

The document is an English-language translation of the consolidated financial summary of the financial results for the third quarter ended December 31, 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 Third Quarter ended December 31, 2021

For the Fiscal Year Ending March 31, 2022

February 10, 2022

TOYO ENGINEERING CORPORATION

(URL : <https://www.toyo-eng.com/jp/>)

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1. Business results for the third quarter of fiscal year 2021 (April 1, 2021 - December 31, 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 - Dec. 31, 2021	139,955	5.2	1,402	(33.5)	1,816	(7.5)	1,225	38.9
Apr. 1, 2020 - Dec. 31, 2020	133,088	(19.4)	2,109	14.0	1,963	53.5	882	(48.9)

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2021 - Dec. 31, 2021 : 1,480 -% Apr. 1, 2020 - Dec. 31, 2020: (1,509) -%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2021 - Dec. 31, 2021	20.91	—
Apr. 1, 2020 - Dec. 31, 2020	15.05	—

(Note) 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 Dec. 31, 2021	228,582	41,558	18.1
As of Mar. 31, 2021	218,255	40,077	18.3

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

Dec. 31, 2021: 41,412 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	0.00	Yen	—	Yen				
FY2021 (Forecast)							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)

Dec. 31, 2021 : 38,558,507

Mar. 31, 2021 : 38,558,507

Number of treasury stocks at end of period

Dec. 31, 2021 : 226,787

Mar. 31, 2021 : 226,161

Average number of stock outstanding during the period: Third quarter of FY2021 and FY2020

Third quarter of FY2021 : 38,332,113

Third quarter of FY2020 : 38,332,867

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

* Reference: This document is not reviewed by certified public accountants nor auditors.

* 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	December 31, 2021
		Millions of yen	Millions of yen
[Assets]			
I	Current assets		
1	Cash and deposits	97,609	98,513
2	Notes receivable, accounts receivable from completed construction contracts and other	51,069	59,475
3	Costs on uncompleted construction contracts	18,475	21,462
4	Accounts receivable - other	4,218	5,069
5	Deposits paid	5,005	6,500
6	Forward exchange contracts	2,393	1,140
7	Other	16,715	11,814
8	Allowance for doubtful accounts	(1,114)	(1,152)
	Total current assets	194,373	202,824
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	14,428	14,637
2	Machinery, vehicles, tools, furniture and fixtures	5,190	5,339
3	Land	6,209	6,281
4	Leased assets	1,913	2,125
5	Construction in progress	27	9
6	Accumulated depreciation and impairment loss	(16,131)	(16,840)
	Total property, plant and equipment	11,638	11,553
(2)	Intangible assets		
1	Other	1,792	2,695
	Total intangible assets	1,792	2,695
(3)	Investments and other assets		
1	Investment securities	2,658	2,575
2	Long-term loans receivable	4,602	4,597
3	Net defined benefit asset	3,391	3,572
4	Deferred income taxes	526	703
5	Other	3,829	4,608
6	Allowance for doubtful accounts	(4,557)	(4,547)
	Total investments and other assets	10,450	11,509
	Total non-current assets	23,881	25,758
	Total assets	218,255	228,582
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	72,555	63,034
2	Short-term loans payable	10,613	10,018
3	Income taxes payable	693	377
4	Advances received on uncompleted construction contracts	61,138	67,246
5	Provision for bonuses	533	287
6	Provision for warranties for completed construction	18	20
7	Provision for loss on construction contracts	359	84
8	Provision for loss on guarantees	45	31
9	Forward exchange contracts	156	553
10	Other	7,078	13,901
	Total current liabilities	153,193	155,555
II	Non-current liabilities		
1	Long-term loans payable	16,419	23,386
2	Lease obligations	718	528
3	Deferred income taxes	4,309	3,790
4	Net defined benefit liability	1,213	1,240
5	Provision for losses on business of subsidiaries and affiliates	389	380
6	Other	1,934	2,142
	Total non-current liabilities	24,984	31,468
	Total liabilities	178,177	187,024
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	14,677	15,902
4	Treasury stock, at cost	(446)	(446)
	Total shareholders' equity	36,997	38,222
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	(128)	(125)
2	Deferred gains on hedges	1,495	989
3	Foreign currency translation adjustments	(525)	460
4	Remeasurements of defined benefit plans	2,096	1,864
	Total accumulated other comprehensive income	2,938	3,189
III	Non-controlling interests	142	146
	Total net assets	40,077	41,558
	Total liabilities and net assets	218,255	228,582

Consolidated Statements of Income

		April 1, 2020 - December 31, 2020		April 1, 2021 - December 31, 2021	
		Millions of yen		Millions of yen	
I	Net sales		133,088		139,955
II	Cost of sales		118,938		125,512
	Gross profit		14,150		14,442
III	Selling, general and administrative expenses		12,040		13,040
	Operating income		2,109		1,402
IV	Non-operating income				
	1 Interest income	442		435	
	2 Dividends income	142		46	
	3 Foreign exchange gains, net	-		144	
	4 Equity in earnings of affiliates	130		102	
	5 Reversal of allowance for doubtful accounts	45		-	
	6 Miscellaneous income	308	1,069	226	955
V	Non-operating expenses				
	1 Interest expenses	304		312	
	2 Foreign exchange losses, net	597		-	
	3 Miscellaneous expenses	313	1,215	229	541
	Ordinary income		1,963		1,816
	Profit before income taxes		1,963		1,816
VI	Income taxes				
	1 Income taxes	1,072	1,072	589	589
	Net profit		890		1,226
	Net profit attributable to non-controlling interests		8		1
	Net profit attributable to owners of parent		882		1,225

Consolidated Statements of Comprehensive Income (Loss)

		April 1, 2020 - December 31, 2020		April 1, 2021 - December 31, 2021	
		Millions of yen		Millions of yen	
I	Net profit		890		1,226
II	Other comprehensive (loss) income				
1	Valuation difference on available-for-sale securities	132		3	
2	Deferred gains (losses) on hedges	765		(505)	
3	Foreign currency translation adjustments	(1,229)		760	
4	Remeasurements of defined benefit plans	(36)		(232)	
5	Share of other comprehensive (loss) income of affiliates accounted for by the equity method	(2,031)	(2,400)	227	254
	Comprehensive (loss) income		(1,509)		1,480
	Comprehensive (loss) income attributable to :				
	Owners of parent		(1,516)		1,476
	Non-controlling interests		6		4

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 - Dec. 31, 2020	Overseas	Petrochemicals	104,521	8,091	112,612	35,270	69,492
		Oil & Gas	49,553	7,464	57,018	10,179	46,417
		Power/Railways etc.	24,644	389	25,034	2,964	21,345
		Chemicals/Fertilizers	55,375	10,211	65,587	16,604	47,442
		Pharmaceutical/Environmental/Industrial Facilities	682	2,530	3,213	799	2,339
		Others	1,717	709	2,427	810	1,548
		Subtotal	236,495	29,397	265,892	66,628	188,586
	Domestic	Petrochemicals	3,056	7,669	10,726	2,572	8,153
		Oil & Gas	11,622	5,519	17,141	11,224	5,917
		Power/Railways etc.	132,247	36,299	168,546	48,309	120,247
		Pharmaceutical/Environmental/Industrial Facilities	5,764	4,800	10,565	3,069	7,495
		Others	50	1,354	1,405	1,284	120
		Subtotal	152,741	55,642	208,384	66,460	141,934
		Grand total	*(5,646) 389,236	85,040	474,277	133,088	*(4,642) 330,521
Apr. 1, 2021 - Dec. 31, 2021	Overseas	Petrochemicals	69,984	4,371	74,356	18,420	50,989
		Oil & Gas	41,413	17,567	58,980	21,199	39,033
		Power/Railways etc.	29,910	133	30,044	6,501	23,745
		Chemicals/Fertilizers	36,054	32,922	68,977	25,648	44,196
		Pharmaceutical/Environmental/Industrial Facilities	2,339	3,582	5,922	2,973	3,145
		Others	1,130	1,731	2,861	1,477	1,398
		Subtotal	180,833	60,309	241,143	76,220	162,508
	Domestic	Petrochemicals	9,365	36,485	45,851	3,803	42,047
		Oil & Gas	5,526	4,251	9,778	6,524	3,253
		Power/Railways etc.	109,018	67,886	176,904	46,473	130,595
		Pharmaceutical/Environmental/Industrial Facilities	5,726	7,468	13,194	5,333	7,855
		Others	221	1,556	1,778	1,599	175
		Subtotal	129,857	117,649	247,506	63,734	183,927
		Grand total	*1,411 310,691	177,958	488,650	139,955	*3,531 346,435

- Notes : 1. 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 (2,920) million yen for Apr. 1, 2020 - Dec. 31, 2020 and 2,814 million yen for Apr. 1, 2021 - Dec. 31, 2021.
2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are (7,746) million yen for Apr. 1, 2020 - Dec. 31, 2020 and (5,074) million yen for Apr. 1, 2021 - Dec. 31, 2021.
3. Asterisks (*) represent increase (decrease) due to changes in exchange rates.