

August 9, 2005

## Consolidated Operating Result for the First Quarter ended June 30, 2005

(for the fiscal year ending March 31, 2006)

### L TOYO ENGINEERING CORPORATION

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#### 1. Business result for the first quarter of fiscal year 2005 (April 1, 2005 - June 30, 2005)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr.1, 2005 - Jun.30, 2005	36,710	-	382	-	659	-	113	-
Apr.1, 2004 - Jun.30, 2004	-	-	-	-	-	-	-	-
Apr.1, 2004 - Mar.31, 2005	197,945		4,539		3,921		3,597	

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr.1, 2005 - Jun.30, 2005	0.65	-
Apr.1, 2004 - Jun.30, 2004	-	-
Apr.1, 2004 - Mar.31, 2005	20.51	-

Notes: Previous first quarter data are not mentioned because this is the first disclosure of quarterly financial result.

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of Jun.30, 2005	204,895	28,461	13.9	162.28
As of Jun.30, 2004	-	-	-	-
As of Mar.31, 2005	209,563	28,442	13.6	162.16

#### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Apr.1, 2005 - Jun.30, 2005	(3,880)	1,743	(2,582)	40,903
Apr.1, 2004 - Jun.30, 2004	-	-	-	-
Apr.1, 2004 - Mar.31, 2005	15,952	(2,099)	(12,198)	45,447

#### 2. Forecast for fiscal 2005 (April 1, 2005-March 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Apr. - Sep., 2005	75,000	500	0
Apr., 2005 - Mar., 2006	200,000	4,000	3,500

Reference: Estimated earnings per share (fiscal 2005) 19.96 Yen

\* 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.

## Consolidated Balance Sheets (Summary)

	June 30, 2005		March 31, 2005	
	Millions of yen	%	Millions of yen	%
[ASSETS]				
<b>I Current assets</b>				
1. Cash and deposits	42,037		45,971	
2. Notes and accounts receivable	27,172		40,154	
3. Contract work in progress	76,019		61,787	
4. Other current assets	9,731		11,106	
<b>Total current assets</b>	154,961	75.6	159,020	75.9
<b>II Fixed assets</b>				
1. Property, plant and equipment	33,520		34,232	
2. Intangible assets	2,019		2,012	
3. Investments and other assets	14,394		14,299	
<b>Total fixed assets</b>	49,934	24.4	50,543	24.1
<b>Total assets</b>	204,895	100.0	209,563	100.0
[LIABILITIES]				
<b>I Current liabilities</b>				
1. Notes and accounts payable	25,417		31,715	
2. Short-term bank loans	15,569		17,622	
3. Advance receipts on uncompleted contracts	81,578		73,756	
4. Other current liabilities	10,096		14,453	
<b>Total current liabilities</b>	132,663	64.8	137,548	65.6
<b>II Long-term liabilities</b>				
1. Corporate bonds	3,000		3,000	
2. Long-term debt	33,483		33,453	
3. Other long-term liabilities	5,379		5,238	
<b>Total long-term liabilities</b>	41,863	20.4	41,692	19.9
<b>Total liabilities</b>	174,526	85.2	179,240	85.5
[MINORITY INTERESTS]				
<b>Minority interests</b>	1,908	0.9	1,880	0.9
[SHAREHOLDERS' EQUITY]				
<b>I Common stock</b>	13,017	6.4	13,017	6.2
<b>II Additional paid-in capital</b>	15,594	7.5	15,593	7.4
<b>III Retained earnings</b>	(1,044)	(0.5)	(605)	(0.3)
<b>IV Net unrealized gain on securities</b>	1,435	0.7	1,133	0.6
<b>V Foreign currency translation adjustments</b>	(478)	(0.2)	(638)	(0.3)
<b>VI Treasury stock</b>	(63)	(0.0)	(58)	(0.0)
<b>Total shareholders' equity</b>	28,461	13.9	28,442	13.6
<b>Total liabilities, minority interests and shareholders' equity</b>	204,895	100.0	209,563	100.0

## Consolidated Statements of Income (Summary)

	Apr.-Jun., 2005		Apr.,2004-Mar.,2005	
	Millions of yen	%	Millions of yen	%
I Net sales	36,710	100.0	197,945	100.0
II Cost of sales	33,134	90.3	180,175	91.0
<b>Gross profit</b>	3,575	9.7	17,769	9.0
III Selling, general and administrative expenses	3,192	8.7	13,230	6.7
<b>Operating income</b>	382	1.0	4,539	2.3
IV Non-operating income	604	1.7	1,429	0.7
V Non-operating expenses	326	0.9	2,048	1.0
<b>Ordinary income</b>	659	1.8	3,921	2.0
VI Extraordinary gain	-	-	247	0.1
VII Extraordinary loss	331	0.9	471	0.2
<b>Income before income taxes and minority interests</b>	328	0.9	3,697	1.9
Total tax	237	0.6	81	0.1
Minority interests	(22)	(0.0)	18	0.0
<b>Net income</b>	113	0.3	3,597	1.8

## Consolidated Statements of Cash Flows (Summary)

	Apr.-Jun., 2005 Millions of yen	Apr.,2004-Mar.,2005 Millions of yen
<b>I Cash flows from operating activities</b>		
Income before income taxes and minority interests	328	3,697
(Increase) decrease in notes and accounts receivable	13,118	(2,665)
(Increase) decrease in contract work in progress	(14,059)	1,280
Increase (decrease) in notes and accounts payable	(6,388)	1,358
Increase (decrease) in advance receipts on uncompleted contracts	7,469	11,286
Other, net	(4,349)	994
Net cash provided by (used in) operating activities	(3,880)	15,952
<b>II Cash flows from investing activities</b>		
Net cash provided by (used in) investing activities	1,743	(2,099)
<b>III Cash flows from financing activities</b>		
Net cash used in financing activities	(2,582)	(12,198)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	176	121
<b>V Net increase (decrease) in cash and cash equivalents</b>	(4,543)	1,775
<b>VI Cash and cash equivalents, beginning of the term</b>	45,447	43,615
<b>VII Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	-	56
<b>VIII Cash and cash equivalents, end of the term</b>	40,903	45,447

## New Orders (Consolidated)

	Apr.-Jun., 2004 Millions of yen	Apr.-Jun., 2005 Millions of yen	Apr.,2004-Mar.,2005 Millions of yen
EPC Business	78,979	10,208	192,599
Real Estate	-	-	-
Total	78,979	10,208	192,599

(Reference)

## Nonconsolidated Balance Sheets (Summary)

	June 30, 2005		March 31, 2005	
	Millions of yen	%	Millions of yen	%
[ASSETS]				
<b>I Current assets</b>				
1. Cash and deposits	35,779		39,727	
2. Notes and accounts receivable	23,336		32,994	
3. Contract work in progress	72,742		60,206	
4. Other current assets	10,572		11,523	
<b>Total current assets</b>	142,431	77.0	144,451	77.0
<b>II Fixed assets</b>				
1. Property, plant and equipment	19,235		19,901	
2. Intangible assets	706		737	
3. Investments and other assets	22,514		22,592	
<b>Total fixed assets</b>	42,456	23.0	43,230	23.0
<b>Total assets</b>	184,888	100.0	187,682	100.0
[LIABILITIES]				
<b>I Current liabilities</b>				
1. Notes and accounts payable	24,236		30,808	
2. Short-term bank loans	12,611		14,009	
3. Advance receipts on uncompleted contracts	77,823		68,622	
4. Other current liabilities	8,679		12,970	
<b>Total current liabilities</b>	123,351	66.7	126,411	67.3
<b>II Long-term liabilities</b>				
1. Corporate bonds	3,000		3,000	
2. Long-term debt	18,194		17,946	
3. Other long-term liabilities	2,341		2,267	
<b>Total long-term liabilities</b>	23,536	12.7	23,213	12.4
<b>Total liabilities</b>	146,887	79.4	149,624	79.7
[SHAREHOLDERS' EQUITY]				
<b>I Common stock</b>	13,017	7.0	13,017	6.9
<b>II Additional paid-in capital</b>	15,594	8.5	15,593	8.3
<b>III Retained earnings</b>	8,029	4.3	8,387	4.5
<b>IV Net unrealized gain on securities</b>	1,422	0.8	1,117	0.6
<b>V Treasury stock</b>	(63)	(0.0)	(58)	(0.0)
<b>Total shareholders' equity</b>	38,000	20.6	38,057	20.3
<b>Total liabilities and shareholders' equity</b>	184,888	100.0	187,682	100.0

**Nonconsolidated Statements of Income (Summary)**

		Apr.-Jun., 2005		Apr.,2004-Mar.,2005	
		Millions of yen	%	Millions of yen	%
			%		%
I	Net sales	28,997	100.0	175,641	100.0
II	Cost of sales	26,751	92.3	163,937	93.3
	<b>Gross profit</b>	2,245	7.7	11,703	6.7
III	Selling, general and administrative expenses	1,886	6.5	8,489	4.9
	<b>Operating income</b>	359	1.2	3,214	1.8
IV	Non-operating income	587	2.1	1,365	0.8
V	Non-operating expenses	232	0.8	1,564	0.9
	<b>Ordinary income</b>	714	2.5	3,014	1.7
VI	Extraordinary gain	-	-	247	0.1
VII	Extraordinary loss	280	1.0	512	0.2
	<b>Income before income taxes</b>	433	1.5	2,749	1.6
	Total tax	265	0.9	(361)	(0.2)
	<b>Net income</b>	168	0.6	3,110	1.8