

## Consolidated Financial Results for the First Quarter ended June 30, 2008

For the Fiscal Year Ending March 31, 2009

August 8, 2008

### TOYO ENGINEERING CORPORATION

(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 first quarter of fiscal year 2008(April 1, 2008 - June 30, 2008)

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

(1) Consolidated operating results (% of changes from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Apr. 1, 2008 - Jun. 30, 2008	100,010	-	3,328	-	3,474	-	2,375	-
Apr. 1, 2007 - Jun. 30, 2007	76,750	167.0	1,971	-	2,405	-	1,156	-

	Net income per share	Net income per share (diluted)
	Yen	Yen
Apr. 1, 2008 - Jun. 30, 2008	12.36	-
Apr. 1, 2007 - Jun. 30, 2007	6.01	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of Jun.30, 2008	249,302	57,756	22.1	286.83
As of Mar.31, 2008	280,138	57,331	19.5	283.98

(Reference) Equity at end of term (millions of yen):

Jun. 30, 2008: 55,135 Mar. 31, 2008: 54,591

#### 2. Dividends

	Cash dividends per share				
	at first quarter end	at second quarter end	at third quarter end	at fiscal year end	Annual
FY2007	- Yen	- Yen	- Yen	6.00 Yen	6.00 Yen
FY2008	-	-	-	-	7.00
FY2008 (Forecast)	-	3.00	-	4.00	7.00

#### 3. Forecast of consolidated operating results for FY2008

(% 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
First half	180,000	8.0	7,000	70.1	7,500	46.5	4,000	57.7	20.81
Full year	320,000	(2.3)	15,500	12.8	16,000	(0.0)	8,500	5.9	44.22

#### 4. Others

##### (1) Number of shares issued

Number of shares issued at end of term (including treasury stocks)

Jun. 30, 2008: 192,792,539

Mar. 31, 2008: 192,792,539

Number of treasury stocks at end of term

Jun. 30, 2008: 565,582

Mar. 31, 2008: 553,293

Average number of stock outstanding during the period: First quarter FY2008 and FY2007

Apr. 1, 2008 - Jun. 30, 2008 : 192,234,320

April 1, 2007 - June 30, 2007: 192,310,509

##### (2) Effective from the fiscal year ending March 2009, the "Accounting Standard for Quarterly Financial Reporting "(ASBJ Statement No.12)

and its Implementation Guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting"(ASBJ Guidance No.14) have been applied.

Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".

## Consolidated Balance Sheets

	June 30, 2008		March 31, 2008	
	Millions of yen		Millions of yen	
[ASSETS]				
<b>I Current assets</b>				
1 Cash and deposits		35,956		34,311
2 Notes and accounts receivable		31,757		36,312
3 Marketable securities		43,967		52,965
4 Contract work in progress		46,877		65,025
5 Deferred tax assets		3,898		3,772
6 Other receivables		28,025		28,326
7 Other		16,277		14,394
Less: Allowance for doubtful receivables		(9,754)		(8,813)
<b>Total current assets</b>		197,004		226,295
<b>II Fixed assets</b>				
(1) Property, plant and equipment				
1 Buildings and structures		29,904		31,696
2 Tools, furniture and fixtures		4,069		4,066
3 Land		17,694		17,799
4 Leased assets		2,088		2,048
5 Construction in progress		10		23
6 Less: Accumulated depreciation		(17,659)		(18,692)
<b>Total property, plant and equipment</b>		36,107		36,941
(2) Intangible assets		1,936		1,950
(3) Investments and other assets				
1 Investment securities		9,184		9,617
2 Long-term loans		141		149
3 Long-term receivables		-		295
4 Deferred tax assets		364		364
5 Other		5,261		5,257
Less: Allowance for doubtful receivables		(699)		(734)
<b>Total investments and other assets</b>		14,252		14,951
<b>Total fixed assets</b>		52,297		53,843
<b>Total assets</b>		249,302		280,138
[LIABILITIES]				
<b>I Current liabilities</b>				
1 Notes and accounts payable		38,499		42,276
2 Short-term borrowings		8,353		9,232
3 Income taxes payable		916		3,383
4 Advance receipts on uncompleted contracts		101,567		126,125
5 Reserve for bonuses		527		826
6 Reserve for compensation for completed works		1,088		1,079
7 Reserve for anticipated loss on contract work		1,279		683
8 Other		8,948		8,177
<b>Total current liabilities</b>		161,179		191,784
<b>II Long-term liabilities</b>				
1 Corporate bonds		1,000		1,000
2 Long-term borrowings		20,658		21,038
3 Lease obligations		2,588		2,709
4 Deferred tax liabilities		62		85
5 Reserve for retirement benefits		3,346		3,243
6 Reserve for repairs		420		371
7 Other		2,290		2,575
<b>Total long-term liabilities</b>		30,366		31,023
<b>Total liabilities</b>		191,546		222,807
[NET ASSETS]				
<b>I Shareholders' Equity</b>				
1 Common stock		18,198		18,198
2 Capital surplus		20,761		20,761
3 Retained earnings		15,656		14,435
4 Treasury stock		(221)		(214)
<b>Total shareholders' equity</b>		54,396		53,181
<b>II Valuation and Translation Adjustments</b>				
1 Net unrealized gain on securities		1,382		1,248
2 Deferred gains or losses on hedges		(40)		(1)
3 Foreign currency translation adjustments		(602)		162
<b>Total valuation and translation adjustments</b>		739		1,409
<b>III Minority Interest</b>		2,620		2,739
<b>Total net assets</b>		57,756		57,331
<b>Total liabilities and net assets</b>		249,302		280,138

## Consolidated Statements of Income

		April 1, 2008-June 30, 2008	
		Millions of yen	
I	Net sales		100,010
II	Cost of sales		91,472
	<b>Gross profit</b>		8,537
III	Selling, general and administrative expenses		5,209
	<b>Operating income</b>		3,328
IV	Non-operating income		
	1 Interest income	750	
	2 Dividend income	82	
	3 Equity in earnings of affiliates	66	
	4 Other non-operating income	20	919
V	Non-operating expenses		
	1 Interest expense	199	
	2 Foreign exchange loss	417	
	3 Other non-operating expenses	156	773
	<b>Ordinary income</b>		3,474
VI	Extraordinary gain		
	1 Gain on sales of fixed assets	198	198
VII	Extraordinary loss		
	1 Loss on sales of investment securities	8	
	2 Loss on valuation of investment securities	115	124
	Income before income taxes and minority interest		3,548
	Income taxes		1,144
	Minority interest income		29
	<b>Net income</b>		2,357

## Consolidated Statements of Cash Flows

	April 1, 2008- June 30, 2008
	Millions of yen
<b>I Cash flows from operating activities</b>	
1 Income before income taxes and minority interest	3,548
2 Depreciation and amortization	593
3 Changes in allowance for doubtful receivables	914
4 Changes in accrued retirement benefits	110
5 Changes in allowance for anticipated loss on contract work	595
6 Interest and dividends income	(832)
7 Interest expense	199
8 Foreign exchange loss (gain)	(16)
9 Equity in earnings of affiliated companies	(66)
10 Gain on sales of property, plant and equipment	(198)
11 Loss on valuation of investment securities	115
12 (Increase) decrease in notes and accounts receivable	4,098
13 (Increase) decrease in contract work in progress	17,406
14 (Increase) decrease in other receivables	702
15 Increase (decrease) in notes and accounts payable	(3,432)
16 Increase (decrease) in advance receipts on uncompleted contracts	(23,487)
17 Other, net	(345)
subtotal	(95)
19 Interest and dividends received	844
20 Interest paid	(216)
21 Income taxes paid	(3,866)
Cash used for operating activities	(3,333)
<b>II Cash flows from investing activities</b>	
1 Purchases of property, plant and equipment	(138)
2 Proceeds from property, plant and equipment	362
3 Purchases of intangible assets	(174)
4 Purchases of investment securities	(3)
5 Proceeds from sales of investment securities	35
6 Payments of short-term loans	(766)
7 Proceeds from collection of short-term loans	1
8 Proceeds from collection of long-term loans	2
9 Other, net	(15)
Cash used for investing activities	(695)
<b>III Cash flows from financing activities</b>	
1 Increase (decrease) in short-term borrowings, net	(378)
3 Repayment of long-term debt	(894)
4 Repayment of lease obligations	(213)
5 Cash dividends paid	(1,153)
6 Other, net	(41)
Cash used for financing activities	(2,681)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	(692)
<b>V Net increase in cash and cash equivalents</b>	(7,402)
<b>VI Cash and cash equivalents, beginning of the year</b>	86,532
<b>VII Cash and cash equivalents, end of the term</b>	79,129

## Segment Information

### (1) Business Segments

April 1, 2008 - June 30, 2008

	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	98,902	1,107	100,010	-	100,010
(2) Inter-segment net sales	1	67	69	(69)	-
Total	98,904	1,175	100,079	(69)	100,010
Operating income	2,813	510	3,324	3	3,328

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 and refinery plants, energy-related business, general manufacturing facilities and information technology.  
 Real Estate - Rent and administration of real estate.

### (2) Geographic Segments

April 1, 2008 - June 30, 2008

	Millions of yen				
	Japan	Others	Total	Eliminations and Other	Consolidated
I Net sales and operating income					
Net sales					
(1) Net sales to outside customers	94,864	5,145	100,010	-	100,010
(2) Inter-segment net sales	158	6,694	6,852	(6,852)	-
Total	95,022	11,839	106,862	(6,852)	100,010
Operating income	2,685	686	3,371	(43)	3,328

Notes:

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

### (3) Sales to Foreign Customers

April 1, 2008 - June 30, 2008

	Millions of yen					
	Southeast Asia	Southwest Asia and Africa	Russia and Central Asia	Central and South America	Others	Total
I Overseas sales	13,745	19,222	4,279	44,089	2,721	84,057
II Consolidated sales						100,010
III Overseas sales ratio to consolidated sales	13.7%	19.2%	4.3%	44.1%	2.7%	84.0%

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, Qatar, India  
 - Russia and Central Asia: Russia  
 - Central and South America: Brazil, Venezuela  
 - Others : China PR, Korea

Consolidated 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, 2008 - Jun. 30, 2008	Overseas	Chemical fertilizers	67,618	11	67,629	2,648	64,895
		Petrochemicals	117,857	6,142	124,000	26,264	97,026
		Refinery	63,948	2,009	65,957	7,467	60,332
		Energy-related	117,965	3,808	121,774	46,136	90,019
		General manufacturing facilities	12,264	3,994	16,259	1,407	14,794
		Information technology	253	12	265	29	233
		Others	981	80	1,062	97	960
		Subtotal	380,889	16,060	396,950	84,051	328,263
	Domestic	Petrochemicals	18,814	6,368	25,182	5,080	20,097
		Refinery	20,914	2,262	23,179	991	22,185
		Energy-related	7,918	347	8,265	1,669	6,595
		General manufacturing facilities	9,074	1,158	10,233	1,596	8,636
		Information technology	5,263	4,815	10,079	3,035	6,893
		Others	1,556	2,338	3,895	2,477	1,417
		Subtotal	63,543	17,291	80,835	14,851	65,826
Grand total	*(7,099)	33,351	477,785	98,902	*(3,248)		
	444,433				394,089		

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 Japanese Yen. Such effects are 15,497 million yen for Apr.1, 2008-Jun.30, 2008.

3. Decreased prices of orders awarded in prior years are deducted from the "backlog, end of year". The deducted amounts are 290 million yen for Apr.1, 2008-Jun.30, 2008.

4. Asterisks (\*) represent increase (decrease) due to changes in exchange rates.

(2) Net Sales

	April 1, 2008-June 30, 2008	
	Millions of yen	Ratio
EPC Business	98,902	98.9%
Real Estate	1,107	1.1%
Total	100,010	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.

<Reference data>

		April 1, 2007- June 30, 2007
		Amount
I	Net sales	76,750
II	Cost of sales	69,888
	Gross profit	6,861
III	Selling, general and administrative expenses	4,890
	Operating income	1,971
IV	Non-operating income	929
V	Non-operating expenses	495
	Ordinary income	2,405
VI	Extraordinary gain	-
VII	Extraordinary loss	-
	Income before income taxes and minority interest	2,405
	Income taxes	1,208
	Minority interest income	40
	Net income	1,156

(Summary) Consolidated Quarterly Statements of Cash Flows (April 1, 2007 - June 30, 2007)

		April 1, 2007- June 30, 2007
		Amount
I	Cash flows from operating activities	
	Income before income taxes and minority interest	2,405
	(Increase) decrease in notes and accounts receivable	10,308
	(Increase) decrease in contract work in progress	3,194
	Increase (decrease) in notes and accounts payable	(7,288)
	Increase (decrease) in advance receipts on uncompleted contracts	4,386
	All other operating activities	(1,141)
	Cash from operating activities	11,863
II	Cash flows from investing activities	(1,452)
III	Cash flows from financing activities	(5,604)
IV	Effect of exchange rate changes on cash and cash equivalents	229
V	Net increase in cash and cash equivalents	5,035
VI	Cash and cash equivalents, beginning of the term	75,655
VII	Cash and cash equivalents, end of the term	80,691