

Second Quarter of Fiscal Year Ending March 2026  
(FY2025-2Q)

# OUTLINE OF FINANCIAL RESULTS

November 13, 2025

Toyo Engineering Corporation

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## Results

- ✓ Net sales totaled ¥94.0 billion, with gross profit of ¥8.0 billion, operating loss of ¥4.2 billion, ordinary loss of ¥1.9 billion, and net loss of ¥3.0 billion
- ✓ Operating loss was recognized due to decline in profitability of a gas power project in Brazil and two biomass projects
  - Brazil** : Cost increases occurred in the final phase of construction. Loss recovery is planned via arbitration.  
Currently in the commissioning phase, with completion expected within this FY.
  - Biomass** : Delays and cost overruns due to issues during commissioning.  
Among the four projects that were in progress at the beginning of the fiscal year, three have been completed and remaining one is now in the final stage of commissioning.
- ✓ The equity in earnings from affiliates from FPSO projects is in line with the period's forecast
- ✓ Profit recovery to our initial forecast is expected in the second half, driven by the steady progress of existing projects and cost reductions

## New Orders

- ✓ Achieved ¥364.1 billion<sup>\*1</sup>, reaching 91% of annual forecast of ¥400.0 billion
- ✓ Backlog of contracts became ¥613.9 billion<sup>\*1</sup> in total, ¥327.5 billion in consolidated, securing sufficient projects to cover anticipated sales and profits for the second-half and next year

<sup>\*1</sup> Includes equity method affiliates

# Performance Summary

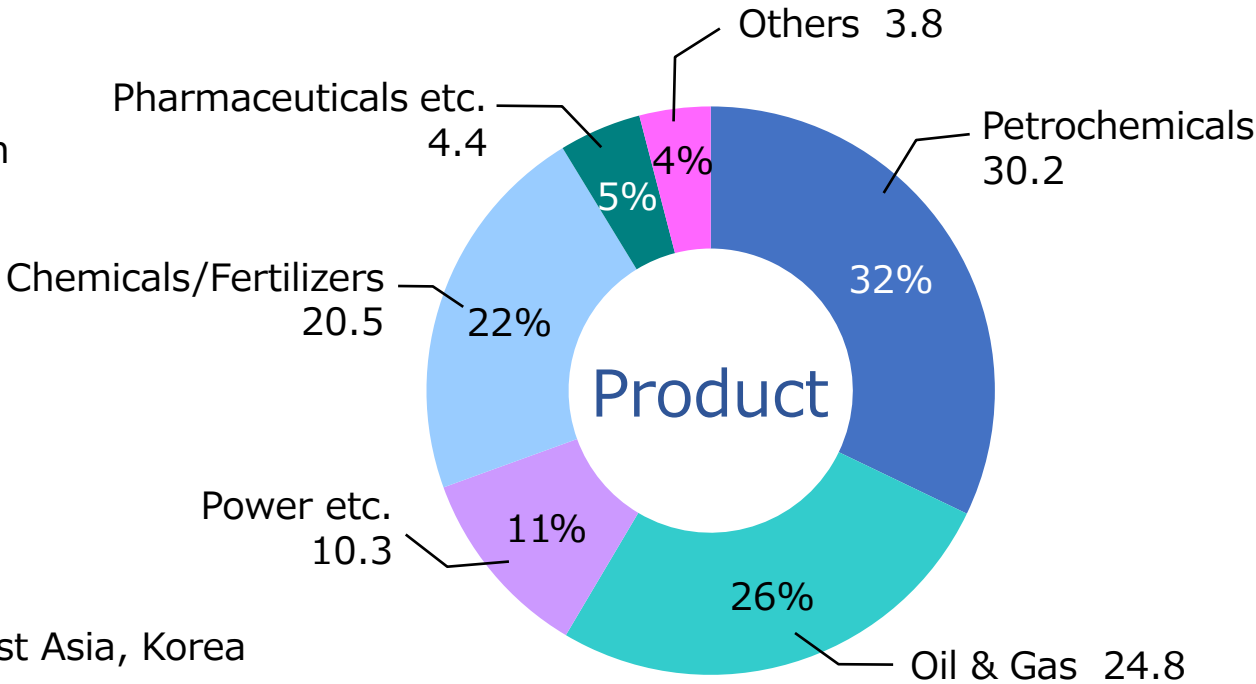
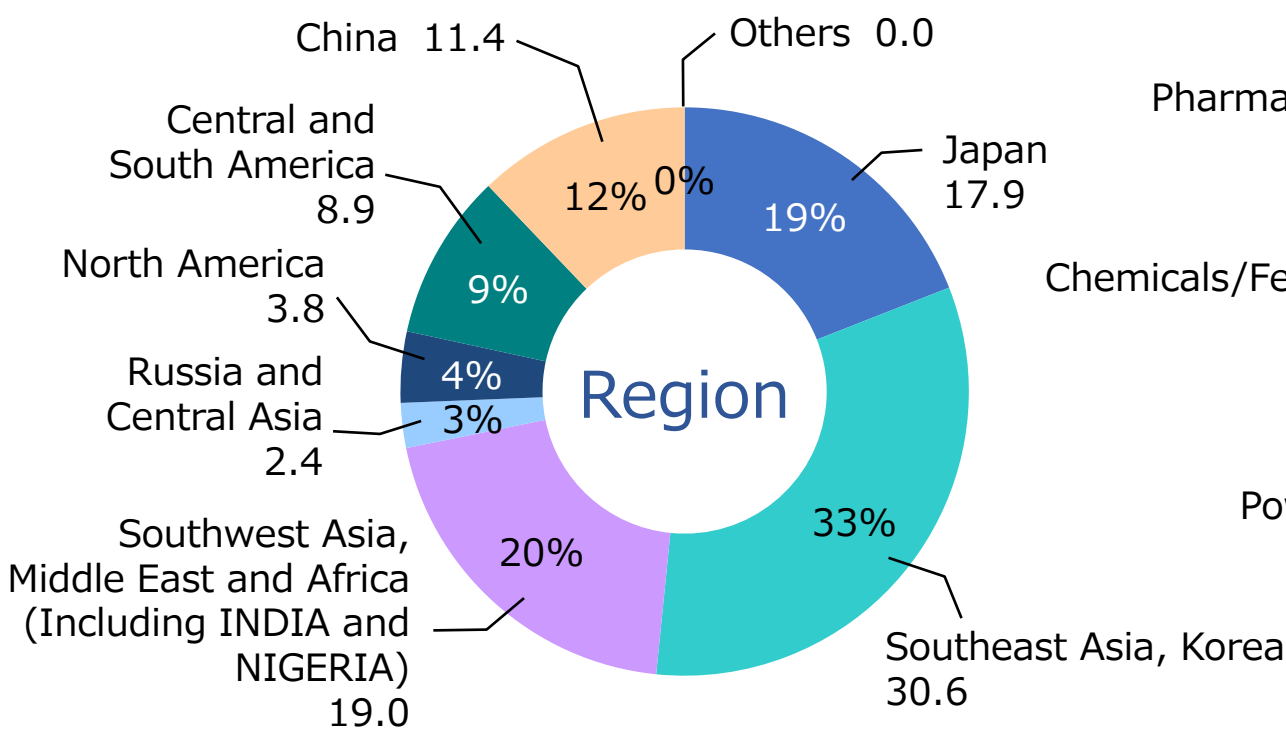
JPY billion

- ◆ Decrease in revenue and profit compared with the same period of the previous year
- ◆ No change from initial forecast announcement and dividend forecast

	2024/9	2025/9	Difference	Forecast 2026/3 as of 2025/11/13	Progress
Net sales	121.8	94.0	(27.8)	200.0	47%
Gross profit	12.8	8.0	(4.8)	25.0	32%
Gross profit margin	10.6%	8.5%	-2.1pt	12.5%	
SG&A expenses	10.8	12.2	(1.4)	23.5	52%
Operating profit	2.0	(4.2) ①	(6.2)	1.5	-280%
Operating profit margin	1.7%	-4.5%	-6.2pt	0.8%	
Non-operating income & expenses	1.2	2.3 ②	+1.1	5.0	46%
Ordinary profit	3.2	(1.9)	(5.1)	6.5	-29%
Extraordinary income & loss	0.0	-	(0.0)	-	-
Profit before income taxes	3.2	(1.9)	(5.1)	6.5	-29%
Income taxes	1.5	1.0 ③	+0.5	1.5	67%
Profit attributable to owners of parent	1.7	(3.0)	(4.7)	5.0	-60%
New orders	51.6	127.7	+76.1	170.0	75%
New orders including equity method affiliates	55.0	364.1	+309.1	400.0	91%
Dividends per share	Interim ¥0	Interim ¥0	±¥0	Annual ¥25	-

- ① Operating loss has been recognized, due to decline in profitability of a gas power project in Brazil and two domestic biomass projects
- ② The equity in earnings from affiliates is in line with the period's forecast
- ③ Tax burden on profitable subsidiaries

2025/9 Net sales : JPY 94.0 billion



Major Contracts	Over JPY 10 billion	Over JPY 3 billion
	Petrochemicals, THAILAND	Chemicals/Fertilizers, CHINA Oil & Gas, BRAZIL Oil & Gas, INDIA Petrochemicals, KOREA
		Chemicals/Fertilizers, NIGERIA Oil & Gas, JAPAN Power etc., BRAZIL

※JPY 61.5 billion of net sales from equity method affiliates attributable to our ownership is excluded from the figures shown above.

# Balance Sheet

JPY billion

Assets	2025/3	2025/9	Difference
Current assets	244.2	206.3	(37.9)
Cash and deposits	90.3	91.4	+1.1 ①
Notes and accounts receivable	113.5	77.6	(35.9) ①
Costs on construction contracts in progress	9.5	11.2	+1.7 ①
Other current assets	30.8	26.0	(4.8)
Non-current assets	42.3	47.1	+4.8
Property, plant and equipment	10.4	9.7	(0.7)
Intangible assets	5.6	5.4	(0.2)
Investments and other assets	26.3	32.0	+5.7
<b>Total assets</b>	<b>286.5</b>	<b>253.5</b>	<b>(33.0)</b>

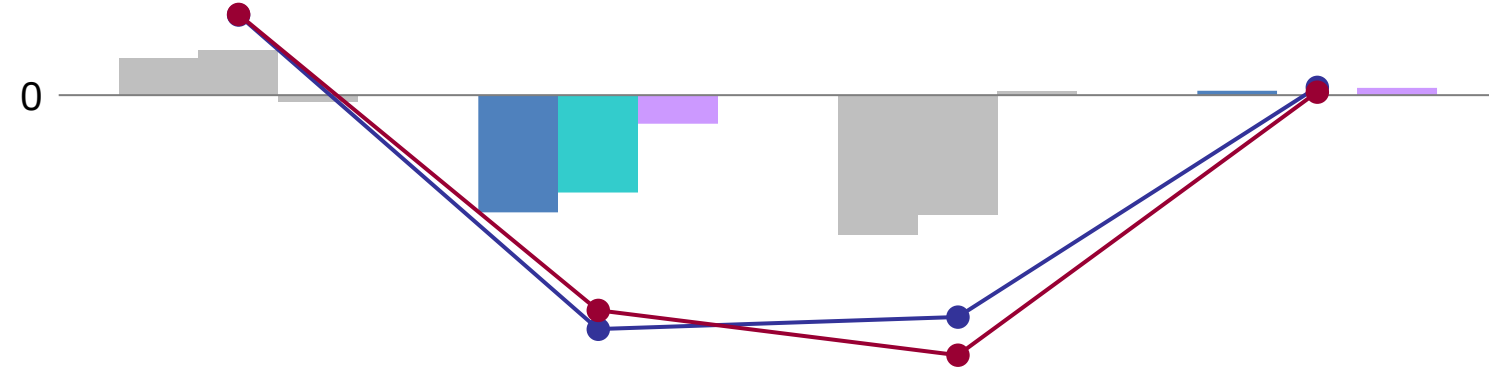
① Increase/decrease mainly due to project progress

② Decrease due to the recognition of net loss and a dividend payment

Liabilities and net assets	2025/3	2025/9	Difference
Current liabilities	182.6	168.1	(14.5)
Short-term interest bearing debt	17.4	33.0	+15.6
Notes and accounts payable	84.9	57.3	(27.6) ①
Advances received on construction contracts in progress	53.1	48.2	(4.9) ①
Other current liabilities	27.0	29.5	+2.5
Non-current liabilities	43.7	31.3	(12.4)
Long-term interest bearing debt	34.4	21.7	(12.7)
Other non-current liabilities	9.2	9.5	+0.3
Net assets	60.2	54.0	(6.2)
Shareholder's equity	51.4	46.7	(4.7) ②
Accumulated other comprehensive income	8.6	7.0	(1.6)
Non-controlling interests	0.2	0.2	(0.0)
<b>Total liabilities and net assets</b>	<b>286.5</b>	<b>253.5</b>	<b>(33.0)</b>
<b>Equity ratio</b>	<b>20.9%</b>	<b>21.2%</b>	<b>+0.3pt</b>

# Cash Flows

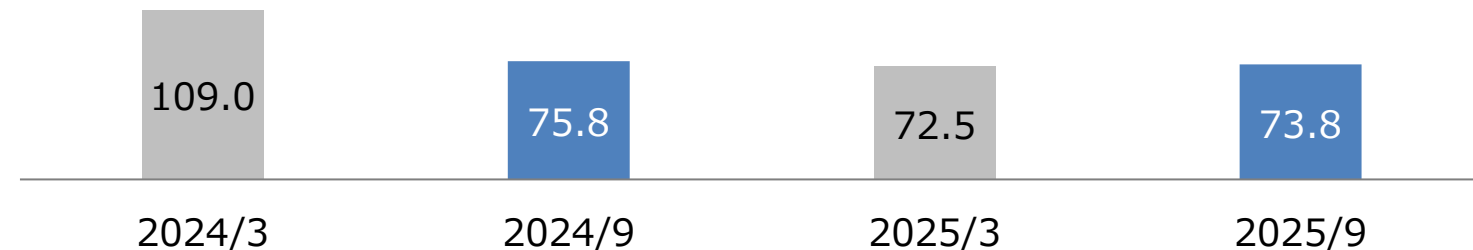
JPY billion



	2023/4~2024/3	2024/4~9	2024/4~2025/3	2025/4~9
Operating activities	6.0	(19.3)	(23.0)	0.7
Investing activities	7.3 ※	(16.0)	(19.7)	(0.1)
Financing activities	(1.0)	(4.7)	0.6	1.2
Net increase/decrease in cash	13.2	(38.5)	(36.5)	1.3
Free cash flow	13.3	(35.4)	(42.8)	0.5

※Increase mainly due to transfer of real estate

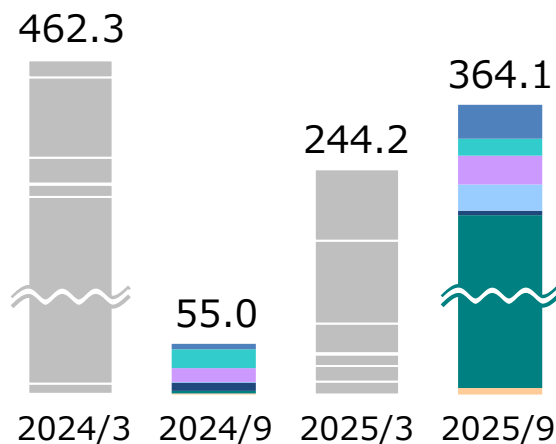
## Cash and cash equivalents, end of the term



# New Orders

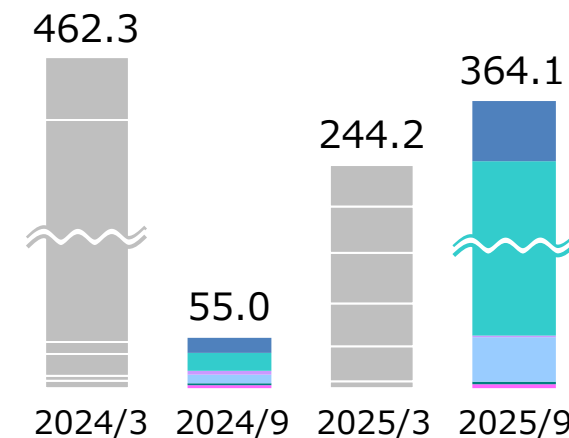
JPY billion

## Region



Japan	18.4	5.9	77.3	36.8
Southeast Asia, Korea	87.1	20.4	89.9	18.3
Southwest Asia, Middle East and Africa	28.0	14.9	32.1	31.3
Russia and Central Asia	1.2	0.8	1.4	28.3
North America	13.3	8.9	12.5	4.9
Central and South America	302.4	2.9	16.9	237.3
China	11.1	1.2	14.0	7.2
Others	0.8	0.0	0.1	0.0
New orders including equity method affiliates	462.3	55.0	244.2	364.1

## Product



Petrochemicals	68.8	16.5	45.4	65.7
Oil & Gas	343.0	19.5	50.7	241.0
Power etc.	13.1	4.3	55.4	1.6
Chemicals/Fertilizers	23.9	9.2	46.9	48.7
Pharmaceuticals etc.	5.4	2.1	38.3	2.7
Others	8.1	3.4	7.5	4.4
New orders including equity method affiliates	462.3	55.0	244.2	364.1
Equity method affiliates only	302.4	3.4	6.2	236.3

## 2025/9 Major Contracts

Consolidated : JPY 127.7 billion in total

Petrochemicals, INDIA  
Chemicals/Fertilizers, JAPAN  
Petrochemicals, TURKMENISTAN  
Chemicals/Fertilizers, KOREA

Equity method affiliates (our share) : JPY 236.3 billion in total

FPSO \*1, GUYANA  
FPSO, BRAZIL

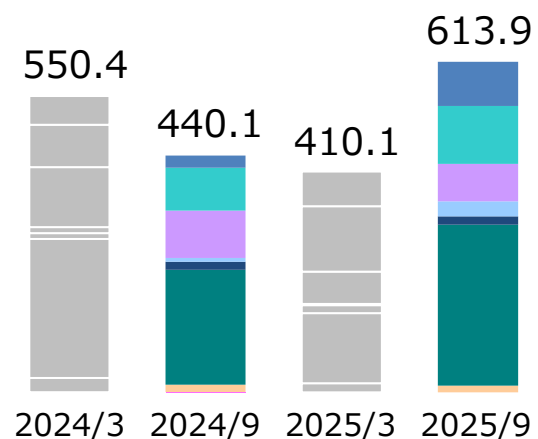
\*1 : FPSO = Floating Production, Storage and Offloading



# Backlog of Contracts

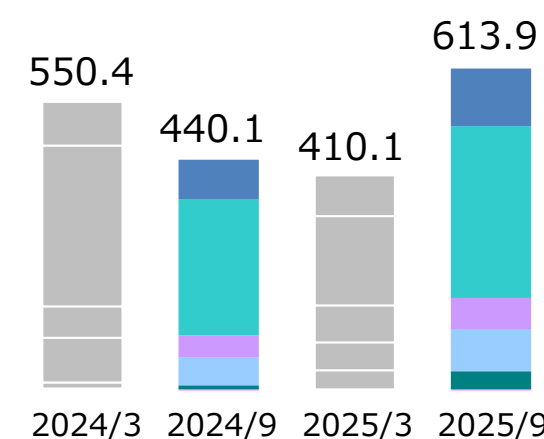
JPY billion

## Region



Japan	53.4	22.6	64.4	81.8
Southeast Asia, Korea	78.7	80.2	121.5	107.8
Southwest Asia, Middle East and Africa	111.4	87.7	60.0	69.7
Russia and Central Asia	11.2	7.1	2.3	27.8
North America	10.8	14.8	14.8	15.6
Central and South America	258.2	213.2	130.2	298.9
China	26.4	14.2	16.9	12.3
Others	0.3	0.3	0.0	0.0
Backlog of contracts including equity method affiliates	550.4	440.1	410.1	613.9

## Product



Petrochemicals	83.3	75.2	77.6	110.0
Oil & Gas	306.8	259.7	170.3	327.7
Power etc.	59.9	41.7	70.6	58.8
Chemicals/Fertilizers	85.3	53.8	53.2	80.6
Pharmaceuticals etc.	11.4	7.6	36.4	34.3
Others	3.7	2.1	2.0	2.5
Backlog of contracts including equity method affiliates	550.4	440.1	410.1	613.9
Equity method affiliates only	250.7	167.4	108.4	286.4

## 2025/9 Major Contracts

Consolidated : JPY 327.5 billion in total

Chemicals/Fertilizers, JAPAN  
Petrochemicals, INDIA  
Petrochemicals, TURKMENISTAN  
Pharmaceuticals etc., JAPAN

Equity method affiliates (our share) : JPY 286.4 billion in total

FPSO, BRAZIL (2 projects)  
FPSO, GUYANA (2 projects)

# Forecast for 2026/3

◆ Revised the forecast for 2026/3  
(Gross profit & SG&A expenses)

JPY billion



	2025/3	2Q:2025/9		2026/3 Forecast		
	Result	Result	Progress	Initial plan as of 2025/5/15	Current plan as of 2025/11/13	Difference
Net sales	278.0	94.0	47%	200.0	200.0	±0.0
Gross profit	26.0	8.0	32%	26.5	25.0	(1.5)
Gross profit margin	9.4%	8.5%		13.3%	12.5%	-0.8pt
SG&A expenses	23.4	12.2	52%	25.0	23.5	+1.5
Operating profit	2.5	(4.2)	-280%	1.5	1.5	±0.0
Operating profit margin	0.9%	-4.5%		0.8%	0.8%	±0.0pt
Non-operating income & expenses	3.8	2.3	46%	5.0	5.0	±0.0
Ordinary profit	6.4	(1.9)	-29%	6.5	6.5	±0.0
Income taxes	3.0	1.0	67%	1.5	1.5	±0.0
Profit attributable to owners of parent	2.0	(3.0)	-60%	5.0	5.0	±0.0
New orders	237.9	127.7	75%	170.0	170.0	±0.0
New orders including equity method affiliates	244.2	364.1	91%	400.0	400.0	±0.0
Dividends per share	Annual ¥25	Interim ¥0	-	Annual ¥25	Annual ¥25	±¥0
Net assets	60.2	54.0		63.7	63.7	±0.0
ROE	3.3%	-		8.1%	8.1%	±0.0pt

## <Reasons for the revision>

### Gross profit:

Despite implementing following countermeasures against the declining profitability of a gas power project in Brazil and two domestic biomass projects, a ¥1.5 billion reduction is yet forecasted at the end of this fiscal year.

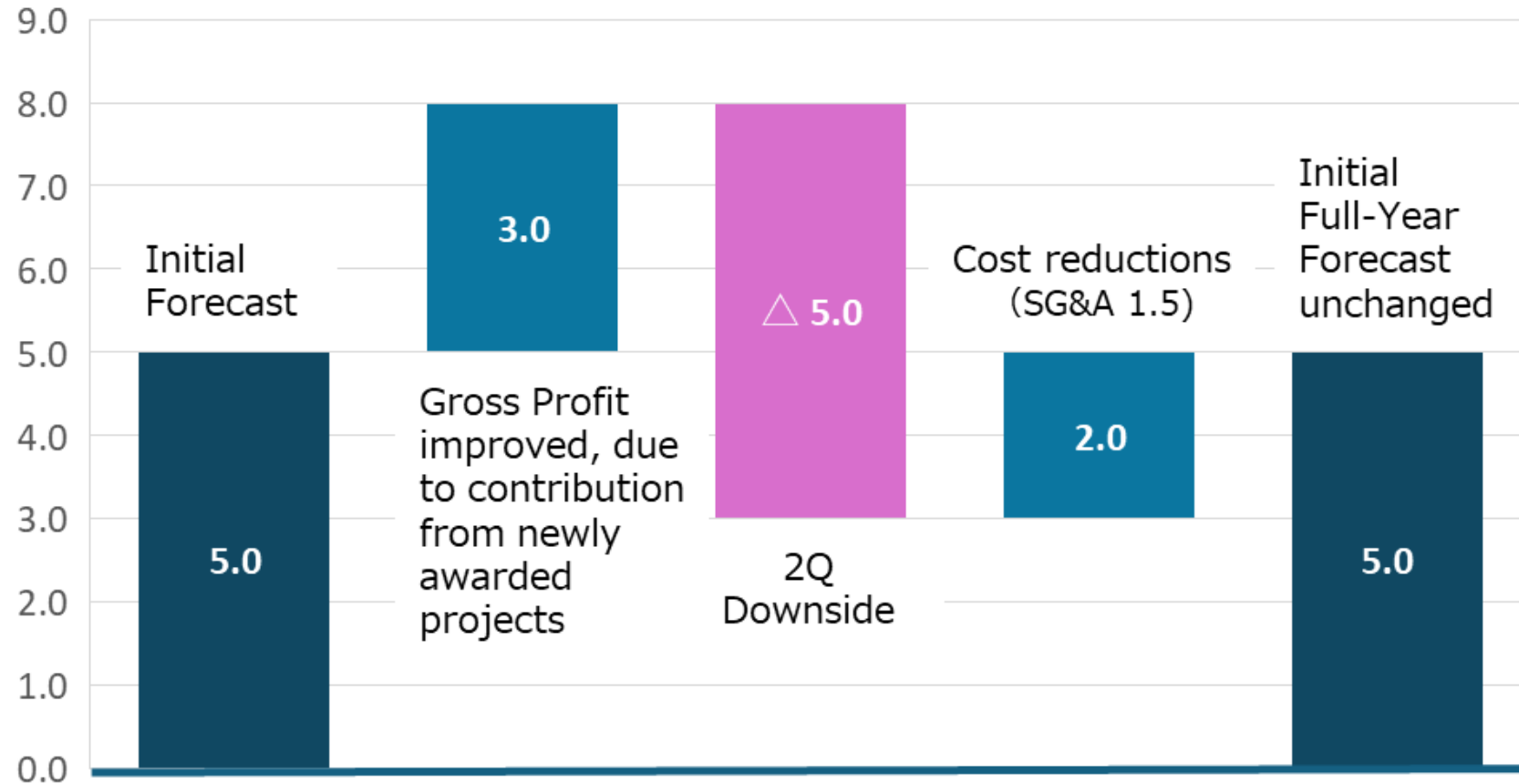
- Improvement of gross profit of newly awarded projects
- Cost reduction

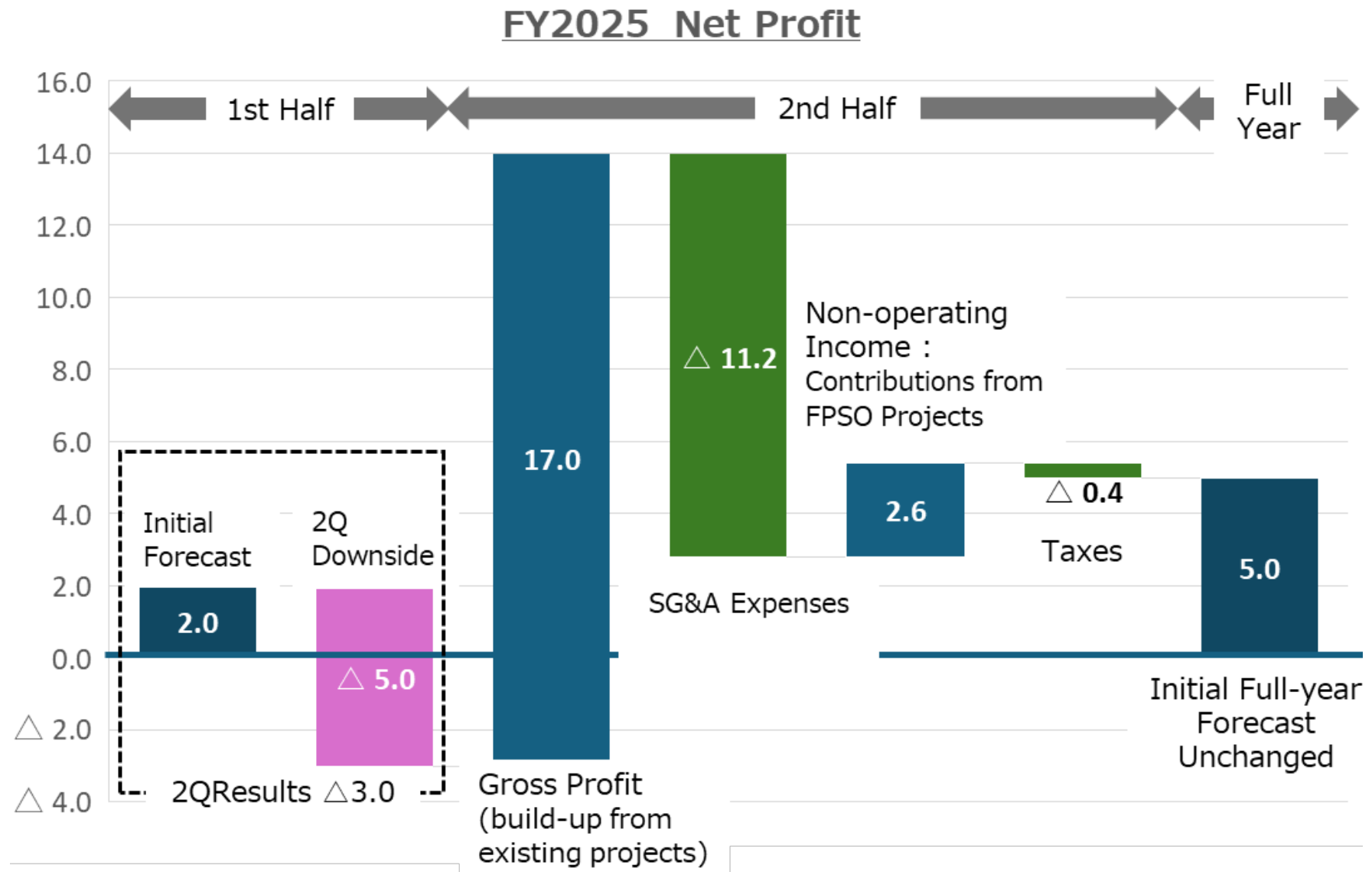
### SG&A expenses:

By implementing the cost reductions, the decreased SG&A expenses will offset the decrease of gross profit.

Exchange rate for the forecast 1US\$= ¥145

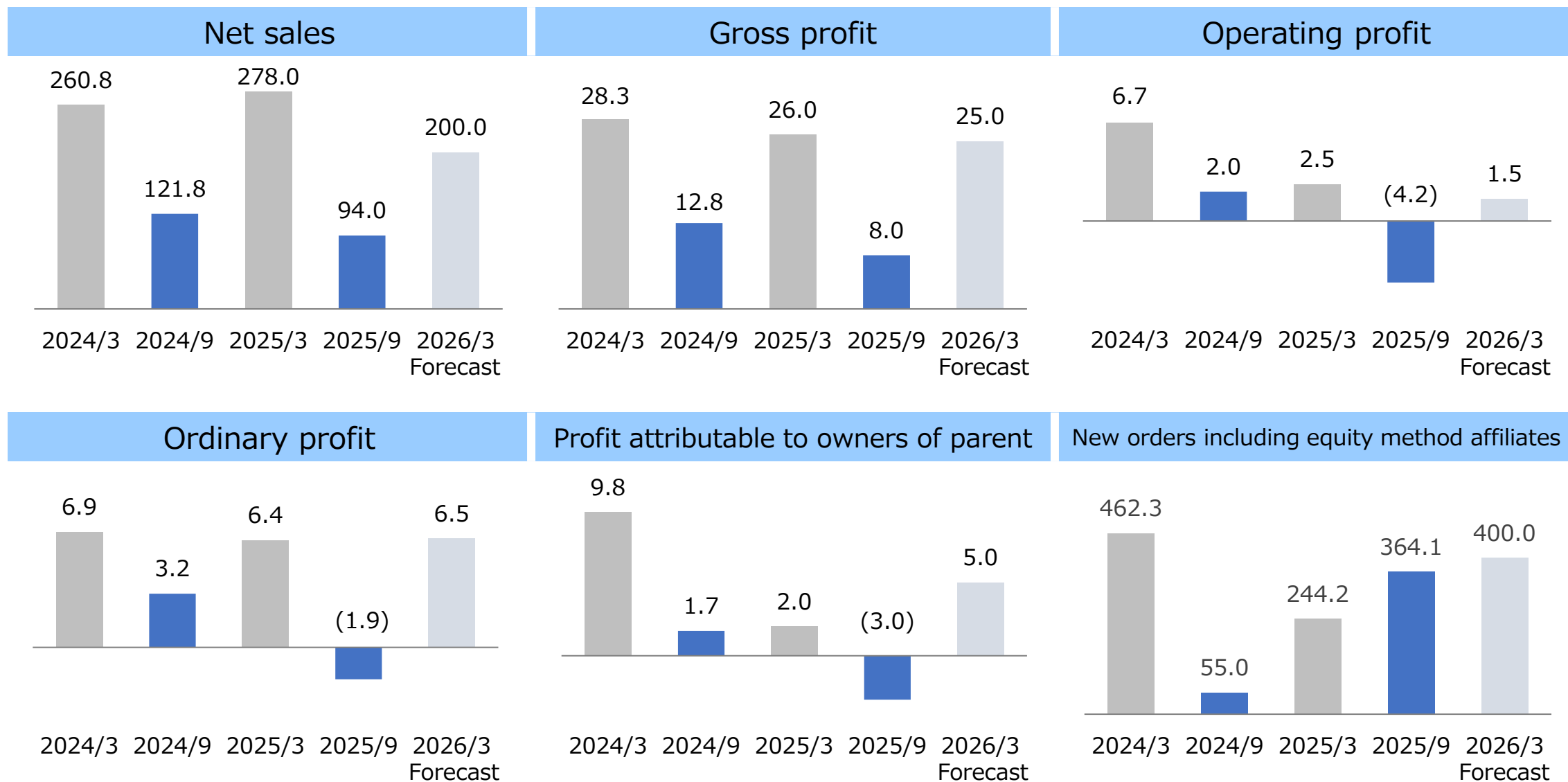
## Outlook for Full-Year Earnings Recovery





# -Reference- Performance Trends

JPY billion



# -Reference- Historical Data

		2024/3	2024/9	2025/3	2025/9	2026/3 Forecast
Net sales	JPY billion	260.8	121.8	278.0	94.0	200.0
Gross profit	JPY billion	28.3	12.8	26.0	8.0	25.0
Gross profit margin	%	10.9%	10.6%	9.4%	8.5%	12.5%
SG&A expenses	JPY billion	21.6	10.8	23.4	12.2	23.5
Operating profit	JPY billion	6.7	2.0	2.5	(4.2)	1.5
Operating profit margin	%	2.6%	1.7%	0.9%	-4.5%	0.8%
Ordinary profit	JPY billion	6.9	3.2	6.4	(1.9)	6.5
Income taxes	JPY billion	1.9	1.5	3.0	1.0	1.5
Profit attributable to owners of parent	JPY billion	9.8	1.7	2.0	(3.0)	5.0
Comprehensive income	JPY billion	15.0	(0.6)	(3.1)	(4.5)	
Interest bearing debt	JPY billion	36.2	47.7	51.9	54.7	
Debt equity ratio	Times	0.57	0.76	0.86	1.02	
Net debt	JPY billion	(72.7)	(28.1)	(20.6)	(19.0)	
Equity ratio	%	22.4%	22.6%	20.9%	21.2%	
Operating activities CF	JPY billion	6.0	(19.3)	(23.0)	0.7	
Investing activities CF	JPY billion	7.3	(16.0)	(19.7)	(0.1)	
Financing activities CF	JPY billion	(1.0)	(4.7)	0.6	1.2	
New orders	JPY billion	159.8	51.6	237.9	127.7	170.0
New orders including equity method affiliates	JPY billion	462.3	55.0	244.2	364.1	400.0
Backlog of contracts	JPY billion	299.6	272.7	301.7	327.5	
Backlog of contracts including equity method affiliates	JPY billion	550.4	440.1	410.1	613.9	
Dividends per share	Yen	Annual 12.0	Interim 0.0	Annual 25.0	Interim 0.0	Annual 25.0
Net assets	JPY billion	64.1	62.8	60.2	54.0	63.7
ROE	%	17.4%	-	3.3%	-	8.1%



## Toyo Engineering Corporation

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