion	30.8	32.6	32.7	29.7	
Interest bearing debt ratio	%	12.2%	14.0%	13.6%	14.2%	
Debt equity ratio	Times	1.23	1.30	0.90	0.79	
Net debt	JPY billion	(75.6)	(52.7)	(65.1)	(55.3)	
Equity ratio	%	10.0%	10.8%	15.1%	18.0%	
Operating activities CF	JPY billion	(22.8)	(23.5)	(25.8)	(14.4)	
Investing activities CF	JPY billion	6.3	1.7	1.3	6.6	
Financing activities CF	JPY billion	(1.1)	1.6	16.7	(3.9)	
New orders	JPY billion	309.3	100.4	298.0	55.5	300.0
Backlog of contracts	JPY billion	448.6	381.1	426.3	367.8	486.3
Dividends per share	Yen	Annual 0.0	Interim 0.0	Annual 0.0	Interim 0.0	Annual 0.0

-Reference- Historical Data Chart



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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.