

# Consolidated Financial Statements [Summary]

For the Fiscal Year Ended March 31, 2007

May 14, 2007



(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, 2007

### (1) Consolidated financial results

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

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2006	223,843	14.4	6,889	64.2	7,212	70.7	5,293	58.0
FY2005	195,583	(1.2)	4,195	(7.6)	4,225	7.8	3,350	(6.9)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2006	27.90	-	12.8	3.0	3.1
FY2005	19.11	-	10.8	2.1	2.1

Note: Equity in earnings of affiliates (millions of yen):

FY2006 : 162

FY2005 : 84

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
FY2006	282,814	51,559	17.4	255.50
FY2005	202,662	33,608	16.6	191.73

Note: Equity at end of term (consolidated, in millions of yen):

FY2006 : 49,137

FY2005 : -

### (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
FY2006	50,980	(5,443)	1,461	75,655
FY2005	(5,533)	(4,570)	(7,524)	28,305

## 2. Dividends

	Annual cash dividends per share					Total Cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	at first quarter end	at first half end	at third quarter end	at fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2005	-	-	-	3.00	3.00	525	15.7	1.7
FY2006	-	-	-	3.00	3.00	576	10.8	1.3
FY2007 (Forecast)	-	-	-	6.00	6.00		19.2	

## 3. Forecast of consolidated operating result for FY2007 (April 1, 2007-March 31, 2008)

(% of changes from the corresponding periods of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	170,000	113.0	3,250	558.9	3,000	384.1	1,500	460.2	7.80
Yearly	330,000	47.4	10,500	52.4	9,500	31.7	6,000	13.3	31.20

#### 4. Others

(1) Significant changes in scope of consolidation : No

(2) Changes in accounting policies

Changes due to revisions in accounting standard : Yes

Other changes : No

(3) Number of shares issued

Number of shares issued at the fiscal year end (including treasury stocks)

FY2006 : 192,792,539      FY2005 : 175,692,539

Number of treasury stocks at the fiscal year end

FY2006 : 474,172      FY2005 : 403,553

#### (Reference) Non-consolidated Business results

##### 1. Business results for the fiscal year ended March 31, 2007

(1) Non-consolidated financial results

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

(% of the changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2006	186,518	15.2	3,476	69.3	3,893	61.7	3,811	48.7
FY2005	161,924	(7.8)	2,053	(36.1)	2,408	(20.1)	2,563	(17.6)

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2006	20.09	-
FY2005	14.62	-

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Book value per share	
	Millions of yen	%	Millions of yen	%	%	%	Yen	
FY2006	254,994		55,627		21.8		289.25	
FY2005	177,301		41,969		23.7		239.43	

Note: Equity at end of term (nonconsolidated, in millions of yen):

FY2006 : 55,627      FY2005 : -

##### 2. Forecast of consolidated operating result for FY2007 (April 1, 2007-March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	150,000	131.5	1,750	-	1,750	491.8	950	319.7	4.94
Yearly	290,000	55.5	6,500	87.0	6,500	66.9	4,500	18.1	23.40

\* 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, 2006		March 31, 2007		Increase (Decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
[ASSETS]					
<b>I Current assets</b>					
1 Cash and deposits	28,884		43,224		14,340
2 Notes and accounts receivable	29,229		31,823		2,594
3 Marketable securities	-		32,976		32,976
4 Contract work in progress	74,089		92,123		18,033
5 Deferred tax assets	1,766		1,523		(243)
6 Other receivables	11,007		19,662		8,655
7 Other current assets	6,476		9,512		3,036
8 Less: Allowance for doubtful receivables	(2,735)		(3,544)		(809)
<b>Total current assets</b>	<b>148,718</b>	<b>73.4</b>	<b>227,300</b>	<b>80.4</b>	<b>78,582</b>
<b>II Fixed assets</b>					
(1) Property, plant and equipment					
1 Buildings and structures	26,627		31,653		5,025
2 Tools, furniture and fixtures	3,572		3,771		198
3 Land	18,527		18,542		15
4 Construction in progress	3,085		136		(2,949)
5 Less: Accumulated depreciation	(16,189)		(17,129)		(939)
<b>Total property, plant and equipment</b>	<b>35,623</b>	<b>17.6</b>	<b>36,973</b>	<b>13.1</b>	<b>1,350</b>
(2) Intangible assets	2,020	1.0	1,943	0.7	(77)
(3) Investments and other assets					
1 Investment securities	12,281		12,698		417
2 Long-term loans	213		141		(72)
3 Long-term receivables	1,772		280		(1,492)
4 Long-term deferred tax assets	192		318		125
5 Other investments and assets	3,910		3,946		35
6 Less: Allowance for doubtful receivables	(2,072)		(788)		1,283
<b>Total investments and other assets</b>	<b>16,299</b>	<b>8.0</b>	<b>16,596</b>	<b>5.8</b>	<b>297</b>
<b>Total fixed assets</b>	<b>53,943</b>	<b>26.6</b>	<b>55,513</b>	<b>19.6</b>	<b>1,569</b>
<b>Total assets</b>	<b>202,662</b>	<b>100.0</b>	<b>282,814</b>	<b>100.0</b>	<b>80,152</b>
[LIABILITIES]					
<b>I Current liabilities</b>					
1 Notes and accounts payable	22,678		38,006		15,327
2 Short-term borrowings	26,383		10,116		(16,266)
3 Bonds due within one year	1,000		2,000		1,000
4 Income taxes payable	692		1,229		536
5 Advance receipts on uncompleted contracts	82,894		134,510		51,616
6 Reserve for bonuses	586		735		148
7 Reserve for compensation for completed works	361		170		(191)
8 Reserve for anticipated loss on contract work	1,135		1,457		321
9 Reserve for directors' bonuses	-		10		10
10 Other current liabilities	5,898		10,259		4,361
<b>Total current liabilities</b>	<b>141,630</b>	<b>69.9</b>	<b>198,495</b>	<b>70.2</b>	<b>56,864</b>
<b>II Long-term liabilities</b>					
1 Corporate bonds	2,000		1,000		(1,000)
2 Long-term borrowings	17,989		25,980		7,990
3 Long-term deferred tax liabilities	171		158		(13)
4 Reserve for retirement benefits	2,545		2,816		270
5 Reserve for directors' retirement benefits	181		136		(44)
6 Reserve for repairs	149		185		35
7 Other long-term liabilities	2,343		2,482		138
<b>Total long-term liabilities</b>	<b>25,382</b>	<b>12.5</b>	<b>32,759</b>	<b>11.6</b>	<b>7,377</b>
<b>Total liabilities</b>	<b>167,012</b>	<b>82.4</b>	<b>231,255</b>	<b>81.8</b>	<b>64,242</b>
[MINORITY INTEREST]					
Minority interest	2,040	1.0	-	-	(2,040)
[SHAREHOLDERS' EQUITY]					
<b>I Common stock</b>	13,017	6.4	-	-	(13,017)
<b>II Additional paid-in capital</b>	15,594	7.7	-	-	(15,594)
<b>III Retained earnings</b>	2,218	1.1	-	-	(2,218)
<b>IV Net unrealized gain on securities</b>	3,062	1.5	-	-	(3,062)
<b>V Foreign currency translation adjustments</b>	(166)	(0.1)	-	-	166
<b>VI Treasury stock</b>	(118)	(0.0)	-	-	118
<b>Total shareholders' equity</b>	<b>33,608</b>	<b>16.6</b>	<b>-</b>	<b>-</b>	<b>(33,608)</b>
<b>Total liabilities, minority interest and shareholders' equity</b>	<b>202,662</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>(202,662)</b>
[NET ASSETS]					
<b>I Shareholder's Equity</b>					
1 Common stock	-	-	18,198	6.4	18,198
2 Additional paid-in capital	-	-	20,760	7.3	20,760
3 Retained earnings	-	-	6,983	2.5	6,983
4 Treasury stock	-	-	(158)	(0.0)	(158)
<b>Total shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>45,784</b>	<b>16.2</b>	<b>45,784</b>
<b>II Valuation and Translation Adjustments</b>					
1 Net unrealized gain on securities	-	-	3,323	1.2	3,323
2 Deferred hedge loss	-	-	(219)	(0.1)	(219)
3 Foreign currency translation adjustments	-	-	249	0.1	249
<b>Total valuation and translation adjustments</b>	<b>-</b>	<b>-</b>	<b>3,353</b>	<b>1.2</b>	<b>3,353</b>
<b>III Minority Interest</b>	-	-	2,421	0.8	2,421
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>51,559</b>	<b>18.2</b>	<b>51,559</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>-</b>	<b>282,814</b>	<b>100.0</b>	<b>282,814</b>

## Consolidated Statements of Income

		Apr., 2005-Mar., 2006		Apr., 2006-Mar., 2007		Increase (Decrease)		
		Millions of yen	%	Millions of yen	%	Millions of yen		
I	Net sales		195,583	100.0		223,843	100.0	28,260
II	Cost of sales		177,758	90.9		201,608	90.1	(23,849)
	<b>Gross profit</b>		17,824	9.1		22,235	9.9	4,410
III	Selling, general and administrative expenses		13,629	7.0		15,345	6.8	(1,716)
	<b>Operating income</b>		4,195	2.1		6,889	3.1	2,694
IV	Non-operating income							
1	Interest income	1,167			1,697			
2	Dividend income	133			194			
3	Equity in earnings of affiliates	84			162			
4	Other non-operating income	243	1,629	0.9	178	2,233	1.0	604
V	Non-operating expenses							
1	Interest expense	1,191			986			
2	Foreign exchange loss	204			254			
3	Taxes and dues	-			254			
4	Other non-operating expenses	202	1,598	0.8	414	1,910	0.9	(311)
	<b>Ordinary income</b>		4,225	2.2		7,212	3.2	2,987
VI	Extraordinary gain							
1	Gain on sales of fixed assets	-			55			
2	Gain on sales of investment securities	879			348			
3	Gain on sales of memberships	-	879	0.4	53	457	0.2	(422)
VII	Extraordinary loss							
1	Loss on impairment of fixed assets	615			221			
2	Loss on valuation of investment securities	30			-			
3	Payments of special retirement benefits	98			-			
4	Loss on valuation of memberships	-	745	0.4	76	297	0.1	447
	Income before income taxes and minority interest		4,359	2.2		7,372	3.3	3,012
	Income taxes current	785			1,713			
	Income taxes deferred	76	861	0.4	74	1,788	0.8	(926)
	Minority interest income		147	0.1		290	0.1	(142)
	<b>Net income</b>		3,350	1.7		5,293	2.4	1,943

## Consolidated Statement of Changes in Shareholder's Equity

From April 1, 2006 through March 31, 2007

	Shareholder's equity					Valuation and translation adjustments				Minority interest	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	Total valuation and 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 fiscal year											
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			5,293		5,293				-		5,293
Purchase of treasury stock				(42)	(42)				-		(42)
Disposal of treasury stock				2	3				-		3
Changes of items other than shareholder's equity, net					-	261	(219)	416	457	381	838
Total changes in the current fiscal year (Millions of yen)	5,181	5,165	4,764	(40)	15,071	261	(219)	416	457	381	15,910
Balance at March 31, 2007 (Millions of yen)	18,198	20,760	6,983	(158)	45,784	3,323	(219)	249	3,353	2,421	51,559

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



## Segment Information

### (1) Business Segments

#### Fiscal Year Ended March 31, 2006

	Millions of yen				
	EPC Business	Real Estate	Total	Eliminations and Other	Consolidated
I 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
II 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 yen 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, 2007

	Millions of yen				
	EPC Business	Real Estate	Total	Eliminations and Other	Consolidated
I Net sales and operating income					
Net sales					
(1) Net sales to outside customers	220,855	2,987	223,843	-	223,843
(2) Inter-segment net sales	14	321	336	(336)	-
Total	220,870	3,309	224,180	(336)	223,843
Operating expenses	215,081	2,224	217,305	(351)	216,954
Operating income	5,789	1,085	6,874	14	6,889
II Assets, depreciation and capital expenditures					
Assets	250,967	20,443	271,411	11,402	282,814
Depreciation	1,415	580	1,996	(1)	1,994
Capital expenditures	1,592	1,948	3,540	-	3,540

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. 11,582 million yen 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, 2006**

	Millions of yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
I 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
II Assets	190,326	17,713	208,040	(5,378)	202,662

**Notes:**

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

**Fiscal Year Ended March 31, 2007**

	Millions of yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
I Net sales and operating income					
Net sales					
(1) Net sales to outside customers	210,865	12,978	223,843	-	223,843
(2) Inter-segment net sales	31	18,068	18,099	(18,099)	-
Total	210,896	31,047	241,943	(18,099)	223,843
Operating expenses	205,328	29,439	234,767	(17,813)	216,954
Operating income	5,568	1,607	7,176	(286)	6,889
II Assets	264,355	34,824	299,179	(16,364)	282,814

**Notes:**

- Geographic segmentation is according to geographic proximity.
- Countries included in "Others":  
Korea, Malaysia, India, Luxembourg, U.S.A., China PR
- 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, 2006

	Millions of yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
I Overseas sales	8,419	54,717	44,890	8,114	16,340	132,482
II Consolidated sales						195,583
III 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

#### Fiscal Year Ended March 31, 2007

	Millions of yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
I Overseas sales	10,517	52,506	36,033	25,114	22,513	146,685
II Consolidated sales						223,843
III Overseas sales ratio to consolidated sales	4.7%	23.4%	16.1%	11.2%	10.1%	65.5%

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: Thailand, Singapore
  - Southwest Asia and Africa: Saudi Arabia, Iran, India
  - Russia and Central Asia: Russia
  - Central and South America: Brazil
  - Others : China PR, Australia, European countries

## New Orders, Net Sales and Backlog of Contracts

## (1) New Orders and Backlog of Contracts

			Millions of yen				
			Backlog Beginning of year	New Orders	Total	Net Sales	Backlog End of year
Apr. 1, 2005 - Mar. 31, 2006	Overseas	Chemical fertilizers	28,865	4,493	33,359	15,346	10,186
		Petrochemicals	34,963	61,093	96,057	29,355	58,604
		Refinery	8,568	53,401	61,970	4,137	57,235
		Energy-related	200,877	56,385	257,263	78,464	172,768
		General manufacturing facilities	7,103	6,574	13,677	3,852	7,488
		Information technology	147	48	196	211	5
		Others	926	1,653	2,580	1,091	1,432
		Subtotal	281,452	183,652	465,105	132,458	307,720
	Domestic	Petrochemicals	17,631	25,292	42,924	19,442	23,477
		Refinery	2,082	18,074	20,157	1,637	18,518
		Energy-related	23,000	1,551	24,551	7,954	12,916
		General manufacturing facilities	1,692	6,965	8,657	5,226	4,266
		Information technology	10,971	14,846	25,817	19,866	5,923
		Others	929	7,456	8,386	6,831	695
	Subtotal	56,307	74,187	130,494	60,959	65,796	
	Grand total	337,760	257,839	595,599	193,417	373,517	
Apr. 1, 2006 - Mar. 31, 2007	Overseas	Chemical fertilizers	10,186	6,027	16,213	6,533	9,700
		Petrochemicals	58,604	153,197	211,802	46,714	165,706
		Refinery	57,235	11,628	68,864	9,939	59,172
		Energy-related	172,768	105,775	278,543	74,925	194,712
		General manufacturing facilities	7,488	8,516	16,005	5,950	10,107
		Information technology	5	145	150	116	33
		Others	1,432	1,531	2,963	2,478	352
		Subtotal	307,720	286,822	594,542	146,659	439,786
	Domestic	Petrochemicals	23,477	15,721	39,199	10,475	28,542
		Refinery	18,518	7,733	26,251	17,690	8,460
		Energy-related	12,916	6,949	19,865	7,740	12,116
		General manufacturing facilities	4,266	7,018	11,284	4,381	5,060
		Information technology	5,923	21,907	27,830	23,590	4,229
		Others	695	8,831	9,526	10,317	1,040
	Subtotal	65,796	68,161	133,958	74,196	59,450	
	Grand total	*4,257 373,517	354,983	728,501	220,855	*6,151 499,236	

- Notes : 1. Sales figures include effects of change in exchange rates upon the orders in currencies other than the Japanese Yen. Such effects are 5,700 million yen for Apr., 2006-Mar., 2007.  
2. Decreased prices of orders awarded in prior years are deducted from the "backlog, end of year". The deducted amounts are 14,109 million yen for Apr., 2006-Mar., 2007.  
3. Asterisks (\*) represent increase (decrease) due to changes in exchange rates.

## (2) Net Sales

	Millions of yen			
	Apr.1, 2005-Mar.31, 2006		Apr.1, 2006-Mar.31, 2007	
	Amount	Ratio	Amount	Ratio
EPC Business	193,417	98.9%	220,855	98.7%
Real Estate	2,165	1.1%	2,987	1.3%
Total	195,583	100.0%	223,843	100.0%

- Notes : 1. "Production Results" is not listed, because it is difficult to define production results for our group.  
2. Inter-segment transactions are excluded.  
3. Amounts are rounded down to the nearest million yen and exclude Consumption Tax of Japan.

Nonconsolidated Balance Sheets

	March 31, 2006		March 31, 2007		Increase (Decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
[ASSETS]					
<b>I Current assets</b>					
1 Cash and deposits	22,104		37,648		15,543
2 Notes receivable	50		48		(2)
3 Accounts receivable	21,625		20,909		(715)
4 Marketable securities	-		32,976		32,976
5 Contract work in progress	70,392		83,833		13,441
6 Short-term loans	7,004		7,686		682
7 Prepaid expenses	101		125		24
8 Deferred tax assets	1,069		1,044		(24)
9 Other receivables	11,394		20,647		9,252
10 Other current assets	2,155		1,013		(1,141)
11 Less: Allowance for doubtful receivables	(2,742)		(3,521)		(778)
<b>Total current assets</b>	<b>133,155</b>	<b>75.1</b>	<b>202,412</b>	<b>79.4</b>	<b>69,256</b>
<b>II Fixed assets</b>					
(1) Property, plant and equipment					
1 Buildings	14,410		14,570		
Less: Accumulated depreciation	8,795	5.614	9,123	5.446	(167)
2 Structures	910		914		
Less: Accumulated depreciation	758	151	768	146	(5)
3 Machinery	298		258		
Less: Accumulated depreciation	283	14	229	28	14
4 Vehicles	43		44		
Less: Accumulated depreciation	29	13	23	21	8
5 Equipment and tools	1,348		1,154		
Less: Accumulated depreciation	1,211	137	1,020	134	(3)
6 Land	12,647		12,658		10
7 Construction in progress	10		-		(10)
<b>Total property, plant and equipment</b>	<b>18,589</b>	<b>10.5</b>	<b>18,436</b>	<b>7.2</b>	<b>(153)</b>
(2) Intangible assets					
1 Leasehold right	14		14		-
2 Software	652		682		29
3 Right of using technologies	4		2		(1)
4 Right of using facilities	23		20		(3)
5 Telephone subscription right	15		15		0
6 Intangible assets in progress	64		70		5
<b>Total intangible assets</b>	<b>774</b>	<b>0.4</b>	<b>804</b>	<b>0.3</b>	<b>29</b>
(3) Investments and other assets					
1 Investment securities	7,358		9,674		2,316
2 Shares in affiliated companies	14,637		12,538		(2,098)
3 Investment in capital	30		29		(1)
4 Investment in affiliated companies	685		582		(103)
5 Long-term loans	208		9,256		9,048
6 Long-term loans receivable from employees	1		1		(0)
7 Long-term receivables	1,772		280		(1,492)
8 Long-term prepaid expenses	16		16		(0)
9 Long-term deferred tax assets	177		575		398
10 Other investments and assets	1,966		1,524		(441)
11 Less: Allowance for doubtful receivables	(2,072)		(1,140)		932
<b>Total investments and other assets</b>	<b>24,781</b>	<b>14.0</b>	<b>33,340</b>	<b>13.1</b>	<b>8,558</b>
<b>Total fixed assets</b>	<b>44,146</b>	<b>24.9</b>	<b>52,581</b>	<b>20.6</b>	<b>8,435</b>
<b>Total assets</b>	<b>177,301</b>	<b>100.0</b>	<b>254,994</b>	<b>100.0</b>	<b>77,692</b>

	March 31, 2006		March 31, 2007		Increase (Decrease)
	Millions of yen	%	Millions of yen	%	Millions of yen
[LIABILITIES]					
<b>I Current liabilities</b>					
1 Notes payable	661		2,715		2,054
2 Accounts payable	19,007		33,978		14,971
3 Short-term borrowings	11,002		7,140		(3,861)
4 Bonds due within one year	1,000		2,000		1,000
5 Accounts payable	258		417		159
6 Accrued expenses	550		478		(72)
7 Income taxes payable	245		861		616
8 Advance receipts on uncompleted contracts	76,428		120,960		44,531
9 Deposits received	3,171		8,096		4,925
10 Income in advance	2		1		(1)
11 Reserve for bonuses	207		215		7
12 Reserve for compensation for completed works	106		78		(27)
13 Reserve for anticipated loss on contract work	1,135		1,457		321
14 Other current liabilities	1,160		1,161		0
<b>Total current liabilities</b>	<b>114,937</b>	<b>64.8</b>	<b>179,562</b>	<b>70.4</b>	<b>64,624</b>
<b>II Long-term liabilities</b>					
1 Corporate bonds	2,000		1,000		(1,000)
2 Long-term debt	15,866		16,127		261
3 Reserve for retirement benefits	2,280		2,437		157
4 Reserve for directors' retirement benefits	165		136		(29)
5 Reserve for repairs	79		99		19
6 Other long-term liabilities	2		2		-
<b>Total long-term liabilities</b>	<b>20,394</b>	<b>11.5</b>	<b>19,804</b>	<b>7.8</b>	<b>(590)</b>
<b>Total liabilities</b>	<b>135,332</b>	<b>76.3</b>	<b>199,366</b>	<b>78.2</b>	<b>64,034</b>
[SHAREHOLDERS' EQUITY]					
<b>I Common stock</b>	<b>13,017</b>	<b>7.4</b>	<b>-</b>	<b>-</b>	<b>(13,017)</b>
<b>II Additional paid-in capital</b>					
1 Legal capital surplus	3,254		-		(3,254)
2 Other capital surplus					
(1) Transfer from common stock and capital surplus reserve	12,338		-		
(2) Disposal of treasury stock	2	12,340	-	-	(12,340)
<b>Total additional paid-in capital</b>	<b>15,594</b>	<b>8.8</b>	<b>-</b>	<b>-</b>	<b>(15,594)</b>
<b>III Retained earnings</b>					
1 Voluntary retained earnings					
(1) Reserve for overseas investment loss	12		-		
(2) Reserve for dividends	1,210		-		
(3) Reserve for exchange fluctuations	1,000		-		
(4) General reserve	4,000	6,222	-	-	(6,222)
2 Unappropriated retained earnings		4,202		-	(4,202)
<b>Total retained earnings</b>	<b>10,424</b>	<b>5.9</b>	<b>-</b>	<b>-</b>	<b>(10,424)</b>
<b>IV Net unrealized gain on securities</b>	<b>3,050</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>(3,050)</b>
<b>V Treasury stock</b>	<b>(118)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>118</b>
<b>Total shareholders' equity</b>	<b>41,969</b>	<b>23.7</b>	<b>-</b>	<b>-</b>	<b>(41,969)</b>
<b>Total liabilities and shareholders' equity</b>	<b>177,301</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>(177,301)</b>
[NET ASSETS]					
<b>I Shareholders' equity</b>					
1 Common stock	-		18,198		18,198
2 Additional paid-in capital					
(1) Legal capital surplus	-		8,418		
(2) Other capital surplus	-		12,342		
<b>Total additional paid-in capital</b>	<b>-</b>	<b>-</b>	<b>20,760</b>	<b>-</b>	<b>20,760</b>
3 Retained earnings					
(1) Other retained earnings					
Reserve for overseas investment loss	-		2		
Reserve for dividends	-		1,210		
Reserve for exchange fluctuations	-		1,000		
General reserve	-		6,000		
Retained earnings brought forward	-		5,497		
<b>Total retained earnings</b>	<b>-</b>	<b>-</b>	<b>13,710</b>	<b>-</b>	<b>13,710</b>
4 Treasury stock	-		(158)		(158)
<b>Total shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>52,511</b>	<b>20.6</b>	<b>52,511</b>
<b>II Valuation and translation adjustments</b>					
1 Net unrealized gain on securities	-		3,322		3,322
2 Deferred gains or losses on hedges	-		(205)		(205)
<b>Total valuation and translation adjustments</b>	<b>-</b>	<b>-</b>	<b>3,116</b>	<b>1.2</b>	<b>3,116</b>
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>55,627</b>	<b>21.8</b>	<b>55,627</b>
<b>Total liabilities and net assets</b>	<b>-</b>	<b>-</b>	<b>254,994</b>	<b>100.0</b>	<b>254,994</b>

**Nonconsolidated statements of Income**

	Apr., 2005-Mar., 2006		Apr., 2006-Mar., 2007		Increase (Decrease)		
	Millions of yen	%	Millions of yen	%	Millions of yen		
I Net sales		161,924	100.0		186,518	100.0	24,593
II Cost of sales		151,226	93.4		174,413	93.5	(23,186)
		<b>Gross profit</b>			12,104	6.5	1,406
III Selling, general and administrative expenses		8,644	5.3		8,628	4.6	15
		<b>Operating income</b>			3,476	1.9	1,422
IV Non-operating income							
1 Interest income	993			1,516			
2 Interest on securities	55			71			
3 Dividend income	313			396			
4 Other non-operating income	148	1,510	0.9	89	2,073	1.1	563
V Non-operating expenses							
1 Interest expense	818			592			
2 Foreign exchange loss	202			162			
3 Provision of allowance for doubtful receivables	-			428			
4 Taxes and dues	-			254			
5 Other non-operating expenses	134	1,155	0.7	217	1,656	0.9	(500)
		<b>Ordinary income</b>			3,893	2.1	1,485
VI Extraordinary gain							
1 Gain on sales of investment securities	860	860	0.5	259	259	0.1	(600)
VI Extraordinary loss							
1 Loss on valuation of memberships	-			68			
2 Loss on impairment of fixed assets	434			53			
3 Loss on valuation of investment securities	30			-			
4 Loss on liquidation of subsidiaries	214	679	0.4	-	121	0.1	557
		2,589	1.6		4,032	2.1	1,442
Income before income taxes							
Income taxes current	(56)			641			
Income taxes deferred	82	25	0.0	(420)	221	0.1	(195)
		<b>Net income</b>			3,811	2.0	1,247
Earnings brought forward		1,638					
Unappropriated retained earnings		4,202					

New Orders, Net Sales and Backlog of Contracts

			Millions of yen				
			Backlog Beginning of year	New Orders	Total	Net Sales	Backlog End of year
Apr. 1, 2005 - Mar. 31, 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	
Apr. 1, 2006 - Mar. 31, 2007	Overseas	Chemical fertilizers	9,738	5,483	15,221	6,074	9,155
		Petrochemicals	56,737	140,459	197,197	44,450	153,370
		Refinery	54,233	8,642	62,876	7,623	55,462
		Energy-related	151,079	105,659	256,739	69,350	180,000
		General manufacturing facilities	6,932	7,931	14,863	4,717	10,153
		Others	1,234	584	1,818	1,420	203
		Subtotal	279,955	268,761	548,716	133,636	408,346
	Domestic	Petrochemicals	23,470	15,640	39,111	10,465	28,463
		Refinery	18,517	7,732	26,250	17,690	8,459
		Energy-related	12,916	6,949	19,865	7,740	12,116
		General manufacturing facilities	2,433	7,254	9,688	4,624	5,060
		Information technology	1,519	10,445	11,965	10,876	1,086
		Others	695	377	1,072	936	135
		Subtotal	59,553	48,399	107,953	52,334	55,322
	Grand total	*4,257	317,160	656,669	185,971	*5,718	
	Grand total	339,509	317,160	656,669	185,971	463,669	

- 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 5,927 million yen for Apr., 2005-Mar., 2006 and 5,353 million yen for Apr., 2006-Mar., 2007.
  3. Decreased prices of orders awarded in prior years are deducted from the "backlog, end of year". The deducted amounts are 33,267 million yen for Apr., 2005-Mar., 2006 and 12,382 million yen for Apr., 2006-Mar., 2007.
  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 531 million yen for Apr., 2005-Mar., 2006 and 546 million yen for Apr., 2006-Mar., 2007.