

Consolidated Financial Statements [Summary]

For the Fiscal Year Ended March 31, 2006

May 12, 2006



(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 fiscal year ended March 31, 2006

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2005 - Mar. 31, 2006	195,583	(1.2)	4,195	(7.6)	4,225	7.8
Apr. 1, 2004 - Mar. 31, 2005	197,945	16.1	4,539	-	3,921	-

	Net income		Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Apr. 1, 2005 - Mar. 31, 2006	3,350	(6.9)	19.11	-	10.8	2.1	2.2
Apr. 1, 2004 - Mar. 31, 2005	3,597	-	20.51	-	13.5	1.9	2.0

Notes:

- Equity in earnings of affiliates (millions of yen):
 Apr., 2005-Mar., 2006 : 84 / Apr., 2004-Mar., 2005 : 18
- Average number of outstanding shares (consolidated):
 Apr., 2005-Mar., 2006 : 175,344,884 / Apr., 2004-Mar., 2005 : 175,448,961
- Percentages for net sales, operating income, ordinary income and net income indicate changes from those of the previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2006	202,662	33,608	16.6	191.73
Mar. 31, 2005	209,563	28,442	13.6	162.16

Notes: Number of outstanding shares at end of term (consolidated):

Mar. 31, 2006: 175,288,986 / Mar. 31, 2005: 175,401,017

(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 - Mar. 31, 2006	(5,533)	(4,570)	(7,524)	28,305
Apr. 1, 2004 - Mar. 31, 2005	15,952	(2,099)	(12,198)	45,447

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

Consolidated subsidiaries: 15 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: none Decrease: none
 Equity-method companies: Increase: none Decrease: none

2. Forecast for fiscal 2006 (April 1, 2006-March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Apr.-Sep., 2006	80,000	300	0
Apr., 2006-Mar., 2007	220,000	5,000	4,000

Reference: Estimated earnings per share (fiscal 2006) ¥22.82

* 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

	March 31, 2005		March 31, 2006		Increase (decrease)
	Millions of yen	%	Millions of yen	%	
	[ASSETS]				
I Current assets					
1. Cash and deposits	45,971		28,884		(17,086)
2. Notes and accounts receivable	40,154		29,229		(10,925)
3. Contract work in progress	61,787		74,089		12,302
4. Deferred tax assets	2,111		1,766		(344)
5. Other receivables	8,664		11,007		2,342
6. Other current assets	3,966		6,476		2,510
7. Less: Allowance for doubtful receivables	(3,636)		(2,735)		901
Total current assets	159,020	75.9	148,718	73.4	(10,301)
II Fixed assets					
1. Property, plant and equipment, at cost					
(1) Buildings and structures	26,411		26,627		216
(2) Tools, furniture and fixtures	3,417		3,572		155
(3) Land	19,407		18,527		(880)
(4) Construction in progress	181		3,085		2,904
(5) Less: Accumulated depreciation	(15,185)		(16,189)		(1,003)
Total Property, plant and equipment, at cost	34,232	16.3	35,623	17.6	1,391
2. Intangible assets	2,012	1.0	2,020	1.0	8
3. Investments and other assets					
(1) Investment securities	9,085		12,281		3,196
(2) Long-term loans	1,393		213		(1,180)
(3) Long-term receivables	2,890		1,772		(1,118)
(4) Long-term deferred tax assets	1,113		192		(920)
(5) Other investments and assets	3,469		3,910		440
(6) Less: Allowance for doubtful receivables	(3,654)		(2,072)		1,582
Total Investments and other assets	14,299	6.8	16,299	8.0	2,000
Total fixed assets	50,543	24.1	53,943	26.6	3,399
Total assets	209,563	100.0	202,662	100.0	(6,901)
[LIABILITIES]					
I Current liabilities					
1. Notes and accounts payable	31,715		22,678		(9,036)
2. Short-term bank loans	17,622		26,383		8,760
3. Bonds due within one year	-		1,000		1,000
4. Income taxes payable	243		692		448
5. Advance receipts on uncompleted contracts	73,756		82,894		9,137
6. Reserve for bonuses	513		586		73
7. Reserve for compensation for completed works	191		361		170
8. Reserve for anticipated loss on contract work	1,627		1,135		(492)
9. Other current liabilities	11,877		5,898		(5,978)
Total current liabilities	137,548	65.6	141,630	69.9	4,082
II Long-term liabilities					
1. Corporate bonds	3,000		2,000		(1,000)
2. Long-term debt	33,453		17,989		(15,463)
3. Long-term deferred tax liabilities	158		171		13
4. Reserve for retirement benefits	2,302		2,545		243
5. Reserve for directors' retirement allowances	173		181		7
6. Reserve for repairs of real properties for rent	117		149		31
7. Other long-term liabilities	2,486		2,343		(142)
Total long-term liabilities	41,692	19.9	25,382	12.5	(16,310)
Total liabilities	179,240	85.5	167,012	82.4	(12,227)
[MINORITY INTERESTS]					
Minority interests	1,880	0.9	2,040	1.0	159
[SHAREHOLDERS' EQUITY]					
I Common stock	13,017	6.2	13,017	6.4	-
II Additional paid-in capital	15,593	7.4	15,594	7.7	1
III Retained earnings	(605)	(0.3)	2,218	1.1	2,824
IV Net unrealized gain on securities	1,133	0.6	3,062	1.5	1,929
V Foreign currency translation adjustments	(638)	(0.3)	(166)	(0.1)	471
VI Treasury stock	(58)	(0.0)	(118)	(0.0)	(59)
Total shareholders' equity	28,442	13.6	33,608	16.6	5,165
Total liabilities, minority interests and shareholders' equity	209,563	100.0	202,662	100.0	(6,901)

Consolidated Statements of Income

	Apr., 2004-Mar., 2005		Apr., 2005-Mar., 2006		Increase (decrease)
	Millions of yen	%	Millions of yen	%	
I Net sales	197,945	100.0	195,583	100.0	(2,361)
II Cost of sales	180,175	91.0	177,758	90.9	2,416
Gross profit	17,769	9.0	17,824	9.1	54
III Selling, general and administrative expenses	13,230	6.7	13,629	7.0	(399)
Operating income	4,539	2.3	4,195	2.1	(344)
IV Non-operating income					
1. Interest income	1,135		1,167		
2. Dividend income	89		133		
3. Equity in earnings of affiliates	18		84		
4. Other non-operating income	186	1,429	243	1,629	0.9
		0.7			199
V Non-operating expenses					
1. Interest expense	1,390		1,191		
2. Foreign exchange loss	405		204		
3. Other non-operating expenses	251	2,048	202	1,598	0.8
Ordinary income		3,921		4,225	2.2
		2.0			304
VI Extraordinary gain					
1. Gain on sales of investment securities			879		
2. Gain on reversal of prior service liability of retirement	247	247	-	879	0.4
					631
VII Extraordinary loss					
1. Loss on prior-period adjustment	162		-		
2. Loss on retirement of property, plant and equipment	178		-		
3. Loss on valuation of investment securities	130		30		
4. Loss on impairment of fixed assets			615		
5. Payments of special retirement benefits		471	98	745	0.4
Income before income taxes and minority interests		3,697		4,359	2.2
Loss before income taxes and minority interests					
Income taxes current	407		785		
Income taxes deferred	(325)	81	76	861	0.4
		0.1			(780)
Minority interests		18		147	0.1
		0.0			(128)
Net income		3,597		3,350	1.7
		1.8			(247)

Consolidated Statements of Cash Flows

	Apr., 2004 - Mar., 2005 Millions of yen	Apr., 2005 - Mar., 2006 Millions of yen	Increase (decrease)
I Cash flows from operating activities			
Income before income taxes and minority interests	3,697	4,359	661
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	1,452	1,700	248
Loss on impairment of fixed assets		615	615
Allowance for doubtful receivables	1,269	(2,487)	(3,757)
Increase (decrease) in retirement benefits	(18)	237	255
Allowance for anticipated loss on contract work	1,159	(492)	(1,652)
Interest and dividend income	(1,224)	(1,301)	(76)
Interest expense	1,390	1,191	(198)
Foreign exchange (loss) gain	36	153	116
Equity in earnings of affiliated companies	(18)	(84)	(66)
Gain on sales of marketable and investment securities, net	(35)	(879)	(843)
Loss on valuation of investment securities	130	30	(99)
(Increase) decrease in notes and accounts receivable	(2,665)	11,353	14,019
(Increase) decrease in contract work in progress	1,280	(11,794)	(13,075)
Increase (decrease) in notes and accounts payable	1,358	(9,358)	(10,716)
Increase (decrease) in advance receipts on uncompleted contracts	11,286	7,964	(3,322)
Other, net	(2,158)	(6,717)	(4,559)
Subtotal	16,941	(5,508)	(22,449)
Interest and dividends received	1,379	1,443	63
Interest paid	(1,400)	(1,192)	207
Income taxes paid	(968)	(276)	691
Net cash provided by (used in) operating activities	15,952	(5,533)	(21,486)
II Cash flows from investing activities			
Purchases of property, plant and equipment	(2,095)	(3,454)	(1,358)
Purchases of intangible assets	(871)	(787)	83
Purchases of securities and investment securities	(20)	(4)	15
Proceeds from sales of securities and investment securities	99	1,330	1,231
(Increase) decrease in loans, net	599	(2,007)	(2,606)
Other, net	188	353	164
Net cash used in investing activities	(2,099)	(4,570)	(2,470)
III Cash flows from financing activities			
Decrease in short-term bank loans, net	(5,401)	(2,309)	3,092
Proceeds from long-term debt	6,038	8,151	2,113
Repayment of long-term debt	(14,770)	(12,712)	2,057
Proceeds from issuance of corporate bonds	2,000		(2,000)
Cash dividends paid		(526)	(526)
Other, net	(64)	(127)	(62)
Net cash used in financing activities	(12,198)	(7,524)	4,674
IV Effect of exchange rate changes on cash and cash equivalents	121	486	365
V Net increase (decrease) in cash and cash equivalents	1,775	(17,141)	(18,916)
VI Cash and cash equivalents, beginning of the year	43,615	45,447	1,831
VII Increase in cash and cash equivalents addition to consolidation	56		(56)
VIII Cash and cash equivalents, end of the year	45,447	28,305	(17,141)

Segment Information

(1) Business Segments

Fiscal Year Ended March 31, 2005

	Millions of Yen				
	EPC Business	Real Estate	Total	Eliminations and Other	Consolidated
1. Net sales and operating income					
Net sales					
(1) Net sales to outside customers	195,654	2,290	197,945	-	197,945
(2) Inter-segment net sales	1	251	253	(253)	-
Total	195,656	2,542	198,198	(253)	197,945
Operating expenses	192,171	1,495	193,666	(260)	193,405
Operating income	3,485	1,047	4,532	7	4,539
2. Assets, depreciation and capital expenditures					
Assets	186,694	15,804	202,499	7,064	209,563
Depreciation	1,066	394	1,461	(0)	1,461
Capital expenditures	1,114	1,842	2,956	(0)	2,956

Notes:

1. The classification of the business segments adopted is based on the Company segmentation which is determined by the similarity of each business.
2. The Companies' reportable operating segments consist of the following two business groups:
 EPC Business - Engineering, procurement and construction for chemical fertilizer and petrochemical plants, energy-related business, general manufacturing facilities and information technology.
 Real Estate - Rent and administration of real estate
3. All administrative department expenses of the Company and consolidated subsidiaries are allocated to the corresponding business segments.
4. ¥7,349 million of "corporate" assets is included in "Eliminations and Other", which chiefly consists of the Company's investment securities attributed to its administrative department.

Fiscal Year Ended March 31, 2006

	Millions of Yen				
	EPC Business	Real Estate	Total	Eliminations and Other	Consolidated
1. Net sales and operating income					
Net sales					
(1) Net sales to outside customers	193,417	2,165	195,583	-	195,583
(2) Inter-segment net sales	3	321	324	(324)	-
Total	193,420	2,487	195,908	(324)	195,583
Operating expenses	190,297	1,393	191,690	(302)	191,388
Operating income	3,123	1,094	4,217	(22)	4,195
2. Assets, depreciation and capital expenditures					
Assets	173,826	18,327	192,153	10,508	202,662
Depreciation	1,283	418	1,701	(0)	1,700
Capital expenditures	1,447	2,794	4,242	(0)	4,242

Notes:

1. The classification of the business segments adopted is based on the Company segmentation which is determined by the similarity of each business.
2. The Companies' reportable operating segments consist of the following two business groups:
 EPC Business - Engineering, procurement and construction for chemical fertilizer and petrochemical plants, energy-related business, general manufacturing facilities and information technology.
 Real Estate - Rent and administration of real estate
3. All administrative department expenses of the Company and consolidated subsidiaries are allocated to the corresponding business segments.
4. ¥10,923 million of "corporate" assets is included in "Eliminations and Other", which chiefly consists of the Company's investment securities attributed to its administrative department.

(2) Geographic Segments

Fiscal Year Ended March 31, 2005

	Millions of Yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
1. Net sales and operating income					
Net sales					
(1) Net sales to outside customers	190,446	7,498	197,945	-	197,945
(2) Inter-segment net sales	83	15,801	15,885	(15,885)	-
Total	190,530	23,299	213,830	(15,885)	197,945
Operating expenses	186,207	22,942	209,150	(15,744)	193,405
Operating income	4,323	357	4,680	(140)	4,539
2. Assets	200,822	17,337	218,160	(8,596)	209,563

Notes:

1. Geographic segmentation is according to geographic proximity.
2. Countries included in "Others":
Korea, Malaysia, India, Luxembourg, U.S.A., China PR
3. Net sales and assets included in "Eliminations and Other" are mainly due to inter-segment transactions.

Fiscal Year Ended March 31, 2006

	Millions of Yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
1. Net sales and operating income					
Net sales					
(1) Net sales to outside customers	181,836	13,746	195,583	-	195,583
(2) Inter-segment net sales	425	10,212	10,637	(10,637)	-
Total	182,261	23,958	206,220	(10,637)	195,583
Operating expenses	178,597	23,528	202,126	(10,738)	191,388
Operating income	3,664	429	4,094	101	4,195
2. Assets	190,326	17,713	208,040	(5,378)	202,662

Notes:

1. Geographic segmentation is according to geographic proximity.
2. Countries included in "Others":
Korea, Malaysia, India, Luxembourg, U.S.A., China PR
3. Net sales and assets included in "Eliminations and Other" are mainly due to inter-segment transactions.

(3) Sales to Foreign Customers

Fiscal Year Ended March 31, 2005

	Millions of Yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
Overseas sales	26,585	44,150	39,647	8,689	24,370	143,444
Consolidated sales						197,945
Overseas sales ratio to consolidated sales	13.5%	22.3%	20.0%	4.4%	12.3%	72.5%

1. "Overseas sales" represents the aggregate sales by the Company and its consolidated subsidiaries to the customers in countries or regions other than Japan, excluding inter-company transactions.
2. (1)Geographic segmentation is according to geographic proximity.
 (2)Countries significantly representing each segment are:
 - Southeast Asia: Indonesia, Malaysia
 - Southwest Asia and Africa: India, Iran, Saudi Arabia
 - Russia and Central Asia: Russia
 - Central and South America: Brazil
 - Others : China PR, Korea, European countries

Fiscal Year Ended March 31, 2006

	Millions of Yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
Overseas sales	8,419	54,717	44,890	8,114	16,340	132,482
Consolidated sales						195,583
Overseas sales ratio to consolidated sales	4.3%	28.0%	23.0%	4.1%	8.3%	67.7%

1. "Overseas sales" represents the aggregate sales by the Company and its consolidated subsidiaries to the customers in countries or regions other than Japan, excluding inter-company transactions.
2. (1)Geographic segmentation is according to geographic proximity.
 (2)Countries significantly representing each segment are:
 - Southeast Asia: Indonesia, Malaysia
 - Southwest Asia and Africa: India, Iran, Saudi Arabia
 - Russia and Central Asia: Russia
 - Central and South America: Brazil
 - Others : China PR, Korea, European countries

New Orders, Net Sales and Backlog of Contracts

(1) New Orders and Backlog of Contracts

		Millions of Yen							
		Apr. 1, 2004-Mar. 31, 2005				Apr. 1, 2005-Mar. 31, 2006			
		New Orders		Backlog End of year		New Orders		Backlog End of year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Overseas	Chemical fertilizers	17,954	9.3%	28,865	8.6%	4,493	1.7%	10,186	2.7%
	Petrochemicals	29,026	15.1%	34,963	10.3%	61,093	23.7%	58,604	15.7%
	Refinery	1,970	1.0%	8,568	2.5%	53,401	20.7%	57,235	15.3%
	Energy-related	66,801	34.7%	200,877	59.5%	56,385	21.9%	172,768	46.3%
	General manufacturing facilities	6,743	3.5%	7,103	2.1%	6,574	2.6%	7,488	2.0%
	Information technology	238	0.1%	147	0.0%	48	0.0%	5	0.0%
	Others	1,882	1.0%	926	0.3%	1,653	0.6%	1,432	0.4%
	Subtotal	124,617	64.7%	281,452	83.3%	183,652	71.2%	307,720	82.4%
Domestic	Petrochemicals	17,438	9.0%	17,631	5.2%	25,292	9.8%	23,477	6.3%
	Refinery	2,417	1.3%	2,082	0.6%	18,074	7.0%	18,518	4.9%
	Energy-related	18,304	9.5%	23,000	6.8%	1,551	0.6%	12,916	3.5%
	General manufacturing facilities	5,142	2.7%	1,692	0.5%	6,965	2.7%	4,266	1.1%
	Information technology	19,707	10.2%	10,971	3.3%	14,846	5.8%	5,923	1.6%
	Others	4,970	2.6%	929	0.3%	7,456	2.9%	695	0.2%
	Subtotal	67,981	35.3%	56,307	16.7%	74,187	28.8%	65,796	17.6%
Grand total	192,599	100.0%	337,760	100.0%	257,839	100.0%	373,517	100.0%	

(2) Net Sales

	Millions of Yen			
	Apr. 1, 2004-Mar. 31, 2005		Apr. 1, 2005-Mar. 31, 2006	
	Amount	Ratio	Amount	Ratio
EPC Business	195,654	98.8%	193,417	98.9%
Real Estate	2,290	1.2%	2,165	1.1%
Total	197,945	100.0%	195,583	100.0%

Notes:

1. Status of production is unlisted because of difficulty in defining production results for the TEC Group.
2. Inter-segment transactions are eliminated.
3. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.

Nonconsolidated Financial Statements [Summary]

For the Fiscal Year Ended March 31, 2006

May 12, 2006



(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 fiscal year ended March 31, 2006

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2005 - Mar. 31, 2006	161,924	(7.8)	2,053	(36.1)	2,408	(20.1)
Apr. 1, 2004 - Mar. 31, 2005	175,641	22.9	3,214	-	3,014	-

	Net income		Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	%	Yen	Yen	%	%	%
Apr. 1, 2005 - Mar. 31, 2006	2,563	(17.6)	14.62	-	6.4	1.3	1.5
Apr. 1, 2004 - Mar. 31, 2005	3,110	-	17.73	-	8.5	1.7	1.7

Notes:

1) Average number of outstanding shares (nonconsolidated):

Apr. 1, 2005-Mar. 31, 2006 : 175,344,884 / Apr. 1, 2004-Mar. 31, 2005 : 175,448,961

2) Percentages for net sales, operating income, ordinary income and net income indicate changes from those of the previous year.

(2) Dividends

	Annual dividends per share			Total dividends (annual)	Payout ratio	Dividends / shareholders' equity
	Interim	Year-end	Year-end			
	Yen	Yen	Yen	Millions of yen	%	%
Apr. 1, 2005 - Mar. 31, 2006	3.00	0.00	3.00	525	20.5	1.3
Apr. 1, 2004 - Mar. 31, 2005	3.00	0.00	3.00	526	16.9	1.4

(3) Nonconsolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2006	177,301	41,969	23.7	239.43
Mar. 31, 2005	187,682	38,057	20.3	216.97

Notes:

1) Number of outstanding shares at end of year (nonconsolidated):

Mar. 31, 2006: 175,288,986 / Mar. 31, 2005 : 175,401,017

2) Number of treasury stocks at end of year:

Mar. 31, 2006 : 403,553 / Mar. 31, 2005 : 291,522

2. Forecast for fiscal 2006 (April 1, 2006-March 31, 2007)

	Net sales	Ordinary income	Net income	Annual dividends per share		
				Interim	Year-end	Year-end
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Apr.-Sep., 2006	65,000	0	0	0.00	-	-
Apr. 1, 2006-Mar. 31, 2007	185,000	3,000	3,000	-	3.00	3.00

Reference: Estimated earnings per share (fiscal 2006) **¥17.11**

* 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

	Mar. 31, 2005		Mar. 31, 2006		Increase (decrease)
	Millions of yen	%	Millions of yen	%	
[ASSETS]					
I Current assets					
1. Cash and deposits	39,727		22,104		(17,622)
2. Notes receivable	152		50		(101)
3. Accounts receivable	32,841		21,625		(11,215)
4. Contract work in progress	60,206		70,392		10,185
5. Short-term loans	3,168		7,004		3,835
6. Prepaid expenses	117		101		(15)
7. Deferred tax assets	1,507		1,069		(437)
8. Other receivables	8,475		11,394		2,918
9. Other current assets	1,646		2,155		508
10. Less: Allowance for doubtful receivables	(3,392)		(2,742)		650
Total current assets	144,451	77.0	133,155	75.1	(11,295)
II Fixed assets					
1. Property, plant and equipment					
(1) Buildings	14,395		14,410		
Less: Accumulated depreciation	8,369	6.025	8,795	5.614	(411)
(2) Structures	910		910		
Less: Accumulated depreciation	735	174	758	151	(23)
(3) Machinery	345		298		47
Less: Accumulated depreciation	323	21	283	14	(6)
(4) Vehicles	48		43		5
Less: Accumulated depreciation	31	16	29	13	(3)
(5) Equipment and tools	1,476		1,348		128
Less: Accumulated depreciation	1,308	167	1,211	137	(30)
(6) Land	13,494		12,647		(847)
(7) Construction in progress	-		10		10
	19,901	10.6	18,589	10.5	(1,312)
2. Intangible assets	737	0.4	774	0.4	37
3. Investments and others					
(1) Investment securities	5,562		7,358		1,795
(2) Shares in affiliated companies	12,777		14,637		1,860
(3) Investment in capital	53		30		(23)
(4) Investment in affiliated company	681		685		4
(5) Long-term loans	1,431		208		(1,223)
(6) Long-term loans receivable from employees	5		1		(4)
(7) Long-term receivables	2,889		1,772		(1,117)
(8) Long-term prepaid expenses	16		16		0
(9) Long-term deferred tax assets	1,029		177		(852)
(10) Other investments and assets	1,786		1,966		179
(11) Less: Allowance for doubtful receivables	(3,642)		(2,072)		1,569
Total investments and others	22,592	12.0	24,781	14.0	2,189
Total fixed assets	43,230	23.0	44,146	24.9	915
Total assets	187,682	100.0	177,301	100.0	(10,380)
[LIABILITIES]					
I Current liabilities					
1. Notes payable	875		661		(214)
2. Accounts payable	29,932		19,007		(10,925)
3. Short-term bank loans	14,009		11,002		(3,007)
4. Bonds due within one year	-		1,000		1,000
5. Accounts payable	555		258		(297)
6. Accrued expense	672		550		(121)
7. Income taxes payable	61		245		183
8. Advance receipts on uncompleted contracts	68,622		76,428		7,805
9. Deposits received	9,410		3,171		(6,239)
10. Income in advance	3		2		(1)
11. Reserve for bonuses	164		207		43
12. Reserve for compensation for completed works	139		106		(33)
13. Reserve for anticipated loss on contract work	1,627		1,135		(492)
14. Other current liabilities	324		1,160		826
Total current liabilities	126,411	67.3	114,937	64.8	(11,473)
II Long-term liabilities					
1. Corporate bonds	3,000		2,000		(1,000)
2. Long-term debt	17,946		15,866		(2,080)
3. Reserve for retirement benefits	2,050		2,280		229
4. Reserve for directors' retirement allowances	150		165		15
5. Reserve for repairs for real properties for rent	59		79		19
6. Other long-term liabilities	6		2		(3)
Total long-term liabilities	23,213	12.4	20,394	11.5	(2,819)
Total liabilities	149,624	79.7	135,332	76.3	(14,292)
[SHAREHOLDERS' EQUITY]					
I Common stock	13,017	6.9	13,017	7.4	-
II Additional paid-in capital	15,593	8.3	15,594	8.8	1
III Retained earnings					
1. Voluntary reserve	4,232		6,222		1,990
2. Unappropriated retained earnings	4,154		4,202		47
Total retained earnings	8,387	4.5	10,424	5.9	2,037
IV Net unrealized gain on securities	1,117	0.6	3,050	1.7	1,933
V Treasury stock	(58)	(0.0)	(118)	(0.1)	(59)
Total shareholders' equity	38,057	20.3	41,969	23.7	3,912
Total liabilities and shareholders' equity	187,682	100.0	177,301	100.0	(10,380)

Nonconsolidated Statements of Income

	Apr., 2004-Mar., 2005		Apr., 2005-Mar., 2006		Increase (decrease)
	Millions of yen	%	Millions of yen	%	
I Net sales	175,641	100.0	161,924	100.0	(13,717)
II Cost of sales	163,937	93.3	151,226	93.4	12,710
Gross profit	11,703	6.7	10,697	6.6	(1,006)
III Selling, general and administrative expenses	8,489	4.9	8,644	5.3	(154)
Operating income	3,214	1.8	2,053	1.3	(1,160)
IV Non-operating income					
1. Interest income	1,028		993		
2. Interest on securities	50		55		
3. Dividend income	188		313		
4. Other non-operating income	98	0.8	148	0.9	145
V Non-operating expenses					
1. Interest expense	1,030		818		
2. Foreign exchange loss	341		202		
3. Other non-operating expenses	192	0.9	134	0.7	409
Ordinary income	3,014	1.7	2,408	1.5	(606)
VI Extraordinary gain					
1. Gain on sales of investment securities			860		
2. Gain on reversal of prior service liability of retirement	247	0.1	860	0.5	612
VII Extraordinary loss					
1. Loss on prior-period adjustment	157				
2. Loss on retirement of property, plant and equipment	100				
3. Loss on impairment of fixed assets			434		
4. Loss on valuation of investment securities	130		30		
5. Loss on financial support to subsidiaries	125				
6. Loss on liquidation of subsidiaries	512	0.2	214	0.4	(166)
Income before income tax	2,749	1.6	2,589	1.6	(160)
Income taxes current	(23)		(56)		
Income taxes deferred	(338)	(0.2)	82	0.0	(387)
Net income	3,110	1.8	2,563	1.6	(547)
Earnings brought forward from previous year	1,043		1,638		594
Unappropriated earnings carried forward to the following year	4,154		4,202		47

New Orders, Net Sales and Backlog of Contracts

(Millions of yen)

		Backlog	New Orders	Total	Net sales	Backlog	
		Beginning of year				End of year	
Apr., 2004 - Mar., 2005	Overseas	Chemical fertilizers	42,502	17,766	60,268	31,327	28,687
		Petrochemicals	45,211	18,956	64,168	34,739	27,507
		Refinery	15,601	393	15,995	9,092	6,701
		Energy-related	193,082	64,398	257,481	55,672	197,008
		General manufacturing facilities	4,537	4,343	8,881	4,090	4,749
		Information technology	73	-	73	72	0
		Others	878	1,477	2,355	1,017	946
	Subtotal		301,887	107,335	409,222	136,013	265,600
	Domestic	Petrochemicals	15,989	17,378	33,368	15,700	17,619
		Refinery	4,468	2,416	6,884	4,787	2,079
		Energy-related	7,440	18,304	25,745	2,724	23,000
		General manufacturing facilities	7,985	5,165	13,151	11,461	1,687
		Information technology	937	10,076	11,014	4,087	6,724
		Others	56	322	379	299	69
Subtotal		36,879	53,663	90,543	39,060	51,182	
Grand total		*(22,051)	160,999	499,765	175,074	*(12,549)	
		338,766				316,783	
Apr., 2005 - Mar., 2006	Overseas	Chemical fertilizers	28,687	4,094	32,782	15,204	9,738
		Petrochemicals	27,507	57,347	84,854	18,745	56,737
		Refinery	6,701	51,404	58,106	3,229	54,233
		Energy-related	197,008	37,359	234,367	77,482	151,079
		General manufacturing facilities	4,749	5,582	10,331	3,407	6,932
		Information technology	0	-	0	-	-
		Others	946	1,257	2,203	971	1,234
	Subtotal		265,600	157,045	422,646	119,041	279,955
	Domestic	Petrochemicals	17,619	25,212	42,832	19,355	23,470
		Refinery	2,079	18,072	20,152	1,632	18,517
		Energy-related	23,000	1,551	24,551	7,954	12,916
		General manufacturing facilities	1,687	4,538	6,226	3,791	2,433
		Information technology	6,724	3,981	10,705	9,186	1,519
		Others	69	1,057	1,126	431	695
Subtotal		51,182	54,413	105,595	42,351	59,553	
Grand total		*(12,549)	211,458	528,241	161,392	*(4,257)	
		316,783				339,509	

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 (¥5,213) million for Apr., 2004-Mar., 2005 and ¥5,927 million for Apr., 2005-Mar., 2006.
3. Decreased prices of orders awarded in prior years are deducted from the "backlog, end of year". The deducted amounts are ¥2,695 million for Apr., 2004-Mar., 2005 and ¥33,267 million for Apr., 2005-Mar., 2006.
4. Asterisks (*) represent increase (decrease) due to changes in exchange rates.
5. Differences between the net sales above and those of the nonconsolidated income statements are sales in Real Estate business segment (nonconsolidated basis), which amount to ¥567 million for Apr., 2004-Mar., 2005 and ¥531 million for Apr., 2005-Mar., 2006.