



Fiscal year 2009

(March 31, 2010)

# OUTLINE OF FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

**May 13, 2010**

# Contents



## I Outline of income statement

Performance summary	3
Income statement	4
Net sales	5
Gross profit	8
Operating income	9
Ordinary income	10
Net income	11

## II Financial position

Balance sheet	12
Interest bearing debt balance	13
Cash flows	14

## III New orders

New orders	15
Backlog of contracts	17

## IV Forecast

18

## -Reference-

Subsidiaries information	19
Historical data	20

•Unit of amount figures shown in this material is billion yen with first decimal place on round down basis.

# Performance summary



- *Decreased in revenue but increased in net income compared with the target.*
- *Increased in net income and new orders compared with last fiscal year.*

< Billion yen >

	2009/3	2010/3	Difference		Forecast 2010/3	Difference	Achievement
<b>Net sales</b>	<b>326.2</b>	<b>173.9</b>	<b>(152.3)</b>	<b>-47%</b>	<b>175.0</b>	<b>(1.1)</b>	<b>99%</b>
<b>Gross profit</b>	<b>34.7</b>	<b>32.9</b>	<b>(1.8)</b>	<b>-5%</b>	<b>31.5</b>	<b>1.4</b>	<b>104%</b>
Gross profit rate	10.7%	19.0%	8.3%		18.0%	1.0%	
<b>Operating income</b>	<b>15.1</b>	<b>13.0</b>	<b>(2.1)</b>	<b>-14%</b>	<b>12.0</b>	<b>1.0</b>	<b>108%</b>
Operating income rate	4.6%	7.5%	2.9%		6.9%	0.6%	
<b>Ordinary income</b>	<b>16.1</b>	<b>14.4</b>	<b>(1.7)</b>	<b>-11%</b>	<b>14.0</b>	<b>0.4</b>	<b>103%</b>
<b>Net income</b>	<b>6.5</b>	<b>7.1</b>	<b>0.6</b>	<b>+9%</b>	<b>6.5</b>	<b>0.6</b>	<b>109%</b>
<b>New orders</b>	<b>119.2</b>	<b>132.4</b>	<b>13.2</b>	<b>+11%</b>	<b>230.0</b>	<b>(97.6)</b>	<b>58%</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥7.0</b>	<b>¥7.0</b>	<b>¥0.0</b>		<b>¥7.0</b>	<b>¥0.0</b>	<b>100%</b>

Exchange rate for Forecast 1US\$= ¥90.00

# Income statement



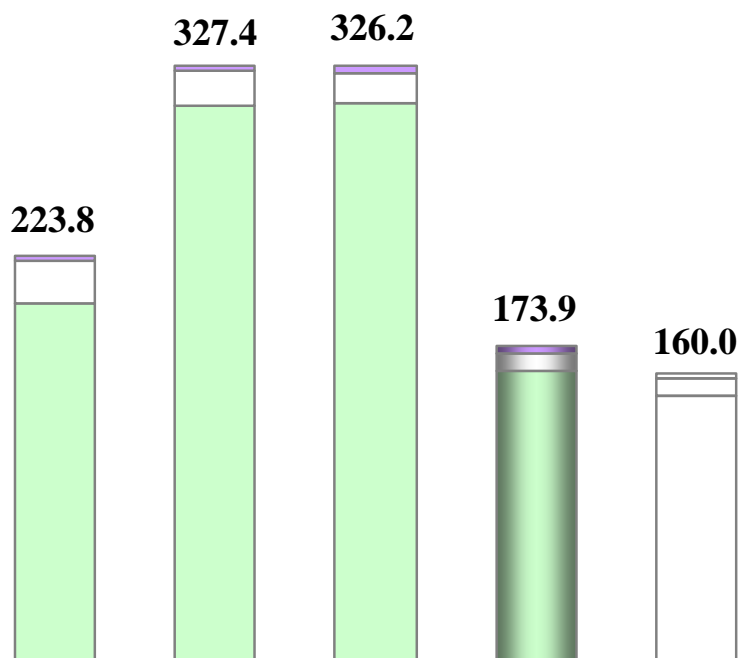
< Billion yen >

	2009/3		2010/3		Difference	Forecast 2010/3	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen		
<b>Net sales</b>	<b>326.2</b>	100.0	<b>173.9</b>	100.0	<b>(152.3)</b>	<b>175.0</b>	<b>(1.1)</b>
Cost of sales	291.4	89.3	140.9	81.0	150.5		
<b>Gross profit</b>	<b>34.7</b>	10.7	<b>32.9</b>	19.0	<b>(1.8)</b>	<b>31.5</b>	<b>1.4</b>
Selling, general and administrative expenses	19.5	6.0	19.9	11.4	(0.4)		
<b>Operating income</b>	<b>15.1</b>	4.6	<b>13.0</b>	7.5	<b>(2.1)</b>	<b>12.0</b>	<b>1.0</b>
Non-operating income	2.6	0.8	2.3	1.3	(0.3)		
Non-operating expenses	1.7	0.5	0.9	0.5	0.8		
Total non-operating income and expenses	0.9		1.3		0.4		
<b>Ordinary income</b>	<b>16.1</b>	4.9	<b>14.4</b>	8.3	<b>(1.7)</b>	<b>14.0</b>	<b>0.4</b>
Extraordinary gain	0.1	0.0	1.0	0.6	0.9		
Extraordinary loss	3.3	1.0	1.2	0.7	2.1		
Total extraordinary gain and loss	(3.1)		(0.2)		2.9		
<b>Income before income taxes and minority interest</b>	<b>13.0</b>	4.0	<b>14.2</b>	8.2	<b>1.2</b>		
Current income taxes and Deferred income taxes	6.1	1.9	6.9	4.0	(0.8)		
Minority interest income	0.3	0.1	0.1	0.1	0.2		
<b>Net income</b>	<b>6.5</b>	2.0	<b>7.1</b>	4.1	<b>0.6</b>	<b>6.5</b>	<b>0.6</b>

# Net sales



< Billion yen >



	2007/3	2008/3	2009/3	2010/3	Forecast 2011/3
EPC	197.1	305.4	306.9	160.1	147.0
IT	23.7	18.2	15.8	10.8	10.0
Real estate	3.0	3.8	3.5	3.0	3.0
<b>Total</b>	<b>223.8</b>	<b>327.4</b>	<b>326.2</b>	<b>173.9</b>	<b>160.0</b>

## Compared with forecast for 2010/3

	2010/3		Difference	Achievement
	Forecast	Result		
EPC	161.5	160.1	(1.4)	99%
IT	10.5	10.8	0.3	103%
Real estate	3.0	3.0	0.0	100%
<b>Total</b>	<b>175.0</b>	<b>173.9</b>	<b>(1.1)</b>	<b>99%</b>

## Compared with last fiscal year

	2009/3	2010/3	Difference	
EPC	306.9	160.1	(146.8)	-48%
IT	15.8	10.8	(5.0)	-32%
Real estate	3.5	3.0	(0.5)	-14%
<b>Total</b>	<b>326.2</b>	<b>173.9</b>	<b>(152.3)</b>	<b>-47%</b>

	2009/3	2010/3	Difference
Japan	71.7	50.9	(20.8)
%	22%	29%	+7%
Overseas	254.5	123.0	(131.5)
%	78%	71%	-7%
<b>Total</b>	<b>326.2</b>	<b>173.9</b>	<b>(152.3)</b>

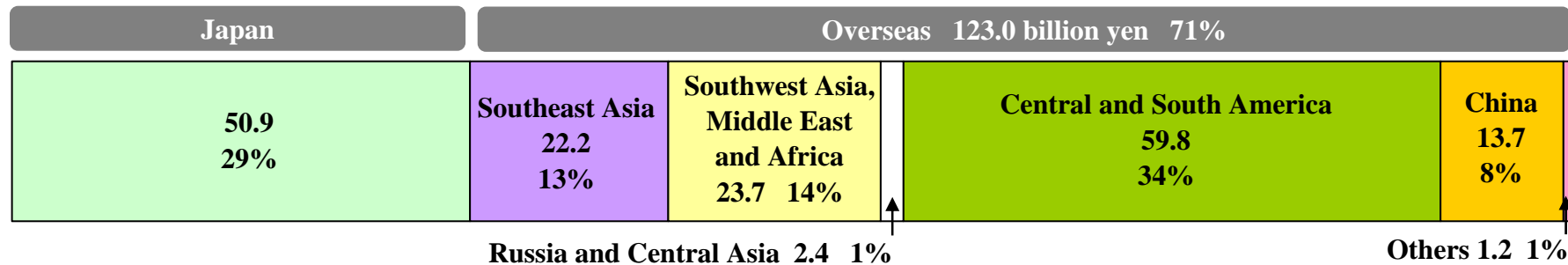
# Net sales



**2010/3 Net sales : 173.9 billion yen**

< Billion yen >

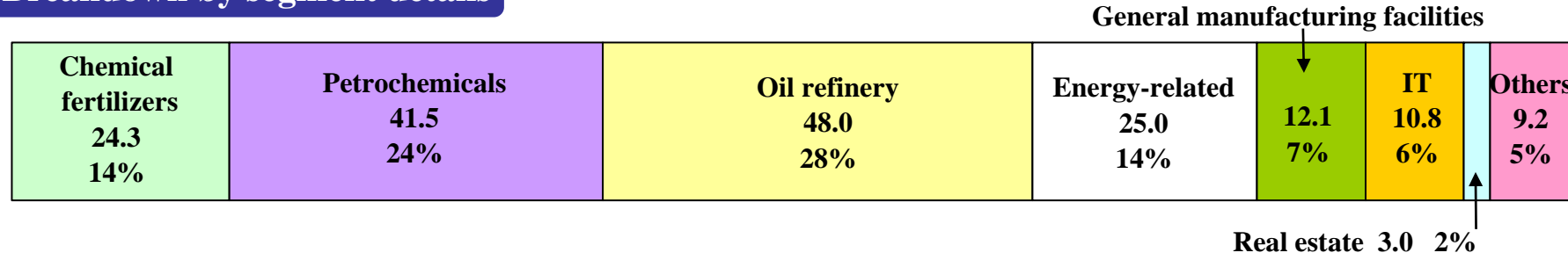
## Breakdown by region



## Major contracts

Over 10 billion yen	Over 5 billion yen	Over 3 billion yen
Oil refinery, BRAZIL Chemical fertilizer, VENEZUELA	Oil refinery, JAPAN Petrochemical, INDONESIA Petrochemical, SINGAPORE Energy-related, BRAZIL	Petrochemical, JAPAN Petrochemical, THAILAND (2 projects) Petrochemical, INDIA Energy-related, IRAN Energy-related, QATAR General manufacturing facilities, CHINA (2 projects)

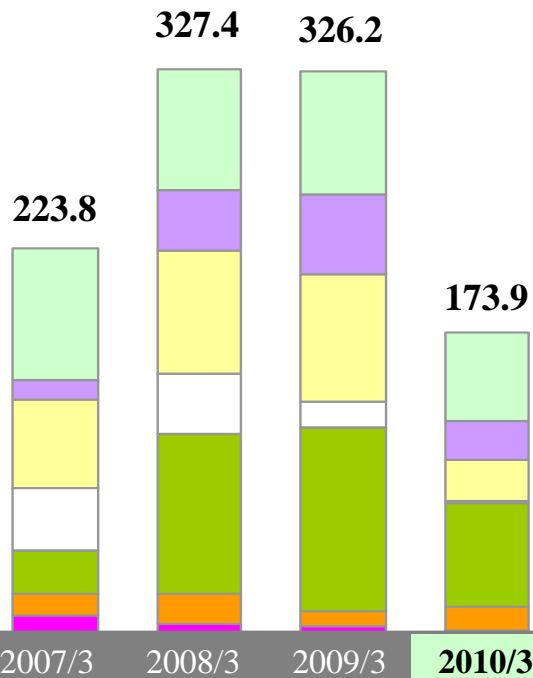
## Breakdown by segment details



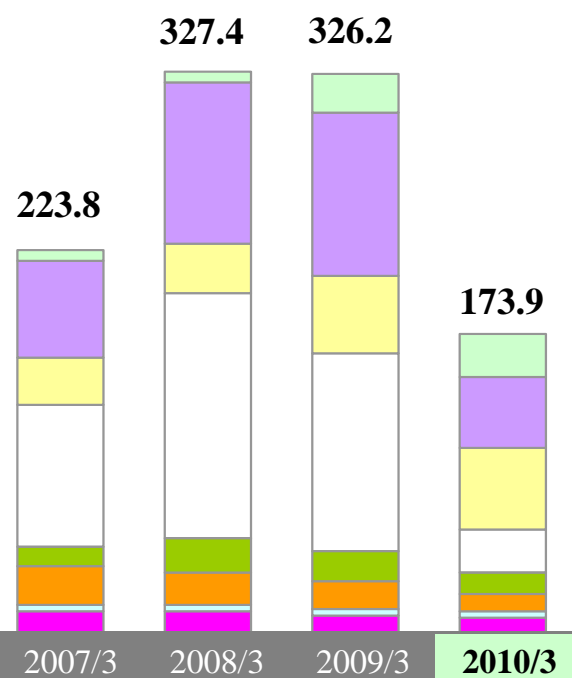
# Net sales

< Billion yen >

## Breakdown by region

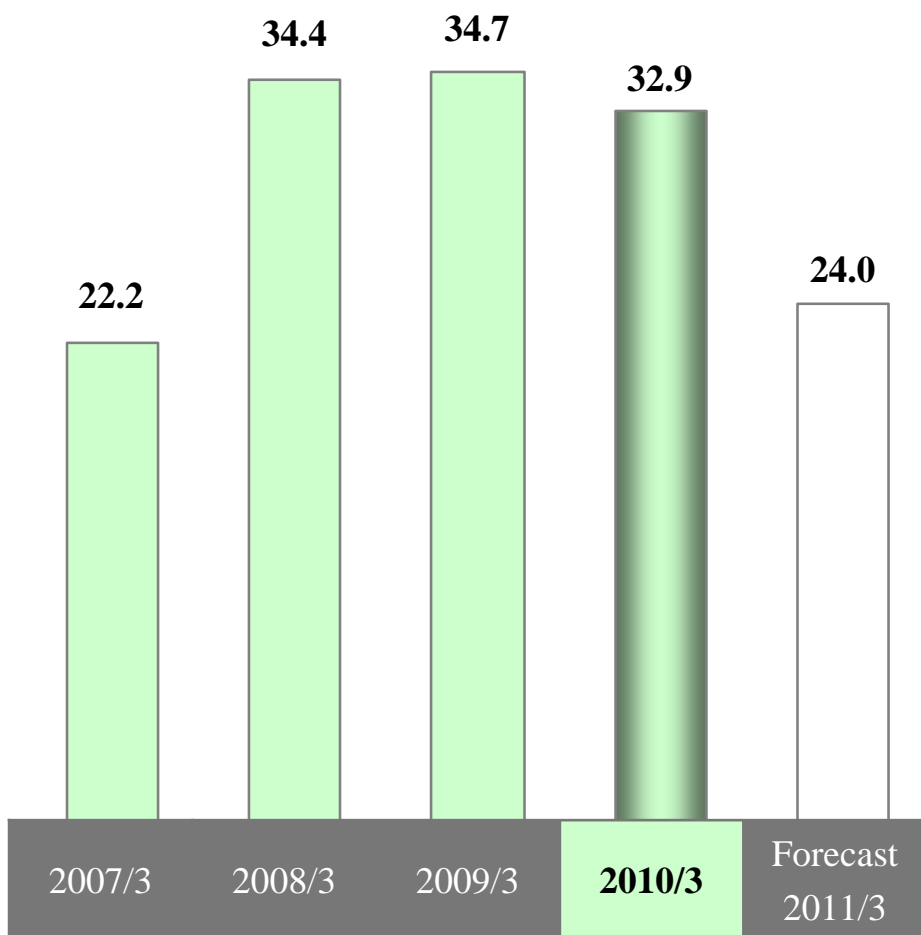


## Breakdown by segment details

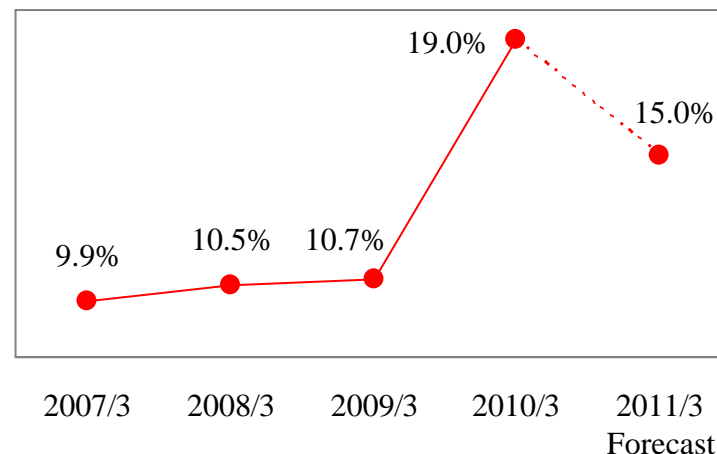


# Gross profit

< Billion yen >



## Gross profit rate



## Compared with forecast for 2010/3

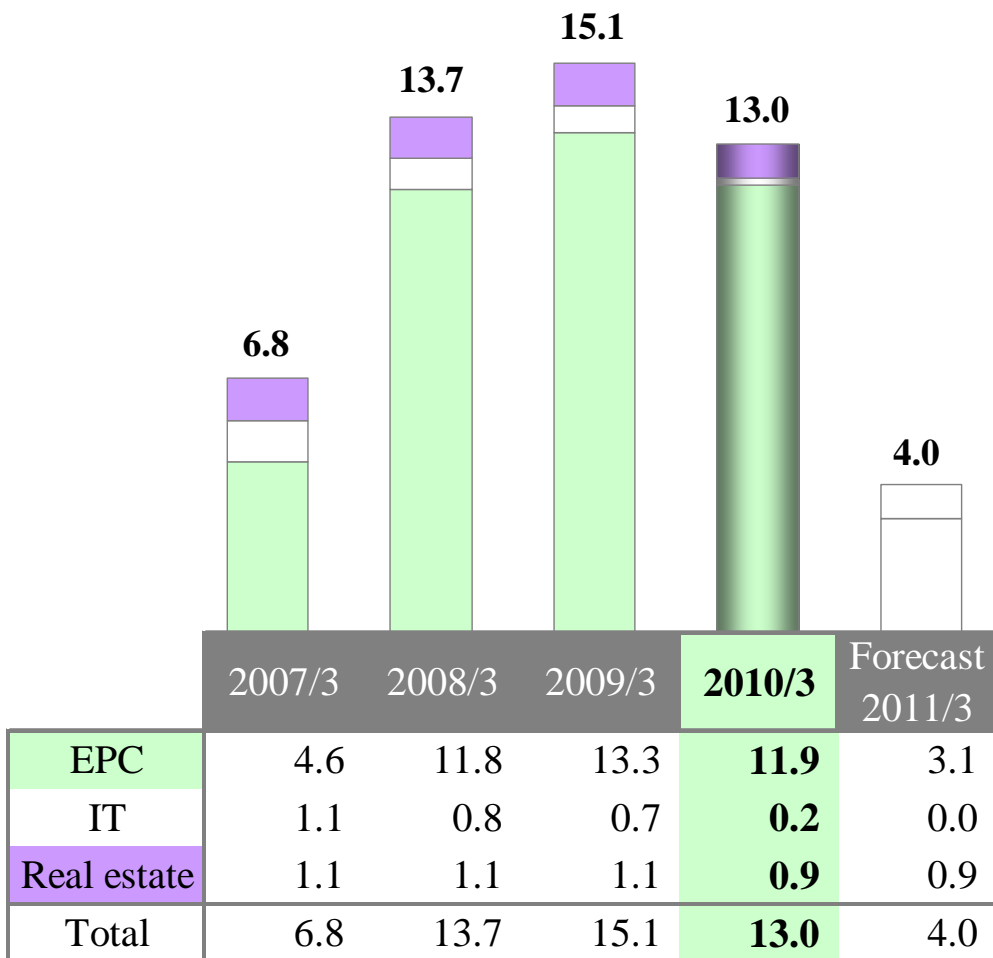
2010/3		Difference	Achievement
Forecast	Result		
31.5	32.9	+1.4	104%

## Compared with last fiscal year

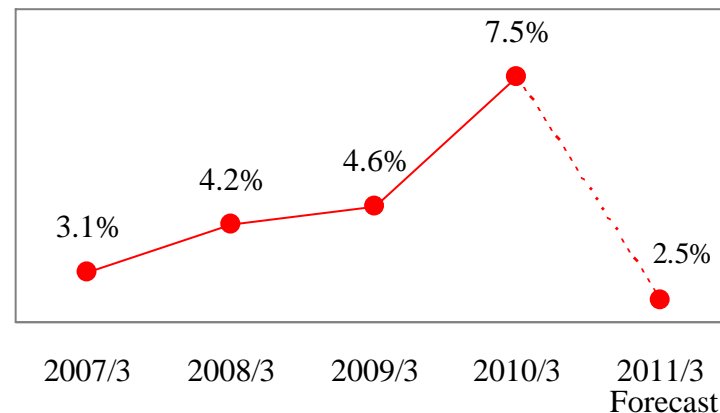
2009/3	2010/3	Difference	
34.7	32.9	(1.8)	-5%

# Operating income

< Billion yen >



## Operating income rate



## Compared with forecast for 2010/3

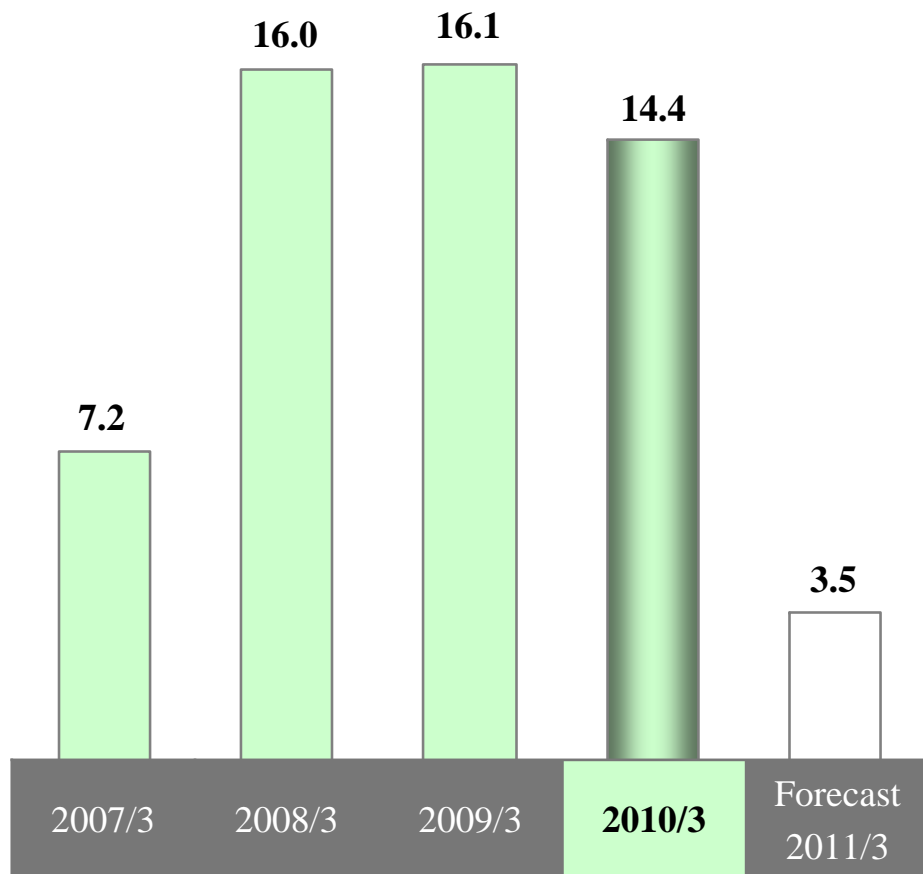
	2010/3		Difference	Achievement
	Forecast	Result		
EPC	11.0	<b>11.9</b>	0.9	108%
IT	0.1	<b>0.2</b>	0.1	200%
Real estate	0.9	<b>0.9</b>	0.0	100%
<b>Total</b>	<b>12.0</b>	<b>13.0</b>	1.0	108%

## Compared with last fiscal year

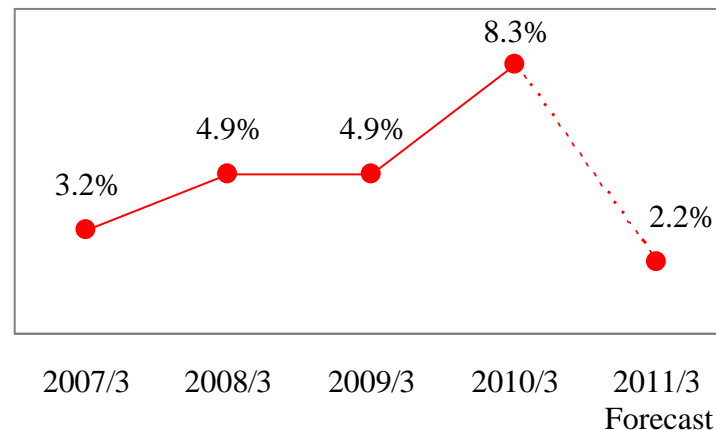
	2009/3	2010/3	Difference	
EPC	13.3	<b>11.9</b>	(1.4)	-11%
IT	0.7	<b>0.2</b>	(0.5)	-71%
Real estate	1.1	<b>0.9</b>	(0.2)	-18%
<b>Total</b>	<b>15.1</b>	<b>13.0</b>	(2.1)	-14%

# Ordinary income

< Billion yen >



## Ordinary income rate



## Compared with forecast for 2010/3

2010/3		Difference	Achievement
Forecast	Result		
14.0	14.4	+0.4	103%

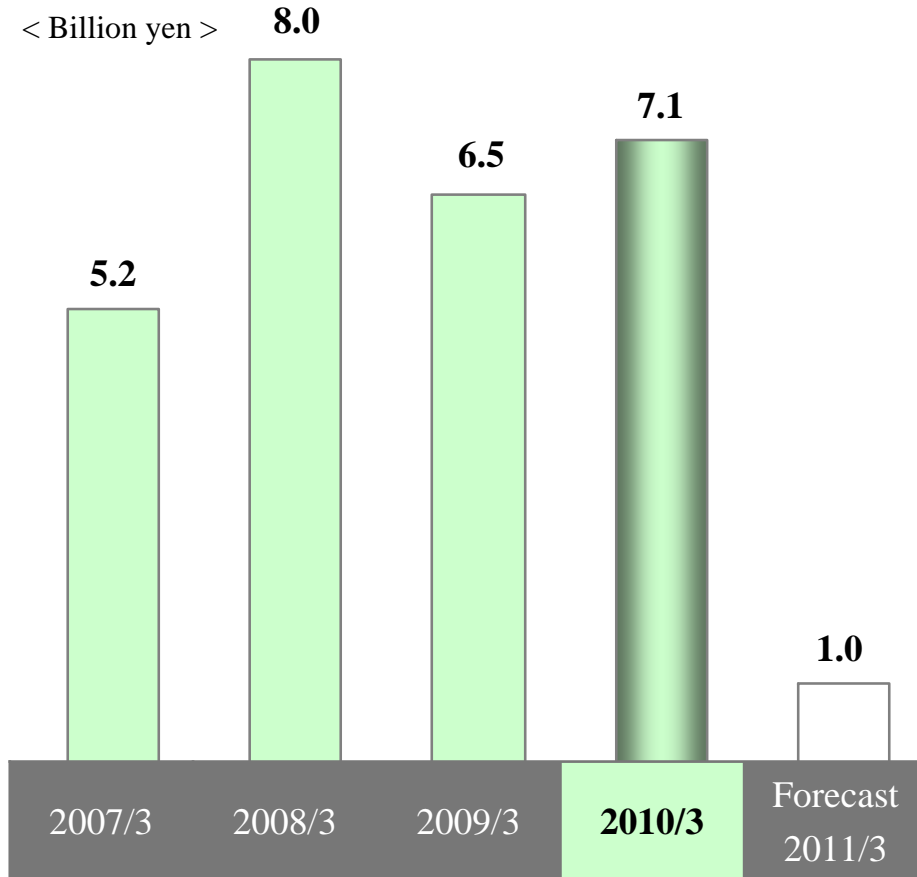
## Compared with last fiscal year

2009/3	2010/3	Difference
16.1	14.4	(1.7) -11%

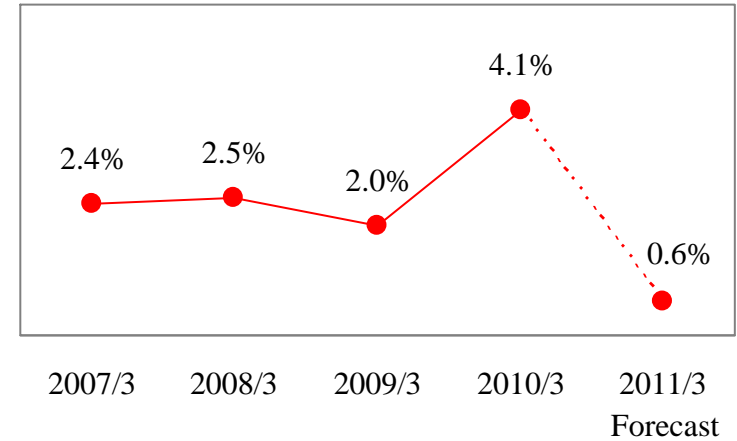
# Net income



< Billion yen >



## Net income rate



## Compared with forecast for 2010/3

2010/3		Difference	Achievement
Forecast	Result		
6.5	7.1	+0.6	109%

## Compared with last fiscal year

2009/3	2010/3	Difference	
6.5	7.1	+0.6	+9%

## Net income per share

27.90 yen	41.76 yen	33.91 yen	<b>37.12 yen</b>
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# Balance sheet



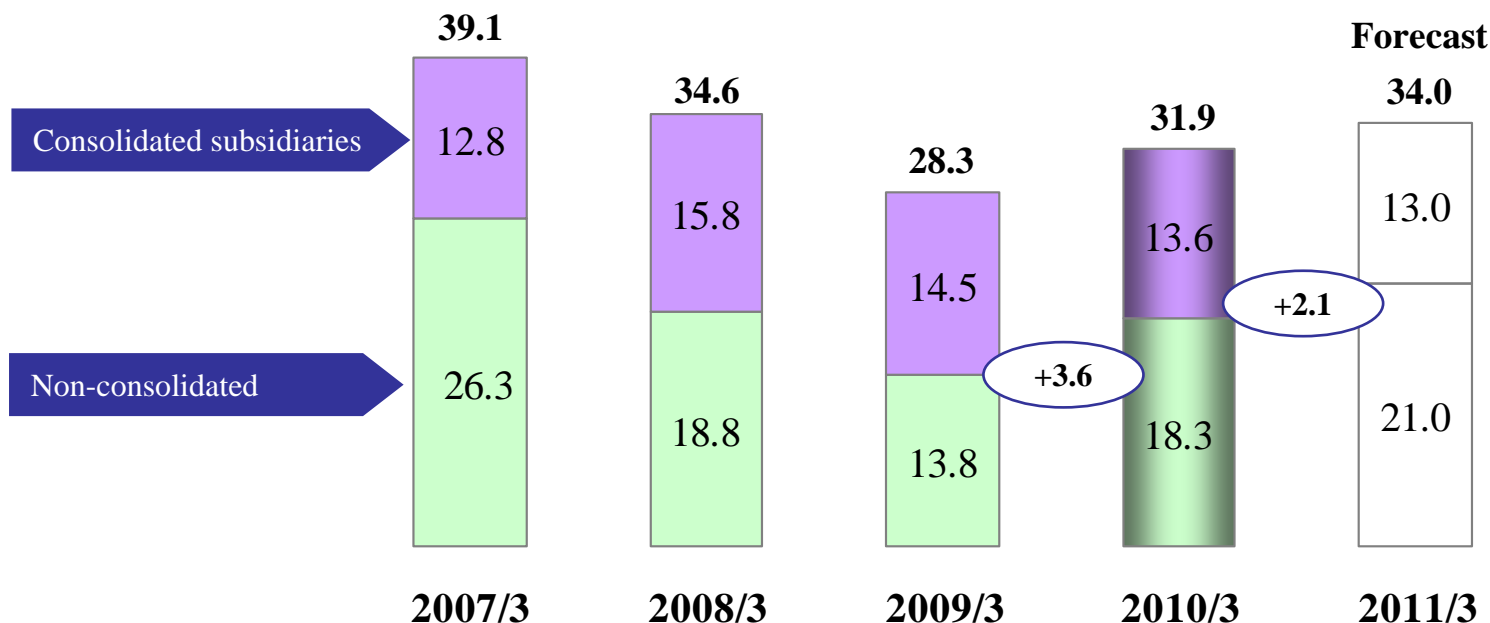
< Billion yen >

Assets	2009/3	2010/3	Difference
<b>Current assets</b>	<b>149.1</b>	<b>141.6</b>	<b>(7.5)</b>
Cash and deposits	33.1	36.8	+3.7
Marketable securities	29.9	37.9	+8.0
Other current assets	24.3	17.7	(6.6)
<Operating assets>			
Notes and accounts receivable	35.8	27.3	(8.5)
Contract work in progress	25.7	21.6	(4.1)
<b>Fixed assets</b>	<b>50.3</b>	<b>48.4</b>	<b>(1.9)</b>
Property, plant and equipment	34.5	32.4	(2.1)
Intangible assets	2.1	3.0	+0.9
Investments and assets	13.5	13.0	(0.5)
<b>Total assets</b>	<b>199.4</b>	<b>190.1</b>	<b>(9.3)</b>

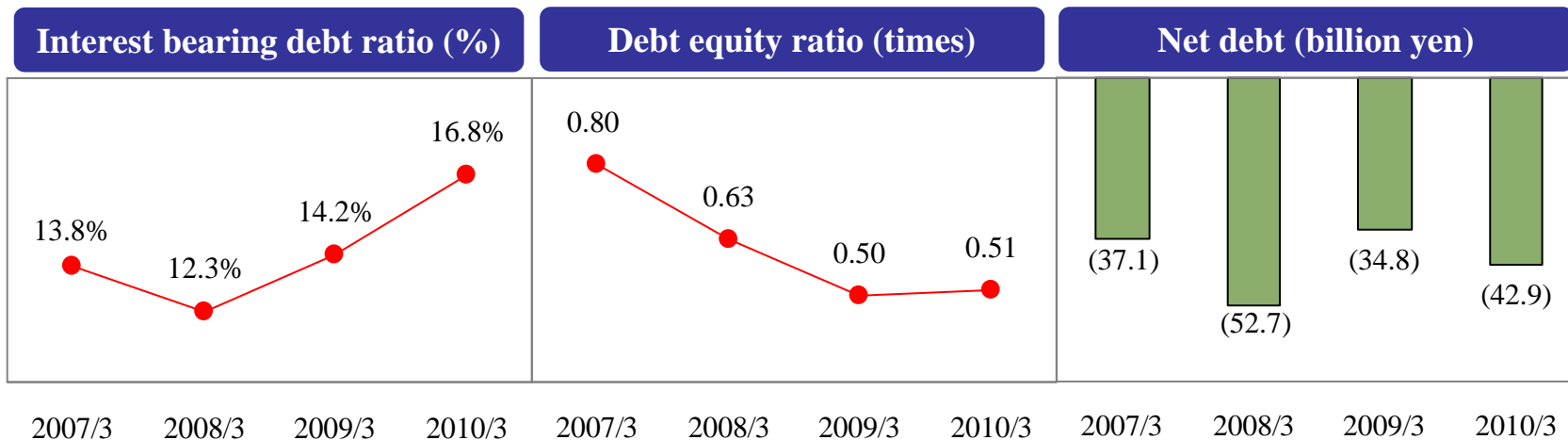
Liabilities and net assets	2009/3	2010/3	Difference
<b>Current liabilities</b>	<b>110.4</b>	<b>90.6</b>	<b>(19.8)</b>
Short-term interest bearing debt	6.1	8.2	+2.1
Other current liabilities	11.3	11.6	+0.3
<Operating liabilities>			
Notes and accounts payable	44.3	35.0	(9.3)
Advance receipts on uncompleted contracts	48.6	35.5	(13.1)
<b>Long-term liabilities</b>	<b>30.4</b>	<b>34.2</b>	<b>+3.8</b>
Long-term interest bearing debt	22.2	23.6	+1.4
Other long-term liabilities	8.2	10.5	+2.3
<b>Net assets</b>	<b>58.5</b>	<b>65.2</b>	<b>+6.7</b>
Shareholder's equity	58.3	64.1	+5.8
Valuation and translation adjustments	(1.6)	(0.8)	+0.8
Minority interest	1.8	2.0	+0.2
<b>Total liabilities and net assets</b>	<b>199.4</b>	<b>190.1</b>	<b>(9.3)</b>

# Interest bearing debt balance

< Billion yen >



\* Interest bearing debt includes Lease obligation since 2008/3.

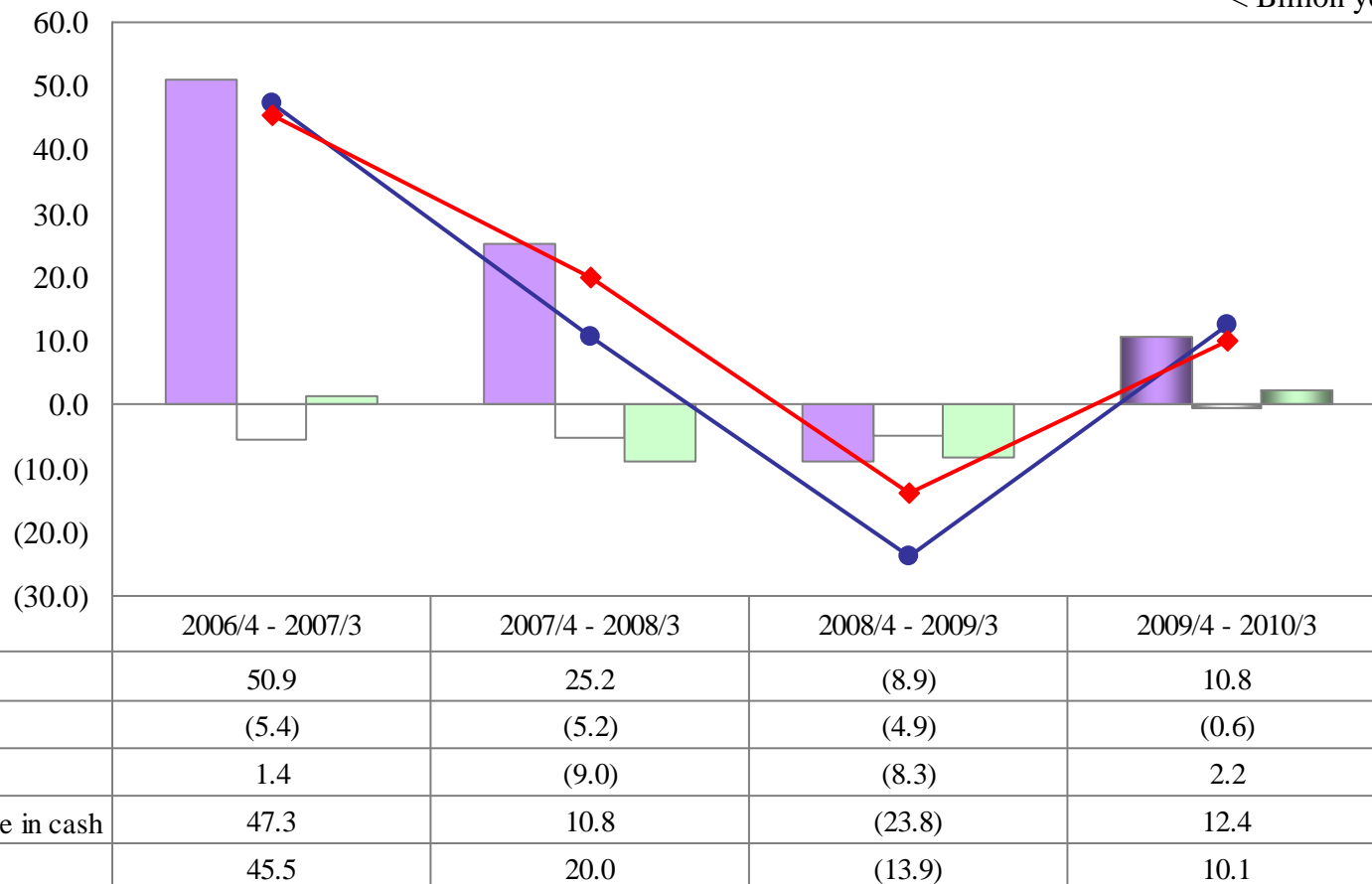


# Cash flows

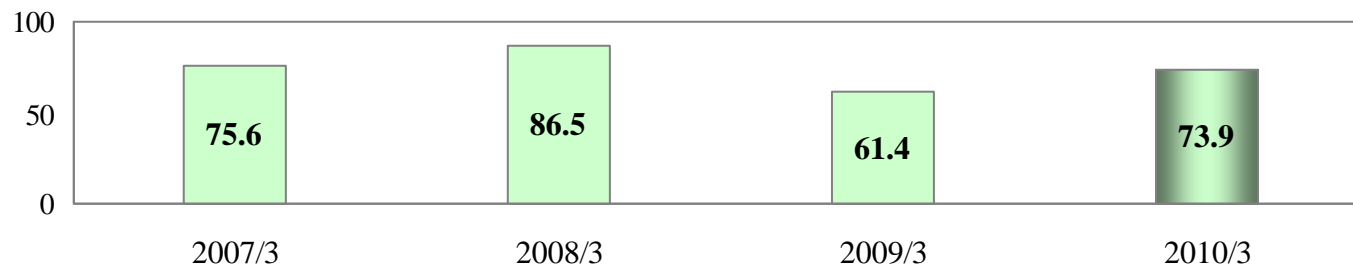


< Billion yen >

## Cash flows



## Cash and cash equivalents, end of the fiscal



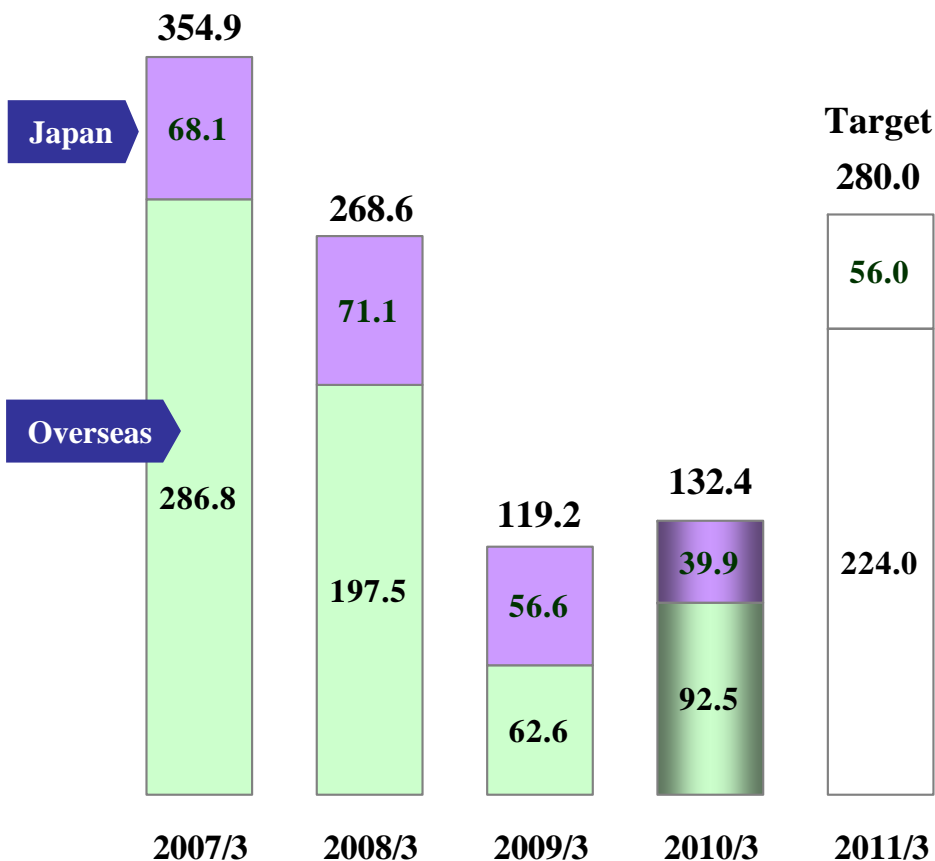
# New orders

< Billion yen >

**2010/3 New orders : 132.4 billion yen**

**Compared with target for 2010/3**

	2010/3		Difference	Achievement
	Target	Result		
Japan	70.0	<b>39.9</b>	(30.1)	57%
Overseas	160.0	<b>92.5</b>	(67.5)	58%
Total	230.0	<b>132.4</b>	(97.6)	58%



## Major contracts

- Over 10 billion yen** : Petrochemical, CHINA
- Over 5 billion yen** : Oil refinery, INDIA (3 projects)  
Oil refinery, BRAZIL  
Petrochemical, CHINA (2 projects)  
General manufacturing facility, JAPAN
- Over 3 billion yen** : Chemical fertilizer, VENEZUELA  
Oil refinery, INDIA

## Breakdown by consolidated companies

Toyo Engineering Corp.	75.6 billion yen
Domestic subsidiaries	17.4 billion yen
Overseas subsidiaries	39.4 billion yen

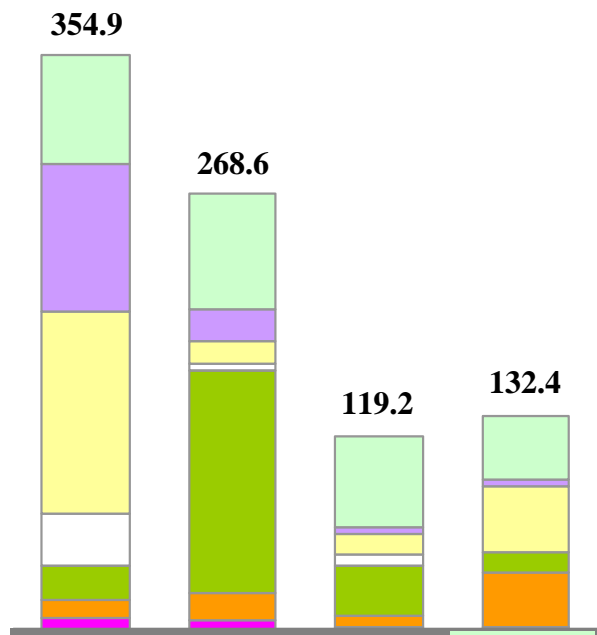
\*The above does not include figures related to real estate segment.

# New orders

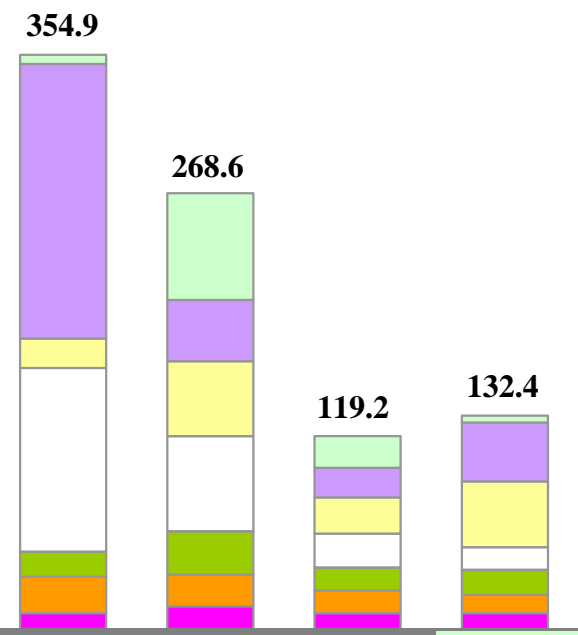


< Billion yen >

**Breakdown by region**



**Breakdown by segment details**



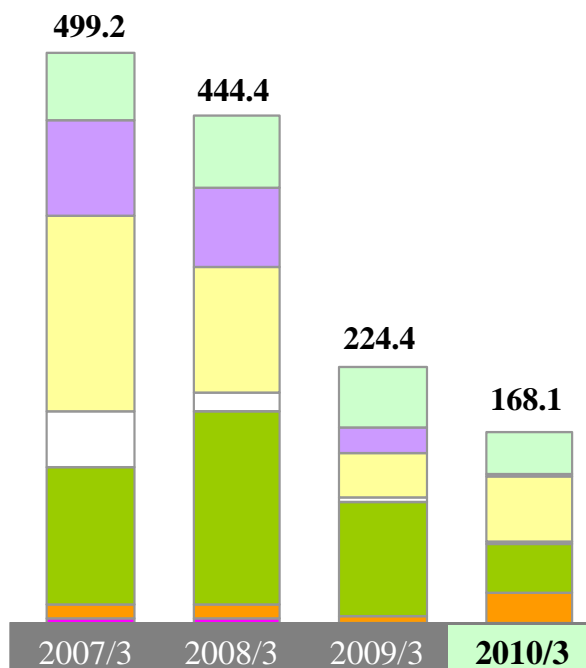
	2007/3	2008/3	2009/3	2010/3
Japan	68.1	71.1	56.6	39.9
Southeast Asia	89.9	19.8	4.1	4.0
Southwest Asia, Middle East and Africa	124.8	14.2	11.8	40.9
Russia and Central Asia	32.9	3.0	6.8	0.5
Central and South America	21.0	138.0	31.6	12.0
China	11.1	17.5	6.7	33.2
Others	7.1	5.0	1.6	1.9
<b>Total</b>	<b>354.9</b>	<b>268.6</b>	<b>119.2</b>	<b>132.4</b>

	2007/3	2008/3	2009/3	2010/3
Chemical fertilizers	6.0	64.7	19.1	4.8
Petrochemicals	168.9	38.4	18.9	35.8
Oil refinery	19.4	45.8	22.0	41.5
Energy-related	112.7	60.0	21.7	13.3
General manufacturing facilities	15.5	26.3	13.0	16.6
IT	22.0	19.4	14.7	11.2
Others	10.4	14.0	9.8	9.2
<b>Total</b>	<b>354.9</b>	<b>268.6</b>	<b>119.2</b>	<b>132.4</b>

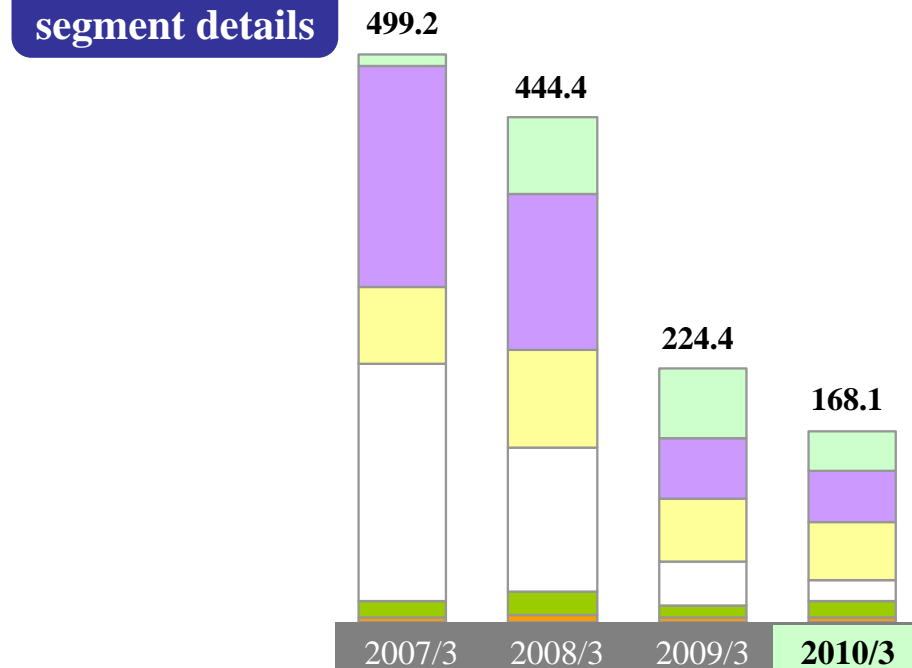
# Backlog of contracts

< Billion yen >

**Breakdown by region**



**Breakdown by segment details**



# Forecast



< Billion yen >

	2010/3	Forecast for 2011/3	
		First half	Full year
<b>Net sales</b>	<b>173.9</b>	<b>80.0</b>	<b>160.0</b>
<b>Gross profit</b>	<b>32.9</b>	<b>11.0</b>	<b>24.0</b>
Gross profit rate	19.0%	13.8%	15.0%
<b>Operating income</b>	<b>13.0</b>	<b>0.5</b>	<b>4.0</b>
Operating income rate	7.5%	0.6%	2.5%
<b>Ordinary income</b>	<b>14.4</b>	<b>0.5</b>	<b>3.5</b>
<b>Net income</b>	<b>7.1</b>	<b>0.0</b>	<b>1.0</b>
<b>New orders</b>	<b>132.4</b>	<b>-</b>	<b>280.0</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥7.0</b>	<b>¥0.0</b>	<b>¥3.0</b>

## Forecast for breakdowns by segment

Net sales	First half	Full year
EPC	73.5	147.0
IT	5.0	10.0
Real estate	1.5	3.0
<b>Total</b>	<b>80.0</b>	<b>160.0</b>

Operating income	First half	Full year
EPC	0.05	3.1
IT	0.00	0.0
Real estate	0.45	0.9
<b>Total</b>	<b>0.50</b>	<b>4.0</b>

Exchange rate for Forecast 1US\$= ¥90.00

# - Reference - Subsidiaries information



## Results of major subsidiaries and affiliates

		Business fields	Capital	Share	Net sales 2010/3
			Billion yen	%	Billion yen
<b>Consolidated subsidiaries</b>					
Japan	Toyo Business Engineering Corporation	IT	0.7	51	10.2
Japan	TEC Estate, Ltd.	Real Estate	6.0	100	2.2
Japan	Suntec Corporation	Real Estate	0.5	100	1.6
Korea	Toyo Engineering Korea Ltd.	EPC	0.5	100	14.8
India	Toyo Engineering India Ltd.	EPC	0.3	74	9.5
<b>Equity method affiliates</b>					
Thailand	Toyo-Thai Corporation Public Company Ltd.	EPC	1.6	26	28.2

## Consolidated Subsidiaries / Equity method affiliates

<Companies>

		2007/3	2008/3	2009/3	2010/3
Consolidated subsidiaries		14	14	12	12
Equity method affiliates		1	1	2	2
<b>Total</b>		<b>15</b>	<b>15</b>	<b>14</b>	<b>14</b>
Japan		7	7	8	8
Overseas		8	8	6	6
<b>Total</b>		<b>15</b>	<b>15</b>	<b>14</b>	<b>14</b>

# - Reference - Historical data



		2007/3	2008/3	2009/3	2010/3	Forecast 2011/3
Net sales	Billion yen	223.8	327.4	326.2	173.9	160.0
Gross profit	Billion yen	22.2	34.4	34.7	32.9	24.0
Gross profit rate	%	9.9%	10.5%	10.7%	19.0%	15.0%
Operating income	Billion yen	6.8	13.7	15.1	13.0	4.0
Operating income rate	%	3.1%	4.2%	4.6%	7.5%	2.5%
Ordinary income	Billion yen	7.2	16.0	16.1	14.4	3.5
Net income	Billion yen	5.2	8.0	6.5	7.1	1.0
Interest bearing debt	Billion yen	39.1	34.6	28.3	31.9	34.0
Interest bearing debt ratio	%	13.8%	12.3%	14.2%	16.8%	
Net debt	Billion yen	(37.1)	(52.7)	(34.8)	(42.9)	
Debt equity ratio	times	0.80	0.63	0.50	0.51	
Equity ratio	%	17.4%	19.5%	28.4%	33.3%	
Operating activities CF	Billion yen	50.9	25.2	(8.9)	10.8	
Investment activities CF	Billion yen	(5.4)	(5.2)	(4.9)	(0.6)	
Finance activities CF	Billion yen	1.4	(9.0)	(8.3)	2.2	
New orders	Billion yen	354.9	268.6	119.2	132.4	280.0
Backlog of contracts	Billion yen	499.2	444.4	224.4	168.1	291.1
Dividends per share (Non-consolidated)	yen	3.0	6.0	7.0	7.0	3.0



**For further questions on this material, please contact ;**

 **TOYO ENGINEERING CORPORATION**

URL <http://www.toyo-eng.co.jp>

**Kazuhiro SAKUMA**

**IR Manager**

**Corporate Communications Division**

**2-8-1 Akanehama, Narashino, Chiba, Japan 275-0024**

**TEL 81-47-454-1681**

The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.