

Second Quarter of Fiscal Year Ending March 2024

# OUTLINE OF FINANCIAL RESULTS

November 9, 2023

Toyo Engineering Corporation

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# Performance Summary

JPY billion



- ◆ Increase in revenue and profit compared with the same period of the previous year
- ◆ Revised the forecast for 2024/3 (Operating income revised upward)

	2022/9	2023/9	Difference	Forecast 2024/3 as of 2023/11/9	Progress
Net sales	96.4	117.0 ①	+20.6	250.0	47%
Gross profit	13.3	13.2	(0.1)	26.0	51%
Gross profit margin	13.8%	11.3% ②	-2.5pt	10.4%	
SG&A expenses	10.2	10.0	+0.2	21.0	48%
Operating income	3.0	3.2	+0.2	5.0	64%
Operating income margin	3.2%	2.8%	-0.4pt	2.0%	
Non-operating income & expenses	(0.5)	0.8 ③	+1.3	-	-
Ordinary income	2.5	4.0	+1.5	5.0	80%
Extraordinary income & loss	-	-	-	-	-
Profit before income taxes	2.5	4.0	+1.5	5.0	80%
Income taxes	1.2	1.6	(0.4)	2.0	80%
Profit attributable to owners of parent	1.2	2.3	+1.1	3.0	77%
New orders	101.4	70.3	(31.1)	120.0	59%
New orders including the equity method affiliates	122.4	361.1 ④	+238.7	410.0	88%
Dividends per share	Interim ¥0	Interim ¥0	±¥0	Annual ¥0	-

① Increased in net sales compared with the same period of the previous year due to increase of the backlog of ongoing projects and their construction progress

② Steady performance this term as well (There was a temporary factor of improvement in completed projects in the previous fiscal year)

③ Includes equity method investment losses

④ Exceeded initial forecast of JPY 320 billion

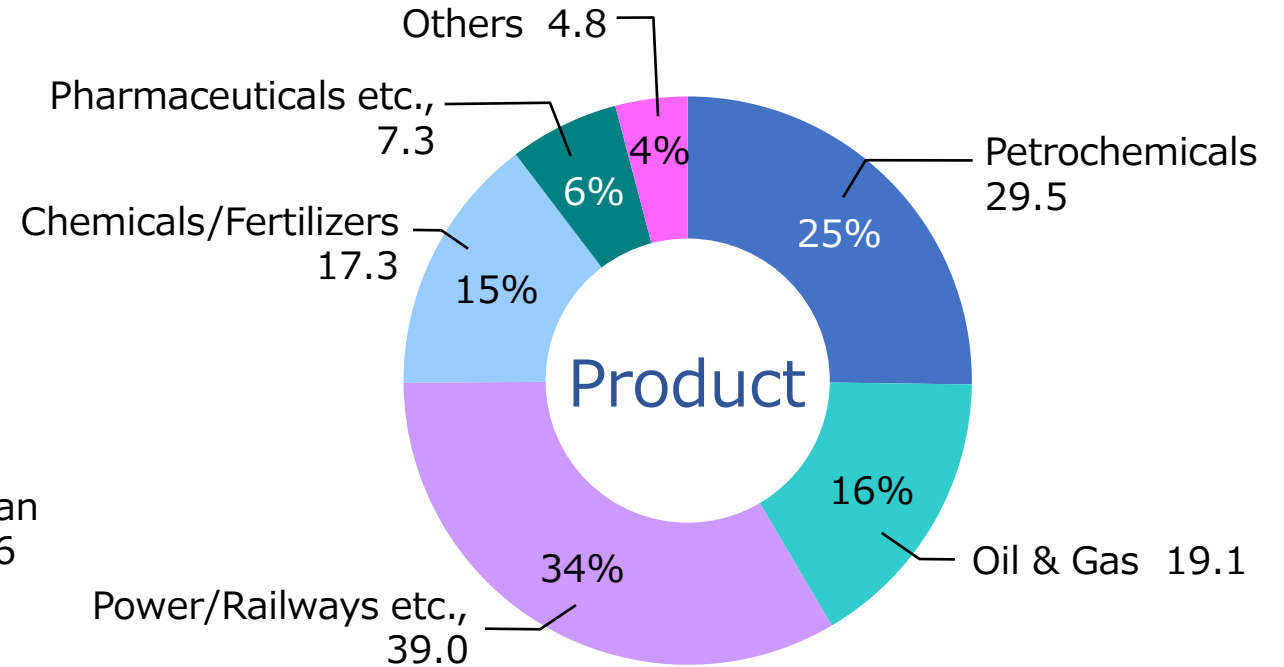
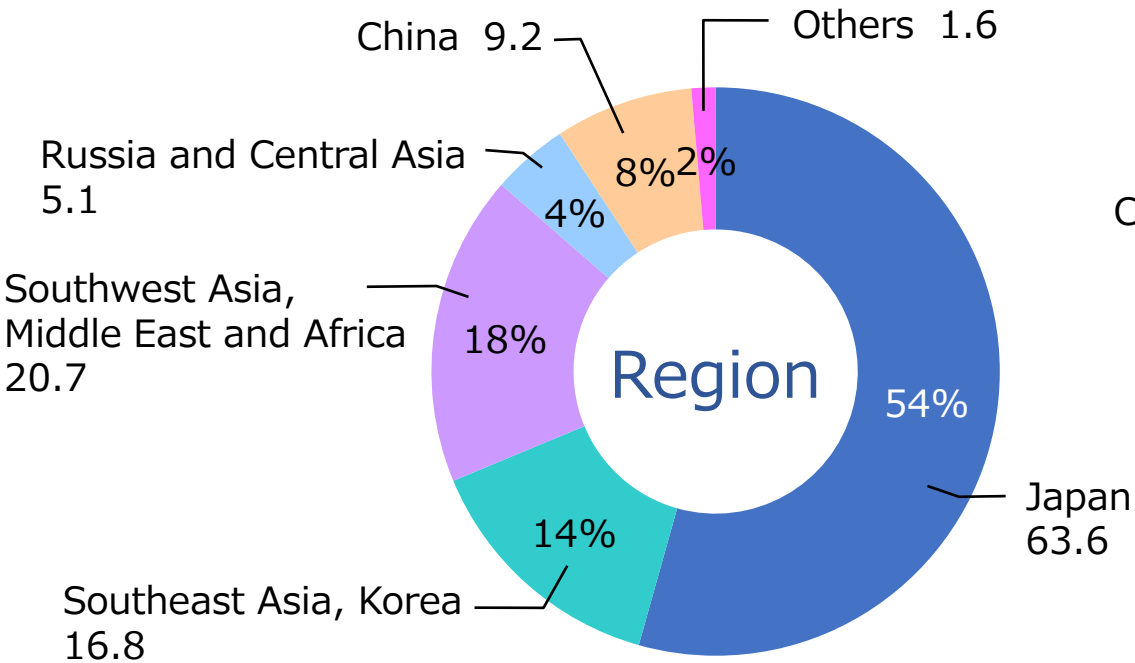
\* See page 9 for reasons for the revision to the full-year forecast

# Net Sales

JPY billion



2023/9 Net sales : JPY 117.0 billion



Major Contracts	Over JPY 10 billion	Over JPY 5 billion	Over JPY 4 billion
	Petrochemical, JAPAN	Power/Railways etc., JAPAN (3 projects)	Power/Railway etc., JAPAN Oil & Gas, INDIA Chemical/Fertilizer, CHINA

# Balance Sheet

JPY billion



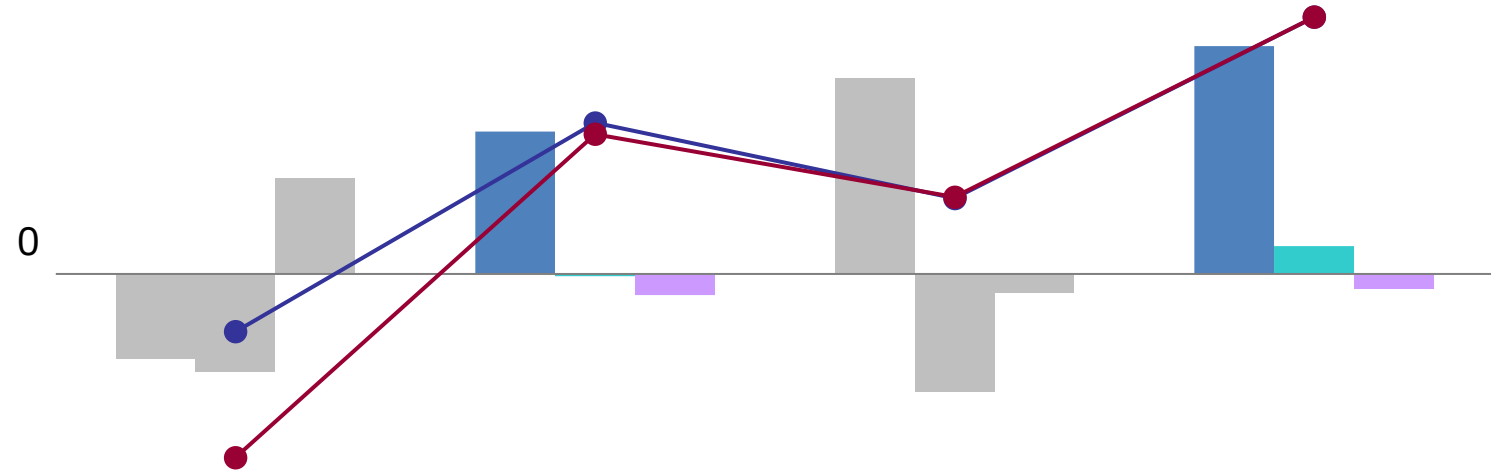
Assets	2023/3	2023/9	Difference
Current assets	222.7	244.9	+22.2
Cash and deposits	108.5	127.5	+19.0
Notes and accounts receivable	65.5	64.4	(1.1)
Work in progress	22.2	26.8	+4.6
Other current assets	26.3	26.1	(0.2)
Non-current assets	33.5	36.3	+2.8
Property, plant and equipment	12.8	13.1	+0.3
Intangible assets	4.7	5.0	+0.3
Investments and other assets	16.0	18.0	+2.0
<b>Total assets</b>	<b>256.3</b>	<b>281.2</b>	<b>+24.9</b>

Liabilities and net assets	2023/3	2023/9	Difference
Current liabilities	174.7	192.7	+18.0
Short-term interest bearing debt	12.6	11.7	(0.9)
Notes and accounts payable	64.7	80.2	+15.5
Advance receipts on uncompleted contracts	77.2	80.3	+3.1
Other current liabilities	20.1	20.3	+0.2
Noncurrent liabilities	32.4	33.4	+1.0
Long-term interest bearing debt	23.8	24.2	+0.4
Other noncurrent liabilities	8.5	9.1	+0.6
Net assets	49.1	55.1	+6.0 ①
Shareholder's equity	40.2	42.6	+2.4
Accumulated other comprehensive income	8.6	12.3	+3.7 ①
Non-controlling interests	0.1	0.2	+0.1
<b>Total liabilities and net assets</b>	<b>256.3</b>	<b>281.2</b>	<b>+24.9</b>
Equity ratio	19.1%	19.5%	+0.4pt

① Increase in net assets due to the accumulation of net income and increase in foreign currency translation adjustments resulting from the depreciation of the yen in the conversion of net assets of overseas subsidiaries

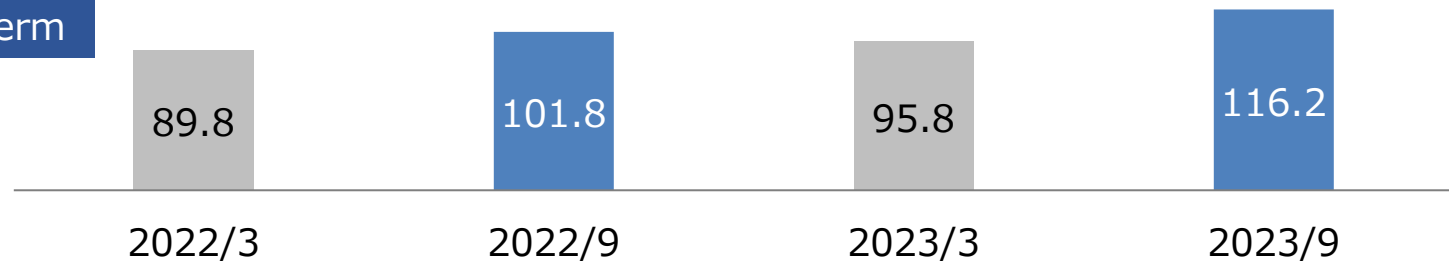
# Cash Flows

JPY billion



	2021/4~2022/3	2022/4~9	2022/4~2023/3	2023/4~9
Operating activities	(6.7)	11.3	15.5	18.1
Investing activities	(7.8)	(0.2)	(9.4)	2.2
Financing activities	7.6	(1.7)	(1.5)	(1.2)
Net increase/decrease in cash	(4.6)	12.0	6.0	20.4
Free cash flow	(14.6)	11.1	6.1	20.4

## Cash and cash equivalents, end of the term



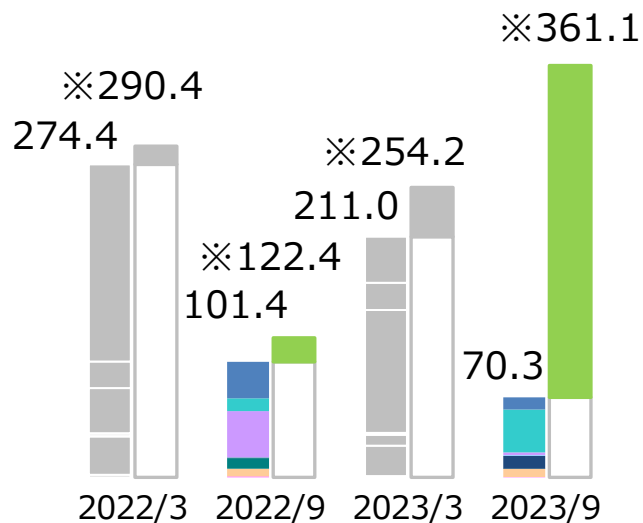
# New Orders

JPY billion



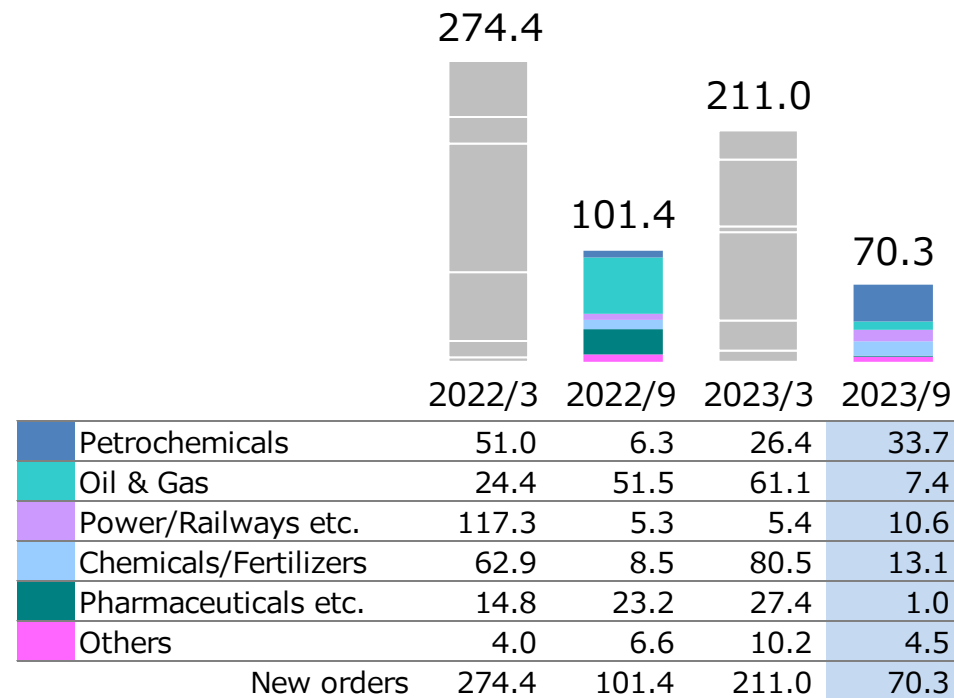
※<Reference>Including the equity method affiliates

## Region



Region	2022/3	2022/9	2023/3	2023/9
Japan	172.8	32.1	40.4	10.6
Southeast Asia, Korea	23.2	11.2	23.7	37.6
Southwest Asia, Middle East and Africa	39.6	40.4	107.9	2.3
Russia and Central Asia	0.3	0.1	0.3	0.8
North America	2.2	0.6	1.2	11.3
Central and South America	0.4	9.3	9.7	0.1
China	33.4	6.8	26.5	7.1
Others	2.5	0.9	1.3	0.5
<b>New orders</b>	<b>274.4</b>	<b>101.4</b>	<b>211.0</b>	<b>70.3</b>
<b>The equity method affiliates</b>	<b>15.9</b>	<b>21.0</b>	<b>43.2</b>	<b>290.7</b>
<b>&lt;Reference&gt; New orders including the equity method affiliates</b>	<b>290.4</b>	<b>122.4</b>	<b>254.2</b>	<b>361.1</b>

## Product



## 2023/9 Major Contracts

Consolidated	The equity method affiliates
Over JPY 10 billion Petrochemical, KOREA Power/Railway etc., INDONESIA	FPSO *1, GUYANA FPSO, BRAZIL

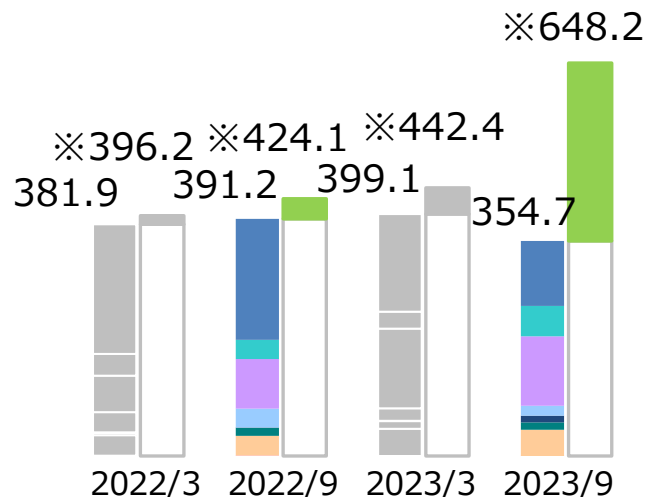
\*1 : FPSO = Floating Production, Storage and Offloading

# Backlog of Contracts

JPY billion

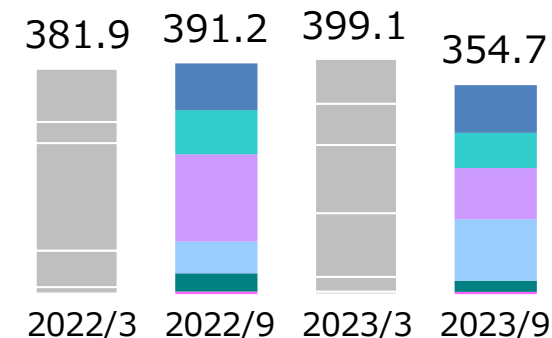
※ <Reference> Including the equity method affiliates

## Region



Region	2022/3	2022/9	2023/3	2023/9
Japan	213.4	199.5	160.9	107.2
Southeast Asia, Korea	35.8	31.8	28.0	50.0
Southwest Asia, Middle East and Africa	60.2	81.4	131.2	114.3
Russia and Central Asia	33.2	31.3	20.8	16.3
North America	0.9	0.6	0.3	11.3
Central and South America	4.0	13.1	12.7	12.0
China	33.4	32.8	44.9	43.2
Others	1.0	0.7	0.3	0.4
<b>Backlog of contracts</b>	<b>381.9</b>	<b>391.2</b>	<b>399.1</b>	<b>354.7</b>
<b>The equity method affiliates</b>	<b>14.3</b>	<b>32.9</b>	<b>43.2</b>	<b>293.4</b>
<b>&lt;Reference&gt; Backlog of contracts including the equity method affiliates</b>	<b>396.2</b>	<b>424.1</b>	<b>442.4</b>	<b>648.2</b>

## Product



Product	2022/3	2022/9	2023/3	2023/9
Petrochemicals	89.6	79.0	76.0	80.8
Oil & Gas	35.7	75.0	69.8	59.6
Power/Railways etc.	182.3	148.1	115.5	86.9
Chemicals/Fertilizers	61.8	53.4	107.9	104.0
Pharmaceuticals etc.	11.1	30.7	25.4	19.1
Others	1.4	5.0	4.5	4.3
<b>Backlog of contracts</b>	<b>381.9</b>	<b>391.2</b>	<b>399.1</b>	<b>354.7</b>

## 2023/9 Major Contracts

Consolidated	The equity method affiliates
Over JPY 50 billion	FPSO, GUYANA
Chemical/Fertilizer, NIGERIA	FPSO, BRAZIL
Over JPY 20 billion	
Oil & Gas, INDIA	
Power/Railway etc., JAPAN	
Chemical/Fertilizer, CHINA	



# Forecast for 2024/3

◆ Revised the forecast for 2024/3  
(Operating income revised upward)

JPY billion



<Reason for revision>

**Net sales :**

Revenue increased by JPY 10 billion due to progress of ongoing projects mainly in India and China exceeding initial plan

**Gross profit &**

**Operating income :**

Profit increased by JPY 2 billion due to net sales increase and improvement of profitability in some overseas projects

**Non-operating income & expenses :**

Profit decreased by JPY 1.5 billion mainly due to expected losses on projects undertaken by equity method affiliates in BRAZIL

**New orders including the equity method affiliates :**

Increased by JPY 90 billion due to more-than-expected orders received by equity method affiliates

	2023/3	2Q:2023/9		2024/3 Forecast		
	Result	Result	Progress	Initial plan as of 2023/5/12	Revised plan as of 2023/11/9	Difference
Net sales	192.9	117.0	47%	240.0	250.0	+10.0
Gross profit	24.2	13.2	51%	24.0	26.0	+2.0
Gross profit margin	12.6%	11.3%		10.0%	10.4%	+0.4pt
SG&A expenses	19.5	10.0	48%	21.0	21.0	±0.0
Operating income	4.7	3.2	64%	3.0	5.0	+2.0
Operating income margin	2.5%	2.8%		1.3%	2.0%	+0.7pt
Non-operating income & expenses	(0.8)	0.8	-	1.5	-	(1.5)
Ordinary income	3.8	4.0	80%	4.5	5.0	+0.5
Income taxes	2.2	1.6	80%	1.5	2.0	(0.5)
Profit attributable to owners of parent	1.6	2.3	77%	3.0	3.0	±0.0
New orders	211.0	70.3	59%	120.0	120.0	±0.0
New orders including the equity method affiliates	254.2	361.1	88%	320.0	410.0	+90.0
Dividends per share	Annual ¥0	Interim ¥0	-	Annual ¥0	Annual ¥0	±¥0
Net assets	49.1	55.1		52.1	55.8	+3.7
ROE	3.5%	-		6.0%	5.7%	-0.3pt

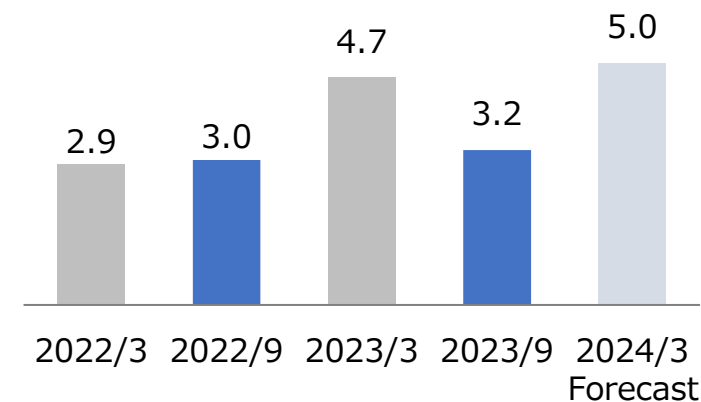
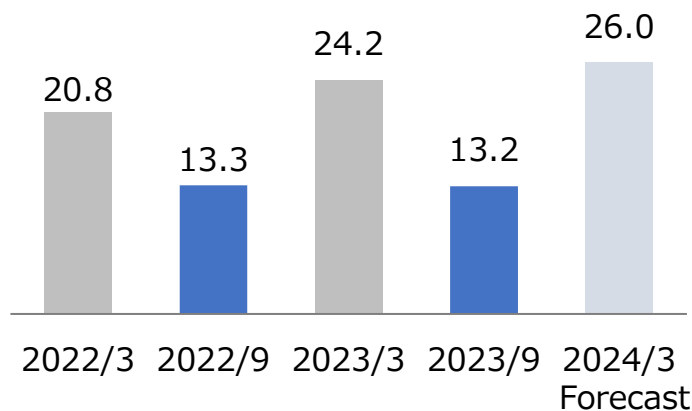
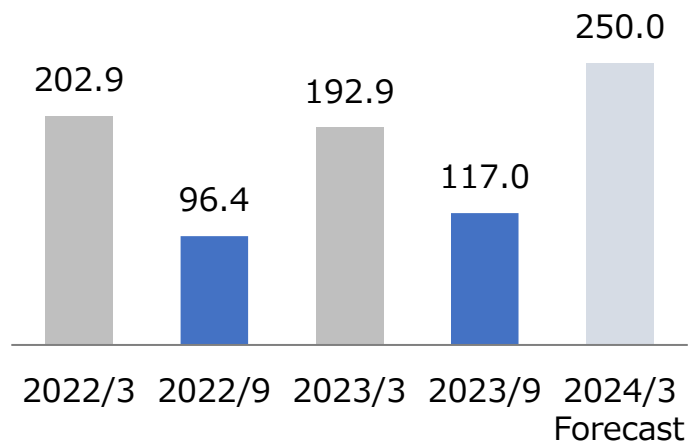
Exchange rate for the forecast 1US\$= ¥140

# -Reference- Performance Trends

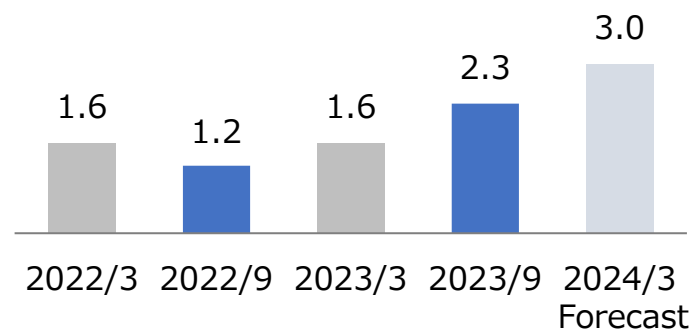
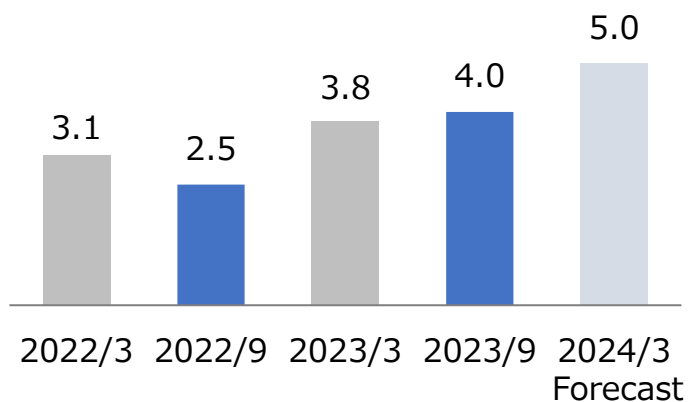
JPY billion



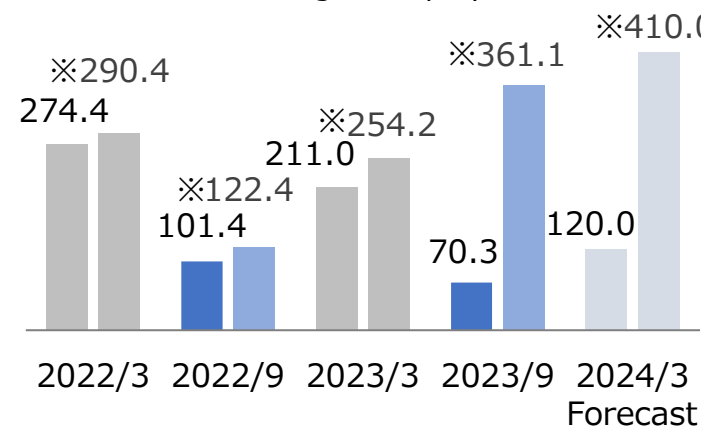
## Net sales      Gross profit      Operating income



## Ordinary income      Profit attributable to owners of parent      New orders



※:New orders including the equity method affiliates



# -Reference- Historical Data

		2022/3	2022/9	2023/3	2023/9	2024/3 Forecast
Net sales	JPY billion	202.9	96.4	192.9	117.0	250.0
Gross profit	JPY billion	20.8	13.3	24.2	13.2	26.0
Gross profit margin	%	10.3%	13.8%	12.6%	11.3%	10.4%
SG&A expenses	JPY billion	17.8	10.2	19.5	10.0	21.0
Operating income	JPY billion	2.9	3.0	4.7	3.2	5.0
Operating income margin	%	1.5%	3.2%	2.5%	2.8%	2.0%
Ordinary income	JPY billion	3.1	2.5	3.8	4.0	5.0
Income taxes	JPY billion	1.4	1.2	2.2	1.6	2.0
Profit attributable to owners of parent	JPY billion	1.6	1.2	1.6	2.3	3.0
Comprehensive income	JPY billion	4.4	5.8	4.5	6.0	
Interest bearing debt	JPY billion	36.6	35.7	36.5	36.0	
Debt equity ratio	Times	0.83	0.71	0.75	0.66	
Net debt	JPY billion	(53.1)	(66.1)	(71.9)	(80.2)	
Equity ratio	%	18.4%	19.7%	19.1%	19.5%	
Operating activities CF	JPY billion	(6.7)	11.3	15.5	18.1	
Investing activities CF	JPY billion	(7.8)	(0.2)	(9.4)	2.2	
Financing activities CF	JPY billion	7.6	(1.7)	(1.5)	(1.2)	
New orders	JPY billion	274.4	101.4	211.0	70.3	120.0
New orders including the equity method affiliates	JPY billion	290.4	122.4	254.2	361.1	410.0
Backlog of contracts	JPY billion	381.9	391.2	399.1	354.7	
Backlog of contracts including the equity method affiliates	JPY billion	396.2	424.1	442.4	648.2	
Dividends per share	Yen	Annual 0.0	Interim 0.0	Annual 0.0	Interim 0.0	Annual 0.0
Net assets	JPY billion	44.5	50.4	49.1	55.1	55.8
ROE	%	3.8%	-	3.5%	-	5.7%



## Toyo Engineering Corporation

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