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May 15, 2025

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Stock Code: 6330, Stock Listing: Tokyo Stock Exchange Prime Market

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Notice Regarding Differences Between the Financial Results Forecast and Actual Results

Toyo Engineering Corporation (“TOYO”) hereby announces that there were differences between the financial results forecast announced on May 15, 2024 and the actual results announced today. Details are as follows.

1. Differences between the consolidated financial results forecast and actual results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on May 15, 2024)	Millions of Yen 270,000	Millions of Yen 5,000	Millions of Yen 7,500	Millions of Yen 6,000	Yen 102.39
Actual results (B)	278,091	2,591	6,459	2,020	34.49
Increase (B–A)	8,091	(2,409)	(1,041)	(3,980)	(67.90)
Percentage increase (%)	3.0%	(48.2)%	(13.9)%	(66.3)%	(66.3)%
(Reference) Results for the FY ended March 31, 2024	260,825	6,712	6,995	9,821	167.59

(Note) Upon calculation of “Basic earnings per share,” the number of class A preferred stocks which were issued in March 2019 is included.

2. Reasons for the differences

In a gas-fired power generation project in Brazil and a pharmaceutical plant project in Japan, there were delays due to some combination of factors partially attributable to customers, which resulted in substantial additional expenses. Currently, TOYO is still in the middle of change order negotiations with customers. TOYO was unable to recognize the additional revenue that had been anticipated and newly recorded provision for loss.

In addition, two biomass power generation projects in Japan originally planned for completion by the end of the fiscal year encountered issues in the test-run phase, which was the final stage of the construction, and faced delays. Accordingly, TOYO recorded provision for additional expenses.

Meanwhile, profits increased in multiple overseas projects, including those in India and China, and entities accounted for using equity method. However, it did not fully offset the decline in profits in the projects mentioned above. As a result, operating profit and ordinary profit fell short of the forecast figures announced at the beginning of the fiscal year.

Furthermore, as a result of the recording of extraordinary losses due to impairment of non-current assets held by a subsidiary in Brazil and increase in taxes incurred by subsidiaries in India and China, after-tax profit attributable to owners of parent also fell short of the forecast announced at the beginning of the fiscal year.

2. Dividends forecast

TOYO's basic policy for the time being is to have a dividend payout ratio of 25% or more of profit attributable to owners of parent. While it has made downward revision to its financial results forecast, in consideration of its liquidity and future outlook, TOYO plans to keep the year-end dividend unchanged from the previous forecast at 25 yen per share.