

February 8, 2007

Consolidated Operating Result for the Third Quarter ended December 31, 2006

(for the fiscal year ending March 31, 2007)

L TOYO ENGINEERING CORPORATION

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

Representative : Yutaka Yamada, President and Chief Executive Officer

Contacts : Hideaki Kinoshita, 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 result for the third quarter of fiscal year 2006 (April 1, 2006 - December 31, 2006)

(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, 2006 - Dec.31, 2006	137,357	(4.9)	2,459	0.4	3,009	27.9	2,816	69.2
Apr.1, 2005 - Dec.31, 2005	144,363	-	2,450	-	2,353	-	1,664	-
Apr.1, 2005 - Mar.31, 2006	195,583		4,195		4,225		3,350	

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr.1, 2006 - Dec.31, 2006	14.91	-
Apr.1, 2005 - Dec.31, 2005	9.49	-
Apr.1, 2005 - Mar.31, 2006	19.11	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of Dec.31, 2006	277,642	48,284	16.6	239.49
As of Dec.31, 2005	225,005	31,880	14.2	181.85
As of Mar.31, 2006	202,662	33,608	16.6	191.73

(3) Consolidated cash flows

	Cash from (used for) operating activities	Cash used for investing activities	Cash from (used for) financing activities	Cash and cash equivalents, end of the term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Apr.1, 2006 - Dec.31, 2006	35,868	(17,262)	4,162	51,432
Apr.1, 2005 - Dec.31, 2005	(8,136)	(1,935)	(7,583)	28,266
Apr.1, 2005 - Mar.31, 2006	(5,533)	(4,570)	(7,524)	28,305

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., 2006 - Mar., 2007	220,000	5,000	4,000

Reference: Estimated earnings per share (fiscal 2006) 20.80 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)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
[ASSETS]						
I Current assets						
1. Cash and deposits	28,443		43,021		28,884	
2. Notes and accounts receivable	30,898		26,166		29,229	
3. Marketable securities	-		19,987		-	
4. Contract work in progress	97,577		102,510		74,089	
5. Other current assets	15,470		30,603		16,514	
Total current assets	172,390	76.6	222,289	80.1	148,718	73.4
II Fixed assets						
1. Property, plant and equipment	34,671		37,223		35,623	
2. Intangible assets	1,993		1,948		2,020	
3. Investments and other assets	15,950		16,181		16,299	
Total fixed assets	52,615	23.4	55,352	19.9	53,943	26.6
Total assets	225,005	100.0	277,642	100.0	202,662	100.0
[LIABILITIES]						
I Current liabilities						
1. Notes and accounts payable	26,764		32,288		22,678	
2. Short-term borrowings	13,306		22,293		26,383	
3. Bonds due within one year	-		3,000		1,000	
4. Advance receipts on uncompleted contracts	100,267		135,556		82,894	
5. Other current liabilities	11,323		14,123		8,674	
Total current liabilities	151,661	67.4	207,261	74.6	141,630	69.9
II Long-term liabilities						
1. Corporate bonds	3,000		-		2,000	
2. Long-term borrowings	30,808		16,428		17,989	
3. Other long-term liabilities	5,686		5,667		5,392	
Total long-term liabilities	39,494	17.5	22,095	8.0	25,382	12.5
Total liabilities	191,156	84.9	229,357	82.6	167,012	82.4
[MINORITY INTEREST]						
Minority interest	1,968	0.9	-	-	2,040	1.0
[SHAREHOLDERS' EQUITY]						
I Common stock	13,017	5.8	-	-	13,017	6.4
II Additional paid-in capital	15,594	6.9	-	-	15,594	7.7
III Retained earnings	532	0.2	-	-	2,218	1.1
IV Net unrealized gain on securities	3,016	1.4	-	-	3,062	1.5
V Foreign currency translation adjustments	(181)	(0.1)	-	-	(166)	(0.1)
VI Treasury stock	(100)	(0.0)	-	-	(118)	(0.0)
Total shareholders' equity	31,880	14.2	-	-	33,608	16.6
Total liabilities, minority interests and shareholders' equity	225,005	100.0	-	-	202,662	100.0
[NET ASSETS]						
I Shareholder's Equity						
1. Common stock	-	-	18,198	6.6	-	-
2. Additional paid-in capital	-	-	20,760	7.5	-	-
3. Retained earnings	-	-	4,505	1.6	-	-
4. Treasury stock	-	-	(145)	(0.1)	-	-
Total shareholders' equity	-	-	43,320	15.6	-	-
II Valuation and Translation Adjustments						
1. Net unrealized gain on securities	-	-	2,778	1.0	-	-
2. Deferred hedge loss	-	-	(290)	(0.1)	-	-
3. Foreign currency translation adjustments	-	-	256	0.1	-	-
Total valuation and translation adjustments	-	-	2,743	1.0	-	-
III Minority Interest	-	-	2,221	0.8	-	-
Total net assets	-	-	48,284	17.4	-	-
Total liabilities and net assets	-	-	277,642	100.0	-	-

Consolidated Statements of Income (Summary)

	Apr.-Dec., 2005		Apr.-Dec., 2006		Apr.,2005-Mar.,2006	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
I Net sales	144,363	100.0	137,357	100.0	195,583	100.0
II Cost of sales	131,407	91.0	124,748	90.8	177,758	90.9
Gross profit	12,955	9.0	12,608	9.2	17,824	9.1
III Selling, general and administrative expenses	10,505	7.3	10,149	7.4	13,629	7.0
Operating income	2,450	1.7	2,459	1.8	4,195	2.1
IV Non-operating income	1,031	0.7	1,733	1.3	1,629	0.9
V Non-operating expenses	1,128	0.8	1,183	0.9	1,598	0.8
Ordinary income	2,353	1.6	3,009	2.2	4,225	2.2
VI Extraordinary gain	354	0.2	402	0.3	879	0.4
VII Extraordinary loss	346	0.2	73	0.1	745	0.4
Income before income taxes and minority interest	2,361	1.6	3,338	2.4	4,359	2.2
Total tax	627	0.4	445	0.3	861	0.4
Minority interest income	69	0.0	75	0.0	147	0.1
Net income	1,664	1.2	2,816	2.1	3,350	1.7

Consolidated Statements of Cash Flows (Summary)

	Apr.-Dec., 2005	Apr.-Dec., 2006	Apr.,2005-Mar.,2006
	Millions of yen	Millions of yen	Millions of yen
I Cash flows from operating activities			
Income before income taxes and minority interest	2,361	3,338	4,359
Decrease in notes and accounts receivable	9,675	3,293	11,353
Increase in contract work in progress	(35,290)	(28,220)	(11,794)
Increase (decrease) in notes and accounts payable	(5,267)	9,437	(9,358)
Increase in advance receipts on uncompleted contracts	25,665	52,813	7,964
All other operating activities	(5,281)	(4,793)	(8,058)
Cash from (used for) operating activities	(8,136)	35,868	(5,533)
II Cash flows from investing activities			
Cash used for investing activities	(1,935)	(17,262)	(4,570)
III Cash flows from financing activities			
Cash from (used for) financing activities	(7,583)	4,162	(7,524)
IV Effect of exchange rate changes on cash and cash equivalents	475	358	486
V Net increase (decrease) in cash and cash equivalents	(17,180)	23,126	(17,141)
VI Cash and cash equivalents, beginning of the term	45,447	28,305	45,447
VIII Cash and cash equivalents, end of the term	28,266	51,432	28,305

New Orders (Consolidated)

	Apr.-Dec., 2005	Apr.-Dec., 2006	Apr.,2005-Mar.,2006
	Millions of yen	Millions of yen	Millions of yen
EPC Business	157,169	257,234	257,839
Real Estate	-	-	-
Total	157,169	257,234	257,839

Consolidated Statement of Changes in Shareholder's Equity

From April 1 to December 31, 2006

	Shareholder's equity					Valuation and translation adjustments			Total valuation and translation adjustments	Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity	Net unrealized gain on securities	Deferred hedge loss	Foreign currency translation adjustments			
Balance at March 31, 2006 (Millions of yen)	13,017	15,594	2,218	(118)	30,712	3,062	-	(166)	2,895	2,040	35,649
Changes in the current period											
Common stock issued	5,181	5,164			10,345				-		10,345
Dividends paid to shareholders*			(525)		(525)				-		(525)
Bonus paid to directors*			(3)		(3)				-		(3)
Net income			2,816		2,816				-		2,816
Purchase of treasury stock				(29)	(29)				-		(29)
Disposal of treasury stock				2	3				-		3
Changes of items other than shareholder's equity, net					-	(284)	(290)	422	(152)	180	27
Total changes in the current period (Millions of yen)	5,181	5,165	2,287	(27)	12,607	(284)	(290)	422	(152)	180	12,635
Balance at December 31, 2006 (Millions of yen)	18,198	20,760	4,505	(145)	43,320	2,778	(290)	256	2,743	2,221	48,284

*These earning items are disposed at the shareholder's meeting in June 2006.

Nonconsolidated Balance Sheets (Summary)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
[ASSETS]						
I Current assets						
1. Cash and deposits	22,566		37,030		22,104	
2. Notes and accounts receivable	25,684		15,797		21,676	
3. Marketable securities	-		19,987		-	
4. Contract work in progress	93,000		93,477		70,392	
5. Other current assets	16,521		31,349		18,982	
Total current assets	157,774	78.0	197,642	80.8	133,155	75.1
II Fixed assets						
1. Property, plant and equipment	19,048		18,425		18,589	
2. Intangible assets	689		765		774	
3. Investments and other assets	24,717		27,695		24,781	
Total fixed assets	44,455	22.0	46,886	19.2	44,146	24.9
Total assets	202,229	100.0	244,528	100.0	177,301	100.0
[LIABILITIES]						
I Current liabilities						
1. Notes and accounts payable	25,281		28,254		19,668	
2. Short-term borrowings	10,029		7,020		11,002	
3. Bonds due within one year	-		3,000		1,000	
4. Advance receipts on uncompleted contracts	94,696		122,298		76,428	
5. Other current liabilities	10,406		13,555		6,838	
Total current liabilities	140,414	69.4	174,128	71.2	114,937	64.8
II Long-term liabilities						
1. Corporate bonds	3,000		-		2,000	
2. Long-term borrowings	15,962		14,419		15,866	
3. Other long-term liabilities	2,525		2,619		2,528	
Total long-term liabilities	21,488	10.6	17,038	7.0	20,394	11.5
Total liabilities	161,902	80.0	191,167	78.2	135,332	76.3
[SHAREHOLDERS' EQUITY]						
I Common stock	13,017	6.4	-	-	13,017	7.4
II Additional paid-in capital	15,594	7.7	-	-	15,594	8.8
III Retained earnings	8,809	4.4	-	-	10,424	5.9
IV Net unrealized gain on securities	3,005	1.5	-	-	3,050	1.7
V Treasury stock	(100)	(0.0)	-	-	(118)	(0.1)
Total shareholders' equity	40,327	20.0	-	-	41,969	23.7
Total liabilities and shareholders' equity	202,229	100.0	-	-	177,301	100.0
[NET ASSETS]						
I Shareholder's Equity						
1. Common stock	-	-	18,198	7.5	-	-
2. Additional paid-in capital	-	-	20,760	8.5	-	-
3. Retained earnings	-	-	12,047	4.9	-	-
4. Treasury stock	-	-	(145)	(0.1)	-	-
Total shareholders' equity	-	-	50,862	20.8	-	-
II Valuation and Translation Adjustments						
1. Net unrealized gain on securities	-	-	2,777	1.1	-	-
2. Deferred hedge loss	-	-	(277)	(0.1)	-	-
Total valuation and translation adjustments	-	-	2,499	1.0	-	-
Total net assets	-	-	53,361	21.8	-	-
Total liabilities and net assets	-	-	244,528	100.0	-	-

Nonconsolidated Statements of Income (Summary)

	Apr.-Dec., 2005		Apr.-Dec., 2006		Apr.,2005-Mar.,2006	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
I Net sales	120,560	100.0	106,362	100.0	161,924	100.0
II Cost of sales	113,220	93.9	99,756	93.8	151,226	93.4
Gross profit	7,340	6.1	6,605	6.2	10,697	6.6
III Selling, general and administrative expenses	6,315	5.2	5,359	5.0	8,644	5.3
Operating income	1,024	0.9	1,245	1.2	2,053	1.3
IV Non-operating income	1,049	0.9	1,467	1.4	1,510	0.9
V Non-operating expenses	874	0.8	841	0.8	1,155	0.7
Ordinary income	1,200	1.0	1,871	1.8	2,408	1.5
VI Extraordinary gain	335	0.3	259	0.2	860	0.5
VII Extraordinary loss	349	0.3	68	0.1	679	0.4
Income before income taxes	1,185	1.0	2,062	1.9	2,589	1.6
Total tax	236	0.2	(85)	(0.1)	25	0.0
Net income	948	0.8	2,148	2.0	2,563	1.6