

The document is an English-language translation of the consolidated financial summary of the financial results for the fiscal year ended March 31, 2024. 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, 2024

May 15, 2024

TOYO ENGINEERING CORPORATION

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

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1. Business results for the fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

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	%
FY2023	260,825	35.2	6,712	40.9	6,995	79.9	9,821	496.3
FY2022	192,908	(5.0)	4,764	60.8	3,888	24.4	1,647	1.6

(Reference) Comprehensive income (millions of yen):

FY2023 : 15,055 (231.1)% FY2022: 4,547 1.4%

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2023	167.59	—	17.4	2.6	2.6
FY2022	28.11	—	3.5	1.6	2.5

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

FY2023 : (559) FY2022 : (216)

(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
FY2023	285,996	64,153	22.4	1,276.77
FY2022	256,311	49,105	19.1	885.04

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

FY2023 : 63,937 FY2022 : 48,924

(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
FY2023	6,001	7,338	(1,059)	109,072
FY2022	15,591	(9,469)	(1,574)	95,865

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2022	—	0.00	—	0.00	0.00	—	—	—
FY2023	—	0.00	—	12.00	12.00	459	7.2	1.1
FY2024 (Forecast)	—	0.00	—	25.00	25.00		24.4	

(Note)

The above "Dividends" shows the status of dividends on common shares. For dividends on class shares (unlisted), which have different rights from those of common shares issued by the Company, please refer to "Dividends for class shares" below.

3. Forecast of consolidated operating results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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	270,000	3.5	5,000	(25.5)	7,500	7.2	6,000	(38.9)	102.39

(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)

FY2023 : 38,558,507

FY2022 : 38,558,507

Number of treasury stocks at end of term

FY2023 : 228,981

FY2022 : 227,453

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

FY2023 : 38,330,299

FY2022 : 38,331,223

(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, 2024 (April 1, 2023 - March 31, 2024)

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	%
FY2023	129,107	32.3	152	—	10,289	—	15,750	—
FY2022	97,580	(2.5)	(918)	—	(934)	—	(597)	—

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2023	268.78	—
FY2022	(10.20)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2023	188,560	26,272	13.9	294.11
FY2022	166,235	11,107	6.7	(101.56)

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

FY2023 : 26,272

FY2022 : 11,107

(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.

Dividends for class shares

The breakdown of dividend per class shares which differ in shareholders' rights from common shares is as follows.

Class A preferred stocks	Cash dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	—	0.00	—	0.00	0.00
FY2023	—	0.00	—	12.00	12.00
FY2024 (Forecast)	—	0.00	—	25.00	25.00

(Note)

The annual dividend per share on class A preferred stock is the same amount as the dividend on common shares, pursuant to the stipulation of the articles of incorporation of the Company.

Consolidated Balance Sheets

		March 31, 2023		March 31, 2024	
		Millions of yen		Millions of yen	
[Assets]					
I	Current assets				
1	Cash and deposits	108,523		119,856	
2	Notes receivable, accounts receivable from completed construction contracts and other	65,588		82,095	
3	Costs on uncompleted construction contracts	22,290		18,930	
4	Accounts receivable - other	6,374		7,994	
5	Deposits paid	8,224		11,482	
6	Forward exchange contracts	2,103		2,134	
7	Other	11,012		9,467	
8	Allowance for doubtful accounts	(1,361)		(1,632)	
	Total current assets	222,755		250,330	
II	Non-current assets				
(1)	Property, plant and equipment				
1	Buildings and structures	15,076		16,248	
2	Machinery, vehicles, tools, furniture and fixtures	5,827		6,255	
3	Land	6,384		2,005	
4	Leased assets	3,440		2,415	
5	Construction in progress	301		34	
6	Accumulated depreciation and impairment loss	(18,209)		(20,040)	
	Total property, plant and equipment	12,820		6,919	
(2)	Intangible assets				
1	Other	4,726		5,614	
	Total intangible assets	4,726		5,614	
(3)	Investments and other assets				
1	Investment securities	3,811		6,523	
2	Long-term loans receivable	4,588		4,584	
3	Net defined benefit asset	6,745		11,107	
4	Deferred income taxes	678		864	
5	Other	4,695		4,594	
6	Allowance for doubtful accounts	(4,510)		(4,542)	
	Total investments and other assets	16,008		23,131	
	Total non-current assets	33,555		35,665	
	Total assets	256,311		285,996	
[Liabilities]					
I	Current liabilities				
1	Notes payable, accounts payable for construction contracts and other	64,701		91,191	
2	Short-term loans payable	12,168		17,106	
3	Income taxes payable	866		946	
4	Advances received on uncompleted construction contracts	77,236		62,043	
5	Provision for bonuses	703		1,057	
6	Provision for warranties for completed construction	39		33	
7	Provision for loss on construction contracts	538		982	
8	Forward exchange contracts	285		1,849	
9	Other	18,219		18,343	
	Total current liabilities	174,758		193,553	
II	Non-current liabilities				
1	Long-term loans payable	22,808		17,940	
2	Lease obligations	1,083		711	
3	Deferred income taxes	5,235		5,859	
4	Net defined benefit liability	984		1,176	
5	Provision for losses on business of subsidiaries and affiliates	406		436	
6	Other	1,929		2,165	
	Total non-current liabilities	32,448		28,289	
	Total liabilities	207,206		221,842	
[Net Assets]					
I	Shareholders' equity				
1	Capital stock	18,198		18,198	
2	Capital surplus	4,567		4,567	
3	Retained earnings	17,944		27,765	
4	Treasury stock, at cost	(447)		(448)	
	Total shareholders' equity	40,264		50,084	
II	Accumulated other comprehensive income				
1	Valuation difference on available-for-sale securities	274		1,000	
2	Deferred gains (losses) on hedges	1,019		(81)	
3	Foreign currency translation adjustments	3,926		7,155	
4	Remeasurements of defined benefit plans	3,440		5,779	
	Total accumulated other comprehensive income	8,660		13,853	
III	Non-controlling interests	180		215	
	Total net assets	49,105		64,153	
	Total liabilities and net assets	256,311		285,996	

Consolidated Statements of Income

		April 1, 2022 - March 31, 2023		April 1, 2023 - March 31, 2024	
		Millions of yen		Millions of yen	
I	Net sales		192,908		260,825
II	Cost of sales		168,639		232,433
	Gross profit		24,268		28,391
III	Selling, general and administrative expenses		19,504		21,679
	Operating income		4,764		6,712
IV	Non-operating income				
1	Interest income	926		1,350	
2	Dividends income	64		138	
3	Gain on reversal of foreign currency translation adjustments	-		570	
4	Gain on sales of investment securities	-		301	
5	Miscellaneous income	434	1,425	513	2,873
V	Non-operating expenses				
1	Interest expenses	926		852	
2	Equity in losses of affiliates	216		559	
3	Foreign exchange losses, net	947		398	
4	Foreign withholding tax	61		476	
5	Miscellaneous expenses	149	2,301	302	2,590
	Ordinary income		3,888		6,995
VI	Extraordinary income				
1	Gain on sales of property, plant and equipment	-	-	6,637	6,637
VII	Extraordinary loss				
1	Impairment loss	-	-	1,850	1,850
	Profit before income taxes		3,888		11,782
VIII	Income taxes				
1	Income taxes	2,006		2,302	
2	Income taxes-deferred	220	2,227	(361)	1,941
	Net profit		1,661		9,840
	Net profit attributable to non-controlling interests		14		19
	Net profit attributable to owners of parent		1,647		9,821

Consolidated Statements of Comprehensive Income

		April 1, 2022 - March 31, 2023		April 1, 2023 - March 31, 2024	
		Millions of yen		Millions of yen	
I	Net profit		1,661		9,840
II	Other comprehensive income				
1	Valuation difference on available-for-sale securities	279		726	
2	Deferred losses on hedges	(977)		(1,307)	
3	Foreign currency translation adjustments	1,459		2,782	
4	Remeasurements of defined benefit plans	988		2,338	
5	Share of other comprehensive income of affiliates accounted for by the equity method	1,134	2,885	673	5,214
	Comprehensive income		4,547		15,055
	Comprehensive income attributable to :				
	Owners of parent		4,531		15,014
	Non-controlling interests		15		40

Consolidated Statement of Changes in Net Assets

From April 1, 2022 through March 31, 2023

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	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	Total accumulated other comprehensive income		
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

From April 1, 2023 through March 31, 2024

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning 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
Changes in the fiscal year												
Income attributable to owners of parent			9,821		9,821					—		9,821
Purchase of treasury stock				(1)	(1)					—		(1)
Net changes of items other than shareholders' equity					—	726	(1,100)	3,229	2,338	5,193	34	5,228
Total changes in the fiscal year (Millions of yen)	—	—	9,821	(1)	9,819	726	(1,100)	3,229	2,338	5,193	34	15,048
Balance at end of year (Millions of yen)	18,198	4,567	27,765	(448)	50,084	1,000	(81)	7,155	5,779	13,853	215	64,153

Consolidated Statements of Cash Flows

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
	Millions of yen	Millions of yen
I Cash flows from operating activities		
1 Profit before income taxes	3,888	11,782
2 Depreciation and amortization	2,056	2,361
3 Amortization of goodwill	(10)	(3)
4 Impairment loss	-	1,850
5 Increase in allowance for doubtful accounts	132	286
6 Decrease in net defined benefit liability	(1,342)	(348)
7 Increase in provision for loss on construction contracts	404	384
8 Interest and dividends income	(990)	(1,488)
9 Interest expenses	926	852
10 Foreign exchange losses (gains)	132	(674)
11 Gain on sales of property, plant and equipment	(5)	(6,643)
12 Equity in losses of affiliates	216	559
13 Gain on sales of investment securities	-	(301)
14 Gain on reversal of foreign currency translation adjustments	-	(570)
15 Decrease (increase) in notes receivable, accounts receivable from completed construction contracts	4,928	(13,779)
16 (Increase) decrease in costs on uncompleted construction contracts	(1,999)	4,078
17 Increase in accounts receivable - other	(1,524)	(1,324)
18 (Decrease) increase in notes and accounts payable - trade	(8,646)	25,121
19 Increase (decrease) in advances received on uncompleted construction contracts	15,316	(15,988)
20 Increase in deposits paid	(1,073)	(3,258)
21 Decrease in other assets	2,885	2,866
22 Increase in other liabilities	1,678	2,144
23 Other, net	287	(2,768)
Subtotal	17,260	5,139
24 Interest and dividends income received	733	4,235
25 Interest expenses paid	(864)	(725)
26 Income taxes paid	(1,538)	(2,648)
Net cash provided by operating activities	15,591	6,001
II Cash flows from investing activities		
1 Net (increase) decrease in time deposits	(5,512)	3,482
2 Purchase of property, plant and equipment	(955)	(1,369)
3 Proceeds from sales of property, plant and equipment	72	11,133
4 Purchase of intangible assets	(2,196)	(2,070)
5 Proceeds from sales of shares of subsidiaries and affiliates	(523)	-
6 Proceeds from sales of investment securities	-	351
7 Net decrease (increase) in short-term loans receivable	3	(4,457)
8 Other, net	(357)	269
Net cash (used in) provided by investing activities	(9,469)	7,338
III Cash flows from financing activities		
1 Net increase (decrease) in short-term loans payable	322	(578)
2 Proceeds from long-term loans payable	6,022	11,900
3 Repayment of long-term loans payable	(7,303)	(11,753)
4 Repayment of finance lease obligations	(611)	(621)
5 Other, net	(4)	(6)
Net cash used in financing activities	(1,574)	(1,059)
IV Effect of exchange rate change on cash and cash equivalents	1,517	925
V Net increase in cash and cash equivalents	6,065	13,206
VI Cash and cash equivalents at beginning of period	89,800	95,865
VII Cash and cash equivalents at the end of period	95,865	109,072

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 - 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	
Apr. 1, 2023 - Mar. 31, 2024	Overseas	Petrochemicals	44,416	62,961	107,377	35,182	71,835
		Oil & Gas	67,838	40,465	108,304	46,469	66,596
		Power/Railways etc.	14,873	9,702	24,576	6,972	16,896
		Chemicals/Fertilizers	106,333	23,176	129,510	47,547	84,936
		Pharmaceutical/Environmental/Industrial Facilities	434	2,965	3,400	1,052	2,340
		Others	4,327	2,160	6,487	2,845	3,670
		Subtotal	238,224	141,432	379,656	140,069	246,277
	Domestic	Petrochemicals	31,646	6,028	37,675	26,203	11,471
		Oil & Gas	1,953	2,484	4,438	4,123	315
		Power/Railways etc.	100,627	1,016	101,644	64,323	32,130
		Chemicals/Fertilizers	1,588	596	2,185	1,797	387
		Pharmaceutical/Environmental/Industrial Facilities	24,949	2,419	27,369	18,282	9,022
		Others	201	5,892	6,094	6,023	70
		Subtotal	160,968	18,438	179,406	120,755	53,397
	Grand total	*4,276				*10,705	
	Grand total	399,192	159,870	559,063	260,825	299,675	

- 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 6,486 million yen for Apr. 1, 2022 - Mar. 31, 2023 and 10,751 million yen for Apr. 1, 2023 - Mar. 31, 2024.
2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".
The amounts are (7,378) million yen for Apr. 1, 2022 - Mar. 31, 2023 and (9,314) million yen for Apr. 1, 2023 - Mar. 31, 2024.
3. Asterisks (*) represent increase 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 - Mar. 31, 2024 are 302,465 and 250,732 million yen, respectively.