

Fiscal Year Ended March 2023

OUTLINE OF FINANCIAL RESULTS

May 12, 2023

Toyo Engineering Corporation

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Performance Summary

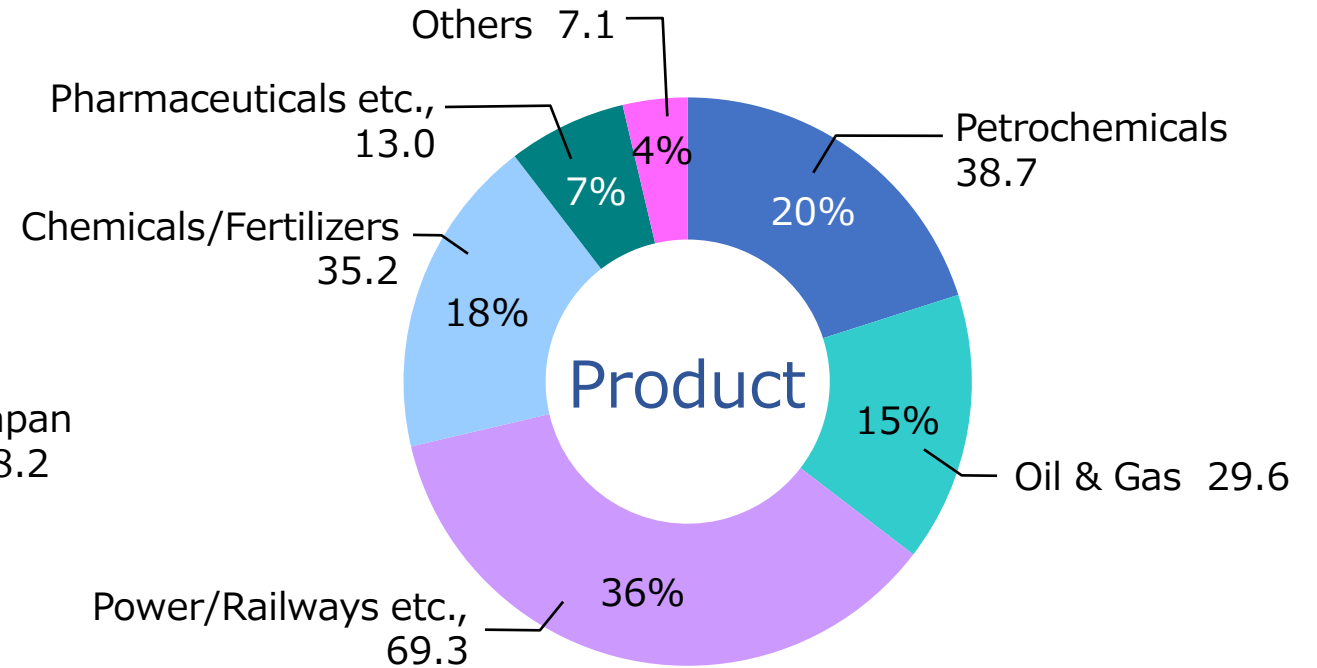
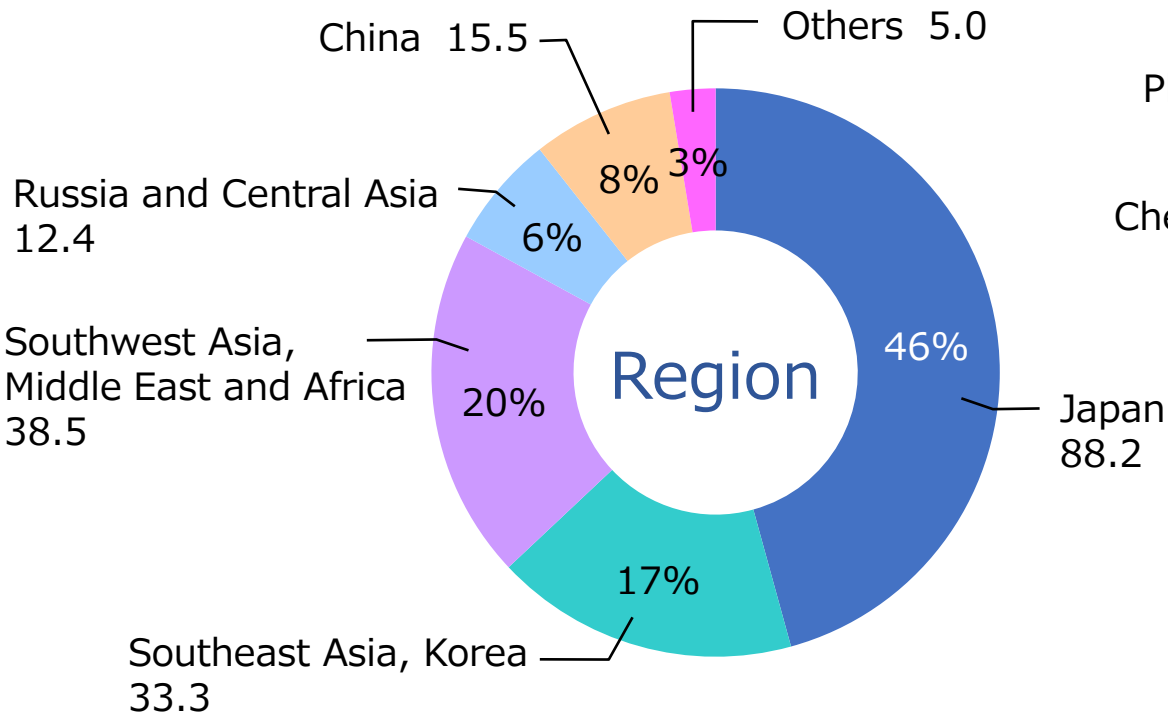
JPY billion



- ◆ Decrease in revenue but increase in profit compared with the last fiscal year
- ◆ Reached to the range of announced projection

	2022/3	2023/3	Difference	Forecast 2023/3 as of 2023/2/9	Difference	Achievement
Net sales	202.9	192.9	(10.0)	200.0	(7.1)	96%
Gross profit	20.8	24.2	+3.4	25.0	(0.8)	97%
Gross profit margin	10.3%	12.6%	+2.3pt	12.5%	+0.1pt	
SG&A expenses	17.8	19.5	(1.7)	21.0	+1.5	93%
Operating income	2.9	4.7	+1.8	4.0	+0.7	118%
Operating income margin	1.5%	2.5%	+1.0pt	2.0%	+0.5pt	
Non-operating income & expenses	0.1	(0.8)	(0.9)	(1.0)	+0.2	-
Ordinary income	3.1	3.8	+0.7	3.0	+0.8	127%
Extraordinary income	-	-	-	-	-	-
Profit before income taxes	3.1	3.8	+0.7	3.0	+0.8	127%
Income taxes	1.4	2.2	(0.8)	1.5	(0.7)	147%
Profit attributable to owners of parent	1.6	1.6	+0.0	1.5	+0.1	107%
New orders	274.4	211.0	(63.4)	250.0	(39.0)	84%
New orders including the equity method affiliates	290.4	254.2	(36.2)	300.0	(45.8)	85%
Dividends per share	¥0	¥0	±¥0	¥0	±¥0	-
ROE	3.8%	3.5%	-0.3pt	3.3%	+0.2pt	106%

2023/3 Net sales : JPY 192.9 billion



Major Contracts	Over JPY 15 billion	Over JPY 7 billion	Over JPY 5 billion
	Power/Railway etc., JAPAN	Chemical/Fertilizer, INDIA Power/Railways etc., JAPAN (2 projects) Petrochemical, INDIA	Power/Railways etc., JAPAN (2 projects) Petrochemical, JAPAN

Balance Sheet

JPY billion

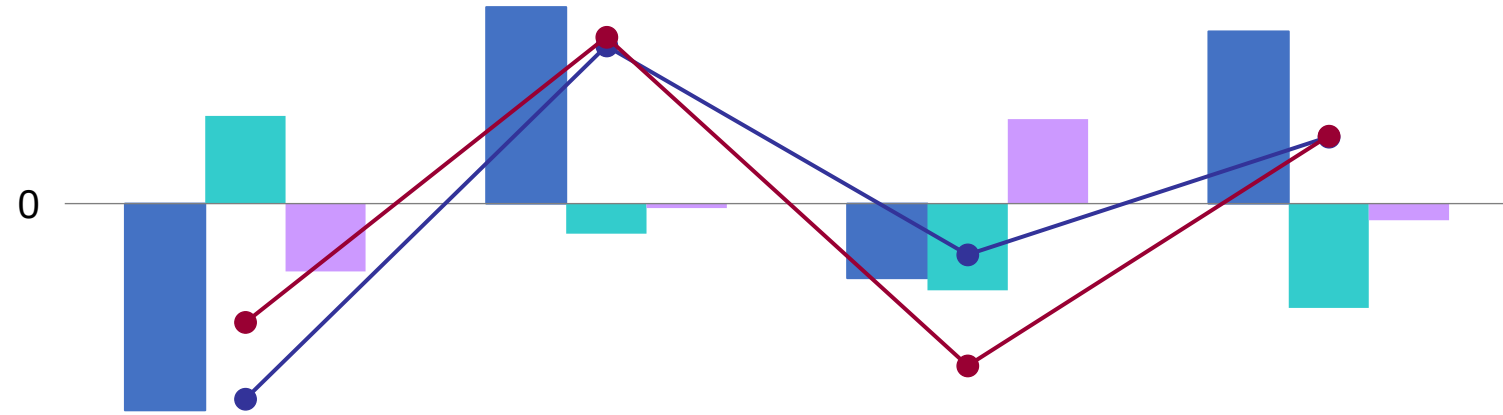


Assets	2022/3	2023/3	Difference
Current assets	206.8	222.7	+15.9
Cash and deposits	92.1	108.5	+16.4
Notes and accounts receivable	69.7	65.5	(4.2)
Work in progress	19.7	22.2	+2.5
Other current assets	25.1	26.3	+1.2
Non-current assets	34.0	33.5	(0.5)
Property, plant and equipment	11.8	12.8	+1.0
Intangible assets	3.4	4.7	+1.3
Investments and other assets	18.6	16.0	(2.6)
Total assets	240.8	256.3	+15.5

Liabilities and net assets	2022/3	2023/3	Difference
Current liabilities	159.2	174.7	+15.5
Short-term interest bearing debt	8.0	12.6	+4.6
Notes and accounts payable	72.5	64.7	(7.8)
Advance receipts on uncompleted contracts	60.9	77.2	+16.3
Other current liabilities	17.7	20.1	+2.4
Noncurrent liabilities	37.0	32.4	(4.6)
Long-term interest bearing debt	28.6	23.8	(4.8)
Other noncurrent liabilities	8.3	8.5	+0.2
Net assets	44.5	49.1	+4.6
Shareholder's equity	38.6	40.2	+1.6
Accumulated other comprehensive income	5.7	8.6	+2.9
Non-controlling interests	0.1	0.1	+0.0
Total liabilities and net assets	240.8	256.3	+15.5
Equity ratio	18.4%	19.1%	+0.7pt

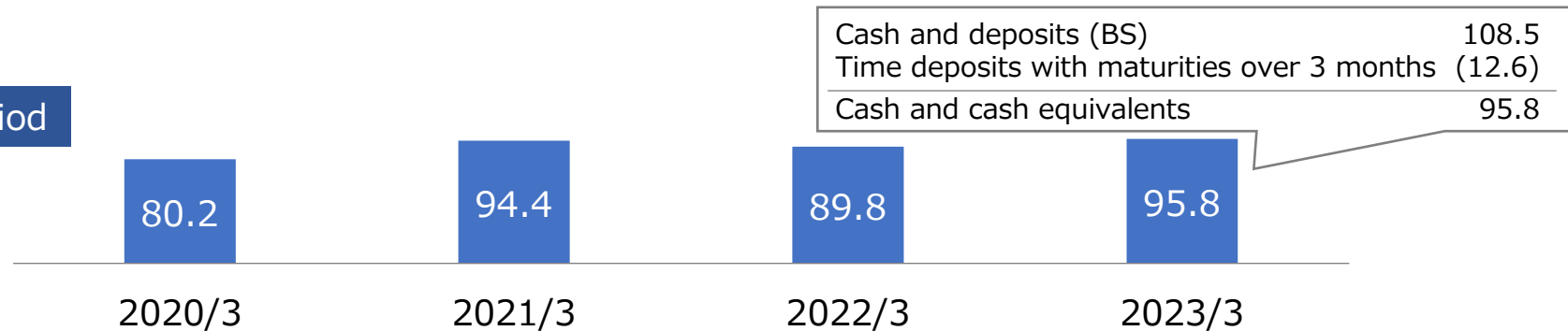
Cash Flows

JPY billion



	2020/3	2021/3	2022/3	2023/3
Operating activities	(18.6)	17.7	(6.7)	15.5
Investing activities	7.9	(2.7)	(7.8)	(9.4)
Financing activities	(6.1)	(0.4)	7.6	(1.5)
Net increase/decrease in cash	(17.6)	14.2	(4.6)	6.0
Free cash flow	(10.7)	15.0	(14.6)	6.1

Cash and cash equivalents at the end of period

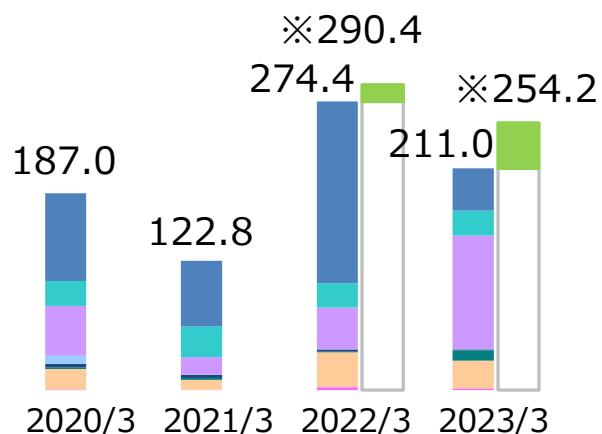


New Orders

JPY billion

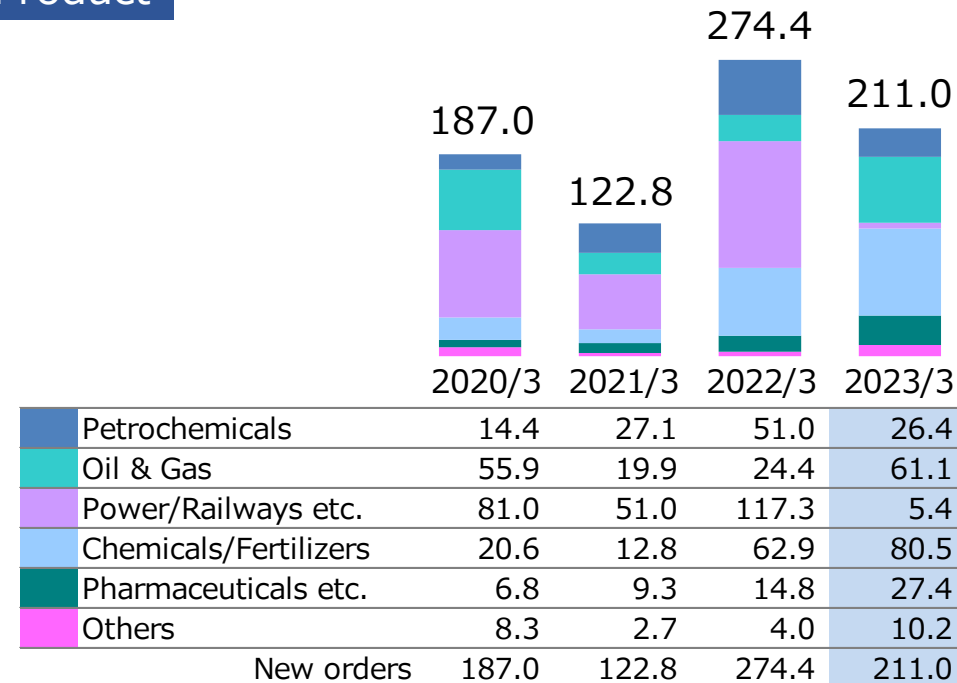
Region

※<Reference>Including the equity method affiliates



Japan	83.2	62.4	172.8	40.4
Southeast Asia, Korea	23.8	29.2	23.2	23.7
Southwest Asia, Middle East and Africa	47.5	16.3	39.6	107.9
Russia and Central Asia	7.5	0.4	0.3	0.3
North America	3.5	2.9	2.2	1.2
Central and South America	1.5	2.1	0.4	9.7
China	19.6	9.2	33.4	26.5
Others	0.4	0.3	2.5	1.3
New orders	187.0	122.8	274.4	211.0
The equity method affiliates	(Not announced)		15.9	43.2
<Reference> New orders including the equity method affiliates	(Not announced)		290.4	254.2

Product



2023/3
Major
Contracts

Over JPY 60 billion
Chemical/Fertilizer,
NIGERIA

Over JPY 10 billion
Oil & Gas, INDIA
Pharmaceuticals etc., JAPAN
Petrochemical, CHINA

Over JPY 5 billion
Oil & Gas, INDIA (2 projects)
Oil & Gas, BRAZIL
Petrochemical, CHINA

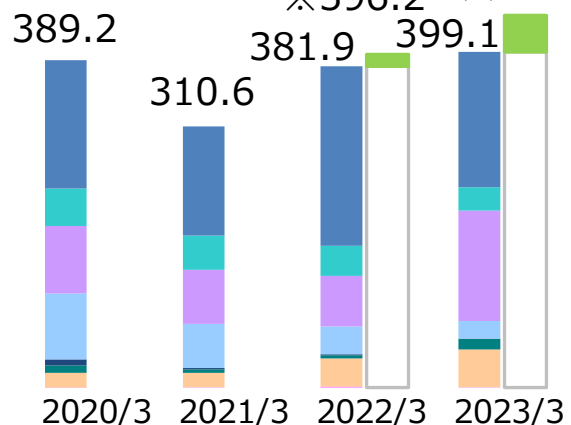
Backlog of Contracts

JPY billion

※<Reference>Including the equity method affiliates

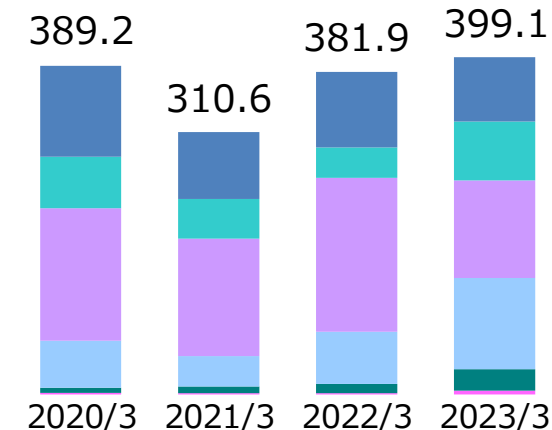
※396.2 ※442.4

Region



Japan	152.7	129.8	213.4	160.9
Southeast Asia, Korea	44.6	41.0	35.8	28.0
Southwest Asia, Middle East and Africa	80.1	64.1	60.2	131.2
Russia and Central Asia	78.3	52.7	33.2	20.8
North America	7.3	1.5	0.9	0.3
Central and South America	8.6	4.2	4.0	12.7
China	17.5	17.1	33.4	44.9
Others	0.1	0.2	1.0	0.3
Backlog of contracts	389.2	310.6	381.9	399.1
The equity method affiliates	(Not announced)	(Not announced)	14.3	43.2
<Reference> Backlog of contracts including the equity method affiliates	(Not announced)	(Not announced)	396.2	442.4

Product



Petrochemicals	107.6	79.3	89.6	76.0
Oil & Gas	61.2	46.9	35.7	69.8
Power/Railways etc.	156.9	138.9	182.3	115.5
Chemicals/Fertilizers	55.4	36.0	61.8	107.9
Pharmaceuticals etc.	6.4	8.1	11.1	25.4
Others	1.7	1.4	1.4	4.5
Backlog of contracts	389.2	310.6	381.9	399.1

2023/3

Major Contracts

Over JPY 60 billion

Chemical/Fertilizer, NIGERIA

Over JPY 20 billion

Petrochemical, JAPAN
Chemical/Fertilizer, CHINA
Oil & Gas, INDIA
Power/Railway etc., JAPAN

Over JPY 10 billion

Power/Railways etc., JAPAN (4 projects)
Petrochemical, RUSSIA
Pharmaceutical etc., JAPAN

Forecast for 2024/3

JPY billion

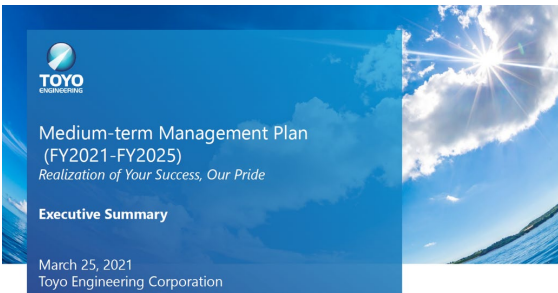


	2023/3 Result	2024/3 Forecast	Defference
Net sales	192.9	240.0	+47.1
Gross profit	24.2	24.0	(0.2)
Gross profit margin	12.6%	10.0%	-2.6pt
SG&A expenses	19.5	21.0	(1.5)
Operating income	4.7	3.0	(1.7)
Operating income margin	2.5%	1.3%	-1.2pt
Non-operating income & expenses	(0.8)	1.5	+2.3
Ordinary income	3.8	4.5	+0.7
Income taxes	2.2	1.5	+0.7
Profit attributable to owners of parent	1.6	3.0	+1.4
New orders	211.0	120.0	(91.0)
New orders including the equity method affiliates	254.2	320.0	+65.8
Dividends per share	¥0	¥0	±¥0
Net assets	49.1	52.1	+3.0
ROE	3.5%	6.0%	+2.5pt

Exchange rate for the forecast 1US\$= ¥133

-Reference-

① Relationship between Medium-Term Company Strategy and Consolidated Profit Structure

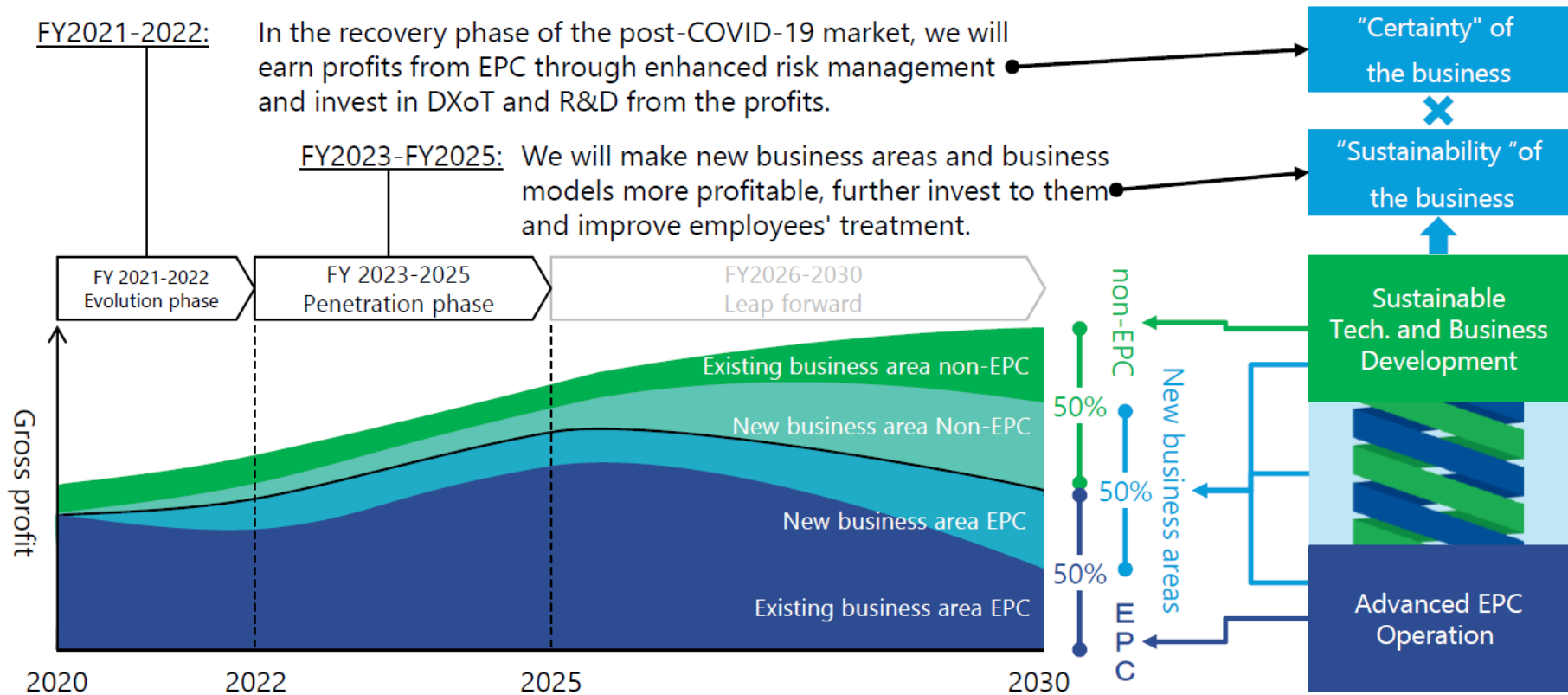


Excerpt:
 Medium-term Management Plan (FY2021-FY2025)
 Realization of Your Success, Our Pride
 As of March 25, 2021

Chapter 3: Medium-Term Management Plan and Numerical Targets

TOYO's sustainability (certainty x sustainability) as well as Global community

Relationship between Medium-Term Company Strategy and Consolidated Profit Structure (Image)



-Reference- ②KGI and KPI

KGI(Key Goal Indicator)

Target	Results for FY2022
Consolidated net income ● Average of <u>5 billion yen or more</u> from FY 2023 to 25 ● FY 2030 ⇒ <u>10 billion yen</u>	¥1.6 billion
Consolidated net sales ● Focus on profit rather than net sales ● Sales target : <u>300 billion yen</u>	¥192.9 billion
ROE ● FY2025 ⇒ <u>10% or more</u> ● FY2026 -: <u>Stably</u> 10% or more	3.5%
Dividends ● Aim to <u>distribute dividends</u> within the medium-term management plan	—

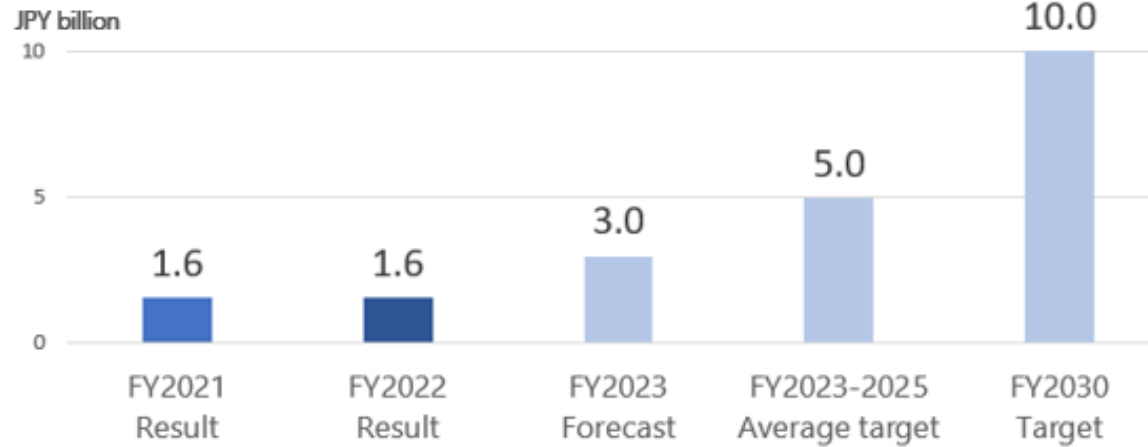
KPI(Key Performance Indicator)

Target	Results for FY2022
Non-EPC*1 gross profit Composition ● FY2025: <u>25% or more</u> ● FY2030: <u>50%</u>	44%
New business areas Gross Profit Composition ● FY2025: <u>25% or more</u> ● FY2030: <u>50%</u>	23%
Gross Profit Composition Ratio (Group companies) ● FY2025: <u>45% or more</u> *2 ● FY2030: <u>50%</u>	68%
Employee's satisfaction ● Improved from the Previous year	3.63 (highest in 5) in FY2021 Next time is in FY2013
Number of employees ● Toyo-J : to double resources for new technologies and businesses ● Group companies: Increase/decrease according to their needs	About 130 employees 6,500 employees

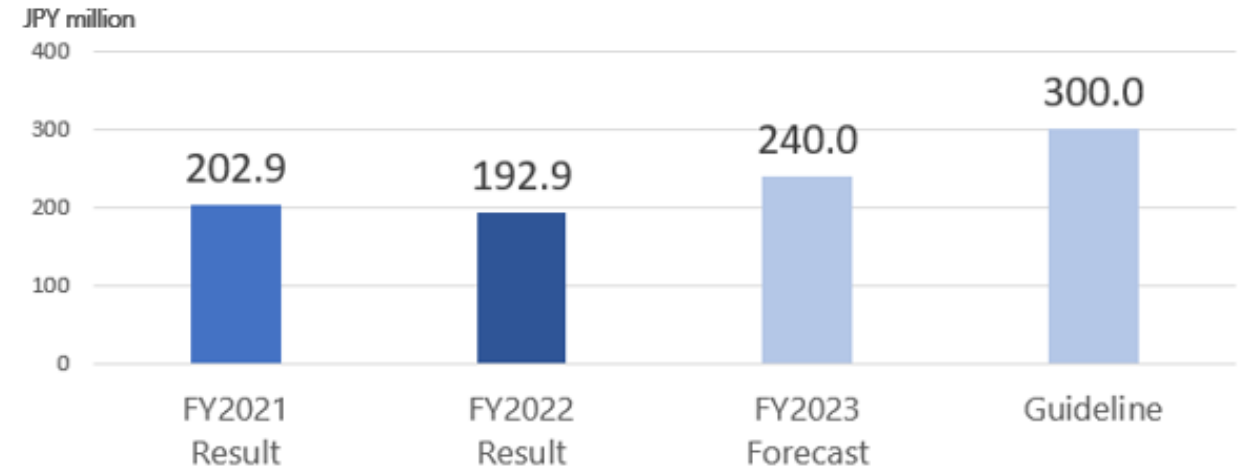
*1 Non-EPC = Business expect -EPC/EP Lump-Sum Projects

*2 TSPI (Brazil) is not included because of an equity method company

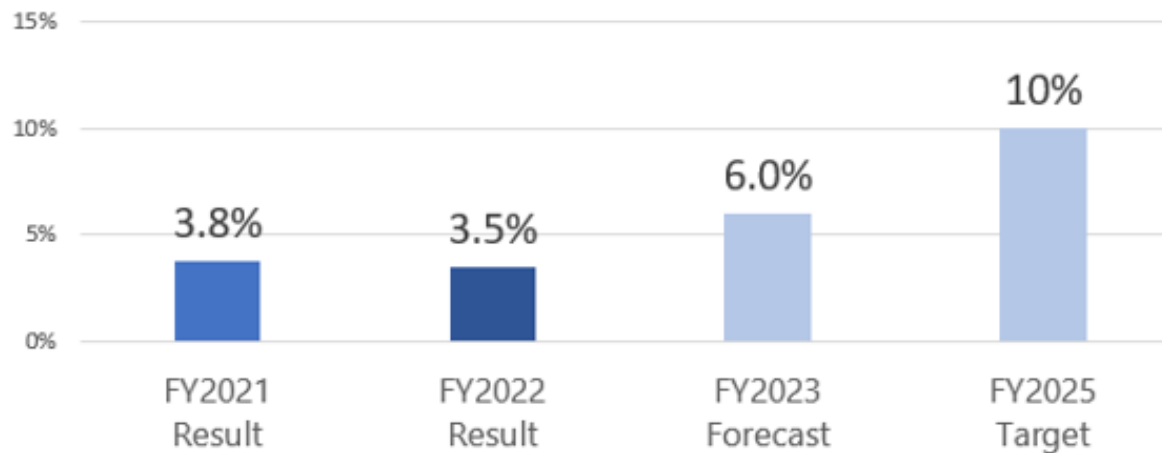
Consolidated net income



Consolidated net sales

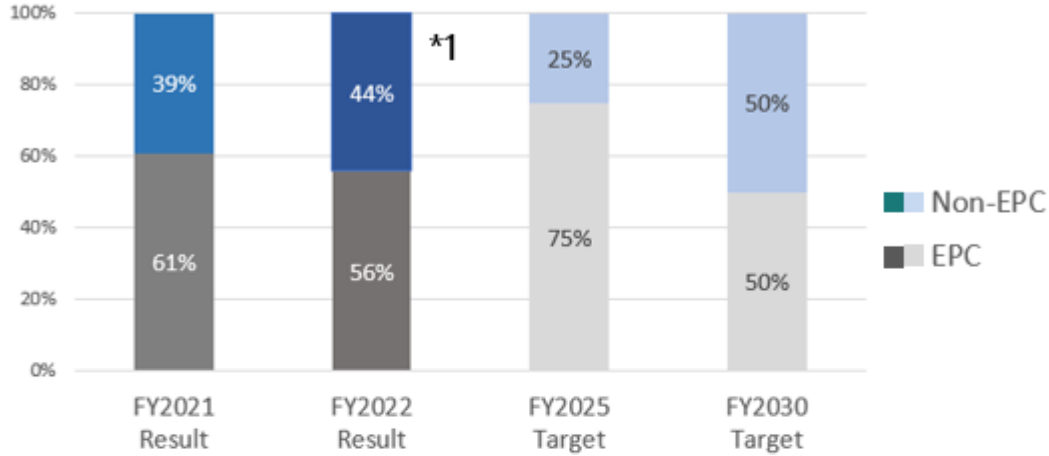


ROE

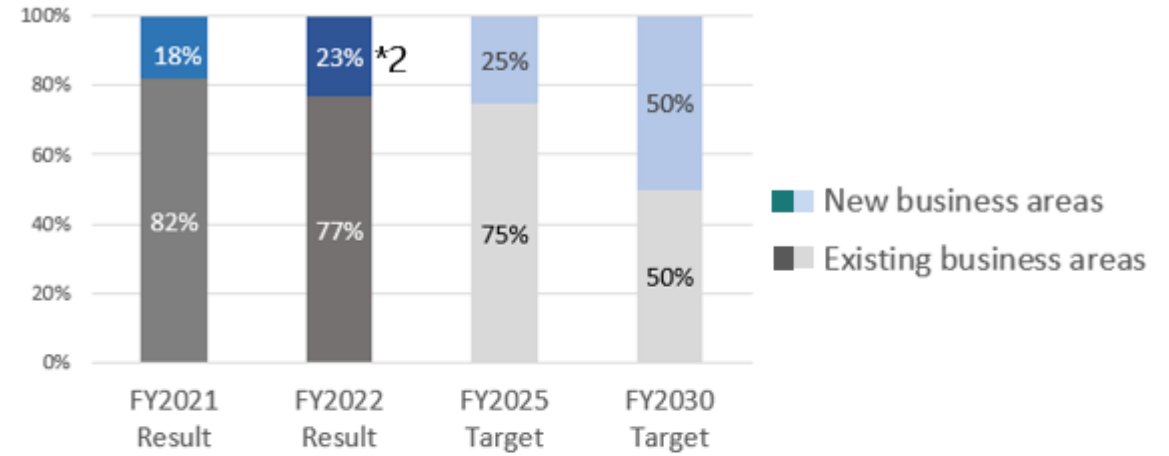


- Consolidated net income and consolidated net sales
Increase is expected in FY 2023 due to the increase in new orders and progress in projects in possession.
- ROE
Improvement toward FY2025 target by Increase in profits.

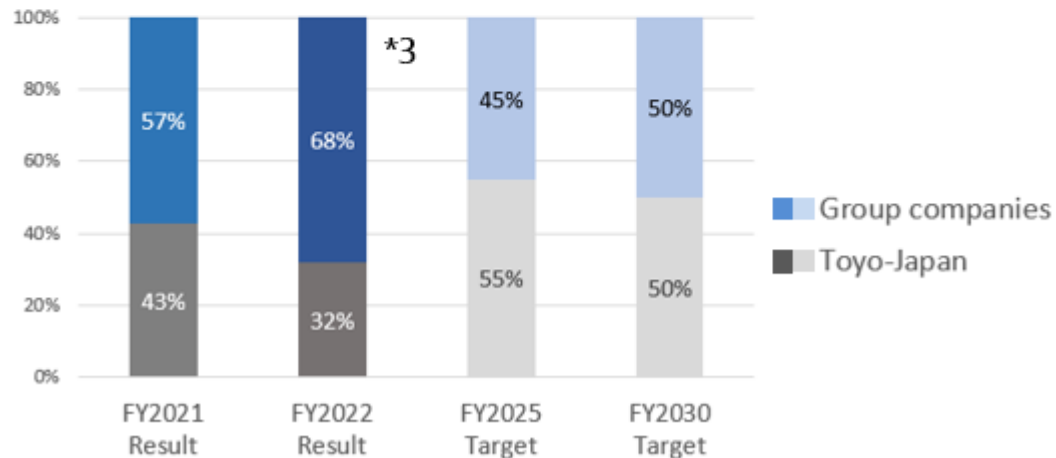
Non-EPC gross profit composition



New business areas gross profit composition



Group companies gross profit composition







TSPI (Brazil) is not included as an equity-method affiliate.

*1: Major Non-EPC Projects : Petrochemical FEED (China)
Refinery PMC (India)

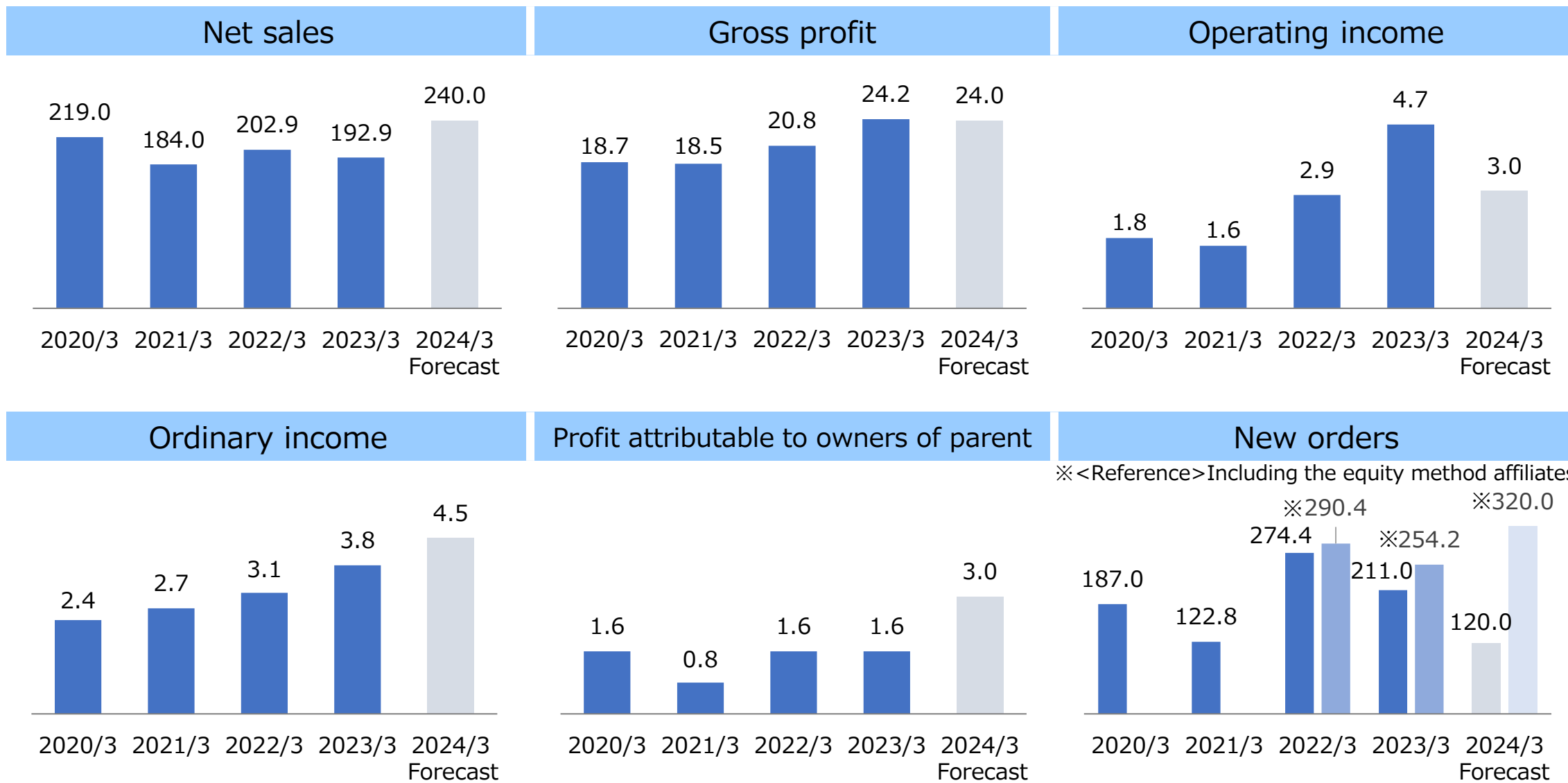
*2: Major New Business Projects : High-performance chemicals (Korea and China)
Methane hydrate (Alaska)
Energy-saving GHG reduction services

*3: Major Projects of Group Companies :

-  Toyo-India (Refinery, Chemicals/Fertilizer)
-  Toyo-China (Chemicals, Petrochemicals)
-  Toyo-Korea (Semiconductor-related)
-  TPS (Maintenance, Pharmaceuticals, Chemicals)

-Reference- ③ Performance Trends

JPY billion



-Reference- ④ Historical Data

		2020/3	2021/3	2022/3	2023/3	2024/3 Forecast
Net sales	JPY billion	219.0	184.0	202.9	192.9	240.0
Gross profit	JPY billion	18.7	18.5	20.8	24.2	24.0
Gross profit margin	%	8.6%	10.1%	10.3%	12.6%	10.0%
SG&A expenses	JPY billion	16.8	16.9	17.8	19.5	21.0
Operating income	JPY billion	1.8	1.6	2.9	4.7	3.0
Operating income margin	%	0.9%	0.9%	1.5%	2.5%	1.3%
Ordinary income	JPY billion	2.4	2.7	3.1	3.8	4.5
Income taxes	JPY billion	2.7	1.9	1.4	2.2	1.5
Profit attributable to owners of parent	JPY billion	1.6	0.8	1.6	1.6	3.0
Comprehensive income	JPY billion	(0.0)	4.0	4.4	4.5	
Interest bearing debt	JPY billion	27.6	28.1	36.6	36.5	
Debt equity ratio	Times	0.77	0.71	0.83	0.75	
Net debt	JPY billion	(52.5)	(66.3)	(53.1)	(71.9)	
Equity ratio	%	17.2%	18.3%	18.4%	19.1%	
Operating activities CF	JPY billion	(18.6)	17.7	(6.7)	15.5	
Investing activities CF	JPY billion	7.9	(2.7)	(7.8)	(9.4)	
Financing activities CF	JPY billion	(6.1)	(0.4)	7.6	(1.5)	
New orders	JPY billion	187.0	122.8	274.4	211.0	120.0
New orders including the equity method affiliates	JPY billion	(Not announced)	(Not announced)	290.4	254.2	320.0
Backlog of contracts	JPY billion	389.2	310.6	381.9	399.1	
Backlog of contracts including the equity method affiliates	JPY billion	(Not announced)	(Not announced)	396.2	442.4	
Dividends per share (Annual)	JPY	0.0	0.0	0.0	0.0	0.0
Net assets	JPY billion	35.9	40.0	44.5	49.1	52.1
ROE	%	4.6%	2.2%	3.8%	3.5%	6.0%



Toyo Engineering Corporation

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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.