

Your Success, Our Pride.



Second Quarter of Fiscal Year Ending March 2021

OUTLINE OF FINANCIAL RESULTS

November 12, 2020

Toyo Engineering Corporation

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Performance Summary (1)

- ◆ Under the influence of COVID-19, the balanced outcome is maintained
(Decrease in revenue and profit compared with the same period of the previous year)

JPY billion

	2019/9	2020/9	Difference	Forecast 2021/3	Progress
Net sales	112.6	89.7	(22.9)	210.0	43%
Gross profit	10.5	9.1	(1.4)	17.5	52%
Gross profit margin	9.4%	10.2%	0.8%	8.3%	
SG&A expenses	7.6	7.9	(0.3)	17.0	46%
Operating income	2.8	1.2	(1.6)	0.5	240%
Operating income margin	2.5%	1.4%	-1.1%	0.2%	
Non-operating income & expenses	(1.0)	0.2	1.2	0.0	-
Ordinary income	1.8	1.4	(0.4)	0.5	280%
Extraordinary income	1.9	-	(1.9)	-	-
Profit before income taxes	3.7	1.4	(2.3)	-	-
Income taxes	1.0	0.6	0.4	-	-
Profit attributable to owners of parent	2.7	0.7	(2.0)	0.0	-
New orders	55.5	59.3	3.8	220.0	27%
Dividends per share	Interim ¥0	Interim ¥0	¥0	Annual ¥0	-

Performance Summary (2)

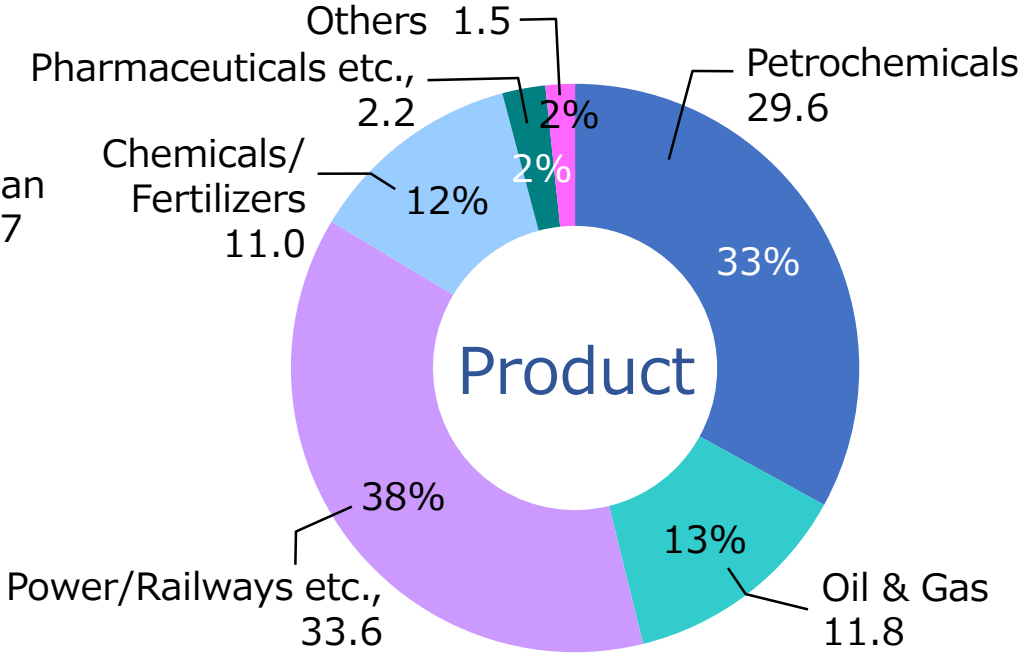
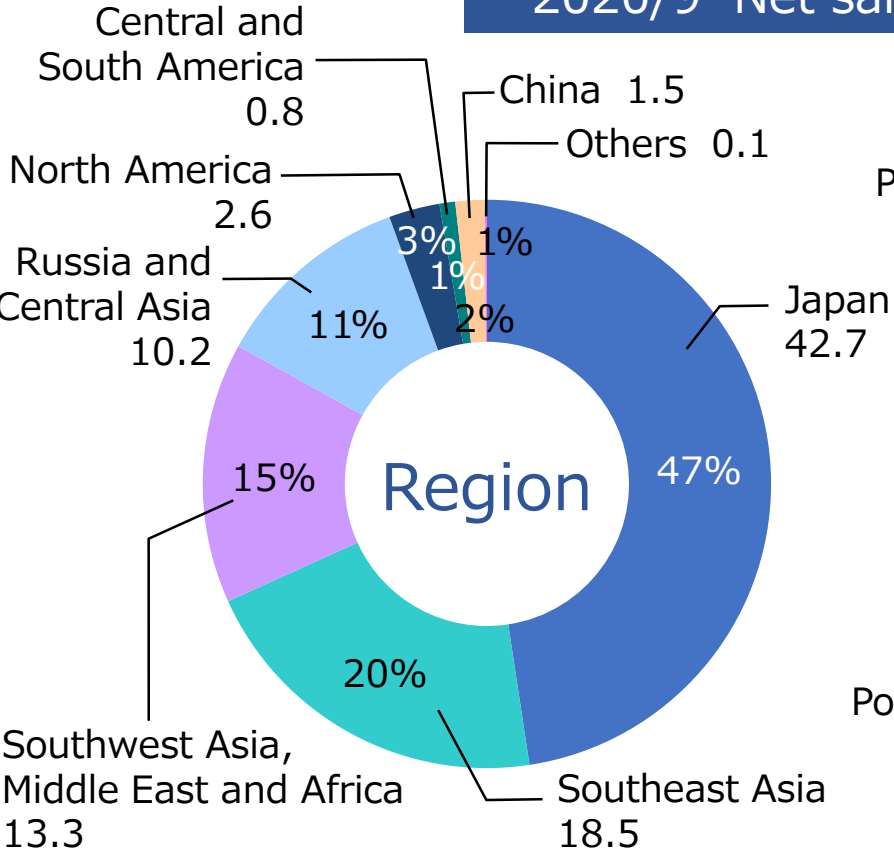


JPY billion

	Fiscal Year Ended 2020/3				Fiscal Year Ending 2021/3					
	1Q	2Q	3Q	4Q	1Q		2Q		Forecast 2021/3	
	Cumulative total	Cumulative total	Cumulative total	Cumulative total	Cumulative total	Progress	Cumulative total	2Q term Net		Progress
Net sales	58.4	112.6	165.2	219.0	44.0	21%	89.7	45.7	43%	210.0
Gross profit	5.8	10.5	13.8	18.7	4.4	25%	9.1	4.7	52%	17.5
Gross profit margin	10.0%	9.4%	8.4%	8.6%	10.0%		10.2%	10.4%		8.3%
SG&A expenses	3.8	7.6	11.9	16.8	3.8	22%	7.9	4.1	46%	17.0
Operating income	1.9	2.8	1.8	1.8	0.5	100%	1.2	0.7	240%	0.5
Non-operating income & expenses	(0.4)	(1.0)	(0.5)	0.5	(0.5)		0.2	0.7		0.0
Ordinary income	1.5	1.8	1.2	2.4	0.06	12%	1.4	1.3	280%	0.5
Extraordinary income & loss	1.8	1.9	1.9	1.9	-		-	-		-
Profit before income taxes	3.3	3.7	3.2	4.4	0.06		1.4	1.3		-
Income taxes	0.8	1.0	1.5	2.7	0.3		0.6	0.3		-
Effective tax rate	25.3%	28.2%	46.3%	62.2%	503.8%		45.1%	24.4%		-
Profit attributable to owners of parent	2.5	2.7	1.7	1.6	(0.2)	-	0.7	0.9	-	0.0
New orders	32.2	55.5	141.0	187.0	14.1	6%	59.3	45.2	27%	220.0

Net Sales

2020/9 Net sales : JPY 89.7 billion



Major Contracts	Over JPY 5 billion	Over JPY 4 billion	Over JPY 2 billion
	Power/Railways etc., JAPAN (2 projects) Chemical/Fertilizer, INDIA Petrochemical, RUSSIA	Power/Railways etc., JAPAN (3 projects)	Petrochemical, RUSSIA Petrochemical, THAILAND

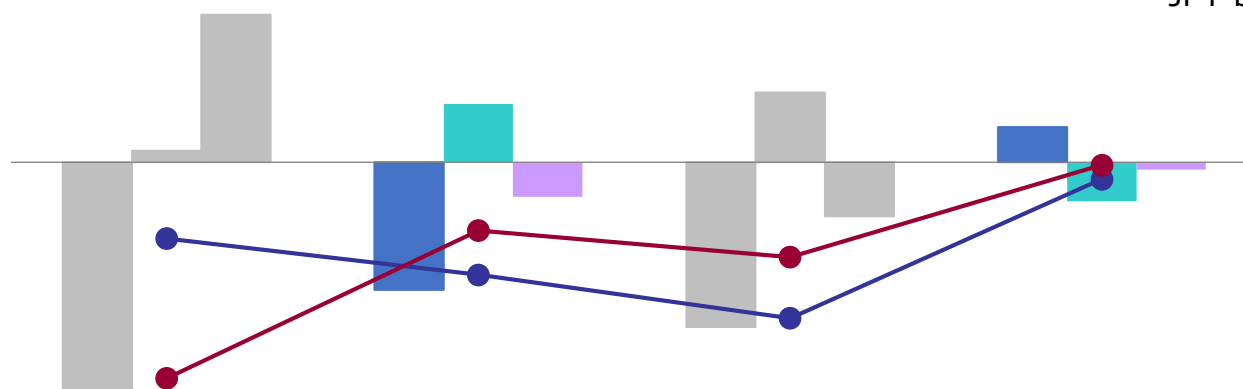
Balance Sheet



JPY billion

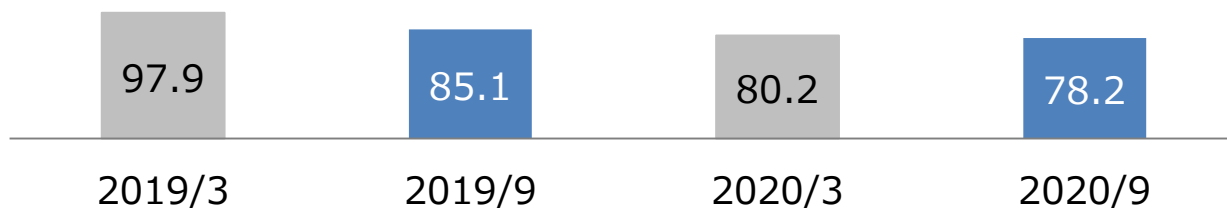
Assets	2020/3	2020/9	Difference	Liabilities and net assets	2020/3	2020/9	Difference
Current assets	187.8	184.3	(3.5)	Current liabilities	155.6	144.9	(10.7)
Cash and deposits	81.9	83.8	1.9	Short-term interest bearing debt	17.3	7.3	(10.0)
Notes and accounts receivable	55.1	51.1	(4.0)	Notes and accounts payable	64.0	68.5	4.5
Work in progress	19.3	19.7	0.4	Advance receipts on uncompleted contracts	64.1	61.2	(2.9)
Other current assets	31.2	29.6	(1.6)	Other current liabilities	10.1	7.9	(2.2)
Non-current assets	20.9	21.6	0.7	Noncurrent liabilities	17.0	26.5	9.5
Property, plant and equipment	11.5	11.7	0.2	Long-term interest bearing debt	10.3	19.9	9.6
Intangible assets	1.3	1.5	0.2	Other noncurrent liabilities	6.7	6.6	(0.1)
Investments and other assets	8.0	8.3	0.3	Net assets	35.9	34.5	(1.4)
				Shareholder's equity	36.1	36.9	0.8
				Accumulated other comprehensive income	(0.3)	(2.5)	(2.2)
				Non-controlling interests	0.1	0.1	0.0
Total assets	208.7	205.9	(2.8)	Total liabilities and net assets	208.7	205.9	(2.8)
				Equity ratio	17.2%	16.7%	(0.5%)

Cash Flows



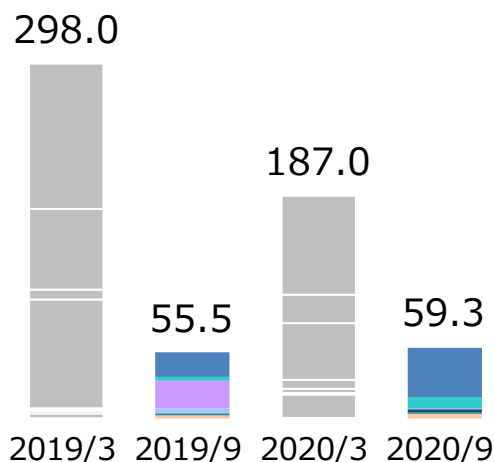
	2018/4~2019/3	2019/4~9	2019/4~2020/3	2020/4~9
Operating activities	(25.8)	(14.4)	(18.6)	4.0
Investing activities	1.3	6.6	7.9	(4.4)
Financing activities	16.7	(3.9)	(6.1)	(0.8)
Net increase/decrease in cash	(8.6)	(12.7)	(17.6)	(1.9)
Free cash flow	(24.4)	(7.7)	(10.7)	(0.3)

Cash and cash equivalents, end of the term



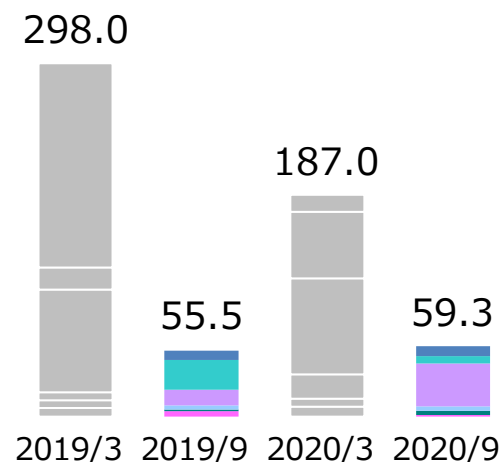
New Orders

Region



Region	2019/3	2019/9	2020/3	2020/9
Japan	121.9	20.6	83.2	41.5
Southeast Asia	67.8	3.4	23.8	9.5
Southwest Asia, Middle East and Africa	8.5	22.9	47.5	0.5
Russia and Central Asia	91.3	4.5	7.5	0.1
North America	1.4	1.0	3.5	2.8
Central and South America	0.8	0.5	1.5	1.0
China	2.0	2.4	19.6	3.8
Others	4.3	0.2	0.4	0.1
Total	298.0	55.5	187.0	59.3

Product



Product	2019/3	2019/9	2020/3	2020/9
Petrochemicals	172.3	7.6	14.4	8.2
Oil & Gas	18.5	25.1	55.9	6.4
Power / Railways etc.	86.6	13.4	81.0	35.9
Chemicals / Fertilizers	6.8	3.4	20.6	3.9
Pharmaceuticals etc.	6.4	1.3	6.8	3.6
Others	7.4	4.7	8.3	1.3
Total	298.0	55.5	187.0	59.3

2020/9

Major Contracts

Over JPY 30 billion

Power/Railway etc., JAPAN

Over JPY 3 billion

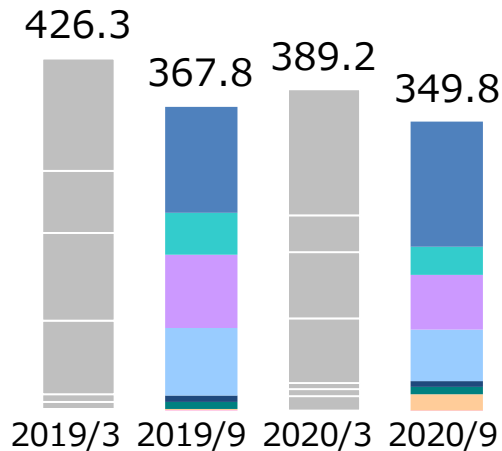
Petrochemicals, MALAYSIA
(2 projects)

Over JPY 1 billion

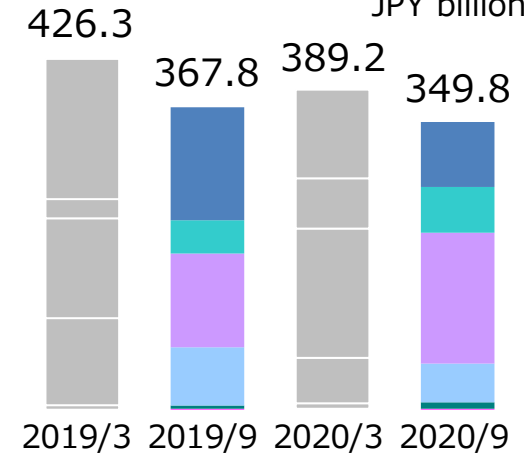
Chemical/Fertilizer, CHINA

Backlog of Contracts

Region



Product



Region	2019/3	2019/9	2020/3	2020/9
Japan	135.9	128.4	152.7	151.5
Southeast Asia	75.4	50.6	44.6	34.0
Southwest Asia, Middle East and Africa	105.9	88.9	80.1	66.1
Russia and Central Asia	89.1	81.6	78.3	62.3
North America	9.5	7.6	7.3	7.3
Central and South America	8.6	8.6	8.6	8.8
China	0.7	1.8	17.5	19.7
Others	1.2	0.3	0.1	0.1
Total	426.3	367.8	389.2	349.8

Product	2019/3	2019/9	2020/3	2020/9
Petrochemicals	169.9	137.4	107.6	78.9
Oil & Gas	23.6	40.2	61.2	55.5
Power / Railways etc.	121.1	114.0	156.9	159.0
Chemicals / Fertilizers	105.8	70.6	55.4	47.1
Pharmaceuticals etc.	5.6	4.1	6.4	7.8
Others	0.3	1.5	1.7	1.5
Total	426.3	367.8	389.2	349.8

2020/9

Major Contracts

Over JPY 30 billion

Petrochemical, RUSSIA
Power/Railway etc., JAPAN

Over JPY 20 billion

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

Over JPY 10 billion

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

Forecast for 2021/3

◆ No change from initial forecast as of June 18, 2020

	2020/3	2Q 2020/9	Forecast 2021/3
Net sales	219.0	89.7	210.0
Gross profit	18.7	9.1	17.5
Gross profit margin	8.6%	10.2%	8.3%
SG&A expenses	16.8	7.9	17.0
Operating income	1.8	1.2	0.5
Operating income margin	0.9%	1.4%	0.2%
Non-operating income & expenses	0.5	0.2	0.0
Ordinary income	2.4	1.4	0.5
Profit attributable to owners of parent	1.6	0.7	0.0
New orders	187.0	59.3	220.0
Dividends per share	Annual ¥0	Interim ¥0	Annual ¥0

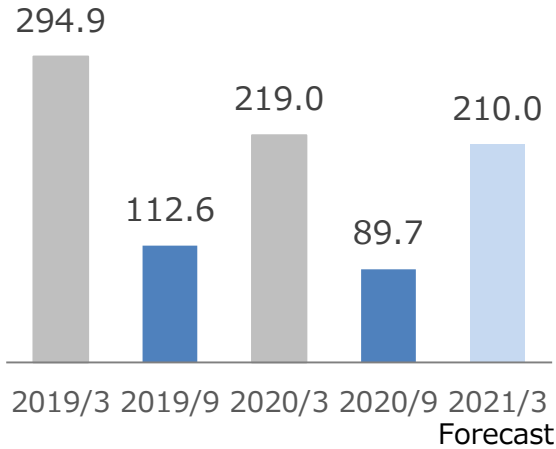
Exchange rate for the forecast 1US\$= ¥104

-Reference- Historical Data

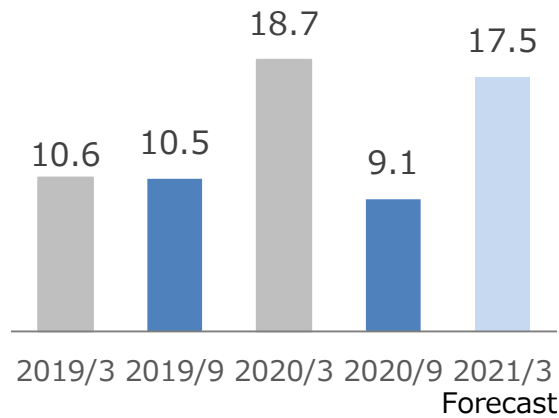
		2019/3	2019/9	2020/3	2020/9	2021/3 Forecast
Net sales	JPY billion	294.9	112.6	219.0	89.7	210.0
Gross profit	JPY billion	10.6	10.5	18.7	9.1	17.5
Gross profit margin	%	3.6%	9.4%	8.6%	10.2%	8.3%
SG&A expenses	JPY billion	16.2	7.6	16.8	7.9	17.0
Operating income	JPY billion	(5.6)	2.8	1.8	1.2	0.5
Operating income margin	%	-1.9%	2.5%	0.9%	1.4%	0.2%
Ordinary income	JPY billion	3.4	1.8	2.4	1.4	0.5
Profit attributable to owners of parent	JPY billion	(0.8)	2.7	1.6	0.7	0.0
Comprehensive income	JPY billion	(3.8)	1.4	(0.0)	(1.4)	
Interest bearing debt	JPY billion	32.7	29.7	27.6	27.2	
Debt equity ratio	Times	0.90	0.79	0.77	0.79	
Net debt	JPY billion	(65.1)	(55.3)	(52.5)	(51.0)	
Equity ratio	%	15.1%	18.0%	17.2%	16.7%	
Operating activities CF	JPY billion	(25.8)	(14.4)	(18.6)	4.0	
Investing activities CF	JPY billion	1.3	6.6	7.9	(4.4)	
Financing activities CF	JPY billion	16.7	(3.9)	(6.1)	(0.8)	
New orders	JPY billion	298.0	55.5	187.0	59.3	220.0
Backlog of contracts	JPY billion	426.3	367.8	389.2	349.8	
Dividends per share	Yen	Annual 0.0	Interim 0.0	Annual 0.0	Interim 0.0	Annual 0.0

-Reference- Historical Data Chart

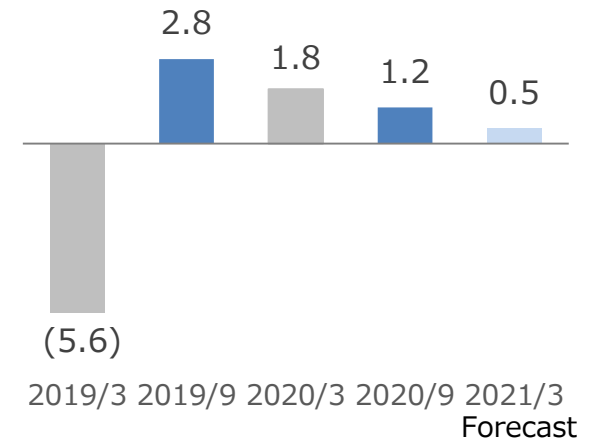
Net sales



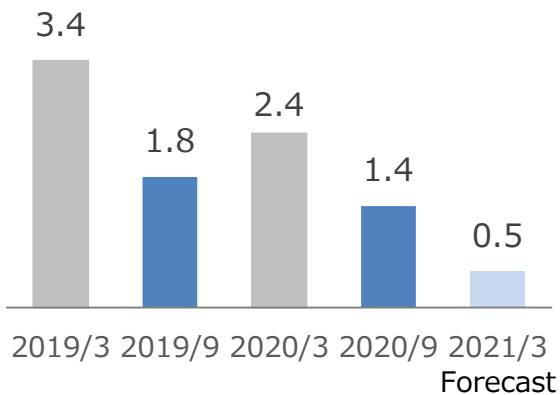
Gross profit



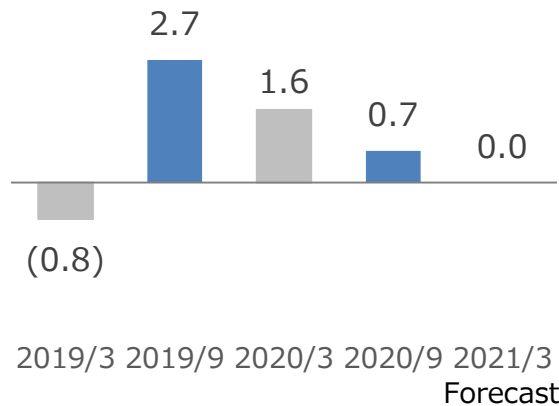
Operating income



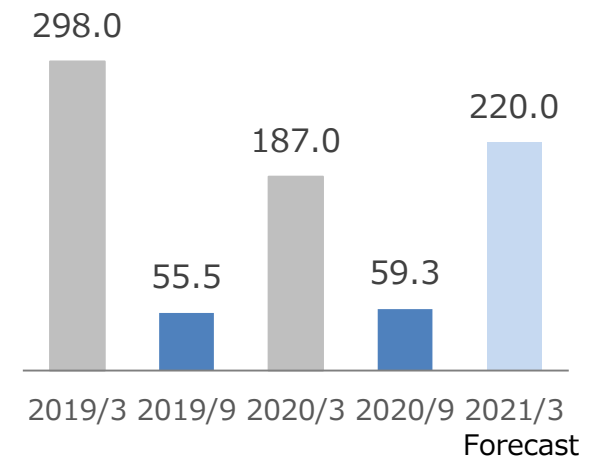
Ordinary income



Profit attributable to owners of parent



New orders



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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.