

Consolidated Financial Statements [Summary]

(For the fiscal year ending March 31, 2003)

May 21, 2003



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

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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 fiscal 2002 (April 1, 2002-March 31, 2003)

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

Year ended	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar 31, 2003	179,167	12.7	5,423	83.2	2,575	(31.5)
Mar 31, 2002	158,962	33.5	2,960	-	3,759	(0.3)

Year ended	Net income		Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income / total assets	Ordinary income / net sales
	Millions of yen	%	Yen	Yen	%	%	%
Mar 31, 2003	(923)	-	(5.27)	-	(3.0)	1.3	1.4
Mar 31, 2002	(1,080)	-	(6.15)	-	(3.4)	1.7	2.4

Notes:

Equity in earning of affiliates (millions of yen) :

Mar. 2003 term : 32 / Mar. 2002 term: 41

Average number of shares outstanding (Consolidated):

Mar. 2003 term: 175,612,240 / Mar. 2002 term: 175,686,428

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

(2) Consolidated financial position

Year ended	Total assets	Shareholder's equity	Shareholder's equity / total assets	Shareholder's equity per share
	Millions of yen	Millions of yen	%	Yen
Mar 31, 2003	199,493	29,694	14.9	169.16
Mar 31, 2002	196,176	30,906	15.8	175.93

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

Mar. 31, 2003 : 175,518,561 / Mar. 31, 2002 : 175,675,749

(3) Consolidated cash flows

Year ended	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
Mar 31, 2003	8,819	(258)	(10,076)	42,530
Mar 31, 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 2003 (April 1, 2003-March 31, 2004)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim term	75,000	0	0
Entire term	180,000	4,000	2,000

Reference: Estimated earnings per share (yen, fiscal 2003) **¥11.39**

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

	March 31, 2003		March 31, 2002		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
[ASSETS]					
Current assets					
1. Cash and deposits	42,772		43,622		(849)
2. Notes and accounts receivable	51,995		55,396		(3,401)
3. Marketable securities	1		500		(498)
4. Contract work in progress	41,876		31,893		9,982
5. Deferred tax assets	2,937		2,879		57
6. Other current assets	8,460		9,563		(1,102)
7. Allowance for doubtful receivables	(1,280)		(2,717)		1,436
Total current assets	146,764	73.6	141,138	71.9	5,626
Fixed assets					
1. Property, plant and equipment, at cost					
(1) Buildings and structures	25,741		25,864		(123)
(2) Tools, furniture and fixtures	4,600		4,615		(14)
(3) Land	18,650		18,650		-
(4) Construction in progress	0		2		(1)
(5) Accumulated depreciation	(15,178)		(14,502)		(675)
2. Intangible assets	1,216		1,114		102
3. Investments and other assets					
(1) Investment securities	7,751		9,826		(2,074)
(2) Long-term loans	4,415		4,358		56
(3) Long-term receivables	3,151		3,251		(99)
(4) Long-term deferred tax assets	2,749		2,531		218
(5) Other investments and assets	3,945		3,883		62
(6) Allowance for doubtful receivables	(4,315)		(4,556)		240
Total fixed assets	52,729	26.4	55,038	28.1	(2,309)
Total assets	199,493	100.0	196,176	100.0	3,316
[LIABILITIES]					
Current liabilities					
1. Notes and accounts payable	33,227		26,200		7,026
2. Short-term bank loans	40,274		46,475		(6,200)
3. Income taxes payable	825		323		502
4. Advance receipts on uncompleted contracts	38,854		33,744		5,109
5. Accrued bonuses	517		501		15
6. Reserve for compensation for completed works	169		119		49
7. Reserve for anticipated loss on contract work	321		293		27
8. Reserve for anticipated loss on closing of affiliates	31		-		31
9. Other current liabilities	6,695		5,894		800
Total current liabilities	120,918	60.6	113,554	57.9	7,363
Long-term liabilities					
1. Long-term debt	41,839		46,037		(4,197)
2. Long-term deferred tax liabilities	53		45		8
3. Reserve for retirement benefits	2,022		753		1,269
4. Reserve for directors' retirement bonuses	290		489		(199)
5. Reserve for anticipated loss on subsidiary's business closing	-		27		(27)
6. Other long-term liabilities	2,562		2,562		-
Total long-term liabilities	46,768	23.4	49,915	25.4	(3,147)
Total liabilities	167,687	84.0	163,470	83.3	4,216
[MINORITY INTERESTS]					
Minority interests	2,112	1.1	1,800	0.9	311
[SHAREHOLDERS' EQUITY]					
Common stock	13,017	6.6	13,017	6.6	-
Additional paid-in capital	15,592	7.8	15,592	7.9	-
Retained earnings	2,216	1.1	3,050	1.6	(834)
Net unrealized loss on securities	(541)	(0.3)	(280)	(0.1)	(260)
Foreign currency translation adjustments	(565)	(0.3)	(470)	(0.2)	(95)
Treasury stock	(24)	(0.0)	(2)	(0.0)	(22)
Total shareholders' equity	29,694	14.9	30,906	15.8	(1,211)
Total liabilities, minority interests and shareholders' equity	199,493	100.0	196,176	100.0	3,316

Consolidated Statements of Income

	Year ended March 31, 2003		Year ended March 31, 2002		Increase (decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
Net sales	179,167	100.0	158,962	100.0	20,204
Cost of sales	161,877	90.3	144,548	90.9	(17,329)
Gross profit	17,290	9.7	14,414	9.1	2,875
Selling, general and administrative expenses	11,866	6.6	11,454	7.2	(412)
Operating income	5,423	3.1	2,960	1.9	2,462
Non-operating income					
1. Interest income	2,075		2,513		(438)
2. Dividend income	80		79		0
3. Equity in earnings of affiliates	32		41		(9)
4. Exchange gain, net	-		1,541		(1,541)
5. Other non-operating income	80		430		(349)
Total non-operating income	2,268	1.2	4,606	2.9	(2,338)
Non-operating expenses					
1. Interest expenses	2,149		2,846		697
2. Exchange loss, net	2,757		-		(2,757)
3. Other non-operating expenses	209		961		752
Total non-operating expenses	5,116	2.9	3,808	2.4	(1,307)
Ordinary income	2,575	1.4	3,759	2.4	(1,183)
Extraordinary gain					
1. Reversal of allowance for doubtful receivables in prior period	314		-		314
Total extraordinary gain	314	0.2	-	-	314
Extraordinary loss					
1. Loss on prior period adjustment	754		231		(522)
2. Valuation loss on investment securities	1,302		2,001		698
3. Loss on liquidation of non-consolidated subsidiaries	123		63		(60)
4. Valuation loss on property, plant and equipment	52		735		682
5. Provision for doubtful receivables	-		2,050		2,050
6. Other	-		47		47
Total extraordinary loss	2,233	1.2	5,129	3.3	2,895
Income before income taxes and minority interests	656	0.4	-	-	656
Loss before income taxes and minority interests	-	-	1,370	0.9	1,370
Income taxes (current)	1,281	0.7	522	0.3	(759)
Income taxes (deferred)	(47)	(0.0)	(1,001)	(0.6)	(953)
Minority interests	345	0.2	189	0.1	(156)
Net loss	923	0.5	1,080	0.7	157

Consolidated Statements of Cash Flows

Millions of yen

	Year ended March 31, 2003	Year ended March 31, 2002
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	656	(1,370)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities :		
Depreciation and amortization	1,346	1,338
Provision for doubtful receivables	(1,679)	2,705
Increase in retirement benefits	1,218	347
Provision for (reversal of) anticipated loss on contract work	27	(926)
Interest and dividends income	(2,156)	(2,593)
Interest expense	2,149	2,846
Foreign exchange (gain) loss	(235)	133
Equity in earnings of affiliated companies	(32)	(49)
(Gain) loss on sales of marketable and investment securities	0	(25)
Devaluation of marketable and investment securities	1,302	2,001
Loss on disposal of property, plant and equipment	97	580
(Increase) decrease in notes and accounts receivable	3,971	14,660
(Increase) decrease in contract work in progress	(10,107)	15,872
Increase (decrease) in notes and accounts payable	6,076	(6,785)
Increase (decrease) in advance receipts on uncompleted contracts	5,107	(21,957)
Other, net	608	428
Subtotal	8,353	7,206
Interest and dividends received	3,559	2,247
Interest paid	(2,210)	(3,016)
Income taxes paid	(882)	(682)
Net cash provided by operating activities	8,819	5,754
Cash flows from investing activities		
Proceeds from sales and maturity of marketable securities	500	-
Purchases of property, plant and equipment	(282)	(272)
Proceeds from sales of property, plant and equipment	57	150
Purchase of intangible fixed assets	(460)	(527)
Purchases of securities and investment securities	(107)	(241)
Proceeds from sales of securities and investment securities	15	86
Purchases of shares of a subsidiary, newly consolidated	-	(131)
Other, net	18	(390)
Net cash provided by investing activities	(258)	(1,326)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans, net	(6,247)	(4,105)
Proceeds from long-term debt	11,470	31,236
Repayment of long-term debt	(15,241)	(45,296)
Other, net	(57)	(29)
Net cash provided by financing activities	(10,076)	(18,195)
Effect of exchange rate changes on cash and cash equivalents	(132)	307
Net (increase) decrease in cash and cash equivalents	(1,647)	(13,460)
Cash and cash equivalents : beginning of year	43,476	56,936
Increase in cash and cash equivalents from newly consolidated subsidiaries	701	-
Cash and cash equivalents : end of year	42,530	43,476