



First half of fiscal year 2007 (September 30, 2007)

# OUTLINE OF INTERIM FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

**November 13, 2007**

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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

- *Increased in revenue and gain compared with same period last year.*
- *Interim gain marked record high.*

< Billion yen >

	Sep.2006	Sep.2007	Difference	Forecast for Sep.2007 (As of May.2007)	Difference	Achieve- ment
<b>Net sales</b>	<b>79.8</b>	<b>166.6</b>	<b>+86.8</b>	<b>170.0</b>	<b>(3.4)</b>	<b>98%</b>
<b>Gross profit</b>	<b>7.2</b>	<b>13.9</b>	<b>+6.7</b>	<b>12.5</b>	<b>+1.4</b>	<b>111%</b>
Gross profit rate	9.1%	8.4%	-0.7%	7.3%	+1.1%	
<b>Operating income</b>	<b>0.5</b>	<b>4.1</b>	<b>+3.6</b>	<b>3.25</b>	<b>+0.85</b>	<b>127%</b>
Operating income rate	0.6%	2.5%	+1.9%	1.9%	+0.6%	
<b>Ordinary income</b>	<b>0.6</b>	<b>5.1</b>	<b>+4.5</b>	<b>3.0</b>	<b>+2.1</b>	<b>171%</b>
<b>Net income</b>	<b>0.2</b>	<b>2.5</b>	<b>+2.3</b>	<b>1.5</b>	<b>+1.0</b>	<b>169%</b>
<b>New orders</b>	<b>228.0</b>	<b>169.3</b>	<b>(58.7)</b>	<b>Reached 71% of target for FY2007</b>		
<b>Dividends per share (yen)</b> <b>(Non-consolidated)</b>	-	-	-	-	-	-

Exchange rate for Forecast 1US\$= ¥115.00

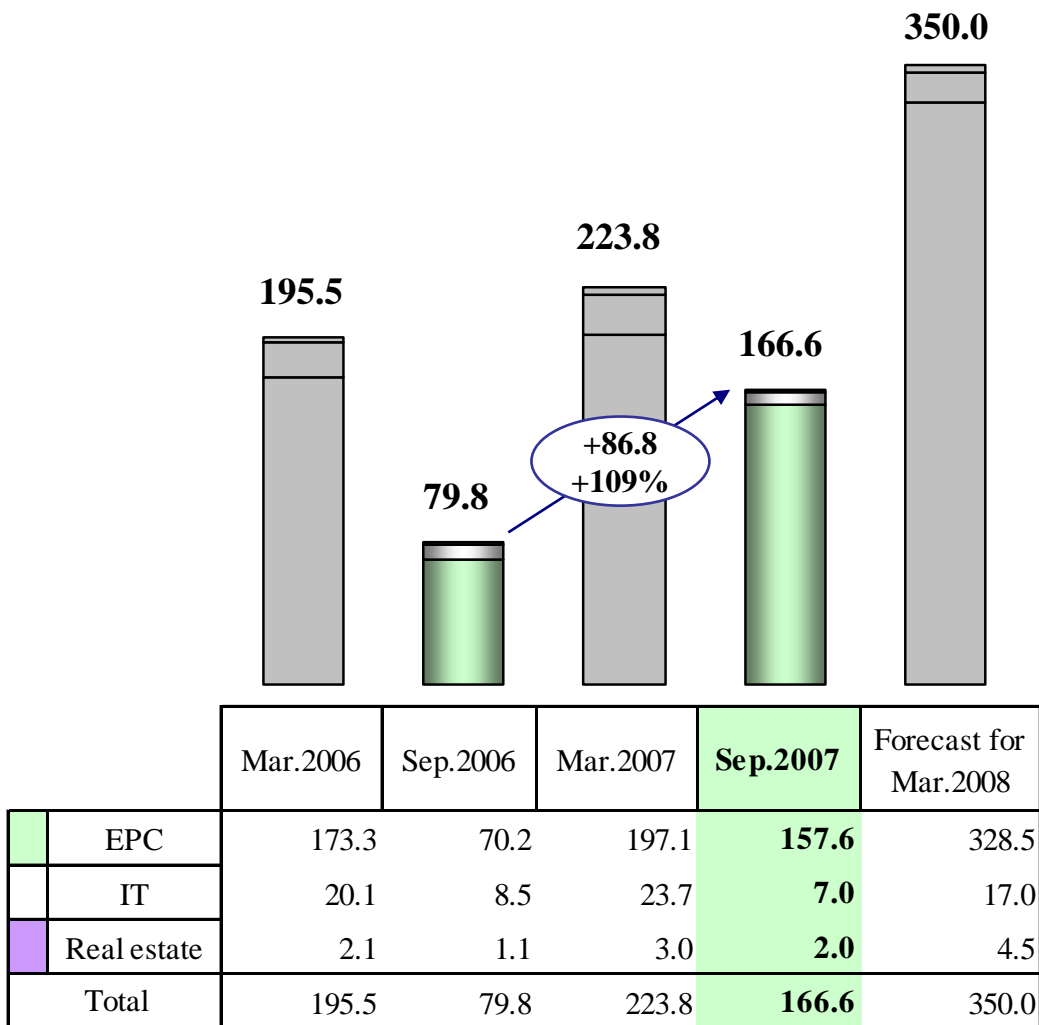
# Income statement

< Billion yen >

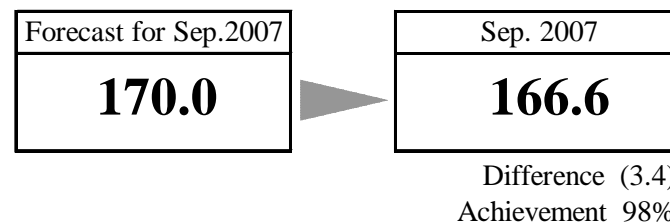
Consolidated	Sep. 2006		Sep. 2007		Difference	Forecast for Sep. 2007 (As of May 2007)	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen		
<b>Net sales</b>	<b>79.8</b>	100.0	<b>166.6</b>	100.0	<b>86.8</b>	<b>170.0</b>	<b>(3.4)</b>
Cost of sales	72.5	90.9	152.6	91.6	(80.1)		
<b>Gross profit</b>	<b>7.2</b>	9.1	<b>13.9</b>	8.4	<b>6.7</b>	<b>12.5</b>	<b>1.4</b>
Selling, general and administrative expenses	6.7	8.5	9.8	5.9	(3.1)		
<b>Operating income</b>	<b>0.5</b>	0.6	<b>4.1</b>	2.5	<b>3.6</b>	<b>3.25</b>	<b>0.85</b>
Non-operating income	1.0	1.3	1.6	1.0	0.6		
Non-operating expenses	0.8	1.1	0.6	0.4	0.2		
Total non-operating income and expenses	0.1		1.0		0.9		
<b>Ordinary income</b>	<b>0.6</b>	0.8	<b>5.1</b>	3.1	<b>4.5</b>	<b>3.0</b>	<b>2.1</b>
Extraordinary gain	0.3	0.4	0.0	0.0	(0.3)		
Extraordinary loss	0.0	0.1	0.8	0.5	(0.8)		
Total extraordinary gain and loss	0.2		(0.8)		(1.0)		
<b>Income before income taxes and minority interests</b>	<b>0.9</b>	1.1	<b>4.3</b>	2.6	<b>3.4</b>		
Current income taxes	0.3	0.4	2.8	1.7	(2.5)		
Deferred income taxes	0.3	0.5	(1.0)	-0.6	1.3		
Minority interests	(0.0)	-0.1	0.0	0.0	0.0		
<b>Net income</b>	<b>0.2</b>	0.3	<b>2.5</b>	1.5	<b>2.3</b>	<b>1.5</b>	<b>1.0</b>

# Net sales

< Billion yen >



## Compared with forecast



Segment	Forecast	Sep.2007	Difference
EPC	161.5	157.6	(3.9)
IT	6.2	7.0	0.8
Real estate	2.3	2.0	(0.3)
<b>Total</b>	<b>170.0</b>	<b>166.6</b>	<b>(3.4)</b>

Sep.2007 Net sales : 166.6 billion yen

Japan                    28.3 Billion yen            17%

Overseas                138.3 Billion yen           83%

# Net sales



< Billion yen >

**Sep.2007 Net sales : 166.6 billion yen**

## Breakdown by region

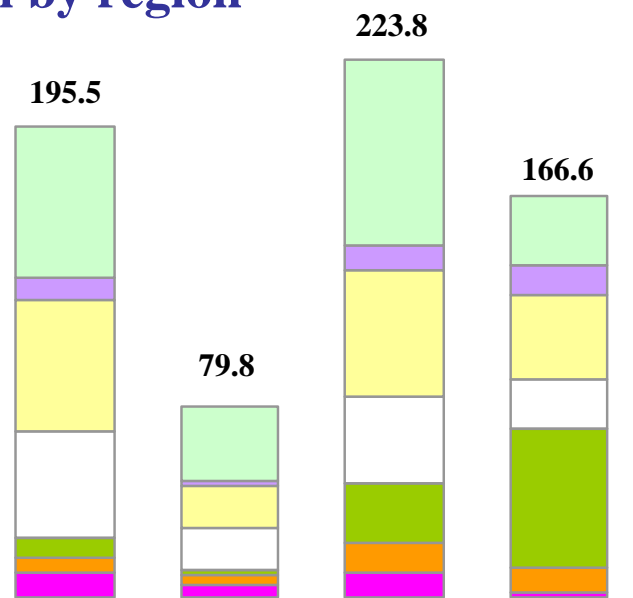
<b>Japan</b>	<b>Overseas 138.3 billion yen 83%</b>				
28.3 17%	<b>Southeast Asia</b> 12.9 8%	<b>Southwest Asia, Middle East and Africa</b> 34.6 21%	<b>Russia, Central Asia</b> 20.4 12%	<b>Central and South America</b> 58.2 35%	<b>China</b> 9.7 6%
<b>Major contracts</b>  Over 5 billion yen Petrochemical	<b>Major contracts</b>				Others 2.5 1% ↑
	Over 10 billion yen Energy-related, BRAZIL Energy-related, RUSSIA	Over 5 billion yen Petrochemical, SAUDI ARABIA Refinery, BRAZIL Energy-related, QATAR Petrochemical, INDIA	Over 3 billion yen Petrochemical, CHINA General manufacturing facility, RUSSIA Petrochemical, SINGAPORE Petrochemical, THAI		

## Breakdown by segment details

<b>Petrochemicals</b> 39.8 24%	<b>Refinery</b> 14.2 8%	<b>Energy-related</b> 81.8 49%	<b>General manufacturing facilities</b> 12.7 8%	<b>IT</b> 7.1 4%	<b>Others</b> 6.0 4%
↑ Chemical fertilizer 3.0 2%			↓ Real estate 2.0 1%		↑

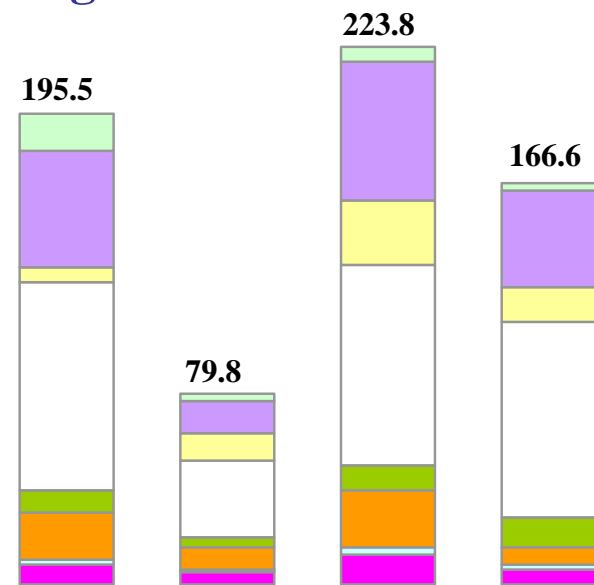
# Net sales

## Breakdown by region



## Breakdown by segment details

< Billion yen >

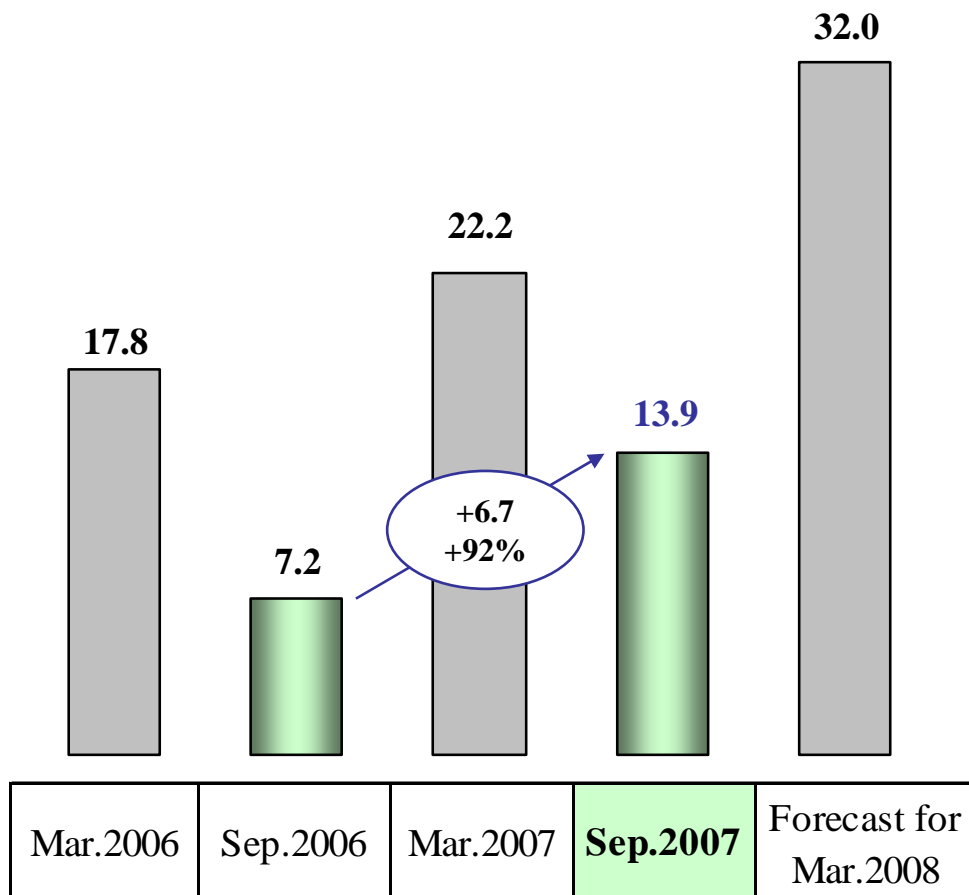


	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Japan	63.1	31.8	77.2	28.3
Southeast Asia	8.4	1.9	10.5	12.9
Southwest Asia, Middle East & Africa	54.7	17.7	52.5	34.6
Russia, Central Asia	44.9	16.9	36.0	20.4
Central and South America	8.1	2.3	25.1	58.2
China	5.8	4.0	12.3	9.7
Others	10.5	5.2	10.2	2.5
<b>Total</b>	<b>195.5</b>	<b>79.8</b>	<b>223.8</b>	<b>166.6</b>

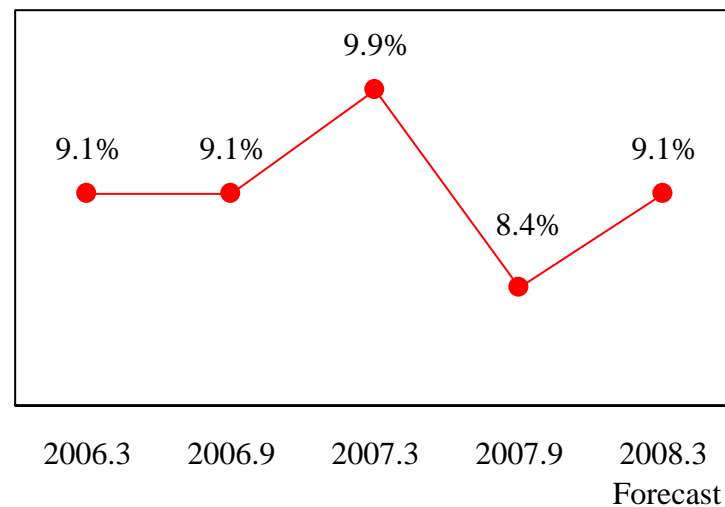
	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Chemical fertilizers	15.3	3.1	6.5	3.0
Petrochemicals	48.8	13.7	57.2	39.8
Refinery	5.8	11.0	27.6	14.2
Energy-related	86.4	32.1	82.7	81.8
General manufacturing facilities	9.1	4.8	10.3	12.7
IT	20.1	8.6	23.7	7.1
Real estate	2.1	1.1	3.0	2.0
Others	7.9	5.4	12.8	6.0
<b>Total</b>	<b>195.5</b>	<b>79.8</b>	<b>223.8</b>	<b>166.6</b>

# Gross profit

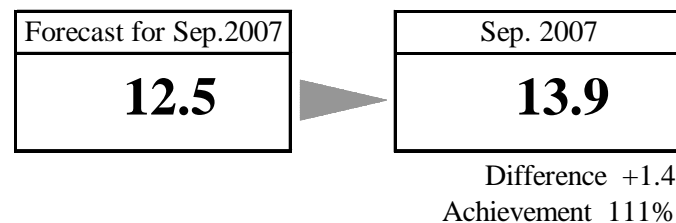
< Billion yen >



## Gross Profit rate



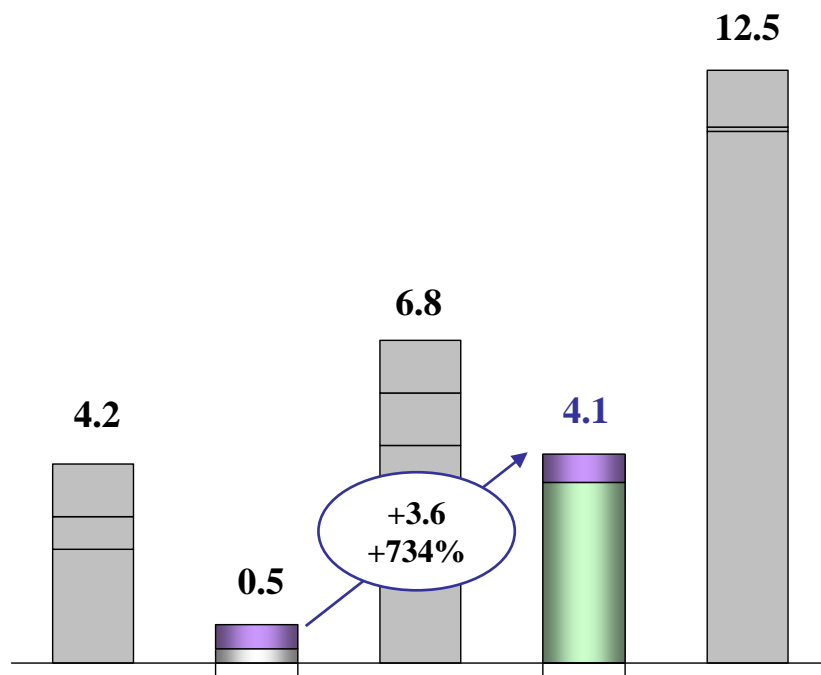
## Compared with forecast





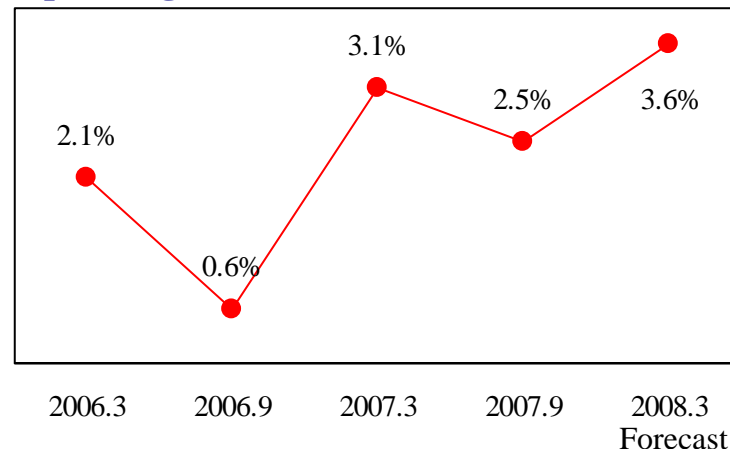
# Operating income

< Billion yen >

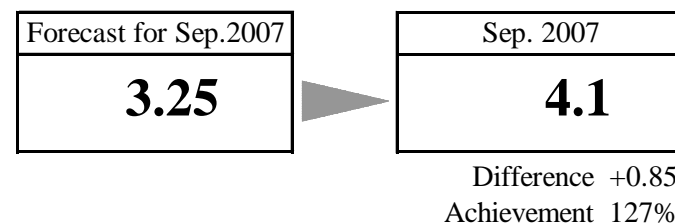


	Mar.2006	Sep.2006	Mar.2007	Sep.2007	Forecast for Mar.2008
EPC	2.4	(0.3)	4.6	3.8	11.2
IT	0.7	0.3	1.1	(0.3)	0.1
Real estate	1.1	0.5	1.1	0.6	1.2
Sub total	4.2	0.5	6.8	4.1	12.5

## Operating income rate



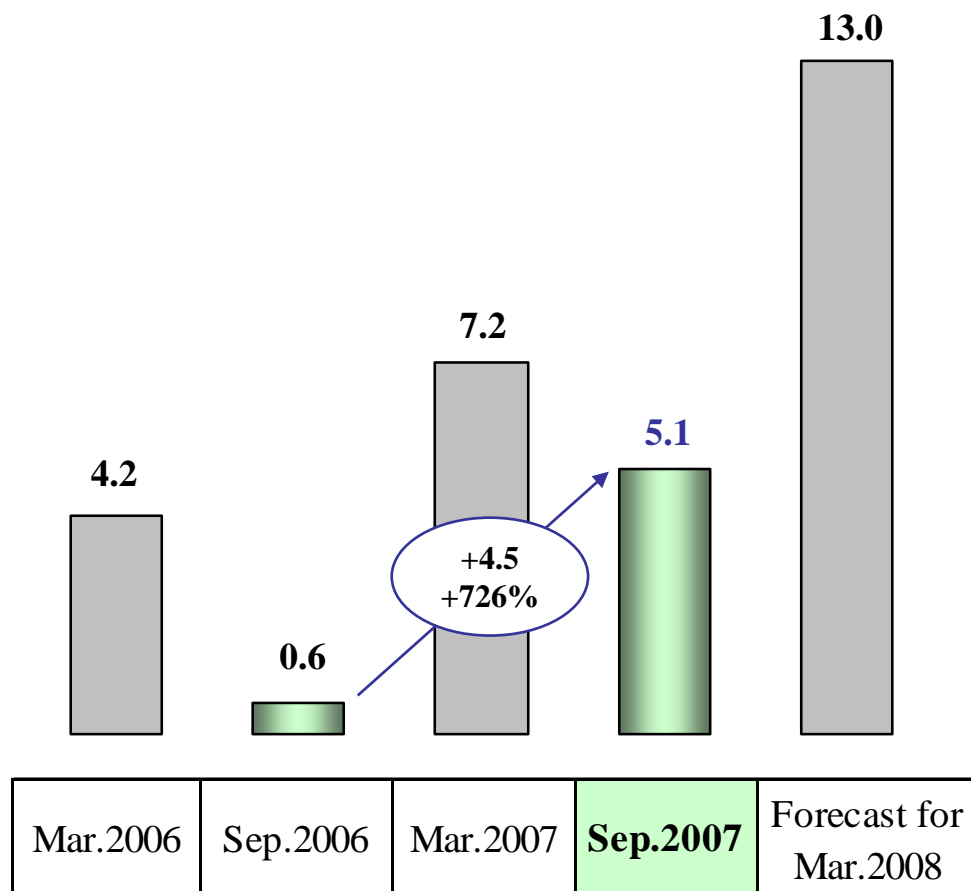
## Compared with forecast



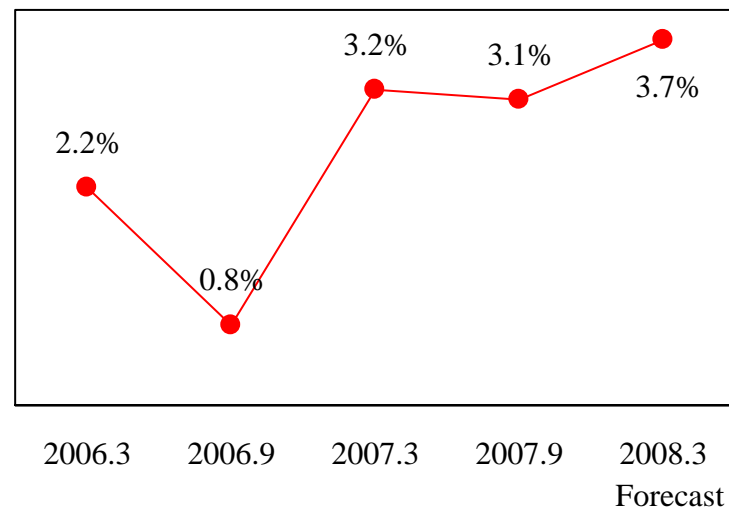
Segment	Forecast	Sep.2007	Difference
EPC	2.7	3.8	1.1
IT	0.0	(0.3)	(0.3)
Real estate	0.55	0.6	0.05
Total	3.25	4.1	0.85

# Ordinary income

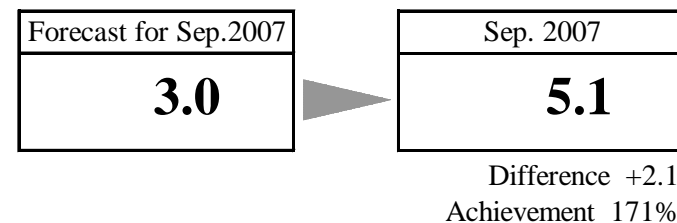
< Billion yen >



## Ordinary income rate

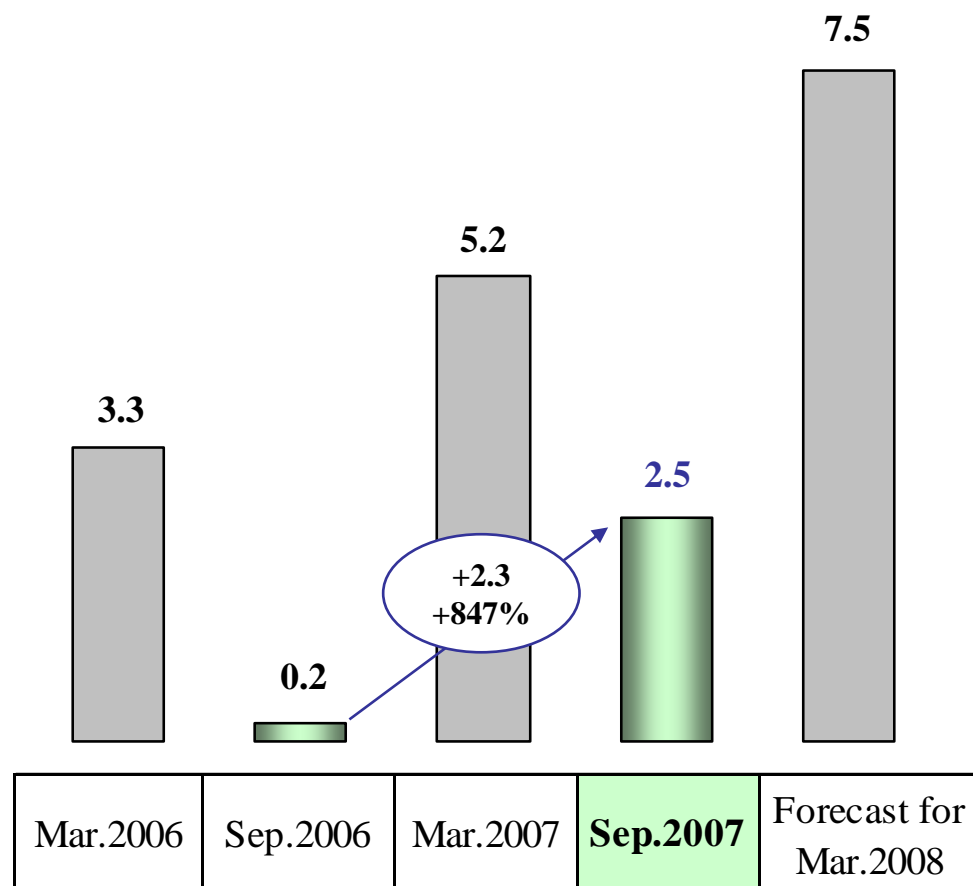


## Compared with forecast

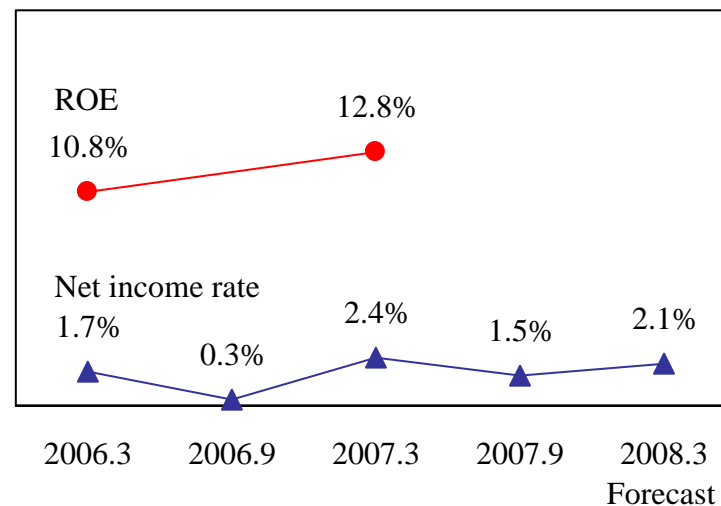


# Net income

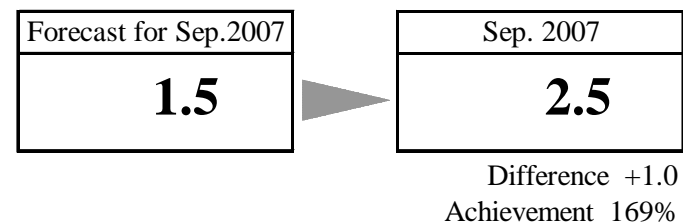
< Billion yen >



## Net income rate & Return on Equity (ROE)



## Compared with forecast



# Balance sheet

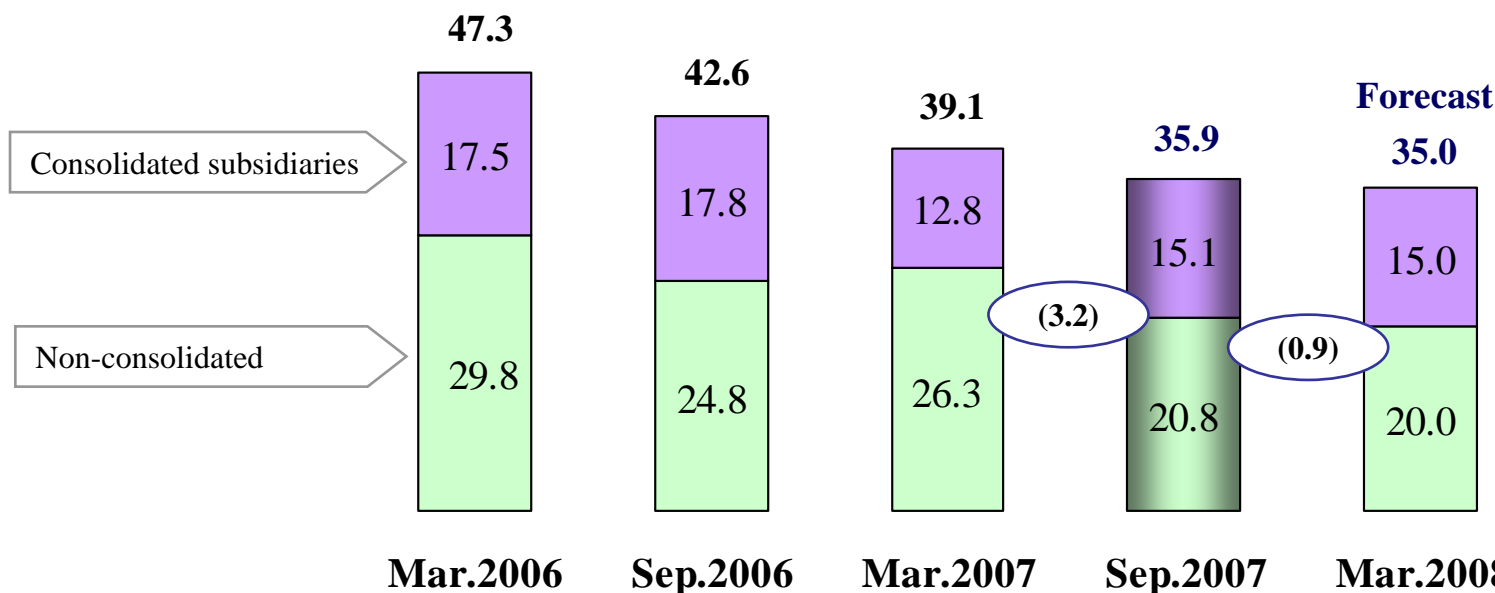


< Billion yen >

Assets	Sep 30. 2006	Mar 31. 2007	Sep 30. 2007	Difference (Sep.2007 vs Mar.2007)	Liabilities and net assets	Sep 30. 2006	Mar 31. 2007	Sep 30. 2007	Difference (Sep.2007 vs Mar.2007)
<b>Current assets</b>	<b>180.2</b>	<b>227.3</b>	<b>218.3</b>	<b>(9.0)</b>	<b>Current liabilities</b>	<b>170.8</b>	<b>198.4</b>	<b>189.9</b>	<b>(8.5)</b>
Cash and deposits	35.8	43.2	42.7	(0.5)	Corporate bonds	3.0	2.0	-	(2.0)
Marketable securities	-	32.9	42.9	10.0	Short-term bank loans	26.3	10.1	9.9	(0.2)
Other current assets	31.3	27.1	37.3	10.2	Other current liabilities	8.8	13.8	18.2	4.4
<Operating assets>					<Operating liabilities>				
Notes and account receivable	27.1	31.8	29.0	(2.8)	Notes and account payable	24.8	38.0	40.6	2.6
Contract work in progress	85.8	92.1	66.2	(25.9)	Advance and other receipts	107.8	134.5	121.0	(13.5)
<b>Fixed assets</b>	<b>54.4</b>	<b>55.5</b>	<b>58.9</b>	<b>3.4</b>	<b>Long-term liabilities</b>	<b>18.9</b>	<b>32.7</b>	<b>32.6</b>	<b>(0.1)</b>
Property, plant and equipment	37.0	36.9	37.9	1.0	Corporate bonds	-	1.0	1.0	0.0
Intangible assets	1.9	1.9	1.9	0.0	Long-term debt	13.2	25.9	21.5	(4.4)
Investments and assets	15.4	16.5	19.0	2.5	Other long-term liabilities	5.6	5.7	10.1	4.4
					<b>Net assets</b>	<b>44.9</b>	<b>51.5</b>	<b>54.6</b>	<b>3.1</b>
					Shareholder's equity	40.7	45.7	47.7	2.0
					Valuation and translation adjustments	2.0	3.3	4.5	1.2
					Minority interests	2.0	2.4	2.4	0.0
<b>Total assets</b>	<b>234.7</b>	<b>282.8</b>	<b>277.2</b>	<b>(5.6)</b>	<b>Total liabilities and net assets</b>	<b>234.7</b>	<b>282.8</b>	<b>277.2</b>	<b>(5.6)</b>

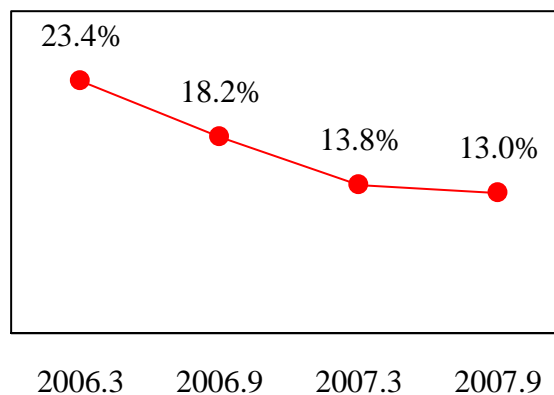
# Interest bearing debt balance

< Billion yen >

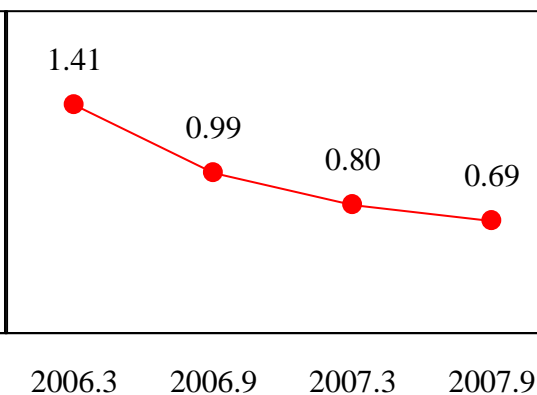


\* Interest bearing debt includes Lease obligation since FY2007.

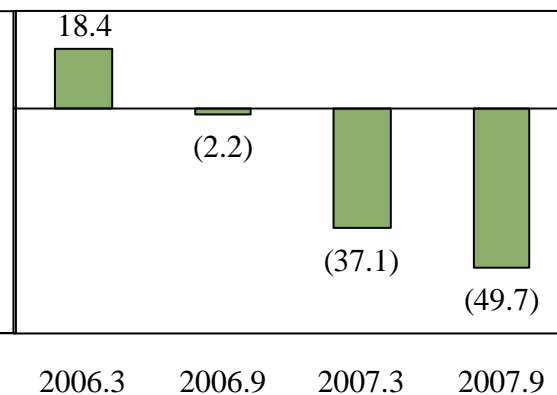
Interest bearing debt ratio (%)



Debt equity ratio (times)

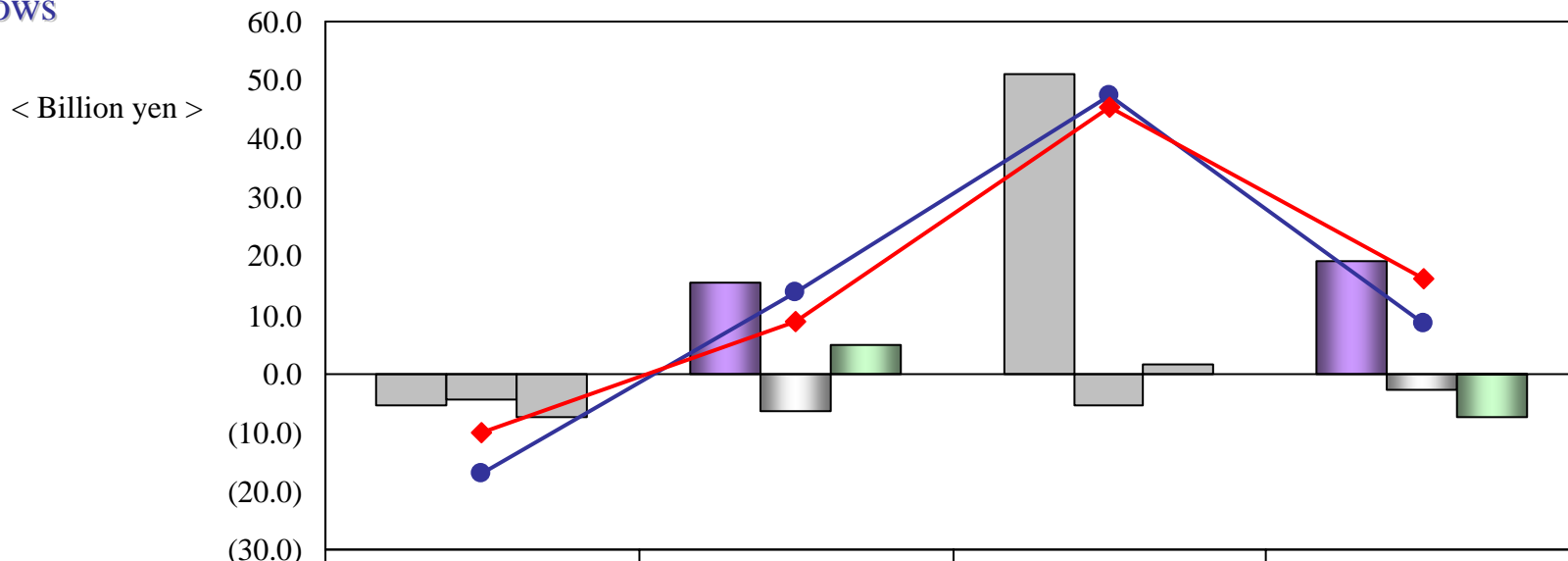


Net debt (billion yen)



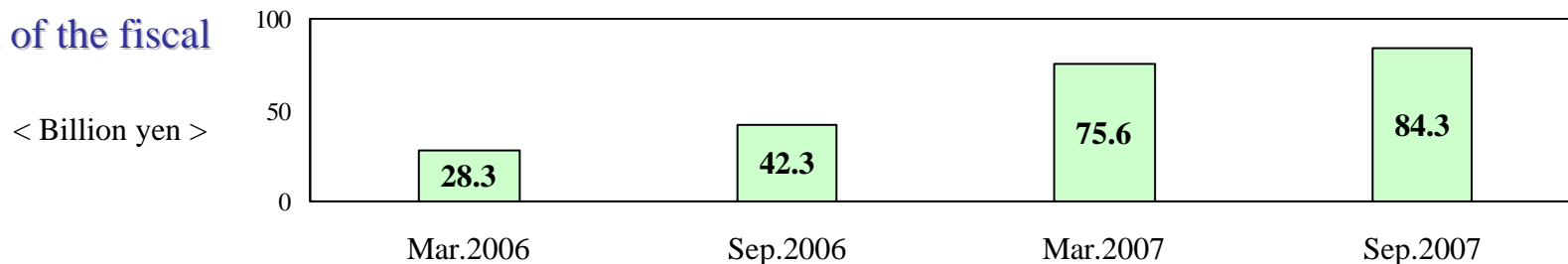
# Cash flows

## Cash flows



	FY2005 (Apr.2005 - Mar.2006)	Apr - Sep.2006	FY2006 (Apr.2006 - Mar.2007)	Apr - Sep.2007
Operating activities	(5.5)	15.5	50.9	19.0
Investing activities	(4.5)	(6.5)	(5.4)	(2.9)
Financing activities	(7.5)	5.0	1.4	(7.5)
Net increase / decrease in cash	(17.1)	14.0	47.3	8.6
Free cash flow	(10.1)	9.0	45.5	16.0

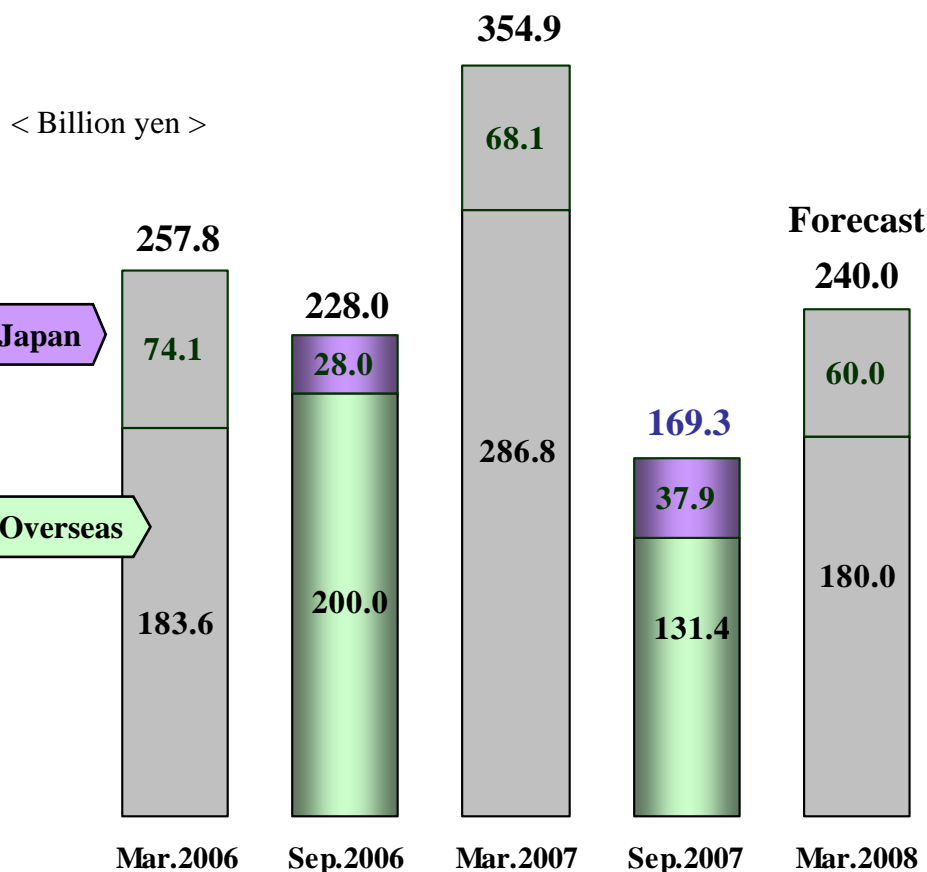
## Cash, end of the fiscal



# New orders

➤ Reached 71% of target for FY2007.

**New orders : 169.3 billions yen**



## Breakdown by contract price

- Over 30 billion yen    Chemical fertilizer, VENEZUELA  
Energy-related, BRAZIL
- Over 2 billion yen    Petrochemical, JAPAN  
Petrochemical, INDIA  
General manufacturing facility, CHINA  
Energy-related, RUSSIA

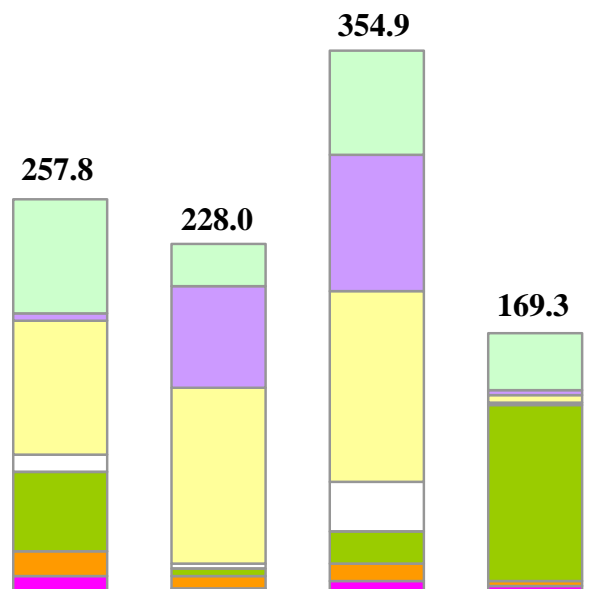
## Breakdown by consolidated companies

- Toyo Engineering Corp.    152.4 billion yen
- Domestic subsidiaries    12.0 billion yen
- Overseas subsidiaries    4.9 billion yen

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

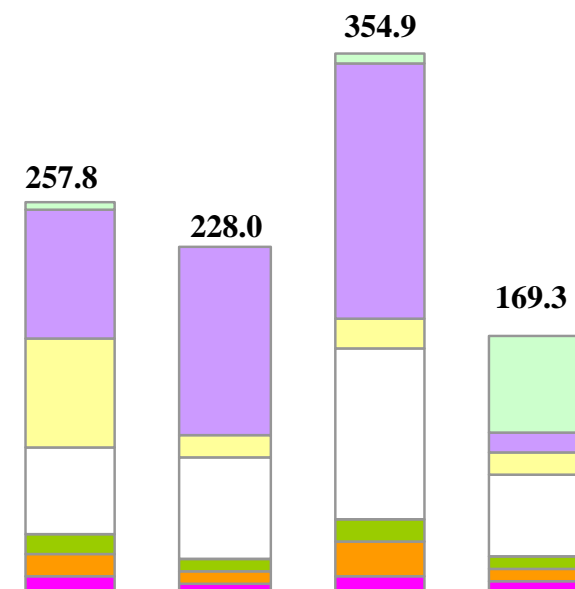
# New orders

## Breakdown by region



## Breakdown by segment details

< Billion yen >



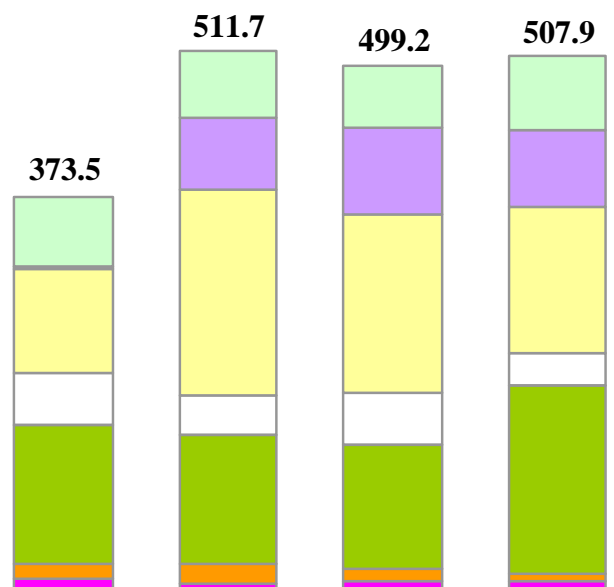
	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Japan	74.1	28.0	68.1	37.9
Southeast Asia	4.9	66.2	89.9	2.3
Southwest Asia, Middle East & Africa	89.1	116.0	124.8	4.7
Russia, Central Asia	11.4	2.5	32.9	2.2
Central and South America	51.7	6.0	21.0	115.4
China	16.4	7.8	11.1	4.3
Others	9.9	1.5	7.1	2.5
<b>Total</b>	<b>257.8</b>	<b>228.0</b>	<b>354.9</b>	<b>169.3</b>

	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Chemical fertilizers	4.4	0.4	6.0	64.5
Petrochemicals	86.3	124.8	168.9	13.2
Refinery	71.4	14.2	19.4	15.2
Energy-related	57.9	66.6	112.7	52.7
General manufacturing facilities	13.5	8.1	15.5	8.3
IT	14.8	8.8	22.0	9.1
Others	9.1	5.1	10.4	6.3
<b>Total</b>	<b>257.8</b>	<b>228.0</b>	<b>354.9</b>	<b>169.3</b>



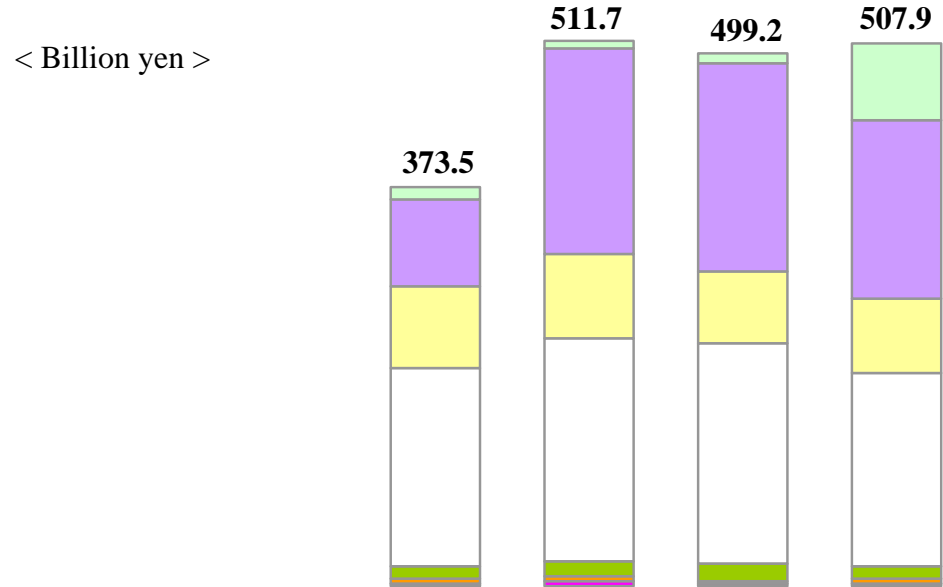
# Backlog of contracts

## Breakdown by region



	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Japan	65.8	63.1	59.5	<b>71.0</b>
Southeast Asia	3.3	67.6	82.7	<b>72.3</b>
Southwest Asia, Middle East & Africa	99.5	197.3	171.0	<b>140.7</b>
Russia, Central Asia	50.0	36.7	48.9	<b>29.2</b>
Central and South America	131.7	123.7	118.2	<b>181.0</b>
China	13.6	17.4	12.4	<b>7.1</b>
Others	9.6	5.9	6.5	<b>6.6</b>
<b>Total</b>	<b>373.5</b>	<b>511.7</b>	<b>499.2</b>	<b>507.9</b>

## Breakdown by segment details



	Mar.2006	Sep.2006	Mar.2007	Sep.2007
Chemical fertilizers	10.1	7.5	9.7	<b>71.2</b>
Petrochemicals	82.0	193.2	194.2	<b>168.6</b>
Refinery	75.7	78.8	67.6	<b>69.3</b>
Energy-related	185.6	209.1	206.8	<b>179.8</b>
General manufacturing facilities	11.7	13.3	15.2	<b>11.0</b>
IT	5.9	6.1	4.2	<b>6.2</b>
Others	2.1	3.7	1.4	<b>1.8</b>
<b>Total</b>	<b>373.5</b>	<b>511.7</b>	<b>499.2</b>	<b>507.9</b>

# Forecast



< Billion yen >

	FY2006 Mar.2007	Forecast for FY2007 Mar.2008	
		As of May.2007	As of Nov.2007
<b>Net sales</b>	<b>223.8</b>	<b>330.0</b>	<b>350.0</b>
<b>Gross profit</b>	<b>22.2</b>	<b>28.0</b>	<b>32.0</b>
Gross profit rate	9.9%	8.5%	9.1%
<b>Operating income</b>	<b>6.8</b>	<b>10.5</b>	<b>12.5</b>
Operating income rate	3.1%	3.2%	3.6%
<b>Ordinary income</b>	<b>7.2</b>	<b>9.5</b>	<b>13.0</b>
<b>Net income</b>	<b>5.2</b>	<b>6.0</b>	<b>7.5</b>
<b>New orders</b>	<b>354.9</b>	<b>240.0</b>	<b>240.0</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥3.0</b>	<b>¥6.0</b>	<b>¥6.0</b>

## Forecast for breakdowns by segment

Net sales	As of May.2007	As of Nov.2007
EPC	308.0	328.5
IT	17.5	17.0
Real estate	4.5	4.5
<b>Total</b>	<b>330.0</b>	<b>350.0</b>

Operating income	As of May.2007	As of Nov.2007
EPC	8.5	11.2
IT	0.8	0.1
Real estate	1.2	1.2
<b>Total</b>	<b>10.5</b>	<b>12.5</b>

Exchange rate for Forecast 1US\$= ¥115.00

# - Reference - Subsidiaries information

## Consolidated Subsidiaries

< Companies >

		Mar.2007	Increase	Decrease	Sep.2007
Number of companies consolidated	Consolidated subsidiaries	14	0	0	14
	Affiliated companies consolidated by equity method	1	0	0	1
	Total	15	0	0	15
(Reference)	All subsidiaries	27	3	0	30
Number of all subsidiaries & affiliated company	All affiliated companies	11	0	1	10
	Total	38	3	1	40

## Results of major subsidiaries

Subsidiaries, affiliated companies	Business fields	Capital	Share	Sep.2007
				Net sales
<b>Consolidated subsidiaries</b>		Billion yen	%	Billion yen
Toy o Business Engineering Corporation	IT	0.7	51	5.4
TEC Estate, Ltd.	Real estate	6.0	100	1.4
Suntec Corporation	Real estate	0.5	100	1.3
Toy o Engineering Korea Ltd.	EPC	0.5	81	5.4
Toy o Engineering India Ltd.	EPC	0.3	74	9.0
<b>Affiliated companies consolidated</b>				
Toy o-Thai Corporation Ltd.	EPC	0.6	39	7.4

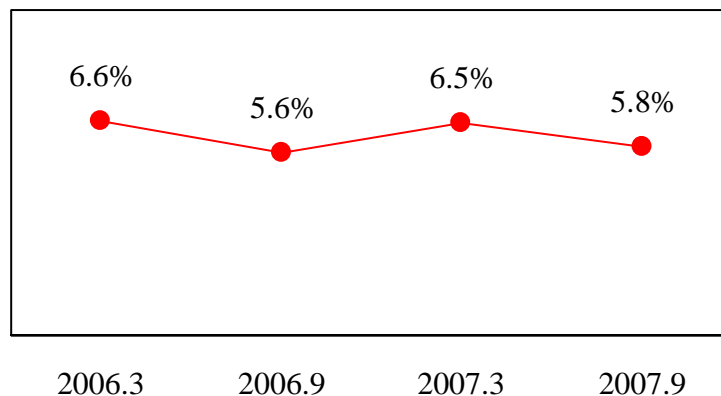
# - Reference - Non-consolidated information

< Billion yen >

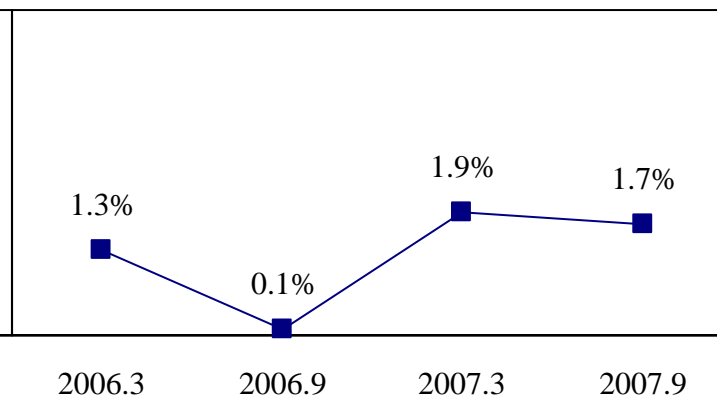
Non-consolidated Performance summary	Sep.2006	Sep.2007	Difference	Forecast for Sep.2007 (As of May.2007)		
				Difference	Achievement	
Net sales	64.8	145.6	+80.8	150.0	(4.4)	97%
Gross profit	3.6	8.5	+4.9	7.5	+1.0	113%
Gross profit rate	5.6%	5.8%	+0.2%	5.0%	+0.8%	
Operating income	0.0	2.5	+2.5	1.75	+0.75	143%
Operating income rate	0.1%	1.7%	+1.6%	1.2%	+0.5%	
Ordinary income	0.3	3.7	+3.4	1.75	+1.95	211%
Net income	0.2	1.7	+1.5	0.95	+0.75	179%
New orders	211.6	152.6	(59.0)	Reached 85% of target for FY2007		
Dividends per share (yen)	-	-	-	-	-	-

Exchange rate for Forecast 1US\$= ¥115.00

Gross profit rate



Operating income rate



# - Reference - Historical data



		Mar.2006	Sep.2006	Mar.2007	Sep.2007	Mar.2008 Forecast		
<b>Consolidated</b>	Net sales	Billion yen	195.5	79.8	223.8	166.6	350.0	
	Gross profit	Billion yen	17.8	7.2	22.2	13.9	32.0	
	Gross profit margin	%	9.1%	9.1%	9.9%	8.4%	9.1%	
	Operating income	Billion yen	4.2	0.5	6.8	4.1	12.5	
	Operating income margin	%	2.1%	0.6%	3.1%	2.5%	3.6%	
	Ordinary income	Billion yen	4.2	0.6	7.2	5.1	13.0	
	Net income	Billion yen	3.3	0.2	5.2	2.5	7.5	
	Interest bearing debt	Billion yen	47.3	42.6	39.1	35.9	35.0	
	Interest bearing debt ratio	%	23.4%	18.2%	13.8%	13.0%		
	Net debt	Billion yen	18.4	(2.2)	(37.1)	(49.7)		
	Debt equity ratio	times	1.41	0.99	0.80	0.69		
	Equity ratio	%	16.6%	18.3%	17.4%	18.8%		
	Operating activities CF	Billion yen	(5.5)	15.5	50.9	19.0		
	Investment activities CF	Billion yen	(4.5)	(6.5)	(5.4)	(2.9)		
	Finance activities DF	Billion yen	(7.5)	5.0	1.4	(7.5)		
	New orders	Billion yen	257.8	228.0	354.9	169.3	240.0	
	Backlog of contracts	Billion yen	373.5	511.7	499.2	507.9		
	<b>Non-consolidated</b>	Net sales	Billion yen	161.9	64.8	186.5	145.6	
		Gross profit	Billion yen	10.6	3.6	12.1	8.5	
		Gross profit margin	%	6.6%	5.6%	6.5%	5.8%	
Operating income		Billion yen	2.0	0.0	3.4	2.5		
Operating income margin		%	1.3%	0.1%	1.9%	1.7%		
Ordinary income		Billion yen	2.4	0.3	3.8	3.7		
Net income		Billion yen	2.5	0.2	3.8	1.7		
Interest bearing debt		Billion yen	29.8	24.8	26.3	20.8		
Interest bearing debt ratio		%	16.8%	11.8%	10.3%	8.3%		
Net debt		Billion yen	7.7	(7.0)	(44.4)	(57.0)		
Debt equity ratio		times	0.71	0.49	0.47	0.36		
Equity ratio		%	23.7%	24.3%	21.8%	22.9%		
New orders		Billion yen	211.4	211.6	317.1	152.6		
Backlog of contracts		Billion yen	339.5	476.0	463.6	474.4		
Dividends per share	yen	3.0	-	3.0	-	6.0		



**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.