

The document is an English-language translation of the consolidated financial summary of the financial results for the third quarter ended December 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 Third Quarter ended December 31, 2023

For the Fiscal Year Ending March 31, 2024

February 8, 2024

TOYO ENGINEERING CORPORATION

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

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1. Business results for the third quarter of fiscal year 2023 (April 1, 2023 - December 31, 2023)

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, 2023 - Dec. 31, 2023	189,373	33.3	5,450	21.8	5,131	60.1	3,083	102.4
Apr. 1, 2022 - Dec. 31, 2022	142,048	1.5	4,474	219.1	3,204	76.4	1,523	24.3

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2023 - Dec. 31, 2023 : 5,771 55.0% Apr. 1, 2022 - Dec. 31, 2022: 3,723 151.4%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2023 - Dec. 31, 2023	52.61	—
Apr. 1, 2022 - Dec. 31, 2022	25.99	—

(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, 2023	282,000	54,870	19.4
As of Mar. 31, 2023	256,311	49,105	19.1

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

Dec. 31, 2023: 54,670 Mar. 31, 2023: 48,924

2. Dividends

	Cash dividends per share									
	Q1		Q2		Q3		Q4		Annual	
FY2022	—	Yen	0.00	Yen	—	Yen	0.00	Yen	0.00	Yen
FY2023	—	Yen	0.00	Yen	—	Yen				
FY2023 (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, 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	250,000	29.6	5,000	4.9	5,000	28.6	7,900	379.6	134.81

(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, 2023 : 38,558,507

Mar. 31, 2023 : 38,558,507

Number of treasury stocks at end of period

Dec. 31, 2023 : 228,622

Mar. 31, 2023 : 227,453

Average number of stock outstanding during the period: Third quarter of FY2023 and FY2022

Third quarter of FY2023 : 38,330,478

Third quarter of FY2022 : 38,331,271

(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, 2023	December 31, 2023
		Millions of yen	Millions of yen
[Assets]			
I	Current assets		
1	Cash and deposits	108,523	128,274
2	Notes receivable, accounts receivable from completed construction contracts and other	65,588	65,268
3	Costs on uncompleted construction contracts	22,290	24,283
4	Accounts receivable - other	6,374	13,332
5	Deposits paid	8,224	9,782
6	Forward exchange contracts	2,103	1,825
7	Other	11,012	5,950
8	Allowance for doubtful accounts	(1,361)	(1,561)
	Total current assets	222,755	247,154
II	Non-current assets		
(1)	Property, plant and equipment		
1	Buildings and structures	15,076	15,268
2	Machinery, vehicles, tools, furniture and fixtures	5,827	6,037
3	Land	6,384	6,542
4	Leased assets	3,440	2,436
5	Construction in progress	301	544
6	Accumulated depreciation and impairment loss	(18,209)	(17,934)
	Total property, plant and equipment	12,820	12,895
(2)	Intangible assets		
1	Other	4,726	5,324
	Total intangible assets	4,726	5,324
(3)	Investments and other assets		
1	Investment securities	3,811	4,758
2	Long-term loans receivable	4,588	4,584
3	Net defined benefit asset	6,745	7,061
4	Deferred income taxes	678	715
5	Other	4,695	4,051
6	Allowance for doubtful accounts	(4,510)	(4,543)
	Total investments and other assets	16,008	16,626
	Total non-current assets	33,555	34,846
	Total assets	256,311	282,000
[Liabilities]			
I	Current liabilities		
1	Notes payable, accounts payable for construction contracts and other	64,701	94,344
2	Short-term loans payable	12,168	14,002
3	Income taxes payable	866	871
4	Advances received on uncompleted construction contracts	77,236	67,194
5	Provision for bonuses	703	371
6	Provision for warranties for completed construction	39	26
7	Provision for loss on construction contracts	538	481
8	Forward exchange contracts	285	752
9	Other	18,219	18,766
	Total current liabilities	174,758	196,811
II	Non-current liabilities		
1	Long-term loans payable	22,808	20,491
2	Lease obligations	1,083	807
3	Deferred income taxes	5,235	5,453
4	Net defined benefit liability	984	1,199
5	Provision for losses on business of subsidiaries and affiliates	406	430
6	Other	1,929	1,935
	Total non-current liabilities	32,448	30,319
	Total liabilities	207,206	227,130
[Net Assets]			
I	Shareholders' equity		
1	Capital stock	18,198	18,198
2	Capital surplus	4,567	4,567
3	Retained earnings	17,944	21,027
4	Treasury stock, at cost	(447)	(447)
	Total shareholders' equity	40,264	43,346
II	Accumulated other comprehensive income		
1	Valuation difference on available-for-sale securities	274	612
2	Deferred gains on hedges	1,019	490
3	Foreign currency translation adjustments	3,926	7,109
4	Remeasurements of defined benefit plans	3,440	3,111
	Total accumulated other comprehensive income	8,660	11,324
III	Non-controlling interests	180	199
	Total net assets	49,105	54,870
	Total liabilities and net assets	256,311	282,000

Consolidated Statements of Income

		April 1, 2022 - December 31, 2022		April 1, 2023 - December 31, 2023	
		Millions of yen		Millions of yen	
I	Net sales		142,048		189,373
II	Cost of sales		122,961		168,441
	Gross profit		19,086		20,931
III	Selling, general and administrative expenses		14,612		15,481
	Operating income		4,474		5,450
IV	Non-operating income				
1	Interest income	667		970	
2	Dividends income	64		138	
3	Miscellaneous income	317	1,049	613	1,722
V	Non-operating expenses				
1	Interest expenses	597		602	
2	Equity in losses of affiliates	634		765	
3	Foreign exchange losses, net	918		377	
4	Miscellaneous expenses	169	2,319	295	2,041
	Ordinary income		3,204		5,131
	Profit before income taxes		3,204		5,131
VI	Income taxes				
1	Income taxes	1,671	1,671	2,032	2,032
	Net profit		1,532		3,098
	Net profit attributable to non-controlling interests		9		15
	Net profit attributable to owners of parent		1,523		3,083

Consolidated Statements of Comprehensive Income

		April 1, 2022 - December 31, 2022		April 1, 2023 - December 31, 2023	
		Millions of yen		Millions of yen	
I	Net profit		1,532		3,098
II	Other comprehensive income				
1	Valuation difference on available-for-sale securities	248		338	
2	Deferred losses on hedges	(1,224)		(501)	
3	Foreign currency translation adjustments	1,863		2,384	
4	Remeasurements of defined benefit plans	(233)		(329)	
5	Share of other comprehensive income of affiliates accounted for by the equity method	1,535	2,191	780	2,672
	Comprehensive income		3,723		5,771
	Comprehensive income attributable to :				
	Owners of parent		3,715		5,747
	Non-controlling interests		8		24

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, 2022 - Dec. 31, 2022	Overseas	Petrochemicals	49,600	20,771	70,371	19,738	50,209
		Oil & Gas	32,483	47,226	79,709	18,282	64,219
		Power/Railways etc.	20,791	38	20,830	8,438	13,431
		Chemicals/Fertilizers	61,782	12,799	74,581	25,701	49,901
		Pharmaceutical/Environmental/Industrial Facilities	2,619	2,942	5,562	2,476	3,355
		Others	1,252	4,958	6,210	1,987	4,256
		Subtotal	168,529	88,735	257,265	76,625	185,373
	Domestic	Petrochemicals	40,038	2,724	42,763	7,988	34,775
		Oil & Gas	3,200	2,579	5,780	4,174	1,209
		Power/Railways etc.	161,461	333	161,794	45,422	114,637
		Chemicals/Fertilizers	-	328	328	50	278
		Pharmaceutical/Environmental/Industrial Facilities	8,522	23,709	32,231	4,609	27,172
		Others	201	3,286	3,488	3,177	310
		Subtotal	213,424	32,963	246,387	65,423	178,383
	Grand total	*4,478				*8,164	
	Grand total	381,954	121,699	503,653	142,048	363,757	
Apr. 1, 2023 - Dec. 31, 2023	Overseas	Petrochemicals	44,416	61,623	106,039	25,478	81,883
		Oil & Gas	67,838	33,589	101,428	29,334	73,828
		Power/Railways etc.	14,873	10,159	25,033	4,710	21,076
		Chemicals/Fertilizers	106,333	22,336	128,669	30,639	99,958
		Pharmaceutical/Environmental/Industrial Facilities	434	825	1,260	530	713
		Others	4,327	1,897	6,224	2,268	3,943
		Subtotal	238,224	130,431	368,655	92,962	281,404
	Domestic	Petrochemicals	31,646	5,726	37,373	22,466	14,907
		Oil & Gas	1,953	1,909	3,863	3,385	478
		Power/Railways etc.	100,627	820	101,447	51,874	44,416
		Chemicals/Fertilizers	1,588	89	1,678	1,387	291
		Pharmaceutical/Environmental/Industrial Facilities	24,949	1,290	26,240	12,899	13,340
		Others	201	4,481	4,683	4,397	285
		Subtotal	160,968	14,319	175,287	96,410	73,720
	Grand total	*4,276				*10,124	
	Grand total	399,192	144,750	543,943	189,373	355,124	

- 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 6,394 million yen for Apr. 1, 2022 - Dec. 31, 2022 and 6,542 million yen for Apr. 1, 2023 - Dec. 31, 2023.
2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are (4,242) million yen for Apr. 1, 2022 - Dec. 31, 2022 and (5,987) million yen for Apr. 1, 2023 - Dec. 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, 2023 - Dec. 31, 2023 are 297,242 and 273,462 million yen, respectively.