

Consolidated Interim Financial Statements [Summary]

(For the fiscal year ending March 31, 2003)

November 22, 2002



(URL: <http://www.toyo-eng.co.jp>)

President and Chief Executive Officer, Toshihiko Hirose

Contacts : Isao Ichikawa, Executive Officer, General Manager of Accounting Div. TEL+81-47-454-1521

The following statements are an English-language translation from the original Japanese-language document.
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

1. Business results for the interim term (April 1, 2002-September 30, 2002)

(1) Consolidated financial results Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Sep. 2002	83,491	(11.7)	2,233	10.4	(195)	-
Sep. 2001	94,531	124.8	2,023	-	1,163	(48.0)
Mar. 2002	158,962		2,960		3,759	

	Net income		Earnings per share	
	Millions of yen	%	Yen	
Sep. 2002	(1,543)	-	(8.79)	
Sep. 2001	(525)	-	(2.99)	
Mar. 2002	(1,080)		(6.15)	

Notes:

Equity in earning of affiliates (millions of yen) :

Sep. 2002 interim term: 5 / Sep. 2001 interim term: 13 / Mar. 2002 term: 41

Average number of shares outstanding (Consolidated):

Sep. 2002 interim term: 175,661,178 / Sep. 2001 interim term: 175,690,597 / Mar. 2002 term: 175,686,428

Change in accounting methods: None

Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous term.

(2) Consolidated financial position

	Total assets	Shareholder's equity	Shareholder's equity/total assets	Shareholder's equity per share
	Millions of yen	Millions of yen	%	Yen
Sep. 2002	186,576	29,155	15.6	166.00
Sep. 2001	211,647	29,974	14.2	170.61
Mar. 2002	196,176	30,906	15.8	175.93

Notes : Number of shares outstanding at term-end (Consolidated):

Sep. 2002 interim term: 175,639,702 / Sep. 2001 interim term: 175,691,672 / Mar. 2002 term: 175,675,749

(3) Consolidated cash flows

	Net cash provided by Operating activities	Net cash provided by Investing activities	Net cash provided by Financing activities	Cash and cash equivalents at term-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Sep. 2002	(4,118)	(38)	(4,445)	35,398
Sep. 2001	6,251	(990)	(3,135)	59,043
Mar. 2002	5,754	(1,326)	(18,195)	43,476

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries : 12 companies

Non-consolidated subsidiaries accounted for by the equity method : None

Affiliated companies accounted for by the equity method : 1 company

(5) Changes in scope of consolidation and application of the equity method

Consolidated subsidiaries: Increase : 2 Decrease : 1

Equity-method companies: Increase : None Decrease : None

2. Forecast for fiscal 2002 (April 1, 2002-March 31, 2003)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Entire term	185,000	2,000	500

Reference: Estimated earnings per share (yen, fiscal 2002) **¥2.85**

Note : 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.

Consolidated Balance Sheets

	September 30, 2001		September 30, 2002		March 31, 2002	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
[ASSETS]						
Current assets						
1. Cash and deposits	59,178		35,628		43,622	
2. Notes and accounts receivable	58,011		58,881		55,396	
3. Marketable securities	0		501		500	
4. Contract work in progress	25,775		25,944		31,893	
5. Other current assets	13,750		12,550		12,442	
6. Allowance for doubtful receivables	(691)		(856)		(2,717)	
Total current assets	156,024	73.7	132,649	71.1	141,138	71.9
Fixed assets						
1. Property, plant and equipment, at cost						
(1) Buildings and structures	27,319		25,827		25,864	
(2) Land	18,652		18,650		18,650	
(3) Other tangible fixed assets	4,629		4,617		4,617	
(4) Accumulated depreciation	(14,932)		(14,886)		(14,502)	
2. Intangible assets	1,600		1,114		1,114	
3. Investments						
(1) Investment securities	9,393		8,997		9,826	
(2) Other investments and assets	12,761		13,928		14,025	
(3) Allowance for doubtful receivables	(3,800)		(4,323)		(4,556)	
Total fixed assets	55,623	26.3	53,926	28.9	55,038	28.1
Total assets	211,647	100.0	186,576	100.0	196,176	100.0
[LIABILITIES]						
Current liabilities						
1. Notes and accounts payable	27,139		31,476		26,200	
2. Short-term bank loans	79,740		45,783		46,475	
3. Advance receipts on uncompleted contracts	31,293		24,178		33,744	
4. Reserves	1,637		933		915	
5. Other current liabilities	8,833		6,684		6,218	
Total current liabilities	148,645	70.2	109,057	58.4	113,554	57.9
Long-term liabilities						
1. Long-term debt	27,146		41,956		46,037	
2. Reserve for retirement benefits	1,009		1,505		753	
3. Reserve for directors' retirement bonuses	433		277		489	
4. Other long-term liabilities	2,838		2,638		2,634	
Total long-term liabilities	31,428	14.9	46,376	24.9	49,915	25.4
Total liabilities	180,074	85.1	155,434	83.3	163,470	83.3
[MINORITY INTERESTS]						
Minority interests	1,599	0.7	1,985	1.1	1,800	0.9
[SHAREHOLDERS' EQUITY]						
Common stock	13,017	6.2	13,017	7.0	13,017	6.6
Additional paid-in capital	15,592	7.4	15,592	8.3	15,592	7.9
Retained earnings	3,609	1.6	1,595	0.8	3,050	1.6
Net unrealized loss on securities	(1,546)	(0.7)	(447)	(0.2)	(280)	(0.1)
Foreign currency translation adjustments	(699)	(0.3)	(592)	(0.3)	(470)	(0.2)
	29,974		29,165		30,908	
Treasury stock	(0)	(0.0)	(9)	(0.0)	(2)	(0.0)
Total shareholders' equity	29,974	14.2	29,155	15.6	30,906	15.8
Total liabilities and shareholders' equity	211,647	100.0	186,576	100.0	196,176	100.0

Consolidated Statements of Income

	September 30, 2001		September 30, 2002		March 31, 2002	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	94,531	100.0	83,491	100.0	158,962	100.0
Cost of sales	87,210	92.3	75,283	90.2	144,548	90.9
Gross profit	7,320	7.7	8,207	9.8	14,414	9.1
Selling, general and administrative expenses	5,297	5.6	5,974	7.1	11,454	7.2
Operating income	2,023	2.1	2,233	2.7	2,960	1.9
Non-operating income						
1. Interest and dividends	1,457		811		2,593	
2. Equity in earnings of affiliates	13		5		41	
3. Other non-operating income	322		539		1,971	
Total non-operating income	1,793	1.9	1,356	1.6	4,606	2.9
Non-operating expenses						
1. Interest expenses	1,486		1,120		2,846	
2. Other non-operating expenses	1,166		2,664		961	
Total non-operating expenses	2,653	2.8	3,785	4.5	3,808	2.4
Ordinary income	1,163	1.2	(195)	(0.2)	3,759	2.4
Extraordinary loss						
1. Loss on prior period adjustment	-		412		231	
2. Loss on valuation of investment securities	1,111		108		2,001	
3. Provision for doubtful receivables	-		-		2,050	
4. Other	70		56		846	
Total extraordinary loss	1,182	1.2	577	0.7	5,129	3.3
Loss before income taxes and minority interests	19	0.0	772	0.9	1,370	0.9
Current income taxes	182	0.2	423	0.5	522	0.3
Deferred income taxes	330	0.4	176	0.2	(1,001)	(0.6)
Minority interests	(6)	(0.0)	171	0.2	189	0.1
Net loss	525	0.6	1,543	1.8	1,080	0.7

Consolidated Statements of Cash Flows

Millions of yen

	September 30, 2001	September 30, 2002	March 31, 2002
Cash flows from operating activities			
Loss before income taxes and minority interests	(19)	(772)	(1,370)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities :			
Depreciation and amortization	638	656	1,338
Provision for doubtful receivables	(76)	(2,096)	2,705
Increase in retirement benefits	597	701	347
Provision for (reversal of) anticipated loss on contract work	(214)	27	(926)
Interest and dividends income	(1,457)	(811)	(2,593)
Interest expense	1,486	1,120	2,846
Foreign exchange (gain) loss	(206)	(251)	133
Equity in earnings of affiliated companies	(13)	(5)	(49)
Gain (loss) on sales of marketable and investment securities	(12)	2	(25)
Loss on disposal of property, plant and equipment	9	4	580
(Increase) decrease in notes and accounts receivable	12,147	(3,064)	14,660
Decrease in contract work in progress	22,006	5,681	15,872
Increase (decrease) in notes and accounts payable	(6,065)	4,454	(6,785)
Increase (decrease) in advance receipts on uncompleted contracts	(24,408)	(9,347)	(21,957)
Other, net	2,717	389	2,429
Subtotal	7,132	(3,311)	7,206
Interest and dividends received	1,235	969	2,247
Interest paid	(1,643)	(1,157)	(3,016)
Income taxes paid	(471)	(618)	(682)
Net cash provided by operating activities	6,251	(4,118)	5,754
Cash flows from investing activities			
Purchases of property, plant and equipment	(110)	(107)	(272)
Proceeds from sales of property, plant and equipment	14	4	150
Purchases of securities and investment securities	(185)	-	(241)
Proceeds from sales of securities and investment securities	27	14	86
Purchases of shares of a subsidiary, newly consolidated	(131)	-	(131)
Other, net	(604)	50	(918)
Net cash provided by investing activities	(990)	(38)	(1,326)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans, net	2,218	(890)	(4,105)
Proceeds from long-term debt	4,283	3,920	31,236
Repayment of long-term debt	(9,612)	(7,534)	(45,296)
Other, net	(24)	59	(29)
Net cash provided by financing activities	(3,135)	(4,445)	(18,195)
Effect of exchange rate changes on cash and cash equivalents	(19)	(176)	307
Net (increase) decrease in cash and cash equivalents	2,107	(8,779)	(13,460)
Cash and cash equivalents : beginning of year	56,936	43,476	56,936
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	701	-
Cash and cash equivalents : end of year	59,043	35,398	43,476