

# Non-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) Non-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	72,042	(15.6)	819	(43.7)	(847)	-
Sep. 2001	85,326	139.3	1,455	-	664	(68.6)
Mar. 2002	137,543		1,424		2,297	

	Net income		Earnings per share	
	Millions of yen	%	Yen	
Sep. 2002	(1,361)	-	(7.75)	
Sep. 2001	(844)	-	(4.80)	
Mar. 2002	(1,150)		(6.55)	

Notes:

Average number of shares outstanding (non-consolidated):

**Sep. 2002 interim term: 175,661,178** / Sep. 2001 interim term: 175,692,539 / 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) Dividends

	Annual dividends per share	
	Interim	Term-end
	Yen	Yen
Sep. 2002	0.00	-
Sep. 2001	0.00	-
Mar. 2002	-	0.00

## (3) Non-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	163,395	39,596	24.2	225.44
Sep. 2001	182,338	40,179	22.0	228.69
Mar. 2002	171,392	41,135	24.0	234.16

Notes:

Number of shares outstanding at term-end (non-consolidated):

**Sep. 2002 interim term: 175,639,702** / Sep. 2001 interim term: 175,692,539 / Mar. 2002 term: 175,675,749

Number of shares repurchased at term-end:

**Sep. 2002 interim term: 52,837** / Mar. 2002 term: 16,790

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

	Net sales	Ordinary income	Net income	Annual dividends per share	
	Millions of yen	Millions of yen	Millions of yen	Year-end	Yen
Entire term	165,000	1,500	500	2.00	2.00

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

## Non-Consolidated Balance Sheets

	September 30,		September 30,		March 31,	
	2001		2002		2002	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>[ASSETS]</b>						
<b>Current assets</b>						
1. Cash and deposits	53,382		28,302		35,413	
2. Notes receivable	692		505		342	
3. Accounts receivable	50,788		50,572		48,035	
4. Marketable securities	0		500		500	
5. Contract work in progress	24,164		26,240		30,989	
6. Other current assets	12,861		11,599		11,828	
7. Allowance for doubtful receivables	(635)		(670)		(2,665)	
<b>Total current assets</b>	<b>141,253</b>	<b>77.5</b>	<b>117,050</b>	<b>71.6</b>	<b>124,443</b>	<b>72.6</b>
<b>Fixed assets</b>						
1. Property, plant and equipment, at cost						
(1) Buildings and structures	15,589		15,609		15,610	
(2) Land	13,494		13,494		13,494	
(3) Tools, furniture and fixtures	3,442		3,295		3,361	
(4) Accumulated depreciation	(11,026)		(11,374)		(11,206)	
2. Intangible assets	921		364		394	
3. Investments	22,431		29,212		29,839	
4. Allowance for doubtful receivables	(3,768)		(4,257)		(4,544)	
<b>Total fixed assets</b>	<b>41,084</b>	<b>22.5</b>	<b>46,345</b>	<b>28.4</b>	<b>46,949</b>	<b>27.4</b>
<b>Total assets</b>	<b>182,338</b>	<b>100.0</b>	<b>163,395</b>	<b>100.0</b>	<b>171,392</b>	<b>100.0</b>
<b>[LIABILITIES]</b>						
<b>Current liabilities</b>						
1. Notes payable	1,049		689		848	
2. Accounts payable	24,330		28,428		21,515	
3. Short-term bank loans	51,953		40,575		41,322	
4. Advance receipts on uncompleted contracts	28,564		21,741		31,408	
5. Deposits	5,126		3,219		2,653	
6. Reserves	1,386		635		581	
7. Other current liabilities	1,493		1,420		1,435	
<b>Total current liabilities</b>	<b>113,904</b>	<b>62.5</b>	<b>96,711</b>	<b>59.2</b>	<b>99,765</b>	<b>58.2</b>
<b>Long-term liabilities</b>						
1. Long-term debt	26,963		25,629		29,419	
2. Reserve for retirement benefits	780		1,219		584	
3. Reserve for directors' retirement bonuses	414		225		456	
4. Reserve for anticipated loss on subsidiary's business closing	95		-		27	
5. Other long-term liabilities	1		13		3	
<b>Total long-term liabilities</b>	<b>28,254</b>	<b>15.5</b>	<b>27,087</b>	<b>16.6</b>	<b>30,491</b>	<b>17.8</b>
<b>Total liabilities</b>	<b>142,159</b>	<b>78.0</b>	<b>123,798</b>	<b>75.8</b>	<b>130,257</b>	<b>76.0</b>
<b>[SHAREHOLDERS' EQUITY]</b>						
<b>Common stock</b>						
	13,017	7.1	13,017	8.0	13,017	7.6
<b>Additional paid-in capital</b>						
Additional paid-in capital	15,592		15,592		15,592	
<b>Total additional paid-in capital</b>	<b>15,592</b>	<b>8.5</b>	<b>15,592</b>	<b>9.5</b>	<b>15,592</b>	<b>9.1</b>
<b>Retained earnings</b>						
1. Legal reserve	1,771		1,771		1,771	
2. Voluntary reserve						
(1) Reserve for anticipated loss on overseas investments	68		45		68	
(2) Reserve for dividends	1,210		1,210		1,210	
(3) Reserve for the floating exchange rate	3,600		3,600		3,600	
(4) Other reserve	6,832		5,000		6,832	
3. Unappropriated (Accumulated deficit)	366		178		672	
<b>Total retained earnings</b>	<b>13,115</b>	<b>7.2</b>	<b>11,448</b>	<b>7.0</b>	<b>12,809</b>	<b>7.4</b>
<b>Net unrealized loss on securities</b>	<b>(1,546)</b>	<b>(0.8)</b>	<b>(452)</b>	<b>(0.3)</b>	<b>(281)</b>	<b>(0.1)</b>
<b>Treasury stock</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>(0.0)</b>	<b>(2)</b>	<b>(0.0)</b>
<b>Total shareholders' equity</b>	<b>40,179</b>	<b>22.0</b>	<b>39,596</b>	<b>24.2</b>	<b>41,135</b>	<b>24.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>182,338</b>	<b>100.0</b>	<b>163,395</b>	<b>100.0</b>	<b>171,392</b>	<b>100.0</b>

## Non-Consolidated Statements of Income

	September 30, 2001		September 30, 2002		March 31, 2002	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Net sales</b>	85,326	100.0	72,042	100.0	137,543	100.0
<b>Cost of sales</b>	80,709	94.6	67,670	94.0	129,100	93.9
Gross profit	4,616	5.4	4,372	6.0	8,442	6.1
<b>Selling, general and administrative expenses</b>	3,161	3.7	3,553	4.9	7,018	5.1
<b>Operating income</b>	1,455	1.7	819	1.1	1,424	1.0
<b>Non-operating income</b>						
1. Interest and dividends	1,453		1,094		2,497	
2. Other non-operating income	127		633		1,575	
Total non-operating income	1,581	1.9	1,728	2.4	4,073	3.0
<b>Non-operating expenses</b>						
1. Interest expense	1,197		901		2,281	
2. Other non-operating expenses	1,174		2,493		918	
Total non-operating expenses	2,372	2.8	3,394	4.7	3,200	2.3
<b>Ordinary income</b>	664	0.8	(847)	(1.2)	2,297	1.7
<b>Extraordinary gain</b>						
1. Gain on sales of investment securities					535	
Total extraordinary gain		-		-	535	0.4
<b>Extraordinary loss</b>						
1. Loss on prior period adjustment			361		231	
2. Loss on valuation of investment securities	1,111		42		1,977	
3. Loss on valuation of membership	6					
4. Provision for doubtful receivables					2,050	
5. Loss on liquidation of non-consolidated subsidiaries	63		56		63	
Total extraordinary loss	1,181	1.4	460	0.6	4,322	3.2
Loss before income taxes	516	0.6	1,307	1.8	1,489	1.1
Current income taxes	2	0.0	5	0.0	6	0.0
Deferred income taxes	325	0.4	48	0.1	(346)	(0.3)
<b>Net loss</b>	844	1.0	1,361	1.9	1,150	0.8
Retained earnings at the beginning of the period	477		1,182		477	
Unappropriated accumulated deficit for the current interim period	366		178		672	

## Sales, New orders and Backlog of Contracts

Millions of yen

			Apr 1, 2002	Sep 30, 2002	Total	Sep 30, 2002	Sep 30, 2002
			Backlog	New orders		Sales	Backlog
Sep 30, 2001	Overseas	Chemical fertilizer	63,737	22,133	85,871	13,091	71,908
		Petrochemical	124,440	13,081	137,521	48,037	84,498
		Refinery	67,283	30,728	98,012	6,653	91,782
		Energy-related	40,283	4,214	44,498	4,629	39,934
		General manufacturing facilities	1,315	1,008	2,324	853	1,486
		Information technology	—	16	16	16	—
		Others	133	388	522	182	337
	Total		297,194	71,572	368,767	73,465	289,947
	Domestic	Petrochemical	252	358	611	144	463
		Refinery	527	417	944	384	551
		Energy-related	13,740	4,976	18,716	2,768	15,765
		General manufacturing facilities	5,774	4,417	10,191	7,210	2,922
		Information technology	591	2,334	2,926	722	2,198
		Others	363	156	520	336	183
Total		21,250	12,660	33,911	11,567	22,084	
Ground total		318,445	84,233	402,678	85,032	312,032	
Sep 30, 2002	Overseas	Chemical fertilizer	69,587	423	70,010	6,424	63,509
		Petrochemical	75,888	59,240	135,129	31,223	103,151
		Refinery	81,134	6,057	87,192	18,838	47,454
		Energy-related	48,716	34,986	83,703	4,748	79,288
		General manufacturing facilities	771	167	939	27	911
		Information technology	—	6	6	6	—
		Others	138	899	1,038	306	728
	Total		276,237	101,782	378,020	61,575	295,044
	Domestic	Petrochemical	389	739	1,128	363	757
		Refinery	723	1,503	2,226	512	1,713
		Energy-related	15,036	2,281	17,317	6,809	10,183
		General manufacturing facilities	1,365	1,370	2,735	1,111	1,563
		Information technology	1,643	1,444	3,087	1,269	1,817
		Others	146	173	320	113	205
Total		19,304	7,512	26,817	10,180	16,241	
Ground total		295,542	109,294	404,837	71,755	311,285	
Mar 31, 2002	Overseas	Chemical fertilizer	63,737	24,212	87,950	17,041	69,587
		Petrochemical	124,440	18,546	142,986	61,980	75,888
		Refinery	67,283	32,682	99,966	20,822	81,134
		Energy-related	40,283	18,896	59,179	12,536	48,716
		General manufacturing facilities	1,315	1,323	2,638	1,992	771
		Information technology	—	22	22	22	—
		Others	133	550	683	542	138
	Total		297,194	96,232	393,427	114,938	276,237
	Domestic	Petrochemical	252	785	1,038	645	389
		Refinery	527	824	1,351	533	723
		Energy-related	13,740	7,826	21,566	6,347	15,036
		General manufacturing facilities	5,774	6,691	12,465	10,944	1,365
		Information technology	591	4,009	4,601	2,952	1,643
		Others	363	381	745	592	146
Total		21,250	20,519	41,769	22,017	19,304	
Ground total		318,445	116,752	435,197	136,956	295,542	

- Notes:
1. All amounts are rounded down to the nearest million yen.
  2. : Increase due to changes in exchange rates.
  3. Real estate sales is not included in the sales figures.