

The document is an English-language translation of the consolidated financial summary of the financial results for the first quarter ended June 30, 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 First Quarter ended June 30, 2024

For the Fiscal Year Ending March 31, 2025

August 8, 2024

TOYO ENGINEERING CORPORATION

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

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1. Business results for the first quarter of fiscal year 2024 (April 1, 2024 - June 30, 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	%
Apr. 1, 2024 - Jun. 30, 2024	62,847	14.8	979	7.9	1,873	2.6	1,071	(15.5)
Apr. 1, 2023 - Jun. 30, 2023	54,733	18.5	907	(60.5)	1,826	3.6	1,268	21.0

(Reference) Comprehensive income (millions of yen):

Apr. 1, 2024 - Jun. 30, 2024 : (367) - % Apr. 1, 2023 - Jun. 30, 2023: 3,173 (44.2)%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2024 - Jun. 30, 2024	18.28	—
Apr. 1, 2023 - Jun. 30, 2023	21.64	—

(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 Jun. 30, 2024	311,784	63,073	20.2
As of Mar. 31, 2024	285,996	64,153	22.4

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

Jun. 30, 2024: 62,851 Mar. 31, 2024: 63,937

2. Dividends

	Cash dividends per share					
	Q1	Q2	Q3	Q4	Annual	
FY2023	— Yen	0.00 Yen	— Yen	12.00 Yen	12.00 Yen	
FY2024	— Yen					
FY2024 (Forecast)		0.00 Yen	— Yen	25.00 Yen	25.00 Yen	

(Note) Revision of forecast for this period: No

(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) 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 the scope of consolidation : Yes
(Increase): 3 companies, TS Participações e Investimentos S.A.
TSE S.A.
Estaleiros do Brasil Ltda.

(2) Number of shares issued (common shares)

Number of shares issued at end of period (including treasury stocks)

Jun. 30, 2024 : 38,558,507

Mar. 31, 2024 : 38,558,507

Number of treasury stocks at end of period

Jun. 30, 2024 : 229,125

Mar. 31, 2024 : 228,981

Average number of stock outstanding during the period: First quarter of FY2024 and FY2023

First quarter of FY2024 : 38,329,443

First quarter of FY2023 : 38,330,848

(Note) The number of class A preferred stocks is not included in the number of shares issued.

* Reference: Review of the Japanese-language originals of the attached consolidated quarterly financial statements
by certified public accountants or an audit firm : No

* 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
FY2023	— Yen	0.00 Yen	— Yen	12.00 Yen	12.00 Yen
FY2024	—				
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, 2024		June 30, 2024	
	Millions of yen		Millions of yen	
[Assets]				
I Current assets				
1 Cash and deposits		119,856		111,082
2 Notes receivable, accounts receivable from completed construction contracts and other		82,095		102,423
3 Costs on uncompleted construction contracts		18,930		25,850
4 Accounts receivable - other		7,994		9,126
5 Deposits paid		11,482		10,371
6 Forward exchange contracts		2,134		1,885
7 Other		9,467		10,670
8 Allowance for doubtful accounts		(1,632)		(1,709)
Total current assets		250,330		269,701
II Non-current assets				
(1) Property, plant and equipment				
1 Buildings and structures		16,248		16,436
2 Machinery, vehicles, tools, furniture and fixtures		6,255		7,368
3 Land		2,005		3,998
4 Leased assets		2,415		2,636
5 Construction in progress		34		41
6 Accumulated depreciation and impairment loss		(20,040)		(20,979)
Total property, plant and equipment		6,919		9,502
(2) Intangible assets				
1 Other		5,614		6,565
Total intangible assets		5,614		6,565
(3) Investments and other assets				
1 Investments in securities		6,523		6,513
2 Long-term loans receivable		4,584		4,585
3 Net defined benefit asset		11,107		11,117
4 Deferred income taxes		864		921
5 Other		4,594		7,422
6 Allowance for doubtful accounts		(4,542)		(4,544)
Total investments and other assets		23,131		26,016
Total non-current assets		35,665		42,083
Total assets		285,996		311,784

		March 31, 2024		June 30, 2024	
		Millions of yen		Millions of yen	
[Liabilities]					
I	Current liabilities				
1	Notes payable, accounts payable for construction contracts and other		91,191		96,803
2	Short-term loans payable		17,106		25,738
3	Income taxes payable		946		699
4	Advances received on uncompleted construction contracts		62,043		52,359
5	Provision for bonuses		1,057		1,051
6	Provision for warranties for completed construction		33		28
7	Provision for loss on construction contracts		982		753
8	Forward exchange contracts		1,849		3,791
9	Other		18,343		29,380
	Total current liabilities		193,553		210,607
II	Non-current liabilities				
1	Long-term loans payable		17,940		26,442
2	Lease obligations		711		694
3	Deferred income taxes		5,859		6,026
4	Net defined benefit liability		1,176		1,371
5	Provision for losses on business of subsidiaries and affiliates		436		437
6	Other		2,165		3,131
	Total non-current liabilities		28,289		38,103
	Total liabilities		221,842		248,710
[Net Assets]					
I	Shareholders' equity				
1	Capital stock		18,198		18,198
2	Capital surplus		4,567		4,567
3	Retained earnings		27,765		28,133
4	Treasury stock, at cost		(448)		(448)
	Total shareholders' equity		50,084		50,452
II	Accumulated other comprehensive income				
1	Valuation difference on available-for-sale securities		1,000		1,190
2	Deferred losses on hedges		(81)		(1,641)
3	Foreign currency translation adjustments		7,155		7,318
4	Remeasurements of defined benefit plans		5,779		5,531
	Total accumulated other comprehensive income		13,853		12,399
III	Non-controlling interests		215		222
	Total net assets		64,153		63,073
	Total liabilities and net assets		285,996		311,784

Consolidated Statements of Income

		April 1, 2023 - June 30, 2023		April 1, 2024 - June 30, 2024	
		Millions of yen		Millions of yen	
I	Net sales		54,733		62,847
II	Cost of sales		48,924		56,190
	Gross profit		5,809		6,656
III	Selling, general and administrative expenses		4,901		5,676
	Operating income		907		979
IV	Non-operating income				
1	Interest income	283		430	
2	Dividends income	108		32	
3	Foreign exchange gains, net	621		3	
4	Equity in earnings of affiliates	108		600	
5	Miscellaneous income	54	1,175	76	1,142
V	Non-operating expenses				
1	Interest expenses	177		190	
2	Miscellaneous expenses	80	257	58	248
	Ordinary income		1,826		1,873
VI	Extraordinary income				
1	Gain on step acquisitions	-	-	4,155	4,155
VII	Extraordinary loss				
1	Impairment loss on goodwill	-	-	4,154	4,154
	Profit before income taxes		1,826		1,874
VIII	Income taxes				
1	Income taxes	556	556	799	799
	Net profit		1,270		1,075
	Net profit attributable to non-controlling interests		1		3
	Net profit attributable to owners of parent		1,268		1,071

Consolidated Statements of Comprehensive Income (Loss)

		April 1, 2023 - June 30, 2023		April 1, 2024 - June 30, 2024	
		Millions of yen		Millions of yen	
I	Net profit		1,270		1,075
II	Other comprehensive income (loss)				
1	Valuation difference on available-for-sale securities	243		190	
2	Deferred gains (losses) on hedges	266		(1,394)	
3	Foreign currency translation adjustments	1,393		1,921	
4	Remeasurements of defined benefit plans	(211)		(248)	
5	Share of other comprehensive income (loss) of affiliates accounted for by the equity method	210	1,902	(1,911)	(1,442)
	Comprehensive income (loss)		3,173		(367)
	Comprehensive income (loss) attributable to :				
	Owners of parent		3,156		(383)
	Non-controlling interests		16		15

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
Apr. 1, 2023 - Jun. 30, 2023	Overseas	Petrochemicals	44,416	11,582	55,999	7,460
		Oil & Gas	67,838	3,598	71,437	7,090
		Power/Railways etc.	14,873	–	14,873	1,532
		Chemicals/Fertilizers	106,333	7,779	114,113	5,715
		Pharmaceutical/Environmental/Industrial Facilities	434	353	787	296
		Others	4,327	1,419	5,747	1,071
		Subtotal	238,224	24,734	262,958	23,165
	Domestic	Petrochemicals	31,646	759	32,406	6,389
		Oil & Gas	1,953	292	2,246	1,727
		Power/Railways etc.	100,627	61	100,688	18,700
		Chemicals/Fertilizers	1,588	–	1,588	159
		Pharmaceutical/Environmental/Industrial Facilities	24,949	200	25,149	3,132
		Others	201	1,511	1,713	1,458
		Subtotal	160,968	2,824	163,792	31,567
			*4,276			
	Grand total		399,192	27,558	426,751	54,733
Apr. 1, 2024 - Jun. 30, 2024	Overseas	Petrochemicals	71,835	1,735	73,571	7,573
		Oil & Gas	66,596	1,016	67,613	13,201
		Power/Railways etc.	16,896	458	17,355	2,173
		Chemicals/Fertilizers	84,936	4,545	89,482	15,466
		Pharmaceutical/Environmental/Industrial Facilities	2,340	746	3,087	181
		Others	3,670	77	3,748	1,337
		Subtotal	246,277	8,580	254,857	39,933
	Domestic	Petrochemicals	11,471	298	11,770	3,511
		Oil & Gas	315	421	736	548
		Power/Railways etc.	32,130	235	32,366	13,899
		Chemicals/Fertilizers	387	294	681	169
		Pharmaceutical/Environmental/Industrial Facilities	9,022	242	9,264	3,314
		Others	70	1,491	1,561	1,469
		Subtotal	53,397	2,984	56,381	22,913
			*10,705			
	Grand total		299,675	11,564	311,239	62,847

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 1,474 million yen for Apr. 1, 2023 - Jun. 30, 2023 and 4,224 million yen for Apr. 1, 2024 - Jun. 30, 2024.

2. Adjustment of orders awarded in prior years are included in the "Backlog, the End of period".

The amounts are (792) million yen for Apr. 1, 2023 - Jun. 30, 2023 and (1,246) million yen for Apr. 1, 2024 - Jun. 30, 2024.

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, 2024 - Jun. 30, 2024 are 2,879 and 223,358 million yen, respectively.