

Nonconsolidated Financial Statements [Summary]

November 12, 2004

For the Six-Month Period Ended September 30, 2004



(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 the six-month period ended September 30, 2004

(1) Nonconsolidated financial results

Note: Amounts are rounded down to the nearest million yen.

	Net sales		Operating income (loss)		Ordinary income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1 - Sep. 30, 2004	78,478	(2.5)	1,139	-	1,222	-
Apr. 1 - Sep. 30, 2003	80,480	11.7	(1,715)	-	(1,614)	-
Apr. 1, 2003 - Mar. 31, 2004	142,902		(4,781)		(4,571)	

	Net income (loss)		Net income (loss) per share	
	Millions of yen	%	Yen	
Apr. 1 - Sep. 30, 2004	1,079	-	6.15	
Apr. 1 - Sep. 30, 2003	(1,956)	-	(11.15)	
Apr. 1, 2003 - Mar. 31, 2004	(6,455)		(36.78)	

Notes:

Average number of outstanding shares (nonconsolidated):

Apr. 1-Sep. 30, 2004 : 175,470,156 / Apr. 1-Sep. 30, 2003 : 175,509,787 / Apr. 1, 2003-Mar. 31, 2004 : 175,500,282

Change in accounting methods: **none**

Percentages for net sales, operating income (loss), ordinary income (loss) and net income (loss) indicate changes from those of the first half of the previous year.

(2) Dividends

	Interim dividends per share	Annual dividends per share
	Yen	Yen
Apr. 1 - Sep. 30, 2004	0.00	-
Apr. 1 - Sep. 30, 2003	0.00	-
Apr. 1, 2003 - Mar. 31, 2004	-	0.00

(3) Nonconsolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Sep. 30, 2004	179,676	35,622	19.8	203.02
Sep. 30, 2003	179,705	39,085	21.7	222.71
Mar. 31, 2004	175,624	35,067	20.0	199.84

Notes:

Number of outstanding shares at end of term (nonconsolidated):

Sep. 30, 2004 : 175,457,735 / Sep. 30, 2003 : 175,499,184 / Mar. 31, 2003 : 175,480,492

Number of treasury stocks at end of term:

Sep. 30, 2004 : 234,804 / Sep. 30, 2003 : 193,355 / Mar. 31, 2004 : 212,047

2. Forecast for fiscal 2004 (April 1, 2004-March 31, 2005)

	Net sales	Ordinary income	Net income	Total dividends per share paid for this fiscal year
	Millions of yen	Millions of yen	Millions of yen	Yen
Apr. 1, 2004-Mar. 31, 2005	160,000	3,000	3,000	3.00

Reference: Estimated earnings per share (fiscal 2004) **¥17.10**

Note: The forecast 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.

Nonconsolidated Balance Sheets

	Sep. 30, 2003		Sep. 30, 2004		Mar. 31, 2004	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
[ASSETS]						
Current assets						
1. Cash and deposits	40,783		37,753		38,656	
2. Notes receivable	120		370		43	
3. Accounts receivable	41,832		31,700		30,132	
4. Contract work in progress	42,030		58,951		56,087	
5. Other current assets	9,217		8,708		6,780	
6. Less: Allowance for doubtful receivables	(652)		(1,684)		(1,611)	
Total current assets	133,332	74.2	135,800	75.6	130,088	74.1
Fixed assets						
1. Property, plant and equipment, at cost						
(1) Buildings and structures	6,770		6,428		6,608	
(2) Land	13,494		13,494		13,494	
(3) Other property, plant and equipment	314		274		297	
2. Intangible assets	418		633		591	
3. Investments and others	29,439		27,053		28,437	
4. Less: Allowance for doubtful receivables	(4,065)		(4,009)		(3,892)	
Total fixed assets	46,372	25.8	43,875	24.4	45,536	25.9
Total assets	179,705	100.0	179,676	100.0	175,624	100.0
[LIABILITIES]						
Current liabilities						
1. Notes payable	847		1,892		1,646	
2. Accounts payable	34,316		34,083		27,991	
3. Short-term bank loans	28,879		16,205		22,604	
4. Advance receipts on uncompleted contracts	35,959		58,952		52,820	
5. Deposits received	7,246		5,323		6,000	
6. Provisions	967		675		705	
7. Other current liabilities	2,398		1,435		1,859	
Total current liabilities	110,616	61.6	118,568	66.0	113,628	64.7
Long-term liabilities						
1. Corporate bonds	-		3,000		1,000	
2. Long-term debt	27,769		20,364		23,508	
3. Reserve for retirement benefit	1,918		1,945		2,064	
4. Reserve for directors' retirement allowances	282		120		312	
5. Reserve for repairs for real properties for rent	29		49		39	
6. Other long-term liabilities	3		5		4	
Total long-term liabilities	30,003	16.7	25,485	14.2	26,929	15.3
Total liabilities	140,620	78.3	144,054	80.2	140,557	80.0
[SHAREHOLDERS' EQUITY]						
Common stock						
Additional paid-in capital	15,592	8.7	15,593	8.7	15,593	8.9
Retained earnings						
1. Voluntary reserve	9,843		4,232		9,843	
2. Unappropriated retained earnings	-		2,122		-	
Unappropriated accumulated deficit	68		-		4,567	
Total retained earnings	9,775	5.4	6,355	3.5	5,276	3.0
Net unrealized gain on securities	729	0.4	697	0.4	1,215	0.7
Treasury stock	(30)	(0.0)	(41)	(0.0)	(35)	(0.0)
Total shareholders' equity	39,085	21.7	35,622	19.8	35,067	20.0
Total liabilities and shareholders' equity	179,705	100.0	179,676	100.0	175,624	100.0

Nonconsolidated Income Statements

	Apr. - Sep., 2003		Apr. - Sep., 2004		Apr., 2003 - Mar., 2004	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	80,480	100.0	78,478	100.0	142,902	100.0
Cost of sales	79,070	98.2	73,801	94.0	140,594	98.4
Gross profit	1,410	1.8	4,677	6.0	2,308	1.6
Selling, general and administrative expenses	3,125	3.9	3,537	4.5	7,089	5.0
Operating income		-	1,139	1.5		-
Operating loss	1,715	2.1		-	4,781	3.4
Non-operating income						
1. Interest and dividends income	677		708		1,810	
2. Other non-operating income	283		59		104	
Total non-operating income	960	1.2	767	1.0	1,915	1.3
Non-operating expenses						
1. Interest expense	692		547		1,319	
2. Other non-operating expenses	167		136		386	
Total non-operating expenses	860	1.1	684	0.9	1,705	1.2
Ordinary income		-	1,222	1.6		-
Ordinary loss	1,614	2.0		-	4,571	3.3
Extraordinary gain						
1. Gain on reversal of prior service liability of retirement			247			
2. Gain on sales of investment securities					378	
Total extraordinary gain		-	247	0.3	378	0.3
Extraordinary loss						
1. Loss on prior period adjustment	66		107		117	
2. Loss on valuation of investment securities	278		111		468	
3. Loss on financial support to subsidiaries			125			
4. Loss on liquidation of nonconsolidated subsidiaries					17	
Total extraordinary loss	344	0.4	343	0.5	603	0.4
Income before income taxes		-	1,126	1.4		-
Loss before income taxes	1,959	2.4		-	4,796	3.4
Income taxes current	336	0.4	112	0.1	192	0.1
Income taxes deferred	(338)	(0.4)	(65)	(0.1)	1,465	1.0
Net Income		-	1,079	1.4		-
Net loss	1,956	2.4		-	6,455	4.5
Earnings brought forward from previous year	116		1,043		116	
Reversal of legal reserve	1,771				1,771	
Unappropriated earnings carried forward to following term			2,122			
Unappropriated deficit carried forward to following term	68				4,567	

New Orders, Sales and Backlog of Contracts

		Backlog Beginning of term	New Orders	Total	Sales	Backlog End of term	
Apr. - Sep., 2003	Overseas	Chemical fertilizers	58,283	50	58,333	7,854	50,368
		Petrochemicals	79,051	2,304	81,356	25,086	54,495
		Refinery	37,135	7	37,142	11,812	24,997
		Energy-related	90,505	149,947	240,453	25,419	213,975
		General manufacturing facilities	2,867	2,345	5,213	686	4,359
		Information technology	-	23	23	18	5
		Others	741	328	1,070	319	750
	Subtotal		268,585	155,008	423,593	71,198	348,952
	Domestic	Petrochemicals	2,654	2,285	4,940	123	4,816
		Refinery	4,334	474	4,809	122	4,650
		Energy-related	10,717	4,386	15,103	6,433	8,668
		General manufacturing facilities	6,730	3,026	9,757	1,247	8,510
		Information technology	1,469	1,431	2,901	1,006	1,888
		Others	99	172	271	54	214
Subtotal		26,006	11,777	37,784	8,987	28,748	
Grand total		(2,004)				(17,364)	
		294,592	166,785	461,377	80,185	377,701	
Apr. - Sep., 2004	Overseas	Chemical fertilizers	42,502	14,912	57,414	18,762	38,635
		Petrochemicals	45,211	4,817	50,028	16,512	33,469
		Refinery	15,601	404	16,006	6,018	9,924
		Energy-related	193,082	46,932	240,014	14,516	224,258
		General manufacturing facilities	4,537	969	5,507	1,120	4,359
		Information technology	73	-	73	72	0
		Others	878	574	1,453	187	1,270
	Subtotal		301,887	68,610	370,497	57,190	311,918
	Domestic	Petrochemicals	15,989	16,151	32,141	4,899	27,241
		Refinery	4,468	286	4,754	4,365	389
		Energy-related	7,440	626	8,067	575	7,492
		General manufacturing facilities	7,985	2,260	10,246	9,648	597
		Information technology	937	8,675	9,612	1,437	8,148
		Others	56	184	240	77	163
Subtotal		36,879	28,184	65,063	21,003	44,033	
Grand total		(22,051)				(11,241)	
		338,766	96,795	435,561	78,194	355,951	
Apr., 2003 - Mar., 2004	Overseas	Chemical fertilizers	58,283	300	58,583	15,825	42,502
		Petrochemicals	79,051	29,376	108,428	44,432	45,211
		Refinery	37,135	36	37,172	20,912	15,601
		Energy-related	90,505	150,674	241,180	38,669	193,082
		General manufacturing facilities	2,867	3,656	6,524	1,797	4,537
		Information technology	-	96	96	22	73
		Others	741	1,584	2,325	1,442	878
	Subtotal		268,585	185,725	454,311	123,102	301,887
	Domestic	Petrochemicals	2,654	17,138	19,793	3,801	15,989
		Refinery	4,334	764	5,099	590	4,468
		Energy-related	10,717	5,169	15,886	7,910	7,440
		General manufacturing facilities	6,730	4,266	10,997	3,011	7,985
		Information technology	1,469	3,105	4,575	3,635	937
		Others	99	228	327	280	56
Subtotal		26,006	30,672	56,679	19,231	36,879	
Grand total		(2,004)				(22,051)	
		294,592	216,398	510,990	142,333	338,766	

Notes:

1. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.
2. Sales figures include effects of change in exchange rates upon the orders in currencies other than the Japanese Yen. Such effects are (¥3,197) million for Apr. - Sep., 2003, ¥243 million for Apr. - Sep., 2004 and (¥7,875) million for Apr., 2003-Mar., 2004.
3. Decreased prices of orders awarded in prior years are deducted from the "backlog, end of term". The deducted amounts are ¥294 million for Apr. - Sep., 2003, ¥1,659 million for Apr. - Sep., 2004 and ¥22,015 million for Apr., 2003-Mar., 2004.
4. represents increase (decrease) due to changes in exchange rates.
5. Differences between the sales above and those of the nonconsolidated income statements are sales in Real Estate business segment (nonconsolidated basis), which amount to ¥295 million for Apr. - Sep., 2003, ¥284 million for Apr. - Sep., 2004 and ¥569 million for Apr., 2003-Mar., 2004.