

The document is an English-language translation of the consolidated financial summary of the financial results for the first quarter ended June 30, 2022. 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, 2022

For the Fiscal Year Ending March 31, 2023

August 10, 2022

TOYO ENGINEERING CORPORATION

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

Representative: Haruo Nagamatsu, President and Chief Executive Officer,

Contact: Takeshi Yamato, General Manager of Accounting Dept.

TEL +81-47-454-1521

1. Business results for the first quarter of fiscal year 2022 (April 1, 2022 - June 30, 2022)

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, 2022 - Jun. 30, 2022	46,169	(14.5)	2,295	25.9	1,762	(3.9)	1,048	10.7
Apr. 1, 2021 - Jun. 30, 2021	53,993	22.6	1,823	224.3	1,834	-	947	-

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2022 - Jun. 30, 2022 : 5,683 360.6% Apr. 1, 2021 - Jun. 30, 2021: 1,233 -%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2022 - Jun. 30, 2022	17.89	—
Apr. 1, 2021 - Jun. 30, 2021	16.17	—

(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, 2022	245,060	50,245	20.4
As of Mar. 31, 2022	240,853	44,562	18.4

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

Jun. 30, 2022: 50,059 Mar. 31, 2022: 44,393

2. Dividends

	Cash dividends per share					
	Q1	Q2	Q3	Q4	Annual	
FY2021	— Yen	0.00 Yen	— Yen	0.00 Yen	0.00 Yen	
FY2022	— Yen					
FY2022 (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, 2023 (April 1, 2022 - March 31, 2023)

(% 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	210,000	3.5	2,000	(32.5)	2,500	(20.0)	1,500	(7.4)	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, 2022 : 38,558,507

Mar. 31, 2022 : 38,558,507

Number of treasury stocks at end of period

Jun. 30, 2022 : 227,149

Mar. 31, 2022 : 227,058

Average number of stock outstanding during the period: First quarter of FY2022 and FY2021

First quarter of FY2022 : 38,331,391

First quarter of FY2021 : 38,332,289

(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, 2022	June 30, 2022
		Millions of yen	Millions of yen
[Assets]			
I	Current assets		
1	Cash and deposits	92,153	96,542
2	Notes receivable, accounts receivable from completed construction contracts and other	69,716	65,965
3	Costs on uncompleted construction contracts	19,758	19,378
4	Accounts receivable - other	4,985	7,946
5	Deposits paid	7,150	5,539
6	Forward exchange contracts	2,813	3,983
7	Other	11,447	11,882
8	Allowance for doubtful accounts	(1,221)	(1,360)
	Total current assets	206,805	209,878
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	14,637	14,934
2	Machinery, vehicles, tools, furniture and fixtures	5,379	5,727
3	Land	6,328	6,392
4	Leased assets	2,336	2,496
5	Construction in progress	148	60
6	Accumulated depreciation and impairment loss	(16,969)	(17,651)
	Total property, plant and equipment	11,861	11,960
(2)	Intangible assets		
1	Other	3,488	3,750
	Total intangible assets	3,488	3,750
(3)	Investments and other assets		
1	Investment securities	2,695	2,774
2	Long-term loans receivable	4,598	4,600
3	Net defined benefit asset	4,659	4,670
4	Deferred income taxes	552	663
5	Other	10,710	11,272
6	Allowance for doubtful accounts	(4,516)	(4,511)
	Total investments and other assets	18,699	19,470
	Total non-current assets	34,048	35,182
	Total assets	240,853	245,060
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	72,591	62,765
2	Short-term loans payable	7,499	8,631
3	Income taxes payable	322	502
4	Advances received on uncompleted construction contracts	60,925	70,067
5	Provision for bonuses	588	504
6	Provision for warranties for completed construction	26	17
7	Provision for loss on construction contracts	133	237
8	Forward exchange contracts	293	412
9	Other	16,888	14,855
	Total current liabilities	159,268	157,994
II	Non-current liabilities		
1	Long-term loans payable	28,088	26,916
2	Lease obligations	580	556
3	Deferred income taxes	4,916	5,777
4	Net defined benefit liability	876	1,046
5	Provision for losses on business of subsidiaries and affiliates	396	398
6	Other	2,164	2,125
	Total non-current liabilities	37,022	36,820
	Total liabilities	196,290	194,815
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	16,297	17,345
4	Treasury stock, at cost	(446)	(446)
	Total shareholders' equity	38,617	39,665
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	(5)	63
2	Deferred gains on hedges	1,997	3,506
3	Foreign currency translation adjustments	1,332	4,450
4	Remeasurements of defined benefit plans	2,451	2,373
	Total accumulated other comprehensive income	5,775	10,394
III	Non-controlling interests	169	185
	Total net assets	44,562	50,245
	Total liabilities and net assets	240,853	245,060

Consolidated Statements of Income

		April 1, 2021 - June 30, 2021		April 1, 2022 - June 30, 2022	
		Millions of yen		Millions of yen	
I	Net sales		53,993		46,169
II	Cost of sales		47,904		38,897
	Gross profit		6,089		7,271
III	Selling, general and administrative expenses		4,266		4,976
	Operating income		1,823		2,295
IV	Non-operating income				
	1 Interest income	125		209	
	2 Dividends income	23		38	
	3 Foreign exchange gains, net	-		98	
	4 Reversal of allowance for doubtful accounts	18		-	
	5 Miscellaneous income	91	259	90	436
V	Non-operating expenses				
	1 Interest expenses	88		190	
	2 Equity in losses of affiliates	63		755	
	3 Foreign exchange losses, net	68		-	
	4 Miscellaneous expenses	27	249	23	969
	Ordinary income		1,834		1,762
	Profit before income taxes		1,834		1,762
VI	Income taxes				
	1 Income taxes	885	885	710	710
	Net profit		948		1,052
	Net profit attributable to non-controlling interests		1		3
	Net profit attributable to owners of parent		947		1,048

Consolidated Statements of Comprehensive Income

		April 1, 2021 - June 30, 2021		April 1, 2022 - June 30, 2022	
		Millions of yen		Millions of yen	
I	Net profit		948		1,052
II	Other comprehensive income				
1	Valuation difference on available-for-sale securities	(7)		69	
2	Deferred (losses) gains on hedges	(168)		1,509	
3	Foreign currency translation adjustments	717		1,800	
4	Remeasurements of defined benefit plans	(77)		(77)	
5	Share of other comprehensive (loss) income of affiliates accounted for by the equity method	(179)	285	1,329	4,630
	Comprehensive income		1,233		5,683
	Comprehensive income attributable to :				
	Owners of parent		1,234		5,666
	Non-controlling interests		(0)		16

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, 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	110,292	
	Grand total		310,691	29,847	340,539	53,993	287,113
Apr. 1, 2022 - Jun. 30, 2022	Overseas	Petrochemicals	49,600	2,179	51,779	7,542	45,106
		Oil & Gas	32,483	30,124	62,608	5,962	58,056
		Power/Railways etc.	20,791	28	20,820	1,886	19,071
		Chemicals/Fertilizers	61,782	2,638	64,420	8,898	56,023
		Pharmaceutical/Environmental/Industrial Facilities	2,619	588	3,208	642	2,605
		Others	1,252	113	1,365	271	1,085
		Subtotal	168,529	35,674	204,204	25,234	181,948
	Domestic	Petrochemicals	40,038	1,263	41,301	2,015	39,286
		Oil & Gas	3,200	828	4,029	2,506	1,523
		Power/Railways etc.	161,461	5,129	166,590	14,991	151,395
		Pharmaceutical/Environmental/Industrial Facilities	8,522	6,093	14,615	652	13,963
		Others	201	851	1,052	769	282
		Subtotal	213,424	14,166	227,591	20,935	206,450
	Grand total		381,954	49,841	431,795	46,169	388,399

- 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 686 million yen for Apr. 1, 2021 - Jun. 30, 2021 and 3,064 million yen for Apr. 1, 2022 - Jun. 30, 2022.
2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are (118) million yen for Apr. 1, 2021 - Jun. 30, 2021 and (290) million yen for Apr. 1, 2022 - Jun. 30, 2022.
3. Asterisks (*) represent increase (decrease) due to changes in exchange rates.

(Reference) New orders and Backlog, the End of period for the Company's share of the affiliates accounted for by the equity method for Apr. 1, 2022 - Jun. 30, 2022 are 2,184 and 16,186 million yen, respectively.