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Fiscal year 2004 (Year ended March 31, 2005)

OUTLINE OF FINANCIAL RESULTS

May 13, 2005

Index

I	Performance summary	3	IV	New orders	
II	Profit & loss			New orders & backlog of contracts	15
	Summary of operation	4		New orders	16
	Income statement	5		Backlog of contracts	18
	Net sales	6	V	Forecast	19
	Operating income	9			
	Ordinary income	10		-Reference-	
	Net income	11		Profit margin	20
III	Financial position			Subsidiaries information	21
	Balance sheet	12			
	Interest bearing debt balance	13			
	Cash flows	14			

* 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 profit.*

Highest consolidated net income since introduction of consolidated account system in FY1994.

- *Resumption of dividend will be realized after 6 fiscal years' absence.*

- *Gained over 192.5 billion yen of new orders, beyond the target of 180.0 billion yen.*

Energy-related projects made up 44% of new orders.

- *Steadily improving financial position.*

Reduced interest bearing debts by 12.0 billion yen, through sound cash flow from operating activities.

Summary of operation

< Billions of yen >

FY2003 Mar.2004	FY2004 Mar.2005	Difference	Forecast for FY2004 (As of Nov.2004)	Difference
---------------------------	---------------------------	-------------------	--	-------------------

Consolidated

Net sales	170.5	197.9	+27.4	180.0	+17.9
Operating income	(3.2)	4.5	+7.7	5.0	(0.4)
Ordinary income	(3.4)	3.9	+7.3	4.0	(0.0)
Net income	(6.4)	3.5	+10.0	3.5	+0.0
New orders	241.5	192.5	(48.9)	180.0	+12.5

Non-consolidated

Net sales	142.9	175.6	+32.7	160.0	+15.6
Operating income	(4.7)	3.2	+7.9	3.5	(0.2)
Ordinary income	(4.5)	3.0	+7.5	3.0	+0.0
Net income	(6.4)	3.1	+9.5	3.0	+0.1
New orders	216.3	160.9	(55.3)	160.0	+0.9
Dividends per share (yen)	-	¥3.0	+¥3.0	¥3.0	±0.0

Exchange rate for forecast, FY2004

1US\$ = ¥105.00

1EUR = ¥135.00

Income statement

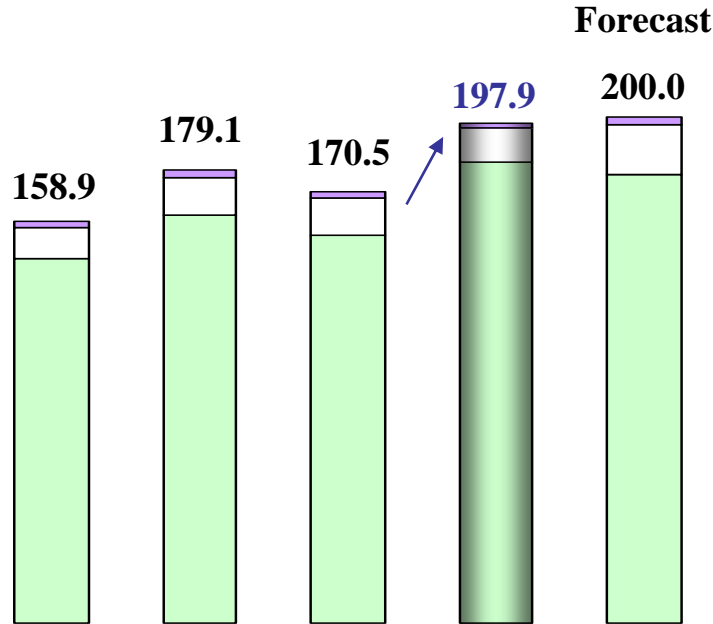
< Billions of yen >

Consolidated	FY2003 Mar. 2004		FY2004 Mar.2005		Difference		Forecast for FY2004 (As of Nov.2004)	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen	%		
Net sales	170.5	100.0	197.9	100.0	27.4		180.0	17.9
Cost of sales	161.8	94.9	180.1	91.0	(18.2)			
Gross profit	8.6	5.1	17.7	9.0	9.1	3.9		
Selling, general and administrative expenses	11.8	7.0	13.2	6.7	(1.3)			
Operating income	(3.2)	(1.9)	4.5	2.3	7.7	4.2	5.0	(0.4)
Non-operating income	1.9	1.2	1.4	0.7	(0.5)			
Non-operating expenses	2.1	1.3	2.0	1.0	0.1			
Total non-operating income	(0.2)		(0.6)		(0.3)			
Ordinary income	(3.4)	(2.0)	3.9	2.0	7.3	4.0	4.0	(0.0)
Extraordinary gain	0.3	0.2	0.2	0.1	(0.1)			
Extraordinary loss	0.6	0.4	0.4	0.2	0.1			
Total extraordinary gain and loss	(0.2)		(0.2)		0.0			
Income before income taxes and minority interests	(3.7)	(2.2)	3.6	1.9	7.4			
Current income taxes	0.7	0.4	0.4	0.2	0.3			
Deferred income taxes	1.8	1.1	(0.3)	(0.1)	2.2			
Minority interests	0.1	0.1	0.0	0.0	0.1			
Net income	(6.4)	(3.8)	3.5	1.8	10.0	5.6	3.5	0.0

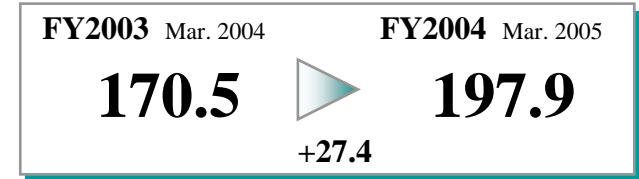
Net sales

< Billions of yen >

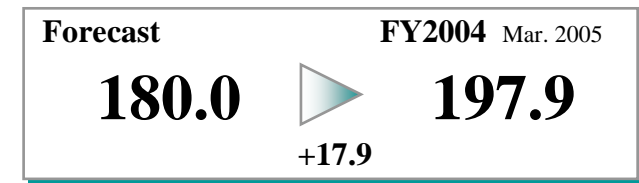
➤ Increased more than forecast.



Compared with the previous fiscal year



Compared with forecast



	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	Forecast for FY2005
Real Estate	2.5	2.8	2.4	2.3	2.7
IT	12.1	14.9	14.5	13.4	20.0
EPC	144.2	161.4	153.6	182.2	177.3
Total	158.9	179.1	170.5	197.9	200.0

Segment	Forecast	FY2004	Difference
Real Estate	2.3	2.3	0.0
IT	13.0	13.4	0.4
EPC	164.7	182.2	17.5
Total	180.0	197.9	17.9

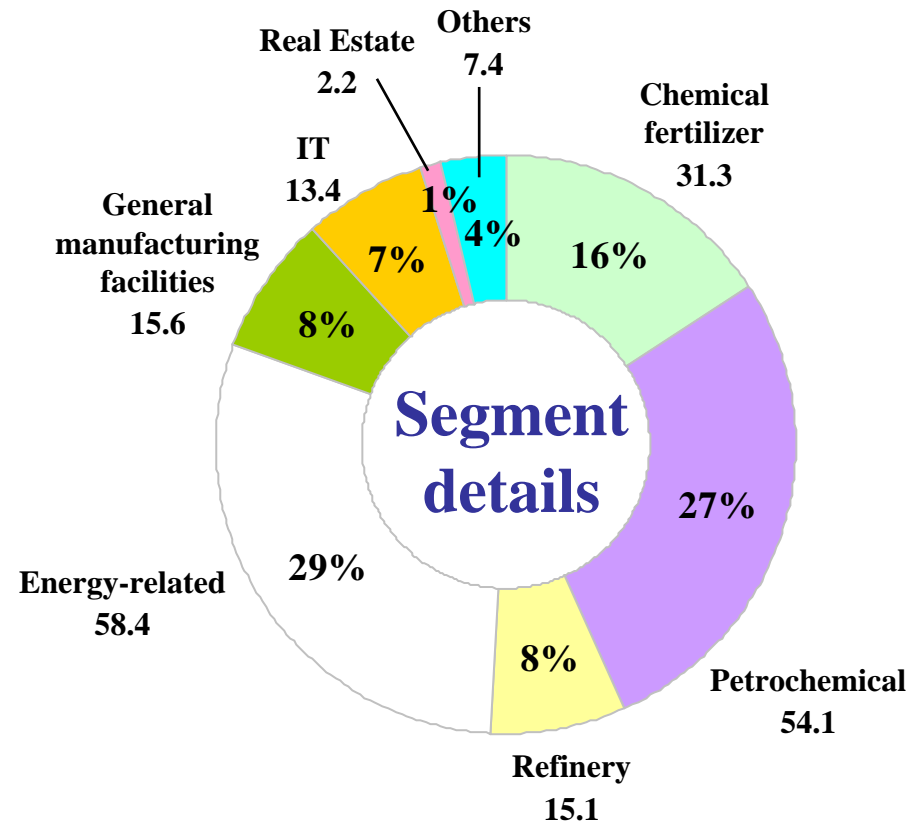
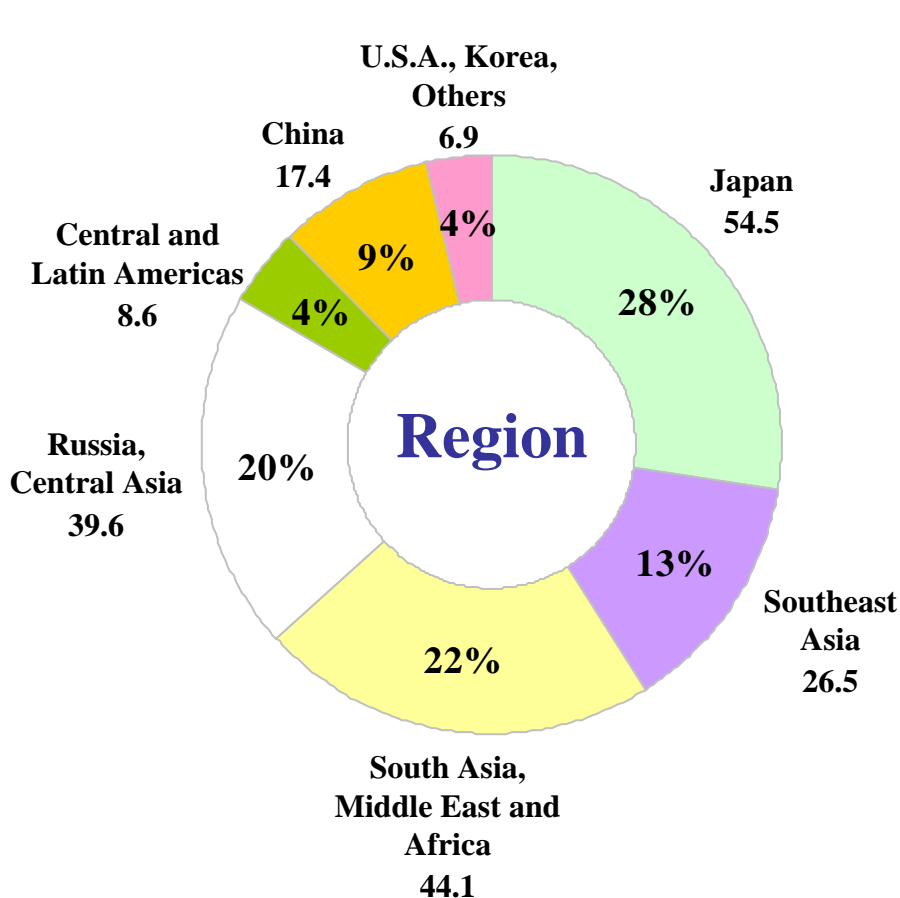
<Reference>

Non-consolidated	137.5	149.2	142.9	175.6	180.0
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Net sales (Breakdowns by region & segment details)

< Billions of yen >

FY2004 (Mar.2005)
Net sales : ¥197.9 billion



Net sales (Major contracts)

Major contracts (FY2004 (Mar. 2005))

Overseas

Over 10 billion yen	4 projects	Energy-related, RUSSIA Chemical fertilizer, INDONESIA Energy-related, IRAN Petrochemical, SAUDI ARABIA
Over 5 billion yen	2 projects	Chemical fertilizer, IRAN Petrochemical, CHINA
Over 2 billion yen	7 projects	Energy-related, BRAZIL Refinery, BRAZIL Petrochemical, SAUDI ARABIA Refinery, RUSSIA Petrochemical, EU Chemical fertilizer, BANGLADESH Refinery, INDONESIA

Japan

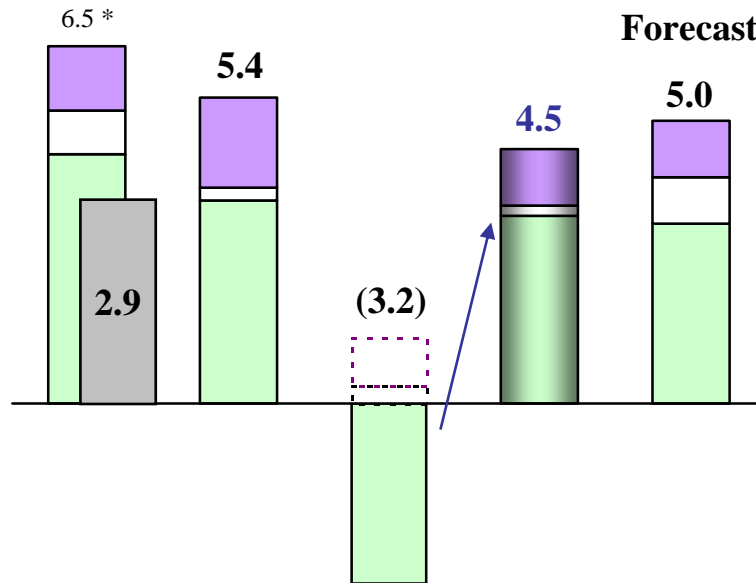
Over 5 billion yen	2 projects	Petrochemical General manufacturing facilities
Over 2 billion yen	4 projects	General manufacturing facilities Refinery Petrochemical (2 projects)

Operating income

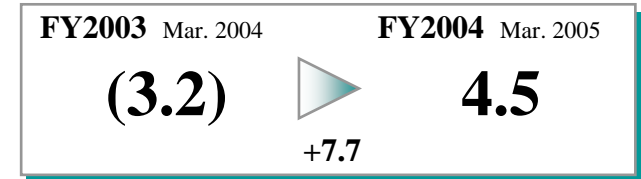
< Billions of yen >

- Decreased compared with forecast mainly due to increase of SG&A expenses.

* Due to change of accounting method.



Compared with the previous fiscal year



Compared with forecast



	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	Forecast for FY2005
Real Estate	1.1	1.6	0.9	1.0	1.0
IT	0.8	0.2	0.3	0.2	0.8
EPC	4.4	3.6	(4.5)	3.3	3.2
Sub total	6.5	5.4	(3.2)	4.5	5.0
Indivisible cost	(3.5)				
Total	2.9				

Segment	Forecast	FY2004	Difference
Real Estate	1.0	1.0	0.0
IT	0.3	0.2	(0.1)
EPC	3.7	3.3	(0.3)
Total	5.0	4.5	(0.4)

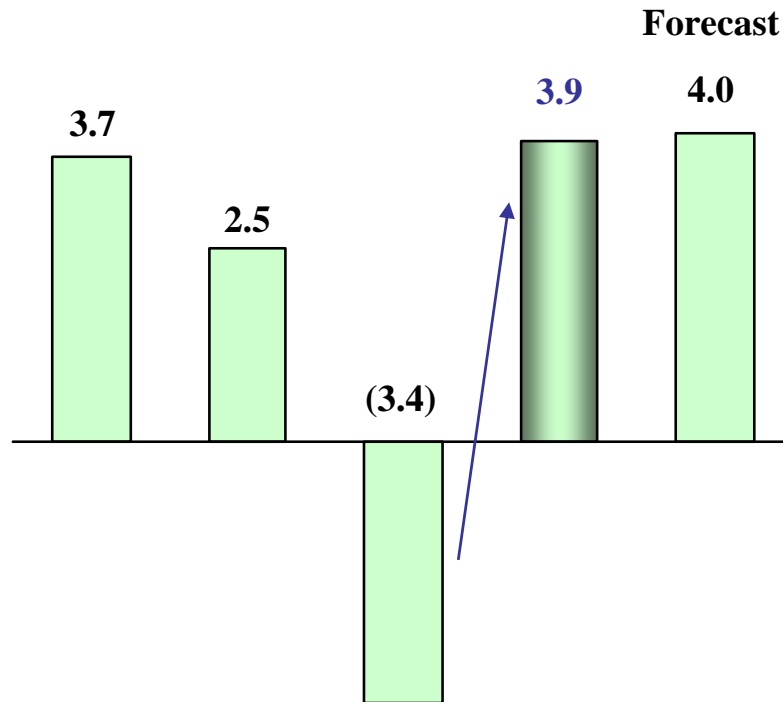
<Reference>

Non-consolidated	1.4	3.1	(4.7)	3.2	3.5
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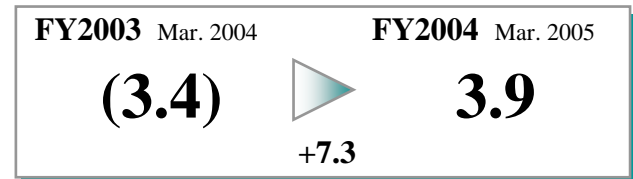
Ordinary income

< Billions of yen >

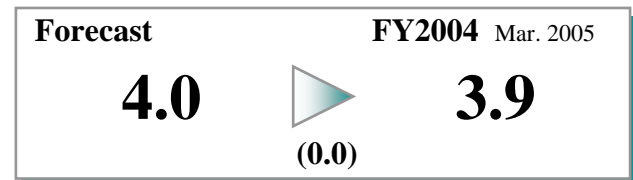
- Substantially reached to the range of forecast.



Compared with the previous fiscal year



Compared with forecast



	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	Forecast for FY2005
Consolidated	3.7	2.5	(3.4)	3.9	4.0

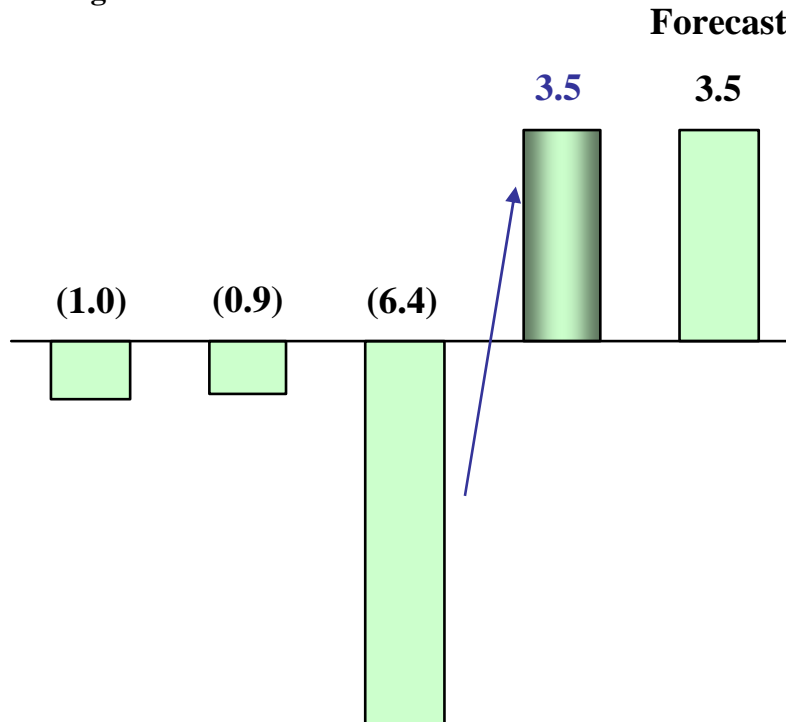
<Reference>

Non-consolidated	2.2	1.2	(4.5)	3.0	3.0
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Net income

< Billions of yen >

➤ Reached to the range of forecast.



Compared with the previous fiscal year



Compared with forecast



	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	FY2004 Mar.2005	Forecast for FY2005
Consolidated	(1.0)	(0.9)	(6.4)	3.5	3.5

<Reference>

Non-consolidated	(1.1)	(1.0)	(6.4)	3.1	3.0
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Balance sheet

< Billions of yen >

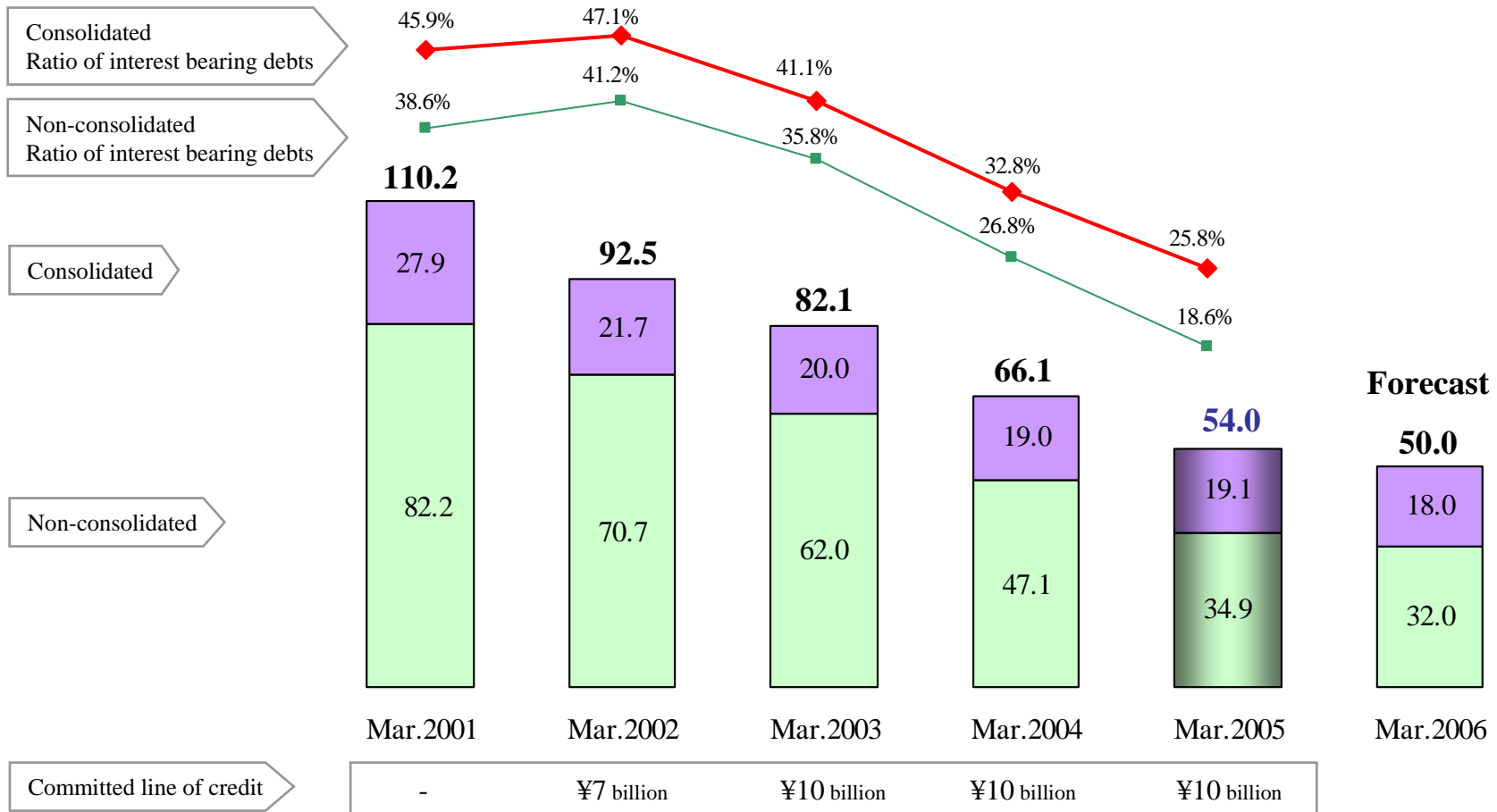
Consolidated	March 31. 2004	March 31, 2005	Difference
Current assets	149.3	159.0	9.6
Cash	44.0	45.9	1.8
Notes and account receivable for projects with deferred payments others	9.2	6.7	(2.5)
	28.0	33.4	5.4
Contract work in progress	62.6	61.7	(0.8)
Other current assets	5.3	11.1	5.7
Fixed assets	51.7	50.5	(1.2)
Property, plant and equipment	33.2	34.2	1.0
Intangible assets	1.6	2.0	0.3
Investments and assets	16.8	14.2	(2.5)
Total assets	201.1	209.5	8.4

Consolidated	March 31. 2004	March 31, 2005	Difference
Current liabilities	129.5	137.5	7.9
Notes and accounts payable	30.1	31.7	1.5
Short-term bank loans for projects with deferred payments others	2.2	2.1	(0.0)
	24.2	15.4	(8.7)
Advance and other receipts	61.9	73.7	11.8
Other current liabilities	11.0	14.4	3.4
Long-term liabilities	44.9	41.6	(3.2)
Corporate bonds	1.0	3.0	2.0
Long-term debt for projects with deferred payments others	5.7	3.5	(2.1)
	32.9	29.8	(3.1)
Other long-term liabilities	5.2	5.2	(0.0)
Minority interests	1.8	1.8	0.0
Shareholders' equity	24.7	28.4	3.7
Common stock	13.0	13.0	-
Additional paid-in capital	15.5	15.5	0.0
Retained earnings	(4.2)	(0.6)	3.6
Net unrealized gain (loss) on securities	1.2	1.1	(0.0)
Foreign currency translation adjustments	(0.8)	(0.6)	0.1
Treasury stock	(0.0)	(0.0)	(0.0)
Total liabilities, minority interests and shareholders' equity	201.1	209.5	8.4

Interest bearing debt balance

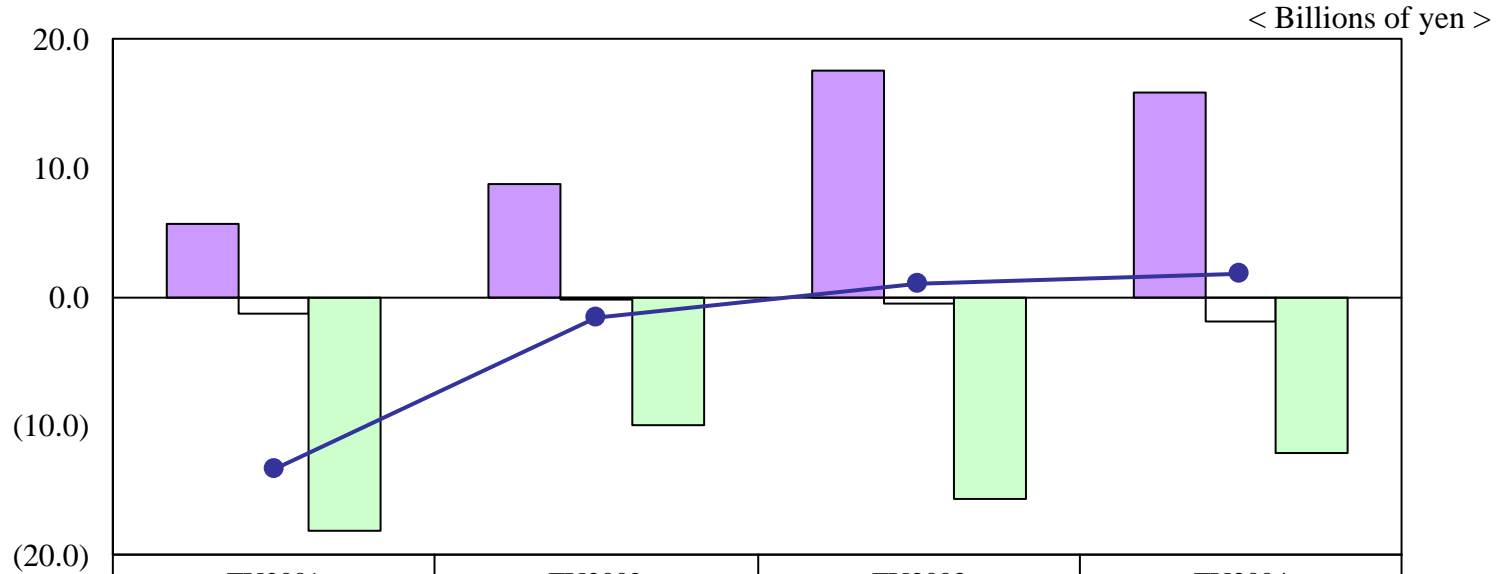
< Billions of yen >

- **12.0 billion yen reduction of interest bearing debts through cash flow from operating activities in FY2004.**
- **Non-consolidated Debt/Equity Ratio = 0.92:1**



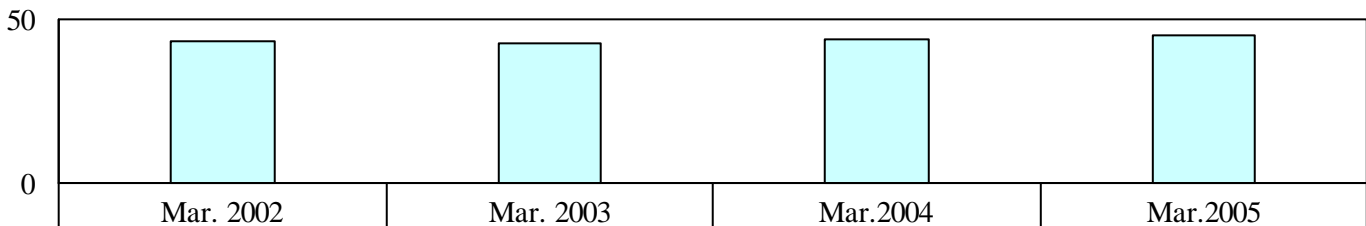
Cash flows

Cash flows



	FY2001 (Apr.2001 - Mar.2002)	FY2002 (Apr.2002 - Mar.2003)	FY2003 (Apr.2003 - Mar.2004)	FY2004 (Apr.2004 - Mar.2005)
Operating activities	5.7	8.8	17.5	15.9
Investing activities	(1.3)	(0.2)	(0.5)	(2.0)
Financing activities	(18.1)	(10.0)	(15.7)	(12.1)
Net increase / decrease in cash	(13.4)	(1.6)	1.0	1.7

Cash, end of the fiscal

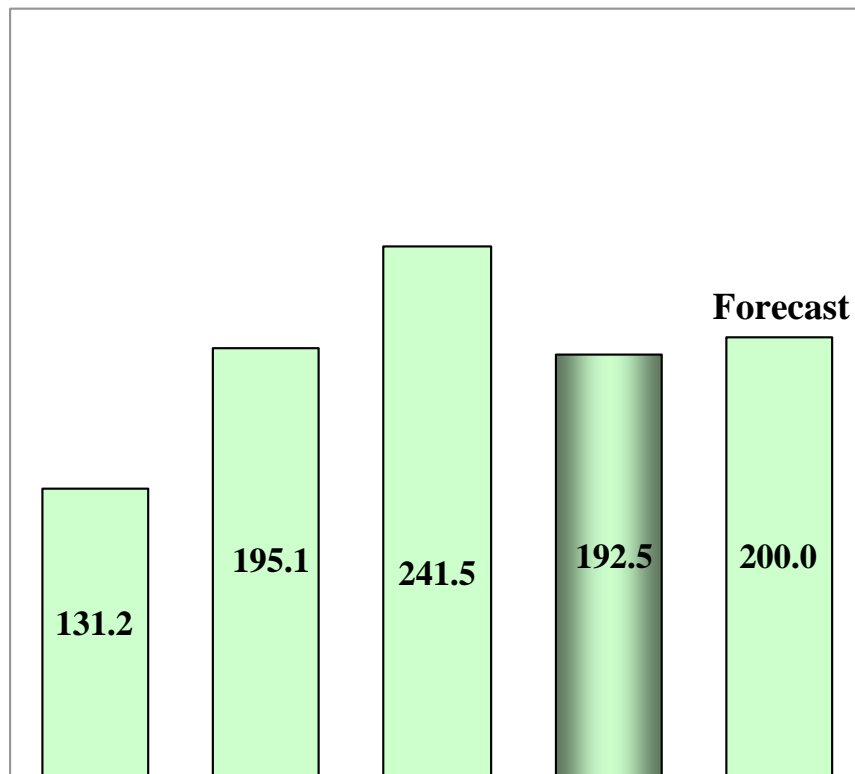


	Mar. 2002	Mar. 2003	Mar. 2004	Mar. 2005
Cash, end of the fiscal	43.4	42.5	43.6	45.4

New orders & backlog of contracts

< Billions of yen >

New Orders

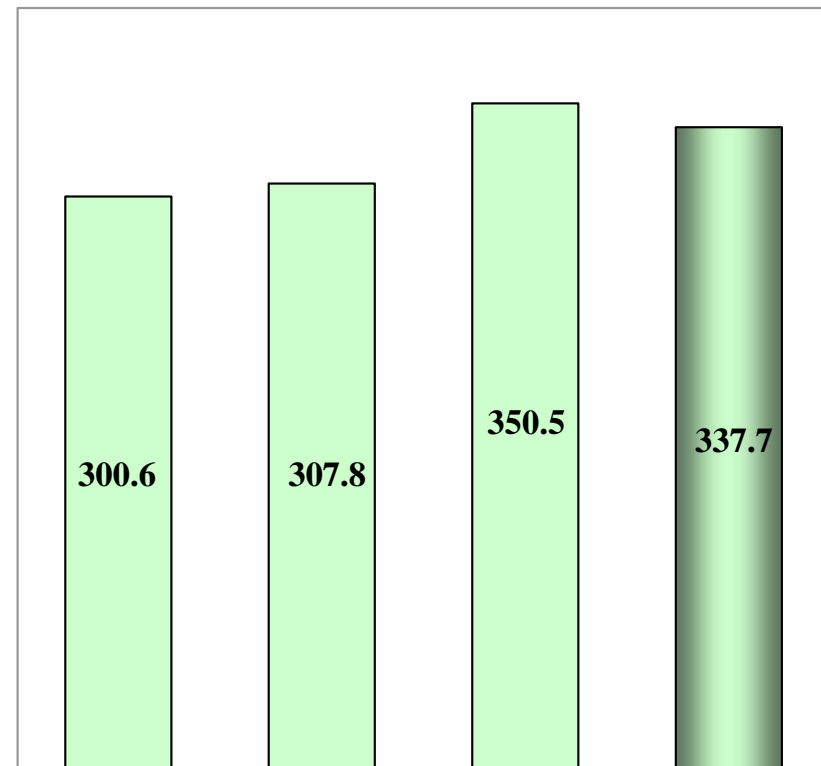


FY2001 (Mar.2002) **FY2002** (Mar.2003) **FY2003** (Mar.2004) **FY2004** (Mar.2005) **FY2005** (Mar.2006)

<Reference : Non-consolidated>

116.7	170.3	216.3	160.9	180.0
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Backlog of contracts



Mar.2002 **Mar.2003** **Mar.2004** **Mar.2005**

295.5	294.5	338.7	316.7
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New orders (Major new orders)

Contract price	Project outline (FY2004)
Over 30 billion yen	Energy-related, BRAZIL
Over 10 billion yen	Chemical fertilizer, IRAN Petrochemical, JAPAN Petrochemical, RUSSIA
Over 5 billion yen	Energy-related, JAPAN (2 projects) Energy-related, RUSSIA Energy-related, BRAZIL IT, JAPAN
Over 2 billion yen	General manufacturing facilities, RUSSIA Petrochemical, JAPAN General manufacturing facilities, EU Petrochemical, KOREA (2 projects)
Others	Energy-related, IT, General manufacturing facilities, etc
Total	192.5 billion yen*

*** Notes :**

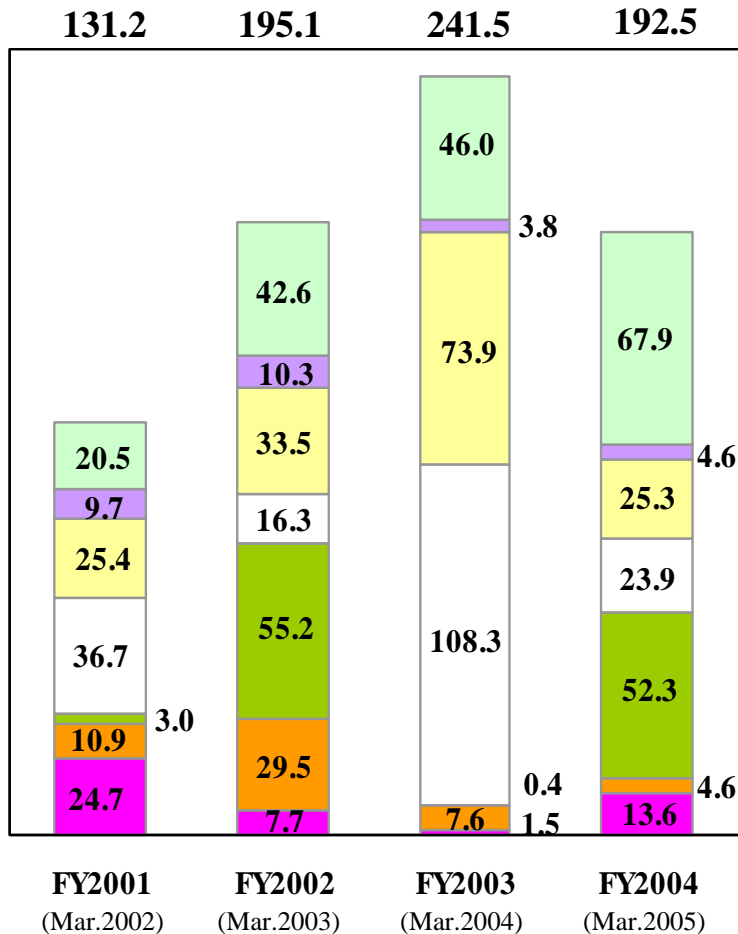
Toyo Engineering	160.4 billion yen
Domestic subsidiaries	14.6 billion yen
Overseas subsidiaries	17.4 billion yen
Total	192.5 billion yen

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

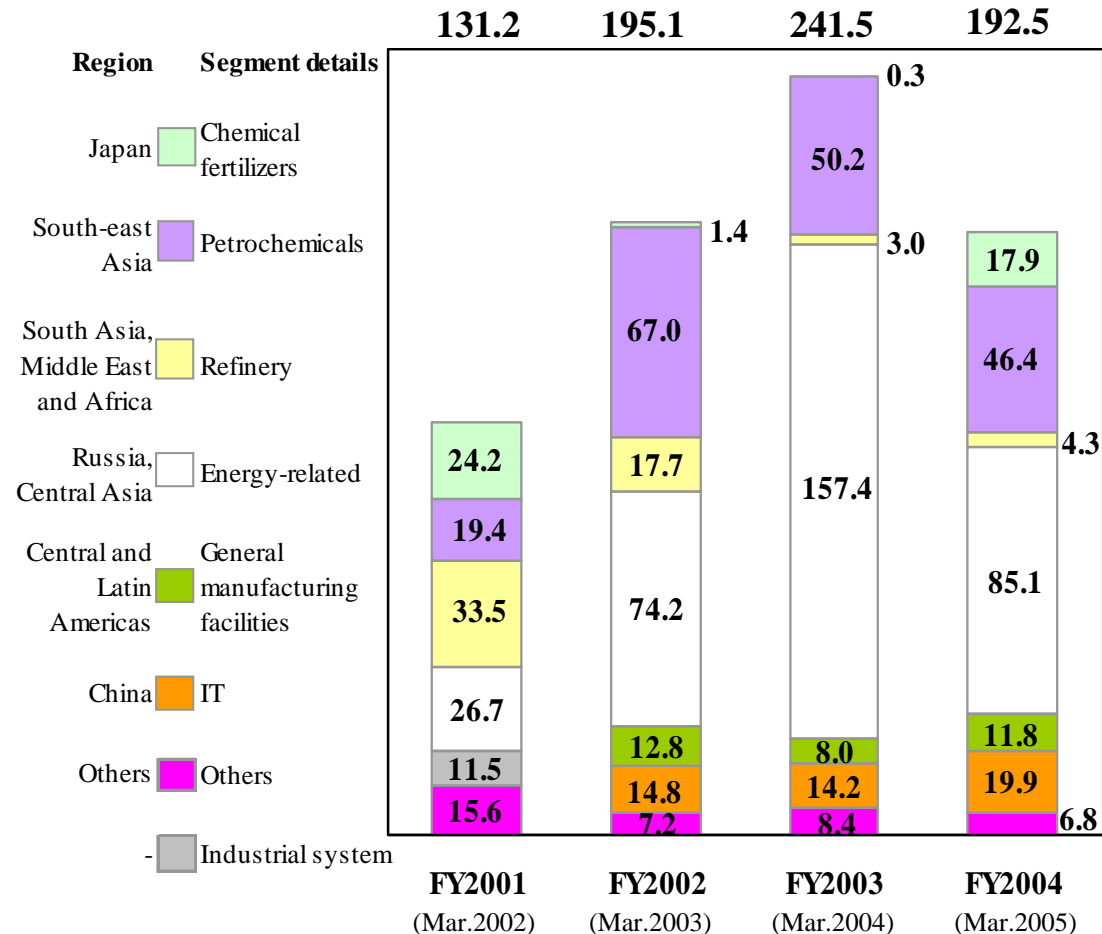
New orders (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details

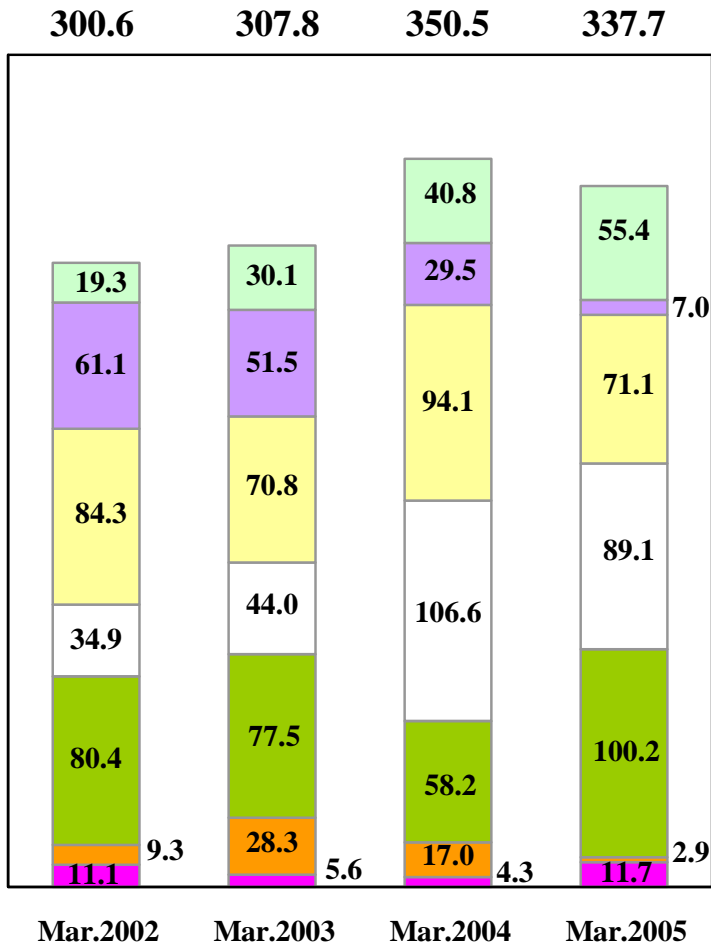


*The above does not include figures related to real estate segment.

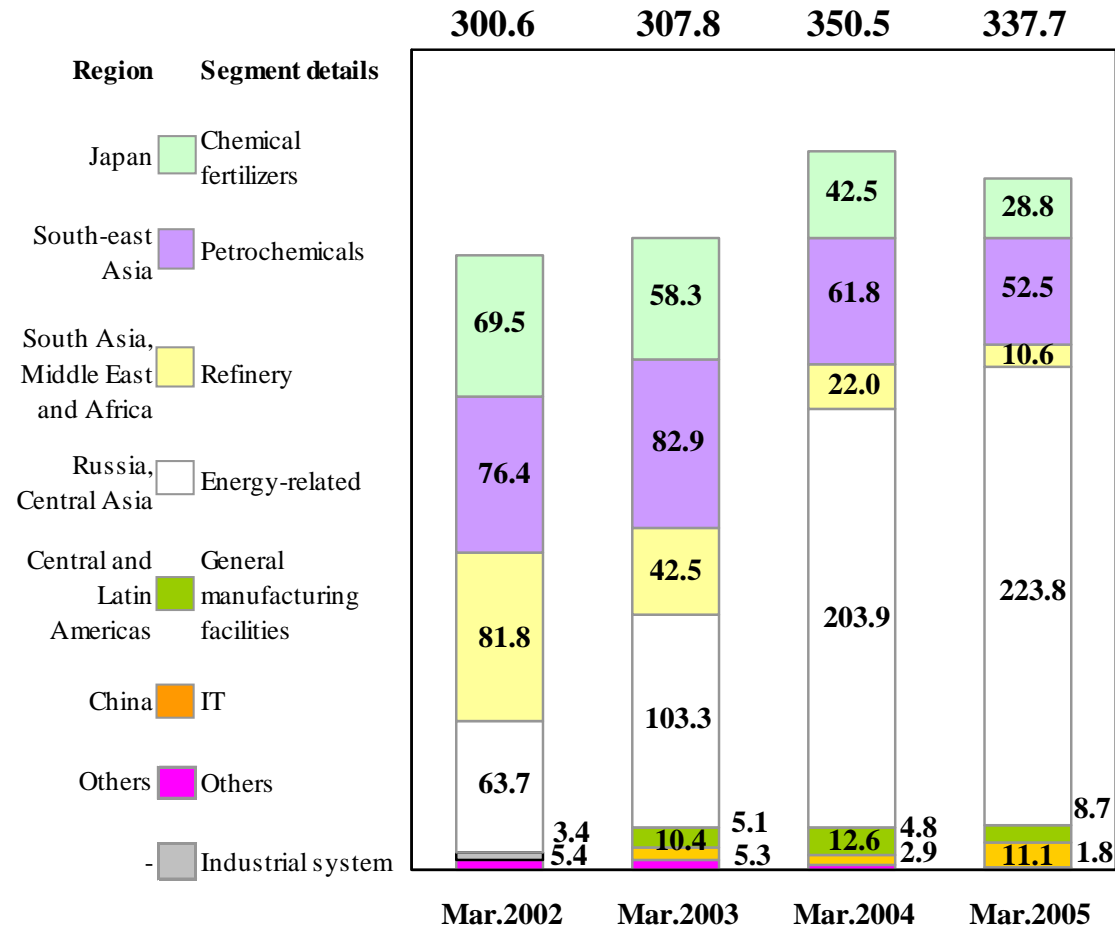
Backlog of contracts (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details



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

Forecast

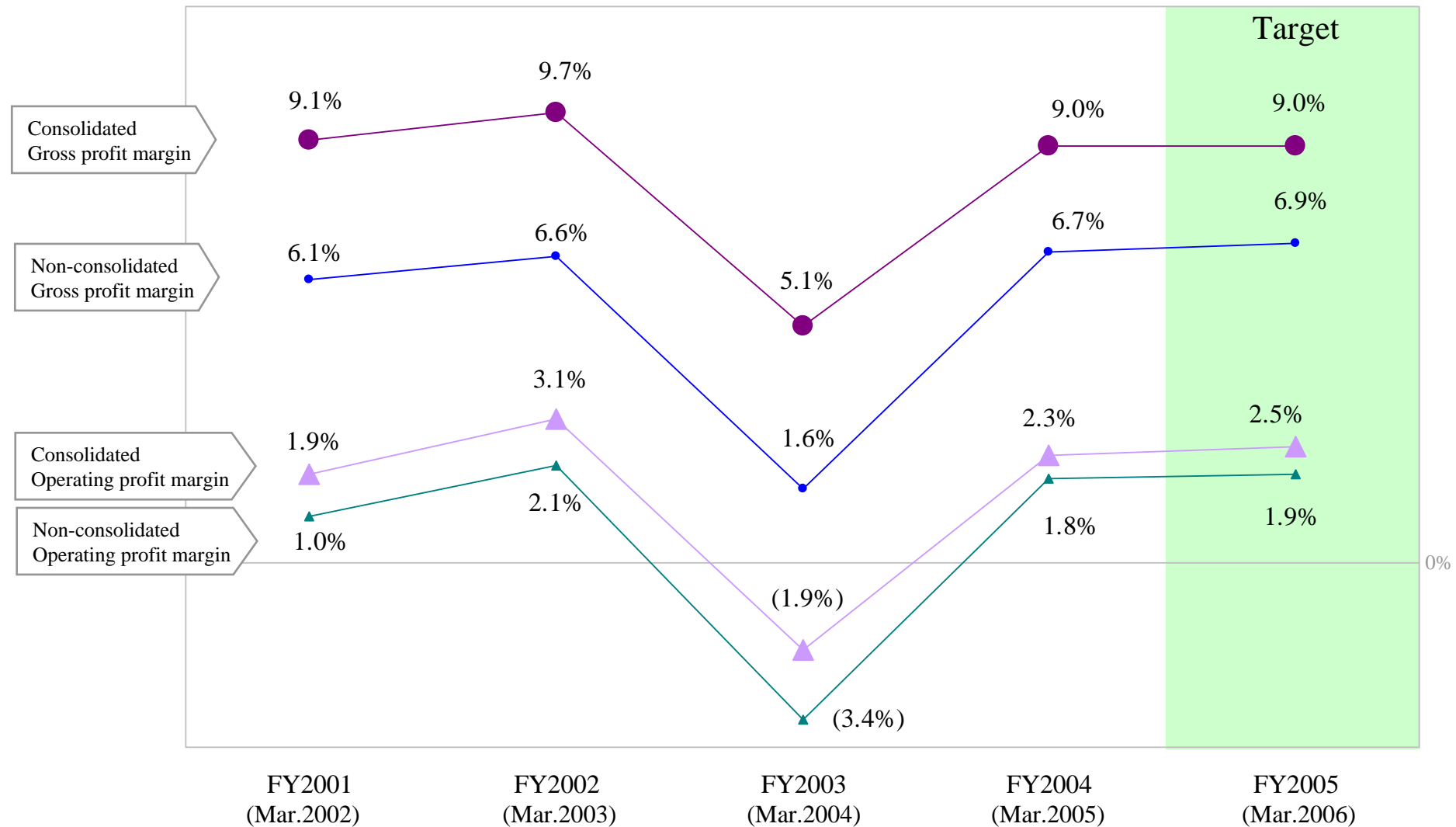
< Billions of yen >

Consolidated	FY2004 (Mar.2005)	Forecast for FY2005 (Mar.2006)		Notes																													
		Interim term	Entire term																														
Net sales	197.9	75.0	200.0	Forecast for breakdowns by segment																													
Operating income	4.5	1.0	5.0																														
Ordinary income	3.9	0.5	4.0																														
Net income	3.5	0.0	3.5																														
New orders	192.5	-	200.0																														
Dividends per share (yen)	¥3.0	¥0.0	¥3.0																														
<table border="1"> <thead> <tr> <th rowspan="2">Segment</th> <th colspan="2">Net sales</th> <th colspan="2">Operating income</th> </tr> <tr> <th>Interim term</th> <th>Entire term</th> <th>Interim term</th> <th>Entire term</th> </tr> </thead> <tbody> <tr> <td>Real estate</td> <td>1.3</td> <td>2.7</td> <td>0.45</td> <td>1.0</td> </tr> <tr> <td>IT</td> <td>5.2</td> <td>20.0</td> <td>(0.50)</td> <td>0.8</td> </tr> <tr> <td>EPC</td> <td>68.5</td> <td>177.3</td> <td>1.05</td> <td>3.2</td> </tr> <tr> <td>Total</td> <td>75.0</td> <td>200.0</td> <td>1.00</td> <td>5.0</td> </tr> </tbody> </table>					Segment	Net sales		Operating income		Interim term	Entire term	Interim term	Entire term	Real estate	1.3	2.7	0.45	1.0	IT	5.2	20.0	(0.50)	0.8	EPC	68.5	177.3	1.05	3.2	Total	75.0	200.0	1.00	5.0
Segment	Net sales		Operating income																														
	Interim term	Entire term	Interim term	Entire term																													
Real estate	1.3	2.7	0.45	1.0																													
IT	5.2	20.0	(0.50)	0.8																													
EPC	68.5	177.3	1.05	3.2																													
Total	75.0	200.0	1.00	5.0																													
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Net income	3.1	0.0	3.0																														
New orders	160.9	-	180.0																														

Exchange rate for forecast : 1US\$ = ¥105.00 1EUR = ¥135.00

- Reference -

Profit margin



- Reference -

Subsidiaries information

Consolidated Subsidiaries

< Companies >

		Mar 31,2004	Increase	Decrease	Mar 31,2005
Number of companies consolidated	Consolidated subsidiaries	13	2	0	15
	Affiliated companies consolidated by equity method	1	0	0	1
	Total	14	2	0	16
(Reference)	All subsidiaries	27	3	1	29
Number of all subsidiaries & affiliated company	All affiliated companies	8	2	0	10
	Total	35	5	1	39

Results of major subsidiaries

Subsidiaries, affiliated companies	Business fields	Capital	Mar.2005
			Net sales
Consolidated subsidiaries		Billions of yen	Billions of yen
Toyo Business Engineering Corporation	IT	0.7	9.7
TEC Estate, Ltd.	Real estate	5.0	1.2
Suntec Corporation	Real estate	0.5	2.3
Toyo U.S.A., Inc.	EPC	0.1	2.0
Toyo Engineering Korea Ltd.	EPC	0.5	6.0
Toyo Engineering India Limited	EPC	0.3	3.6
International Procurement & Service Corporation	EPC	0.1	8.7
Affiliated companies consolidated			
Toyo Thai Corporation Ltd.	EPC	0.7	8.6

Contact Points



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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.