



Fiscal year 2005 (Year ended March 31, 2006)

# OUTLINE OF FINANCIAL RESULTS

**May 12, 2006**

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\* Unit of amount figures shown in this material is billion yen with first decimal place on round down basis.

## Performance summary

- *Targets of revenue and profit were cleared.*

*Decreased in revenue but increased in ordinary income compared with the previous fiscal year.*

- *New orders received over 257.8 billion yen, beyond 29% of FY2005 target.*

- *Interest bearing debt reduced by 6.7 billion yen.*

*Debt equity ratio : 1.9 times → 1.4 times*

# Financial summary

< Billion yen >

<b>FY2004</b> Mar.2005	<b>FY2005</b> Mar.2006	<b>Difference</b>	<b>Forecast for</b> <b>FY2005</b> (As of Nov.2005)	<b>Difference</b>
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**Consolidated**

Net sales	197.9	195.5	(2.3)	185.0	+10.5
Operating income	4.5	4.2	(0.3)	4.0	+0.2
Ordinary income	3.9	4.2	+0.3	3.5	+0.7
Net income	3.5	3.3	(0.2)	2.75	+0.6
New orders	192.5	257.8	+65.2	200.0	+57.8

**Non-consolidated**

Net sales	175.6	161.9	(13.7)	165.0	(3.0)
Operating income	3.2	2.0	(1.1)	2.5	(0.4)
Ordinary income	3.0	2.4	(0.6)	2.25	+0.1
Net income	3.1	2.5	(0.5)	2.25	+0.3
New orders	160.9	211.4	+50.4	180.0	+31.4
Dividends per share (yen)	¥3.0	¥3.0	±¥0.0	¥3.0	±¥0.0

Exchange rate for forecast, FY2005

1US\$ = ¥110.00

1EUR = ¥135.00

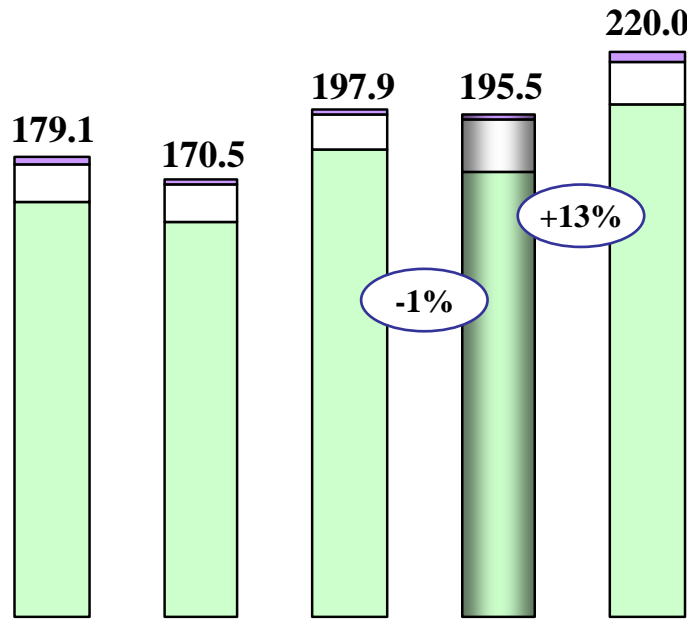
# Income statement

< Billion yen >

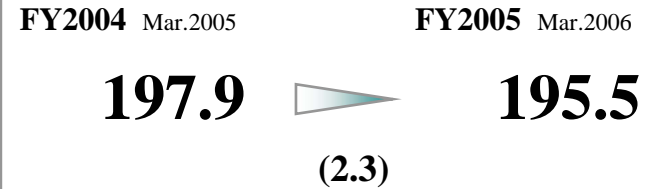
Consolidated	FY2004 Mar.2005		FY2005 Mar.2006		Difference	Forecast for FY2005 (As of Nov.2005)	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen		
<b>Net sales</b>	<b>197.9</b>	100.0	<b>195.5</b>	100.0	<b>(2.3)</b>	<b>185.0</b>	<b>10.5</b>
Cost of sales	180.1	91.0	177.7	90.9	2.4		
<b>Gross profit</b>	<b>17.7</b>	9.0	<b>17.8</b>	9.1	<b>0.0</b>		
Selling, general and administrative expenses	13.2	6.7	13.6	7.0	(0.3)		
<b>Operating income</b>	<b>4.5</b>	2.3	<b>4.2</b>	2.1	<b>(0.3)</b>	<b>4.0</b>	<b>0.2</b>
Non-operating income	1.4	0.7	1.6	0.9	0.1		
Non-operating expenses	2.0	1.0	1.5	0.8	0.4		
Total non-operating income and expenses	(0.6)		0.0		0.6		
<b>Ordinary income</b>	<b>3.9</b>	2.0	<b>4.2</b>	2.2	<b>0.3</b>	<b>3.5</b>	<b>0.7</b>
Extraordinary gain	0.2	0.1	0.8	0.4	0.6		
Extraordinary loss	0.4	0.2	0.7	0.4	(0.2)		
Total extraordinary gain and loss	(0.2)		0.1		0.3		
<b>Income before income taxes and minority interests</b>	<b>3.6</b>	1.9	<b>4.3</b>	2.2	<b>0.6</b>		
Current income taxes	0.4	0.2	0.7	0.4	(0.3)		
Deferred income taxes	(0.3)	(0.1)	0.0	0.0	(0.4)		
Minority interests	0.0	0.0	0.1	0.1	(0.1)		
<b>Net income</b>	<b>3.5</b>	1.8	<b>3.3</b>	1.7	<b>(0.2)</b>	<b>2.75</b>	<b>0.6</b>

# Net sales

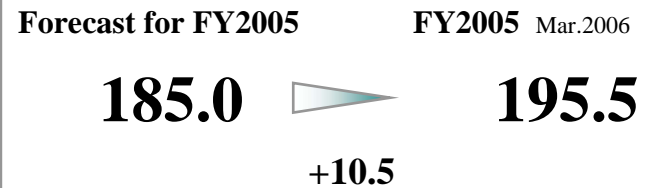
< Billion yen >



## Compared with the previous fiscal year



## Compared with forecast



Segment	Forecast	FY2005	Difference
Real estate	2.5	2.1	(0.4)
IT	21.0	20.1	(0.9)
EPC	161.5	173.3	11.8
Total	185.0	195.5	10.5

➤ Increase in net sales due to contribution of overseas consolidated subsidiaries.

	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	FY2005 Mar.2006	Forecast for FY2006
Real estate	2.8	2.4	2.3	2.1	4.0
IT	14.9	14.5	13.4	20.1	17.0
EPC	161.4	153.6	182.2	173.3	199.0
Total	179.1	170.5	197.9	195.5	220.0

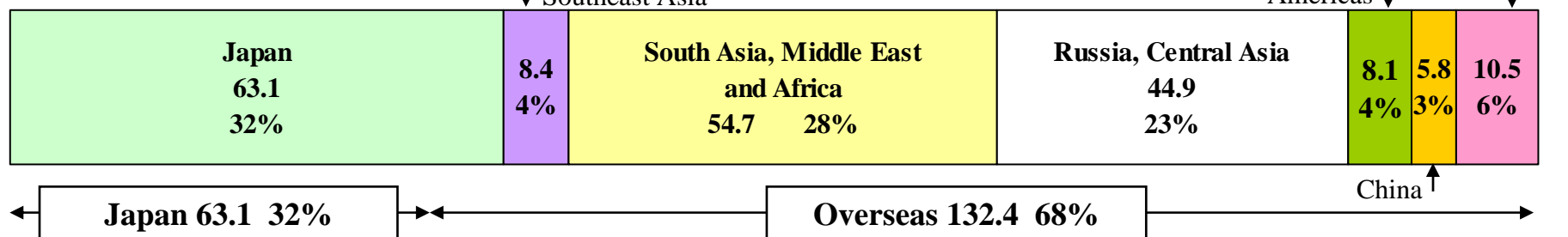
<Reference>

Non-consolidated	149.2	142.9	175.6	161.9	185.0
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# Net sales

**FY2005 (Mar.2006) Net sales : 195.5 billion yen**

## Breakdown by region



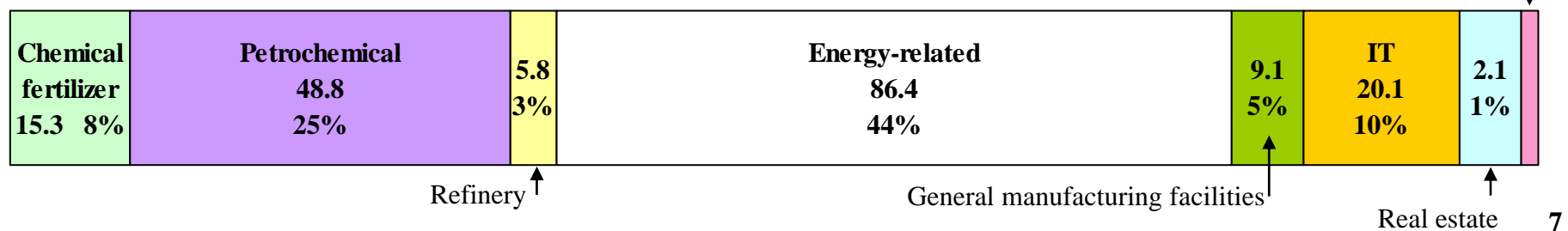
## Major contracts : Japan

- Over 10 billion yen Petrochemical
- Over 5 billion yen General manufacturing facilities
- Over 2 billion yen Petrochemical
- Energy-related
- Over 1 billion yen Petrochemical

## Major contracts : Overseas

- Over 10 billion yen Energy-related, RUSSIA
- Energy-related, IRAN
- Petrochemical, SAUDI ARABIA
- Over 5 billion yen Chemical fertilizer, IRAN
- Energy-related, BRAZIL
- Over 2 billion yen Chemical fertilizer, BANGLADESH
- Chemical fertilizer, INDONESIA

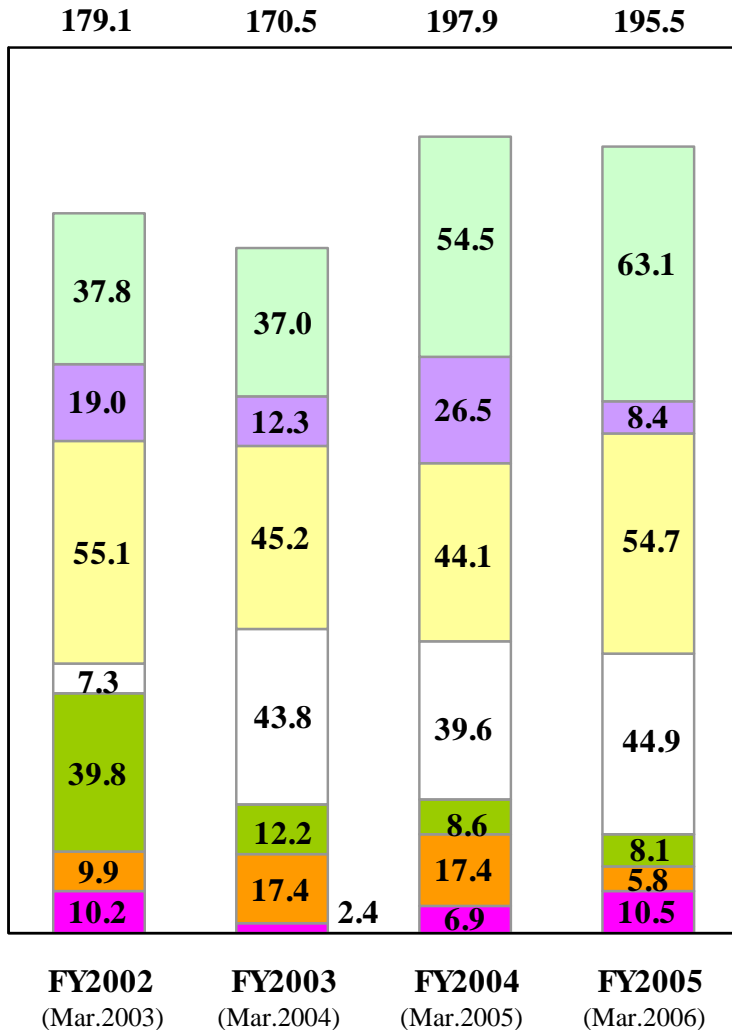
## Breakdown by segment details



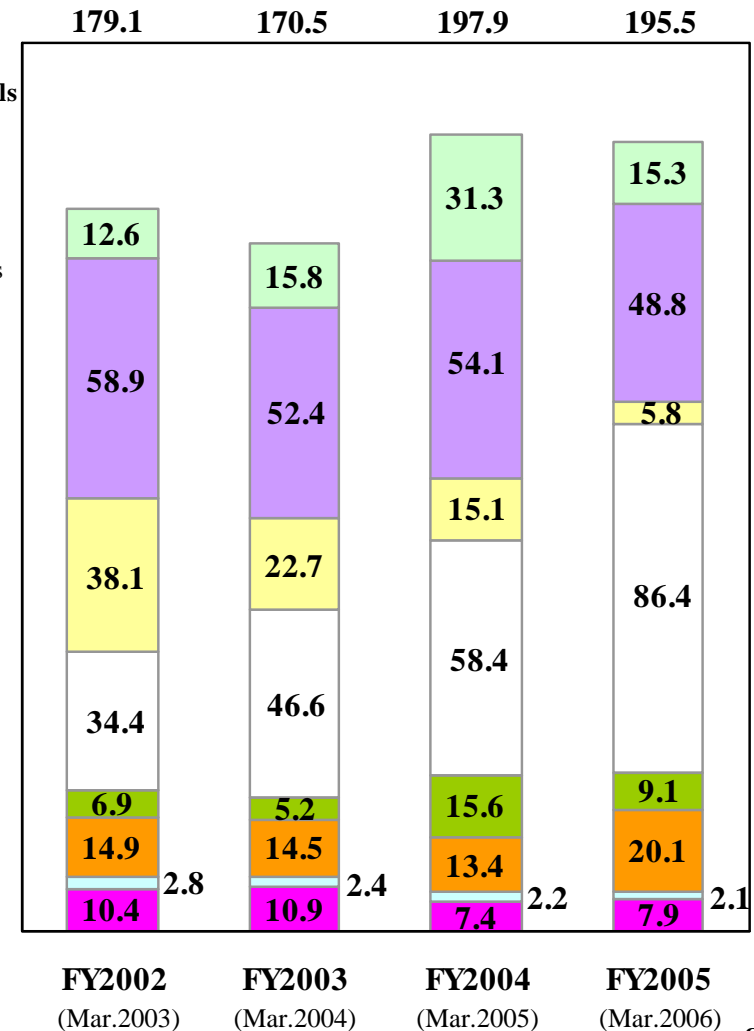
# Net sales

< Billion yen >

## Breakdown by region



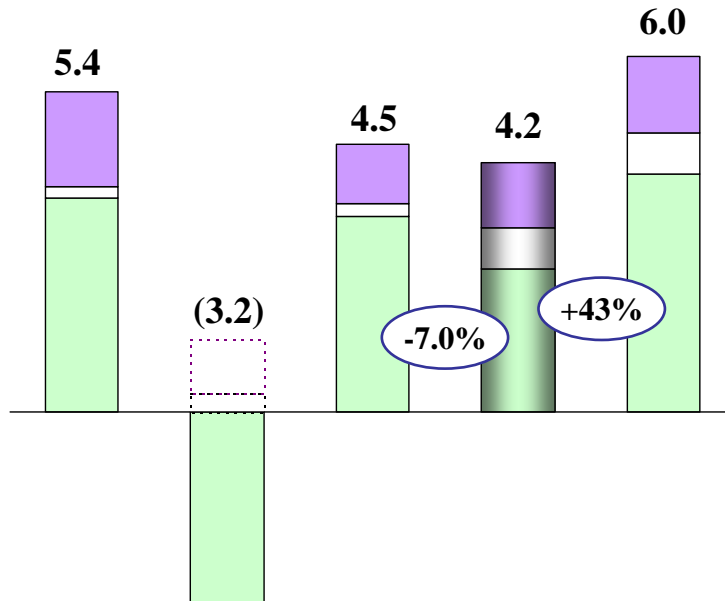
## Breakdown by segment details





# Operating income

< Billion yen >



	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	FY2005 Mar.2006	Forecast for FY2006
Real estate	1.6	0.9	1.0	1.1	1.3
IT	0.2	0.3	0.2	0.7	0.7
EPC	3.6	(4.5)	3.3	2.4	4.0
Sub total	5.4	(3.2)	4.5	4.2	6.0

<Reference>

Non-consolidated	3.1	(4.7)	3.2	2.0	3.5
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## Compared with the previous fiscal year

FY2004 Mar.2005

FY2005 Mar.2006

4.5



4.2

(0.3)

## Compared with forecast

Forecast for FY2005

FY2005 Mar.2006

4.0



4.2

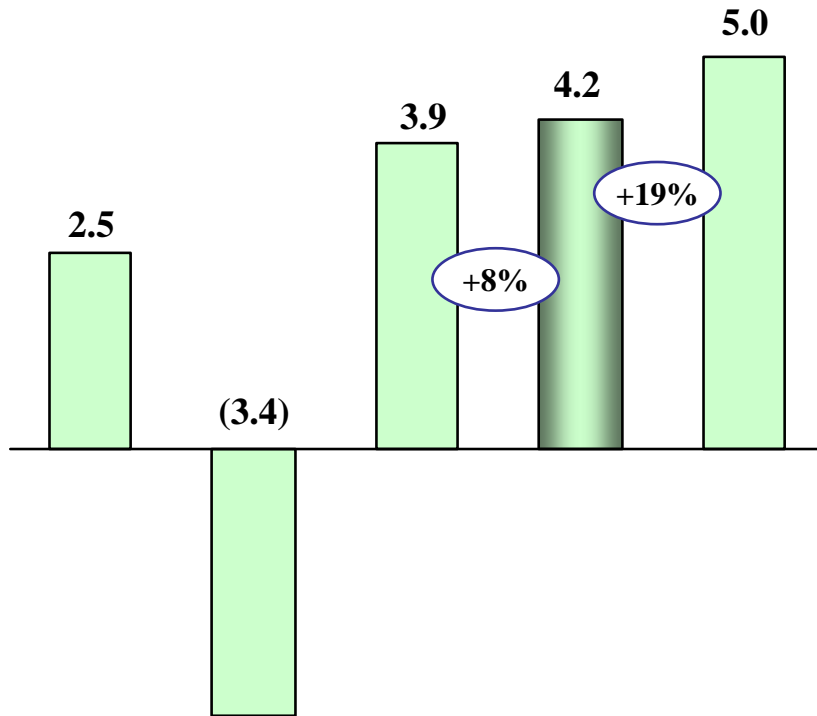
+0.2

Segment	Forecast	FY2005	Difference
Real estate	1.0	1.1	0.1
IT	0.9	0.7	(0.2)
EPC	2.1	2.4	0.3
Total	4.0	4.2	0.2

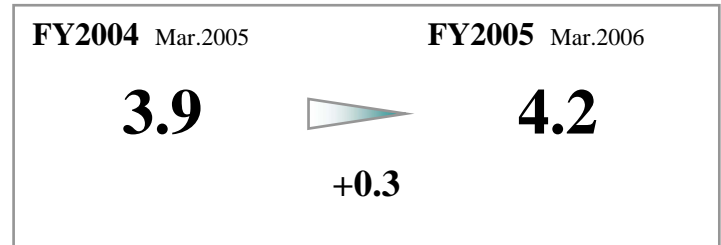
- Increase in net sales : +1.0
- Decrease in gross profit margin : (0.7)
- Increase in SG&A expenses : (0.1)

# Ordinary income

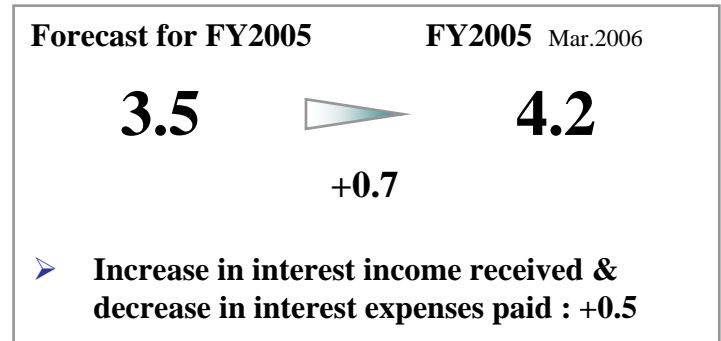
< Billion yen >



## Compared with the previous fiscal year



## Compared with forecast



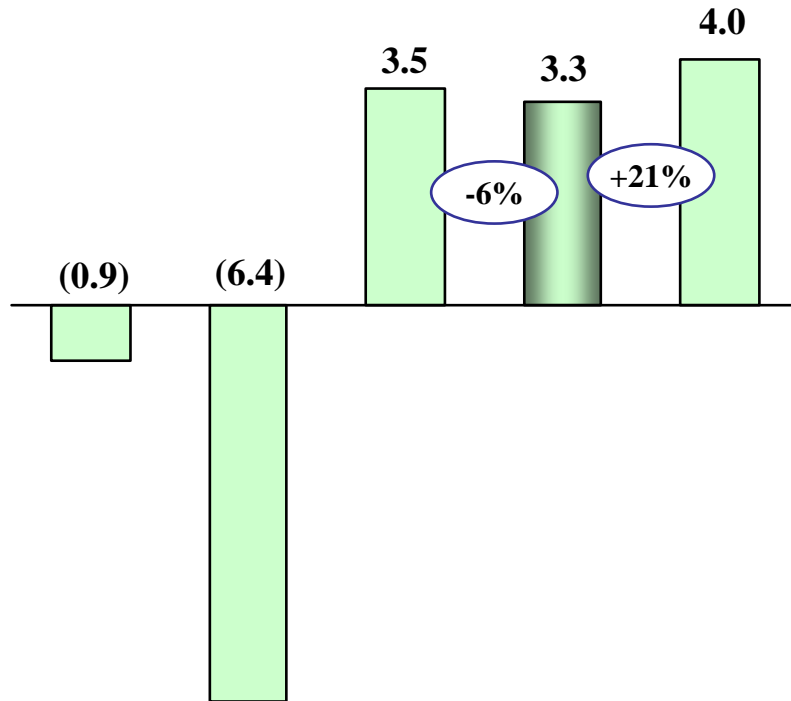
	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	FY2005 Mar.2006	Forecast for FY2006
Consolidated	2.5	(3.4)	3.9	4.2	5.0

<Reference>

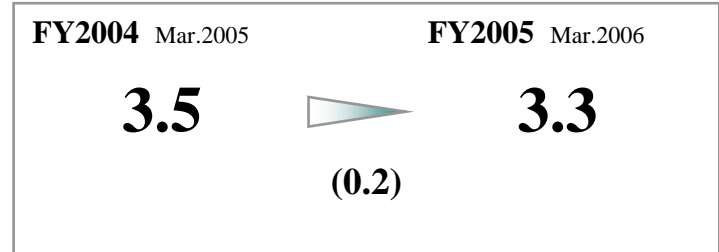
Non-consolidated	1.2	(4.5)	3.0	2.4	3.0
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# Net income

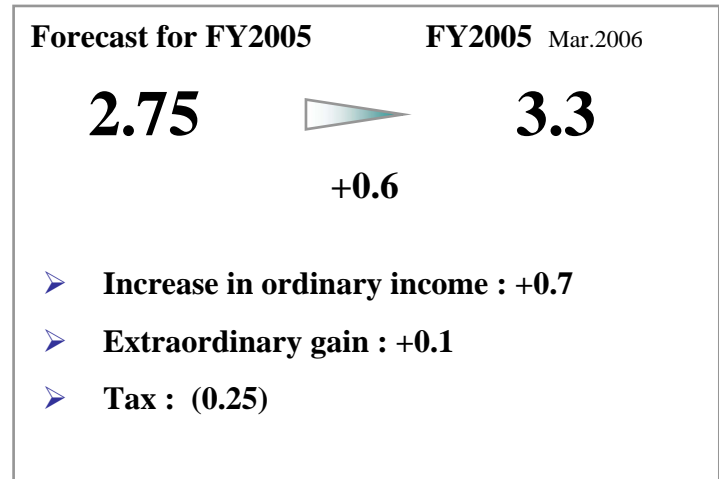
< Billion yen >



## Compared with the previous fiscal year



## Compared with forecast



	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	FY2005 Mar.2006	Forecast for FY2006
Consolidated	(0.9)	(6.4)	3.5	3.3	4.0

<Reference>

Non-consolidated	(1.0)	(6.4)	3.1	2.5	3.0
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# Balance sheet

< Billion yen >

Consolidated	Mar 31. 2005	Mar 31. 2006	Difference
<b>Current assets</b>	<b>159.0</b>	<b>148.7</b>	<b>(10.3)</b>
Cash and deposits	45.9	28.8	(17.0)
Other current assets	11.1	16.5	5.4
<Operating assets>			
Notes and account receivable	40.1	29.2	(10.9)
Contract work in progress	61.7	74.0	12.3
<b>Fixed assets</b>	<b>50.5</b>	<b>53.9</b>	<b>3.3</b>
Property, plant and equipment	34.2	35.6	1.3
Intangible assets	2.0	2.0	0.0
Investments and assets	14.2	16.2	2.0
<b>Total assets</b>	<b>209.5</b>	<b>202.6</b>	<b>(6.9)</b>

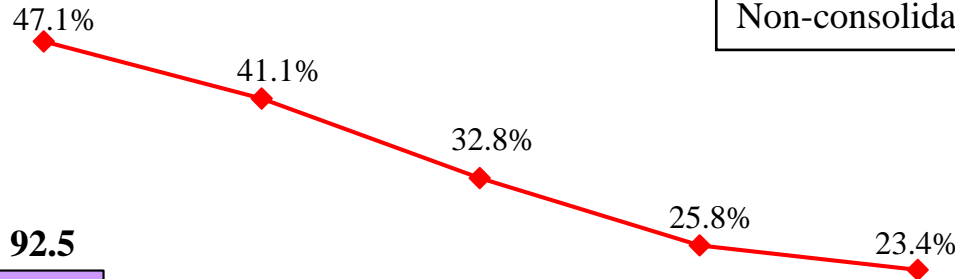
Consolidated	Mar 31. 2005	Mar 31. 2006	Difference
<b>Current liabilities</b>	<b>137.5</b>	<b>141.6</b>	<b>4.1</b>
Corporate bonds	-	1.0	1.0
Short-term bank loans	17.6	26.3	8.7
Other current liabilities	14.4	8.6	(5.8)
<Operating liabilities>			
Notes and account payable	31.7	22.6	(9.0)
Advance and other receipts	73.7	82.8	9.1
<b>Long-term liabilities</b>	<b>41.6</b>	<b>25.3</b>	<b>(16.3)</b>
Corporate bonds	3.0	2.0	(1.0)
Long-term debt	33.4	17.9	(15.5)
Other long-term liabilities	5.2	5.3	0.1
<b>Minority interests</b>	<b>1.8</b>	<b>2.0</b>	<b>0.1</b>
<b>Shareholders' equity</b>	<b>28.4</b>	<b>33.6</b>	<b>5.1</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>209.5</b>	<b>202.6</b>	<b>(6.9)</b>

# Interest bearing debt balance

**Debt Equity Ratio** (times)

	2005.3	2006.3
Consolidated	1.90	1.41
Non-consolidated	0.92	0.71

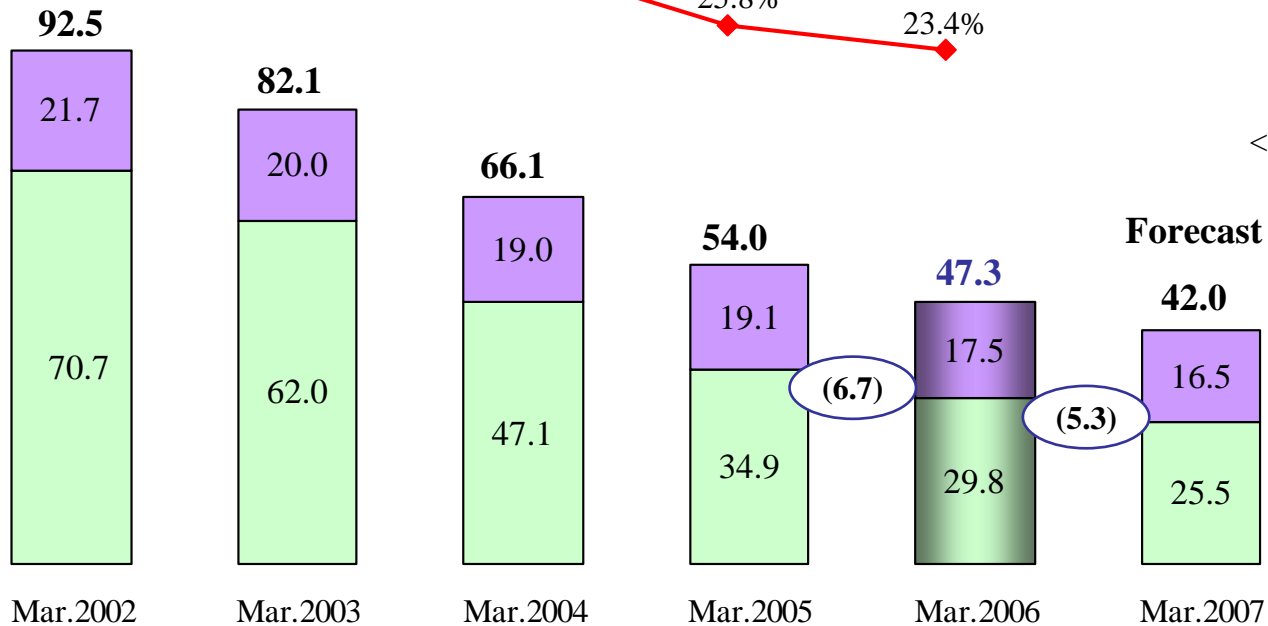
Ratio of interest bearing debts  
(Consolidated)



Consolidated

Non-consolidated

< Billion yen >



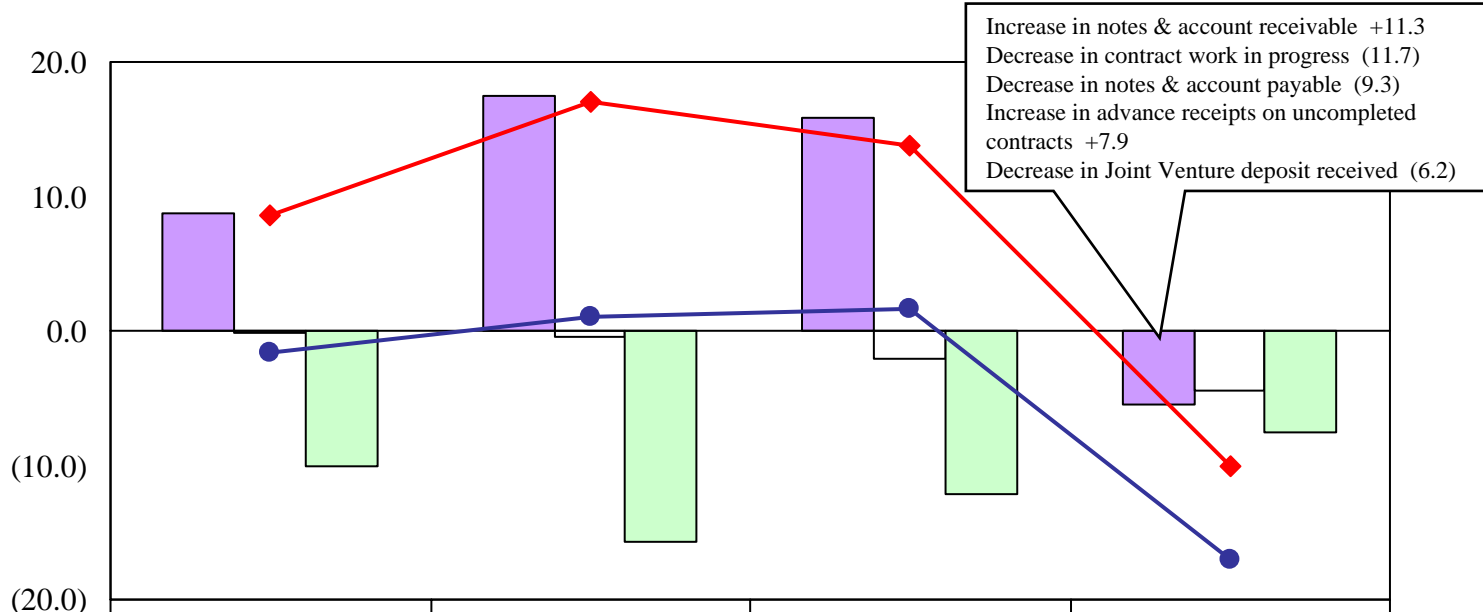
(6.7)

(5.3)

# Cash flows

## Cash flows

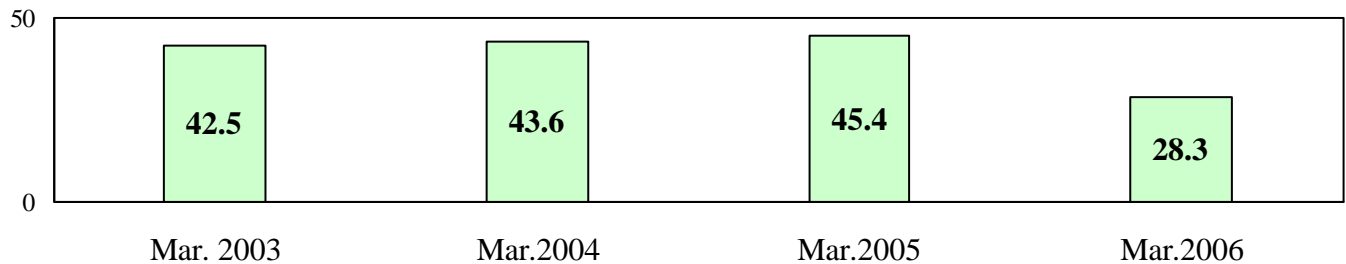
< Billion yen >



	FY2002 (Apr.2002 - Mar.2003)	FY2003 (Apr.2003 - Mar.2004)	FY2004 (Apr.2004 - Mar.2005)	FY2005 (Apr.2005 - Mar.2006)
Operating activities	8.8	17.5	15.9	(5.5)
Investing activities	(0.2)	(0.5)	(2.0)	(4.5)
Financing activities	(10.0)	(15.7)	(12.1)	(7.5)
Net increase / decrease in cash	(1.6)	1.0	1.7	(17.1)
Free cash flow	8.6	17.0	13.8	(10.1)

## Cash, end of the fiscal

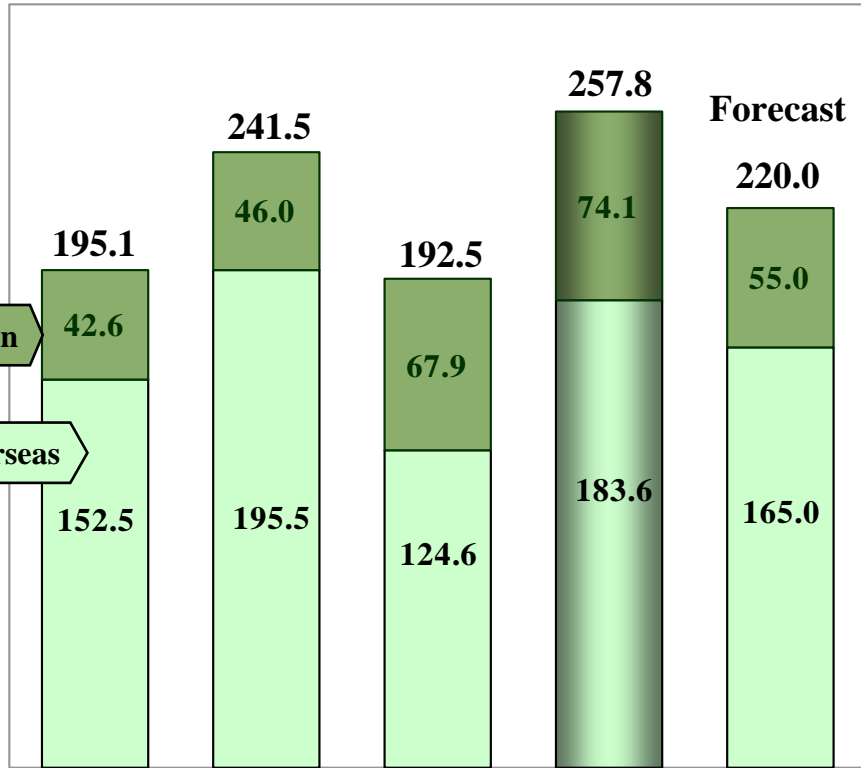
< Billion yen >



# New orders

## New orders

< Billion yen >



**FY2002** (Mar.2003)   **FY2003** (Mar.2004)   **FY2004** (Mar.2005)   **FY2005** (Mar.2006)   **FY2006** (Mar.2007)

<Reference : Non-consolidated>

170.3	216.3	160.9	211.4	185.0
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## Major new orders in FY2005

### Breakdown by contract price

Over 30 billion yen	Refinery, BRAZIL Petrochemical, SAUDI ARABIA
Over 10 billion yen	Energy-related, INDIA (2projects) Petrochemical, JAPAN Energy-related, RUSSIA
Over 5 billion yen	Energy-related, IRAN Petrochemical, CHINA Energy-related, AUSTRALIA Refinery, JAPAN (2projects)

### Breakdown by consolidated companies

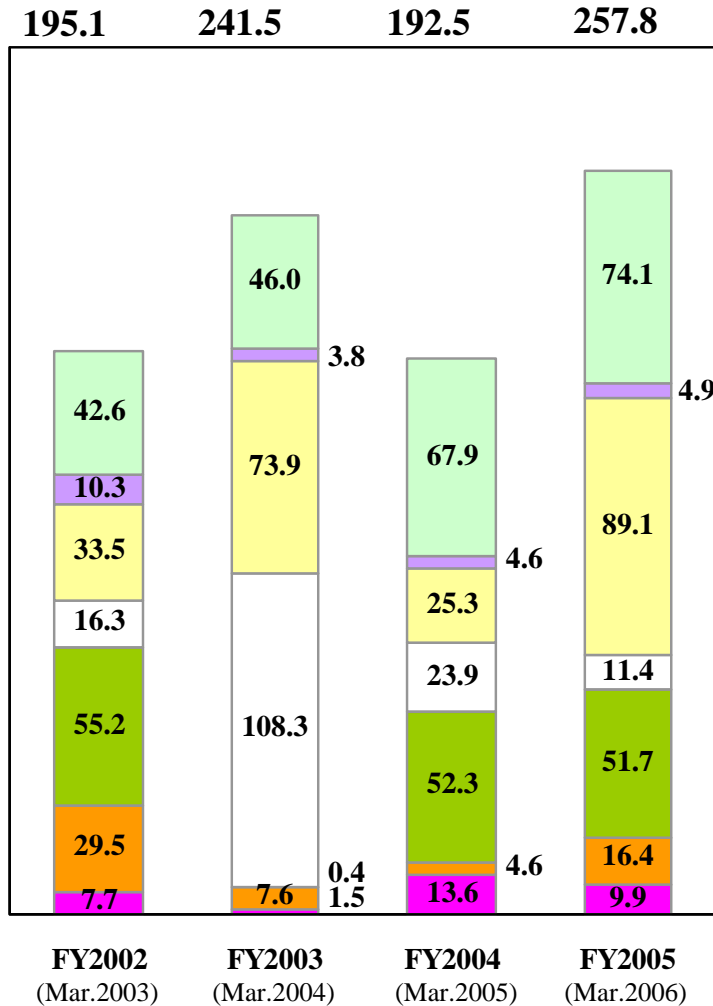
Toyo Engineering Corp.	211.1 billion yen
Domestic subsidiaries	19.9 billion yen
Overseas subsidiaries	26.8 billion yen

\*The above does not include figures related to real estate segment.

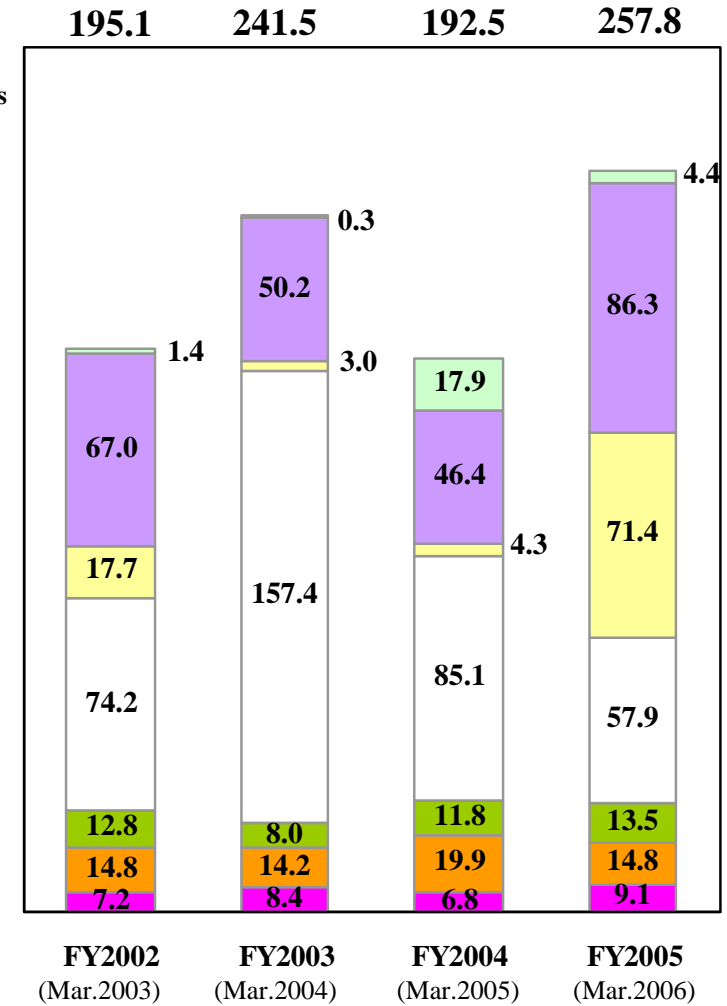
# New orders

< Billion yen >

## Breakdown by region



## Breakdown by segment details

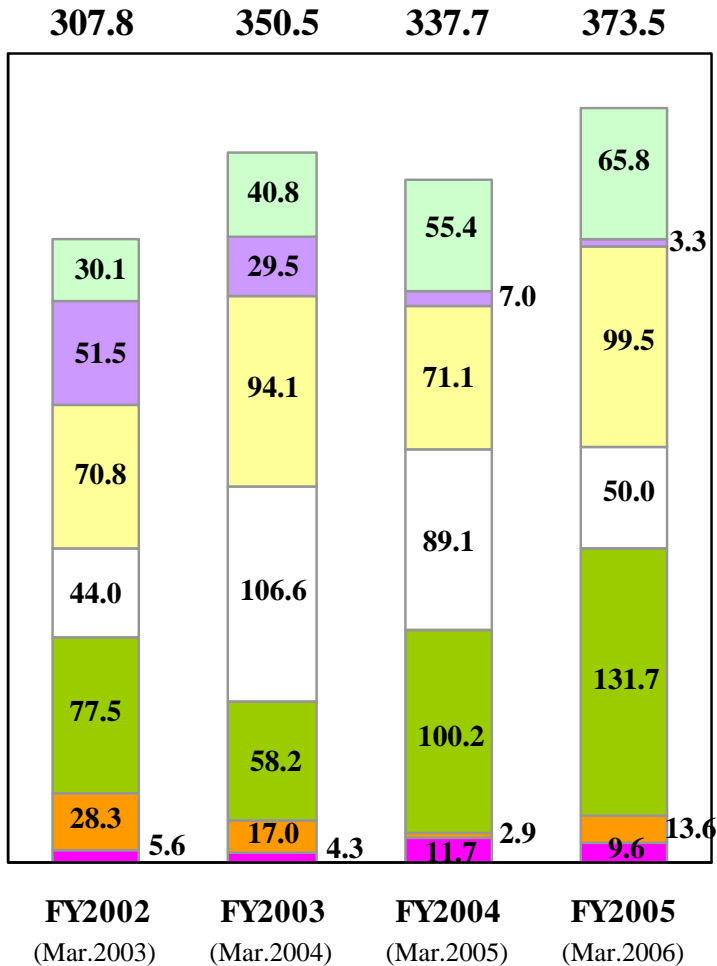




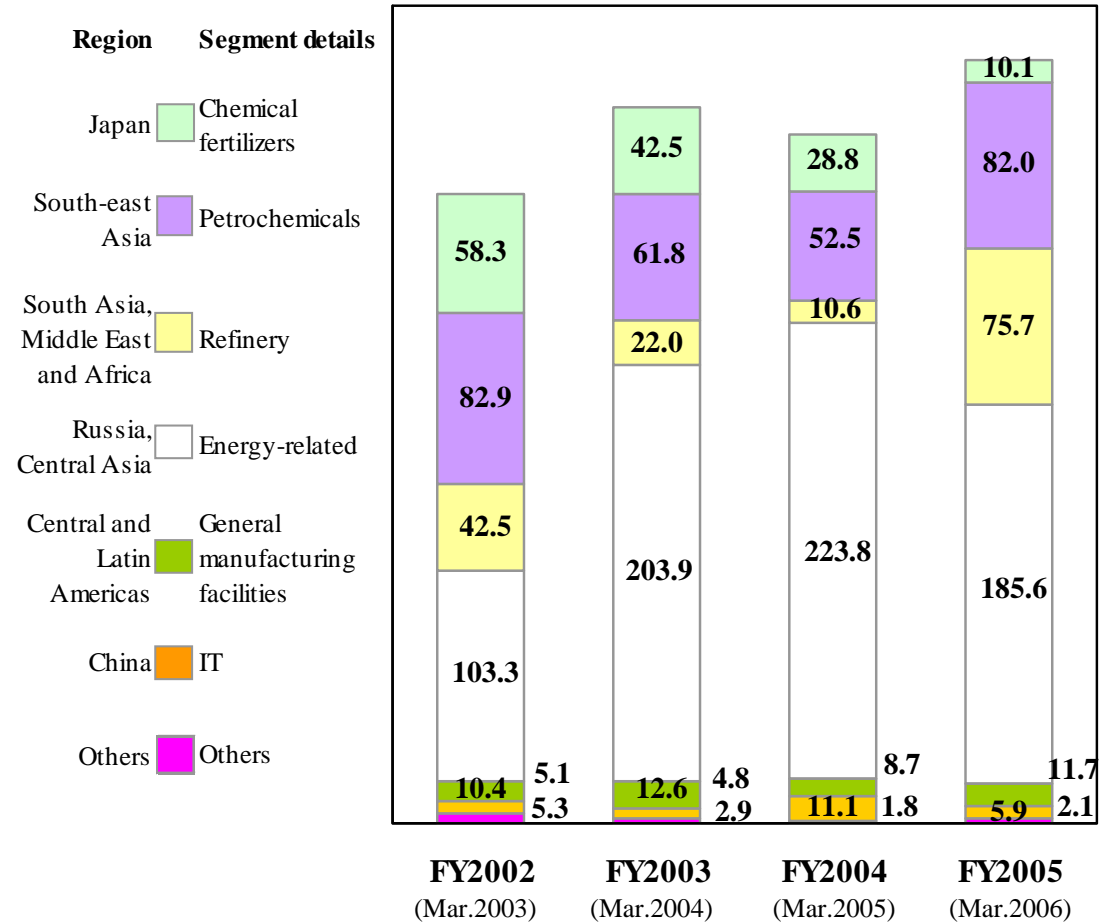
# Backlog of contracts

< Billion yen >

## Breakdown by region



## Breakdown by segment details



<Reference : Non-consolidated> Mar.2003 2,945 Mar.2004 3,387 Mar.2005 3,167 Mar.2006 3,395

# Forecast

< Billion yen >

	FY2005 (Mar.2006)	Forecast for FY2006 (Mar.2007)	
		Interim term	Entire term
<b>Consolidated</b>			
Net sales	195.5	80.0	220.0
Operating income	4.2	0.5	6.0
Ordinary income	4.2	0.3	5.0
Net income	3.3	0.0	4.0
New orders	257.8	-	220.0
<b>Non-consolidated</b>			
Net sales	161.9	65.0	185.0
Operating income	2.0	0.0	3.5
Ordinary income	2.4	0.0	3.0
Net income	2.5	0.0	3.0
New orders	211.4	-	185.0
Dividends per share (yen)	¥3.0	-	¥3.0

## Forecast for breakdowns by segment

Net sales	Interim term	Entire term
Real estate	1.4	4.0
IT	6.5	17.0
EPC	72.1	199.0
Total	80.0	220.0

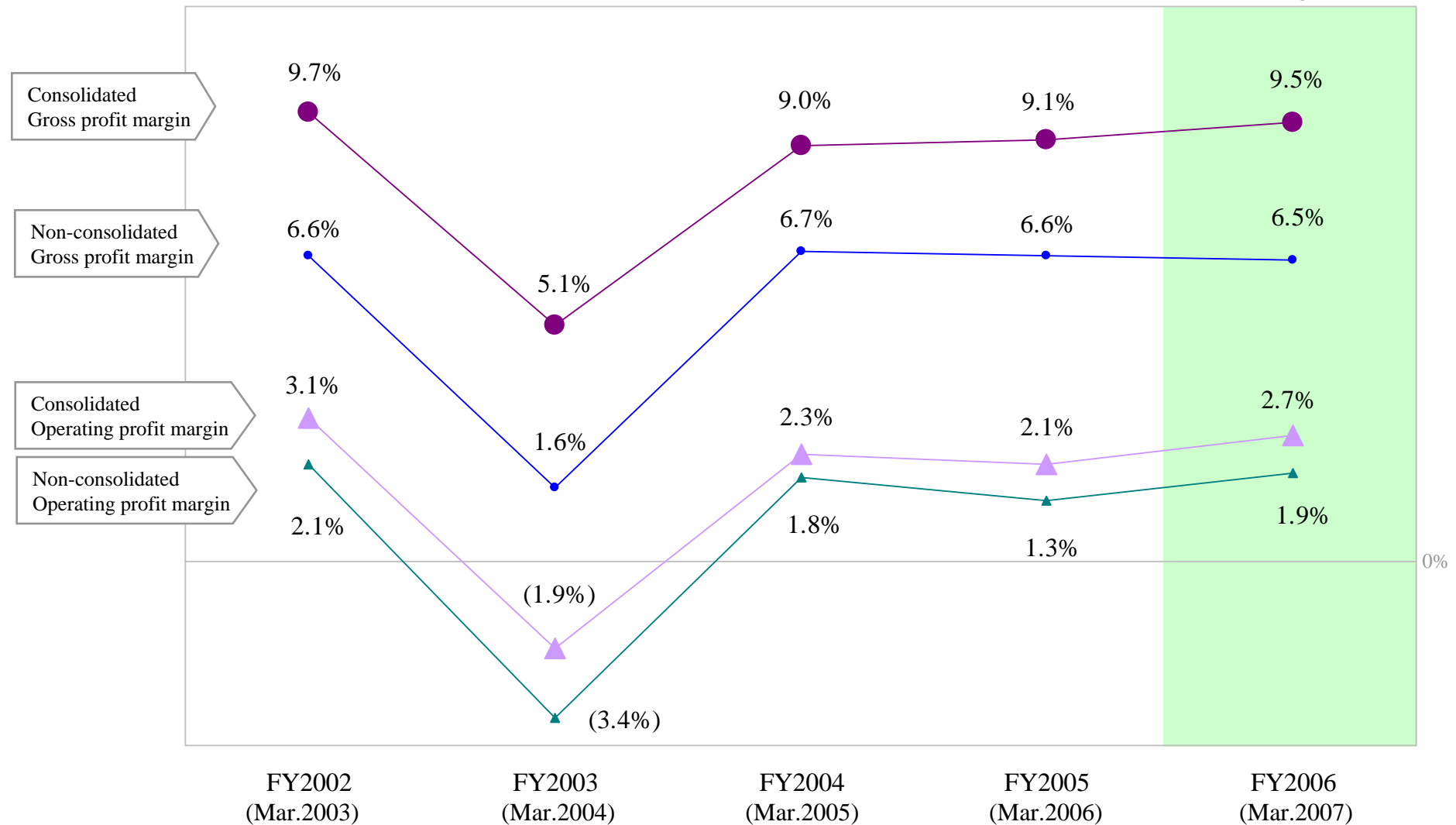
Operating income	Interim term	Entire term
Real estate	0.5	1.3
IT	0.0	0.7
EPC	0.0	4.0
Total	0.5	6.0

Exchange rate for forecast : 1US\$ = ¥110.00 1EUR = ¥135.00

- Reference -

Profit margin

Target



# - Reference -

## Subsidiaries information

### Consolidated Subsidiaries

< Companies >

		Mar 31,2005	Increase	Decrease	Mar 31,2006
Number of companies consolidated	Consolidated subsidiaries	15	0	0	15
	Affiliated companies consolidated by equity method	1	0	0	1
	Total	16	0	0	16
(Reference)	All subsidiaries	29	0	2	27
	Number of all subsidiaries & affiliated company	10	1	0	11
	Total	39	1	2	38

### Results of major subsidiaries

Subsidiaries, affiliated companies	Business fields	Capital	Share	Mar.2006
				Net sales
<b>Consolidated subsidiaries</b>		Billion yen	%	Billion yen
Toyo Business Engineering Corporation	IT	0.7	51	11.1
TEC Estate, Ltd.	Real estate	6.0	100	1.1
Suntec Corporation	Real estate	0.5	100	2.4
Toyo U.S.A., Inc.	EPC	0.1	100	3.1
Toyo Engineering Korea Ltd.	EPC	0.5	81	12.8
Toyo Engineering India Limited	EPC	0.3	74	3.2
International Procurement & Service Corporation	EPC	0.1	100	5.4
<b>Affiliated companies consolidated</b>				
Toyo Thai Corporation Ltd.	EPC	0.7	39	10.9

**For further questions on this material, please contact ;**



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The forecasts 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.