

The document is an English-language translation of the consolidated financial summary of the financial results for the first quarter ended June 30, 2021. This summary was prepared originally in Japanese in accordance with generally accepted accounting principles in Japan. If there are discrepancies between this summary and the original document in Japanese, the Japanese version will take precedence.

Consolidated Financial Results for the First Quarter ended June 30, 2021

For the Fiscal Year Ending March 31, 2022

August 12, 2021

TOYO ENGINEERING CORPORATION

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1. Business results for the first quarter of fiscal year 2021 (April 1, 2021 - June 30, 2021)

Note: Amounts are rounded down to the nearest million yen.

(1) Consolidated operating results

(% of changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2021 - Jun. 30, 2021	53,993	22.6	1,823	224.3	1,834	—	947	—
Apr. 1, 2020 - Jun. 30, 2020	44,045	(24.6)	562	(71.7)	60	(96.0)	(246)	—

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2021 - Jun. 30, 2021 : 1,233 —% Apr. 1, 2020 - Jun. 30, 2020: (2,468) —%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2021 - Jun. 30, 2021	16.17	—
Apr. 1, 2020 - Jun. 30, 2020	(4.21)	—

(Note) 1. Since the rate of change in ordinary income for the first quarter of fiscal year ending March 31, 2022 is over 1000%, "-" is indicated.

2. Upon calculation of "Net income per share", the number of class A preferred stocks which were issued in March 2019 is included.

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2021	221,745	41,311	18.6
As of Mar. 31, 2021	218,255	40,077	18.3

(Reference) Equity at the end of period (millions of yen):

Jun. 30, 2021: 41,169 Mar. 31, 2021: 39,935

2. Dividends

	Cash dividends per share									
	Q1		Q2		Q3		Q4		Annual	
FY2020	—	Yen	0.00	Yen	—	Yen	0.00	Yen	0.00	Yen
FY2021	—	Yen								
FY2021 (Forecast)			0.00	Yen	—	Yen	0.00	Yen	0.00	Yen

(Note) Revision of forecast for this period: No

3. Forecast of consolidated operating results for the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(% of changes from the corresponding periods of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	240,000	30.4	2,500	54.7	2,500	(10.1)	1,500	84.1	25.60	

(Note) Revision of forecast for this period: No

(Note) Upon calculation of "Net income per share", the number of class A preferred stocks which were issued in March 2019 is included.

4. Others

(1) Significant changes in scope of consolidation : No

(2) Number of shares issued (common shares)

Number of shares issued at end of period (including treasury stocks)		
Jun. 30, 2021 : 38,558,507		Mar. 31, 2021 : 38,558,507

Number of treasury stocks at end of period		
Jun. 30, 2021 : 226,299		Mar. 31, 2021 : 226,161

Average number of stock outstanding during the period: First quarter of FY2021 and FY2020		
First quarter of FY2021 : 38,332,289		First quarter of FY2020 : 38,333,005

(Note) The number of class A preferred stocks is not included in the number of shares issued.

* Reference: The forecast given above are based on information available at the time of compilation and are inherently subject to variety of risks and uncertainties. Actual results may vary significantly from the forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

Consolidated Balance Sheets

		March 31, 2021	June 30, 2021
		Millions of yen	
[Assets]			
I	Current assets		
1	Cash and deposits	97,609	93,521
2	Notes receivable, accounts receivable from completed construction contracts and other	51,069	58,821
3	Costs on uncompleted construction contracts	18,475	17,296
4	Accounts receivable - other	4,218	5,984
5	Deposits paid	5,005	3,862
6	Forward exchange contracts	2,393	2,129
7	Other	16,715	16,726
8	Allowance for doubtful accounts	(1,114)	(1,116)
	Total current assets	194,373	197,227
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	14,428	14,471
2	Machinery, vehicles, tools, furniture and fixtures	5,190	5,197
3	Land	6,209	6,244
4	Leased assets	1,913	1,922
5	Construction in progress	27	24
6	Accumulated depreciation and impairment loss	(16,131)	(16,349)
	Total property, plant and equipment	11,638	11,512
(2)	Intangible assets		
1	Other	1,792	2,243
	Total intangible assets	1,792	2,243
(3)	Investments and other assets		
1	Investment securities	2,658	2,603
2	Long-term loans receivable	4,602	4,600
3	Net defined benefit asset	3,391	3,471
4	Deferred income taxes	526	537
5	Other	3,829	4,087
6	Allowance for doubtful accounts	(4,557)	(4,538)
	Total investments and other assets	10,450	10,761
	Total non-current assets	23,881	24,517
	Total assets	218,255	221,745
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	72,555	71,373
2	Short-term loans payable	10,613	9,658
3	Income taxes payable	693	750
4	Advances received on uncompleted construction contracts	61,138	59,797
5	Provision for bonuses	533	370
6	Provision for warranties for completed construction	18	19
7	Provision for loss on construction contracts	359	125
8	Provision for loss on guarantees	45	45
9	Forward exchange contracts	156	73
10	Other	7,078	13,305
	Total current liabilities	153,193	155,520
II	Non-current liabilities		
1	Long-term loans payable	16,419	16,228
2	Lease obligations	718	644
3	Deferred income taxes	4,309	4,267
4	Net defined benefit liability	1,213	1,251
5	Provision for losses on business of subsidiaries and affiliates	389	399
6	Other	1,934	2,120
	Total non-current liabilities	24,984	24,913
	Total liabilities	178,177	180,433
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	14,677	15,624
4	Treasury stock, at cost	(446)	(446)
	Total shareholders' equity	36,997	37,944
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	(128)	(136)
2	Deferred gains on hedges	1,495	1,327
3	Foreign currency translation adjustments	(525)	14
4	Remeasurements of defined benefit plans	2,096	2,019
	Total accumulated other comprehensive income	2,938	3,225
III	Non-controlling interests	142	141
	Total net assets	40,077	41,311
	Total liabilities and net assets	218,255	221,745

Consolidated Statements of Operations

		April 1, 2020 - June 30, 2020		April 1, 2021 - June 30, 2021	
		Millions of yen		Millions of yen	
I	Net sales		44,045		53,993
II	Cost of sales		39,625		47,904
	Gross profit		4,420		6,089
III	Selling, general and administrative expenses		3,857		4,266
	Operating income		562		1,823
IV	Non-operating income				
1	Interest income	174		125	
2	Dividends income	25		23	
3	Equity in earnings of affiliates	225		-	
4	Reversal of allowance for doubtful accounts	1		18	
5	Miscellaneous income	75	502	91	259
V	Non-operating expenses				
1	Interest expenses	117		88	
2	Equity in losses of affiliates	-		63	
3	Foreign exchange losses, net	817		68	
4	Miscellaneous expenses	69	1,004	27	249
	Ordinary income		60		1,834
	Profit before income taxes		60		1,834
VI	Income taxes				
1	Income taxes	306	306	885	885
	Net (loss) profit		(245)		948
	Net (loss) profit attributable to non-controlling interests		0		1
	Net (loss) profit attributable to owners of parent		(246)		947

Consolidated Statements of Comprehensive Income (Loss)

		April 1, 2020 - June 30, 2020		April 1, 2021 - June 30, 2021	
		Millions of yen		Millions of yen	
I	Net (loss) profit		(245)		948
II	Other comprehensive (loss) income				
1	Valuation difference on available-for-sale securities	58		(7)	
2	Deferred gains (losses) on hedges	447		(168)	
3	Foreign currency translation adjustments	(1,232)		717	
4	Remeasurements of defined benefit plans	(12)		(77)	
5	Share of other comprehensive loss of affiliates accounted for by the equity method	(1,484)	(2,222)	(179)	285
	Comprehensive (loss) income		(2,468)		1,233
	Comprehensive (loss) income attributable to :				
	Owners of parent		(2,469)		1,234
	Non-controlling interests		0		(0)

Segment Information

The company's reportable operating segment has a single segment, namely EPC Business.

Consolidated New Orders, Net Sales and Backlog of Contracts

		Millions of yen					
		Backlog Beginning of period	New Orders	Total	Net Sales	Backlog the End of period	
Apr. 1, 2020 - Jun. 30, 2020	Overseas	Petrochemicals	104,521	4,235	108,757	14,111	92,416
		Oil & Gas	49,553	3,243	52,797	1,791	50,824
		Power/Railways etc.	24,644	9	24,654	721	22,446
		Chemicals/Fertilizers	55,375	1,406	56,782	5,460	50,660
		Pharmaceutical/Environmental/Industrial Facilities	682	433	1,115	193	897
		Others	1,717	105	1,822	479	1,298
		Subtotal	236,495	9,433	245,928	22,757	218,543
	Domestic	Petrochemicals	3,056	39	3,096	1,910	1,185
		Oil & Gas	11,622	934	12,556	1,274	11,281
		Power/Railways etc.	132,247	1,755	134,003	16,891	117,126
		Pharmaceutical/Environmental/Industrial Facilities	5,764	1,578	7,342	821	6,521
		Others	50	405	455	390	65
			Subtotal	152,741	4,712	157,454	21,288
			*(5,646)				*(6,201)
	Grand total	389,236	14,146	403,383	44,045	354,724	
Apr. 1, 2021 - Jun. 30, 2021	Overseas	Petrochemicals	69,984	435	70,420	8,089	62,150
		Oil & Gas	41,413	3,411	44,824	6,262	38,850
		Power/Railways etc.	29,910	29	29,939	1,506	28,520
		Chemicals/Fertilizers	36,054	18,540	54,594	11,513	43,433
		Pharmaceutical/Environmental/Industrial Facilities	2,339	746	3,086	394	2,712
		Others	1,130	953	2,084	933	1,153
		Subtotal	180,833	24,116	204,950	28,699	176,821
	Domestic	Petrochemicals	9,365	887	10,252	439	9,813
		Oil & Gas	5,526	828	6,354	3,705	2,649
		Power/Railways etc.	109,018	2,881	111,899	18,293	93,611
		Pharmaceutical/Environmental/Industrial Facilities	5,726	658	6,384	2,378	3,998
		Others	221	475	696	477	219
			Subtotal	129,857	5,731	135,588	25,294
			*1,411				*2,497
	Grand total	310,691	29,847	340,539	53,993	287,113	

- Notes :
1. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.
 2. Net sales include corresponding amounts of the effects of changes in exchange rates upon the orders in currencies other than Japanese Yen.
The included amounts are (1,202) million yen for Apr. 1, 2020 - Jun. 30, 2020 and 686 million yen for Apr. 1, 2021 - Jun. 30, 2021.
 3. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are (3,411) million yen for Apr. 1, 2020 - Jun. 30, 2020 and (118) million yen for Apr. 1, 2021 - Jun. 30, 2021.
 4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.