

The document is an English-language translation of the consolidated financial summary of the financial results for the fiscal year ended March 31, 2023. 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 Fiscal Year Ended March 31, 2023

May 12, 2023

### TOYO ENGINEERING CORPORATION

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

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#### 1. Business results for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022	192,908	(5.0)	4,764	60.8	3,888	24.4	1,647	1.6
FY2021	202,986	10.3	2,963	83.4	3,126	12.4	1,620	98.9

(Reference) Comprehensive income (millions of yen):

FY2022 : 4,547 1.4% FY2021: 4,485 9.5%

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2022	28.11	—	3.5	1.6	2.5
FY2021	27.65	—	3.8	1.4	1.5

(Reference) Equity in earnings of affiliates (millions of yen):

FY2022 : (216) FY2021 : (240)

(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	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2022	256,311	49,105	19.1	885.04
FY2021	240,853	44,562	18.4	766.81

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

FY2022 : 48,924 FY2021 : 44,393

(Note) Upon calculation of "Book value per share", Residual assets attributable to class A preferred stocks is deducted from total net assets.

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2022	15,591	(9,469)	(1,574)	95,865
FY2021	(6,790)	(7,851)	7,608	89,800

#### 2. Dividends

	Cash dividends per share					Total Cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	Q1	Q2	Q3	Q4	Annual			
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2022	—	0.00	—	0.00	0.00	—	—	—
FY2023 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

#### 3. Forecast of consolidated operating results for the fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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	24.4	3,000	(37.0)	4,500	15.7	3,000	82.1	51.19

(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)

FY2022 : 38,558,507

FY2021 : 38,558,507

Number of treasury stocks at end of term

FY2022 : 227,453

FY2021 : 227,058

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

FY2022 : 38,331,223

FY2021 : 38,331,972

(Note)

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

#### (Reference) Non-consolidated business results

##### 1. Business results for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

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

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022	97,580	(2.5)	(918)	—	(934)	—	(597)	—
FY2021	100,109	(1.3)	260	—	996	—	1,014	—

	Net income per share		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
FY2022	(10.20)	—	—	—
FY2021	17.30	—	—	—

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Book value per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen	Yen	
FY2022	166,235	11,107	11,107	6.7	(101.56)			
FY2021	164,518	12,404	12,404	7.5	(67.71)			

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

FY2022 : 11,107

FY2021 : 12,404

(Note)

Upon calculation of "Book value per share", Residual assets attributable to class A preferred stocks is deducted from total net assets.

\* 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	March 31, 2023
		Millions of yen	Millions of yen
[Assets]			
<b>I</b>	<b>Current assets</b>		
1	Cash and deposits	92,153	108,523
2	Notes receivable, accounts receivable from completed construction contracts and other	69,716	65,588
3	Costs on uncompleted construction contracts	19,758	22,290
4	Accounts receivable - other	4,985	6,374
5	Deposits paid	7,150	8,224
6	Forward exchange contracts	2,813	2,103
7	Other	11,447	11,012
8	Allowance for doubtful accounts	(1,221)	(1,361)
	<b>Total current assets</b>	<b>206,805</b>	<b>222,755</b>
<b>II</b>	<b>Non-current assets</b>		
(1)	Property, plant and equipment		
1	Buildings and structures	14,637	15,076
2	Machinery, vehicles, tools, furniture and fixtures	5,379	5,827
3	Land	6,328	6,384
4	Leased assets	2,336	3,440
5	Construction in progress	148	301
6	Accumulated depreciation and impairment loss	(16,969)	(18,209)
	<b>Total property, plant and equipment</b>	<b>11,861</b>	<b>12,820</b>
(2)	Intangible assets		
1	Other	3,488	4,726
	<b>Total intangible assets</b>	<b>3,488</b>	<b>4,726</b>
(3)	Investments and other assets		
1	Investment securities	2,695	3,811
2	Long-term loans receivable	4,598	4,588
3	Net defined benefit asset	4,659	6,745
4	Deferred income taxes	552	678
5	Other	10,710	4,695
6	Allowance for doubtful accounts	(4,516)	(4,510)
	<b>Total investments and other assets</b>	<b>18,699</b>	<b>16,008</b>
	<b>Total non-current assets</b>	<b>34,048</b>	<b>33,555</b>
	<b>Total assets</b>	<b>240,853</b>	<b>256,311</b>
[Liabilities]			
<b>I</b>	<b>Current liabilities</b>		
1	Notes payable, accounts payable for construction contracts and other	72,591	64,701
2	Short-term loans payable	7,499	12,168
3	Income taxes payable	322	866
4	Advances received on uncompleted construction contracts	60,925	77,236
5	Provision for bonuses	588	703
6	Provision for warranties for completed construction	26	39
7	Provision for loss on construction contracts	133	538
8	Forward exchange contracts	293	285
9	Other	16,888	18,219
	<b>Total current liabilities</b>	<b>159,268</b>	<b>174,758</b>
<b>II</b>	<b>Non-current liabilities</b>		
1	Long-term loans payable	28,088	22,808
2	Lease obligations	580	1,083
3	Deferred income taxes	4,916	5,235
4	Net defined benefit liability	876	984
5	Provision for losses on business of subsidiaries and affiliates	396	406
6	Other	2,164	1,929
	<b>Total non-current liabilities</b>	<b>37,022</b>	<b>32,448</b>
	<b>Total liabilities</b>	<b>196,290</b>	<b>207,206</b>
[Net Assets]			
<b>I</b>	<b>Shareholders' equity</b>		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	16,297	17,944
4	Treasury stock, at cost	(446)	(447)
	<b>Total shareholders' equity</b>	<b>38,617</b>	<b>40,264</b>
<b>II</b>	<b>Accumulated other comprehensive income</b>		
1	Valuation difference on available-for-sale securities	(5)	274
2	Deferred gains on hedges	1,997	1,019
3	Foreign currency translation adjustments	1,332	3,926
4	Remeasurements of defined benefit plans	2,451	3,440
	<b>Total accumulated other comprehensive income</b>	<b>5,775</b>	<b>8,660</b>
<b>III</b>	<b>Non-controlling interests</b>	169	180
	<b>Total net assets</b>	<b>44,562</b>	<b>49,105</b>
	<b>Total liabilities and net assets</b>	<b>240,853</b>	<b>256,311</b>

### Consolidated Statements of Income

		April 1, 2021 - March 31, 2022		April 1, 2022 - March 31, 2023	
		Millions of yen		Millions of yen	
I	Net sales		202,986		192,908
II	Cost of sales		182,147		168,639
	<b>Gross profit</b>		20,838		24,268
III	Selling, general and administrative expenses		17,875		19,504
	<b>Operating income</b>		2,963		4,764
IV	Non-operating income				
	1 Interest income	659		926	
	2 Dividends income	46		64	
	3 Foreign exchange gains, net	271		-	
	4 Miscellaneous income	279	1,256	434	1,425
V	Non-operating expenses				
	1 Interest expenses	476		926	
	2 Equity in losses of affiliates	240		216	
	3 Foreign exchange losses, net	-		947	
	4 Miscellaneous expenses	376	1,093	211	2,301
	<b>Ordinary income</b>		3,126		3,888
	<b>Profit before income taxes</b>		3,126		3,888
VI	Income taxes				
	1 Income taxes	1,282		2,006	
	2 Income taxes-deferred	205	1,488	220	2,227
	<b>Net profit</b>		1,638		1,661
	<b>Net profit attributable to non-controlling interests</b>		17		14
	<b>Net profit attributable to owners of parent</b>		1,620		1,647

## Consolidated Statements of Comprehensive Income

		April 1, 2021 - March 31, 2022		April 1, 2022 - March 31, 2023	
		Millions of yen		Millions of yen	
I	Net profit		1,638		1,661
II	Other comprehensive income				
1	Valuation difference on available-for-sale securities	123		279	
2	Deferred gains (losses) on hedges	501		(977)	
3	Foreign currency translation adjustments	1,767		1,459	
4	Remeasurements of defined benefit plans	354		988	
5	Share of other comprehensive income of affiliates accounted for by the equity method	100	2,847	1,134	2,885
	<b>Comprehensive income</b>		4,485		4,547
	<b>Comprehensive income attributable to :</b>				
	Owners of parent		4,457		4,531
	Non-controlling interests		27		15

## Consolidated Statement of Changes in Net Assets

From April 1, 2021 through March 31, 2022

	Shareholders' equity					Accumulated other comprehensive income				Total accumulated other comprehensive income	Non-controlling interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred (losses) gains on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Balance at beginning of year (Millions of yen)	18,198	4,567	14,677	(446)	36,997	(128)	1,495	(525)	2,096	2,938	142	40,077
Changes in the fiscal year												
Income attributable to owners of parent			1,620		1,620					—		1,620
Purchase of treasury stock				(0)	(0)					—		(0)
Disposal of treasury stock		(0)		0	0					—		0
Transfer of loss on disposal of treasury stock		0	(0)		—					—		—
Net changes of items other than shareholders' equity					—	123	501	1,857	354	2,837	27	2,864
Total changes in the fiscal year (Millions of yen)	—	—	1,620	(0)	1,619	123	501	1,857	354	2,837	27	4,484
Balance at end of year (Millions of yen)	18,198	4,567	16,297	(446)	38,617	(5)	1,997	1,332	2,451	5,775	169	44,562

From April 1, 2022 through March 31, 2023

	Shareholders' equity					Accumulated other comprehensive income				Total accumulated other comprehensive income	Non-controlling interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Balance at beginning of year (Millions of yen)	18,198	4,567	16,297	(446)	38,617	(5)	1,997	1,332	2,451	5,775	169	44,562
Changes in the fiscal year												
Income attributable to owners of parent			1,647		1,647					—		1,647
Purchase of treasury stock				(0)	(0)					—		(0)
Net changes of items other than shareholders' equity					—	279	(977)	2,593	989	2,884	10	2,895
Total changes in the fiscal year (Millions of yen)	—	—	1,647	(0)	1,646	279	(977)	2,593	989	2,884	10	4,542
Balance at end of year (Millions of yen)	18,198	4,567	17,944	(447)	40,264	274	1,019	3,926	3,440	8,660	180	49,105

### Consolidated Statements of Cash Flows

	April 1, 2021 - March 31, 2022	April 1, 2022 - March 31, 2023
	Millions of yen	Millions of yen
<b>I Cash flows from operating activities</b>		
1 Profit before income taxes	3,126	3,888
2 Depreciation and amortization	1,678	2,056
3 Amortization of goodwill	(10)	(10)
4 Increase in allowance for doubtful accounts	59	132
5 Decrease in net defined benefit liability	(1,095)	(1,342)
6 (Decrease) increase in provision for loss on construction contracts	(228)	404
7 Interest and dividends income	(705)	(990)
8 Interest expenses	476	926
9 Foreign exchange (gains) losses	(311)	132
10 Gain on sales of property, plant and equipment	(3)	(5)
11 Equity in losses of affiliates	240	216
12 Gain on sales of investments in securities	(70)	-
13 (Increase) decrease in notes receivable, accounts receivable from completed construction contracts	(16,666)	4,928
14 Increase in costs on uncompleted construction contracts	(844)	(1,999)
15 Increase in accounts receivable - other	(426)	(1,524)
16 Decrease in notes and accounts payable - trade	(1,597)	(8,646)
17 (Decrease) increase in advances received on uncompleted construction contracts	(1,704)	15,316
18 Increase in deposits paid	(2,145)	(1,073)
19 Decrease in other assets	4,247	2,885
20 Increase in other liabilities	10,201	1,678
21 Other, net	394	287
Subtotal	(5,385)	17,260
22 Interest and dividends income received	877	733
23 Interest expenses paid	(429)	(864)
24 Income taxes paid	(1,853)	(1,538)
Net cash (used in) provided by operating activities	(6,790)	15,591
<b>II Cash flows from investing activities</b>		
1 Net increase in time deposits	(4,659)	(5,512)
2 Purchase of property, plant and equipment	(766)	(955)
3 Proceeds from sales of property, plant and equipment	21	72
4 Purchase of intangible assets	(2,037)	(2,196)
5 Proceeds from sales of shares of subsidiaries and affiliates	-	(523)
6 Net (increase) decrease in short-term loans receivable	(3)	3
7 Other, net	(407)	(357)
Net cash used in investing activities	(7,851)	(9,469)
<b>III Cash flows from financing activities</b>		
1 Net (decrease) increase in short-term loans payable	(2,247)	322
2 Proceeds from long-term loans payable	19,685	6,022
3 Repayment of long-term loans payable	(9,278)	(7,303)
4 Repayment of finance lease obligations	(551)	(611)
5 Other, net	(0)	(4)
Net cash provided by (used in) financing activities	7,608	(1,574)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	2,350	1,517
<b>V Net (decrease) increase in cash and cash equivalents</b>	(4,683)	6,065
<b>VI Cash and cash equivalents at beginning of period</b>	94,483	89,800
<b>VII Cash and cash equivalents at the end of period</b>	89,800	95,865

## 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 - Mar. 31, 2022	Overseas	Petrochemicals	69,984	13,311	83,296	28,319	49,600
		Oil & Gas	41,413	18,994	60,408	31,261	32,483
		Power/Railways etc.	29,910	138	30,049	9,767	20,791
		Chemicals/Fertilizers	36,054	62,881	98,935	39,277	61,782
		Pharmaceutical/Environmental/Industrial Facilities	2,339	4,413	6,752	4,440	2,619
		Others	1,130	1,924	3,055	1,833	1,252
		Subtotal	180,833	101,663	282,497	114,899	168,529
	Domestic	Petrochemicals	9,365	37,676	47,041	7,002	40,038
		Oil & Gas	5,526	5,442	10,969	7,768	3,200
		Power/Railways etc.	109,018	117,139	226,157	63,554	161,461
		Chemicals/Fertilizers	-	-	-	-	-
		Pharmaceutical/Environmental/Industrial Facilities	5,726	10,345	16,071	7,544	8,522
		Others	221	2,198	2,420	2,216	201
	Subtotal	129,857	172,803	302,661	88,086	213,424	
Grand total		*1,411				*4,478	
Grand total		310,691	274,467	585,159	202,986	381,954	
Apr. 1, 2022 - Mar. 31, 2023	Overseas	Petrochemicals	49,600	22,885	72,485	26,827	44,416
		Oil & Gas	32,483	56,485	88,968	24,190	67,838
		Power/Railways etc.	20,791	3,790	24,582	10,613	14,873
		Chemicals/Fertilizers	61,782	78,707	140,490	35,028	106,333
		Pharmaceutical/Environmental/Industrial Facilities	2,619	3,113	5,733	5,486	434
		Others	1,252	5,630	6,882	2,538	4,327
		Subtotal	168,529	170,612	339,141	104,686	238,224
	Domestic	Petrochemicals	40,038	3,514	43,553	11,906	31,646
		Oil & Gas	3,200	4,640	7,841	5,442	1,953
		Power/Railways etc.	161,461	1,583	163,044	58,652	100,627
		Chemicals/Fertilizers	-	1,784	1,784	196	1,588
		Pharmaceutical/Environmental/Industrial Facilities	8,522	24,362	32,885	7,485	24,949
		Others	201	4,541	4,742	4,539	201
	Subtotal	213,424	40,426	253,850	88,222	160,968	
Grand total		*4,478				*4,276	
Grand total		381,954	211,038	592,992	192,908	399,192	

- 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 7,523 million yen for Apr. 1, 2021 - Mar. 31, 2022 and 6,486 million yen for Apr. 1, 2022 - Mar. 31, 2023.
2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".  
The amounts are (7,742) million yen for Apr. 1, 2021 - Mar. 31, 2022 and (7,378) million yen for Apr. 1, 2022 - Mar. 31, 2023.
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 - Mar. 31, 2023 are 43,229 and 43,273 million yen, respectively.