

Fiscal year 2003 (Year ended March 31, 2004)

OUTLINE OF FINANCIAL RESULTS

May 2004

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Contact points

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

Performance summary

- *Decrease in revenue and profit due to an unprofitable petrochemical project in Saudi Arabia.*
- *Over 241.5 billion yen new order achieved, including 2 big energy-related projects in Russia and Iran.*
- *15.9 billion yen reduction of interest bearing debts through cash flows from operating activities.*

Summary of operation

< Billions of yen >

FY2002 Mar. 2003	FY2003 Mar. 2004	Difference	Forecast for FY2003 (As of Mar.2004)	Difference
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Consolidated

Net sales	179.1	170.5	(8.6)	175.0	(4.4)
Operating income	5.4	(3.2)	(8.6)	(3.1)	(0.1)
Ordinary income	2.5	(3.4)	(6.0)	(3.5)	+0.0
Net income	(0.9)	(6.4)	(5.5)	(6.5)	+0.0
New orders	195.1	241.5	+46.3	240.0	+1.5

Non-consolidated

Net sales	149.2	142.9	(6.3)	145.0	(2.0)
Operating income	3.1	(4.7)	(7.9)	(4.6)	(0.1)
Ordinary income	1.2	(4.5)	(5.7)	(4.5)	(0.0)
Net income	(1.0)	(6.4)	(5.3)	(6.5)	+0.0
New orders	170.3	216.3	+46.0	220.0	(3.6)
Dividends per share (yen)	-	-	-	-	-

Exchange rate for forecast, FY2003

1US\$ = ¥105.00

1EUR = ¥135.00

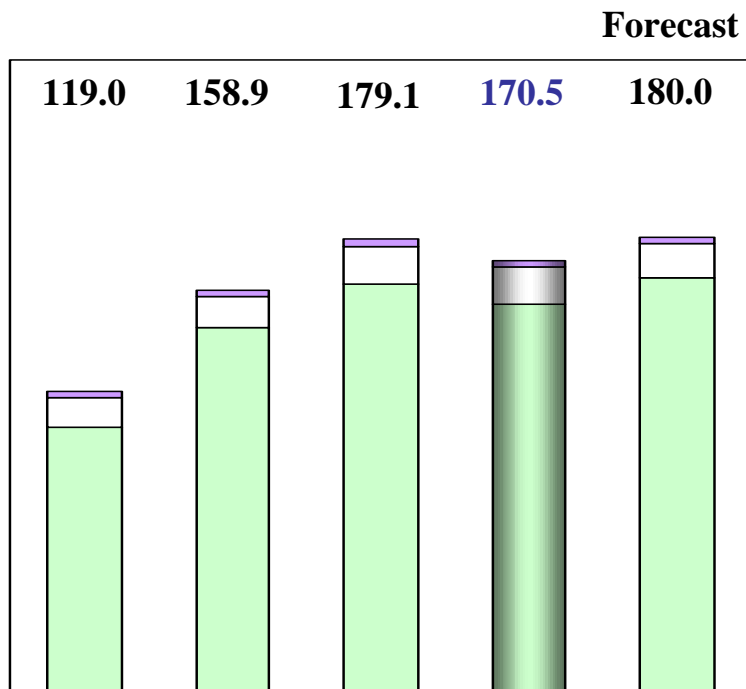
Income statement

< Billions of yen >

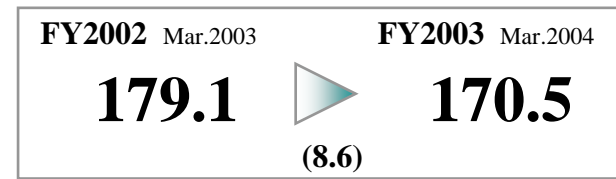
Consolidated	FY2002 Mar. 2003	FY2003 Mar. 2004	Difference	Forecast for FY2003 (As of Mar.2004)	Difference
Net sales	179.1	170.5	(8.6)	175.0	(4.4)
Cost of sales	161.8	161.8	(0.0)		
Gross profit	17.2	8.6	(8.6)		
Gross profit margin	9.7%	5.1%	(4.6%)		
Selling, general and administrative expenses	11.8	11.8	(0.0)		
Operating income	5.4	(3.2)	(8.6)	(3.1)	(0.1)
Operating profit margin	3.1%	(1.9%)	(5.0%)		
Non-operating income	2.2	1.9	(0.2)		
Non-operating expenses	5.1	2.1	2.9		
Total non-operating income	(2.8)	(0.2)	2.6		
Ordinary income	2.5	(3.4)	(6.0)	(3.5)	0.0
Ordinary profit margin	1.4%	(2.0%)	(3.4%)		
Extraordinary gain	0.3	0.3	0.0		
Extraordinary loss	2.2	0.6	1.6		
Total extraordinary gain and loss	(1.9)	(0.2)	1.6		
Income before income taxes and minority interests	0.6	(3.7)	(4.3)		
Current income taxes	1.2	0.7	0.5		
Deferred income taxes	(0.0)	1.8	(1.9)		
Minority interests	0.3	0.1	0.1		
Net income	(0.9)	(6.4)	(5.5)	(6.5)	0.0
Profit margin	(0.5%)	(3.8%)	(3.3%)		

Net sales

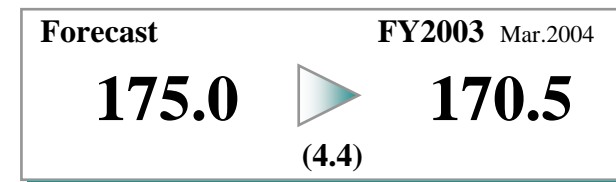
< Billions of yen >



Compared with the previous fiscal year



Compared with forecast



➤ **Not reached to the range of forecast due to lower progress in several projects applying progress base accounting method.**

	FY2000 Mar.2001	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	Forecast for FY2004
Real Estate	2.6	2.5	2.8	2.4	2.4
IT	11.7	12.1	14.9	14.5	14.0
EPC	104.6	144.2	161.4	153.6	163.6
Total	119.0	158.9	179.1	170.5	180.0

<Reference>

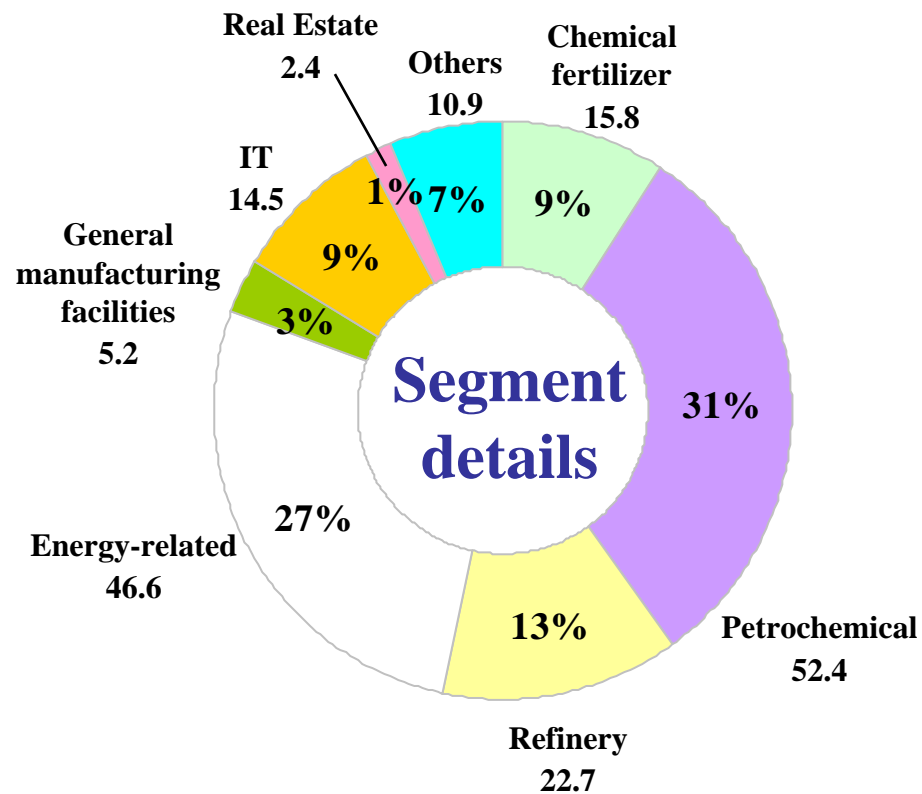
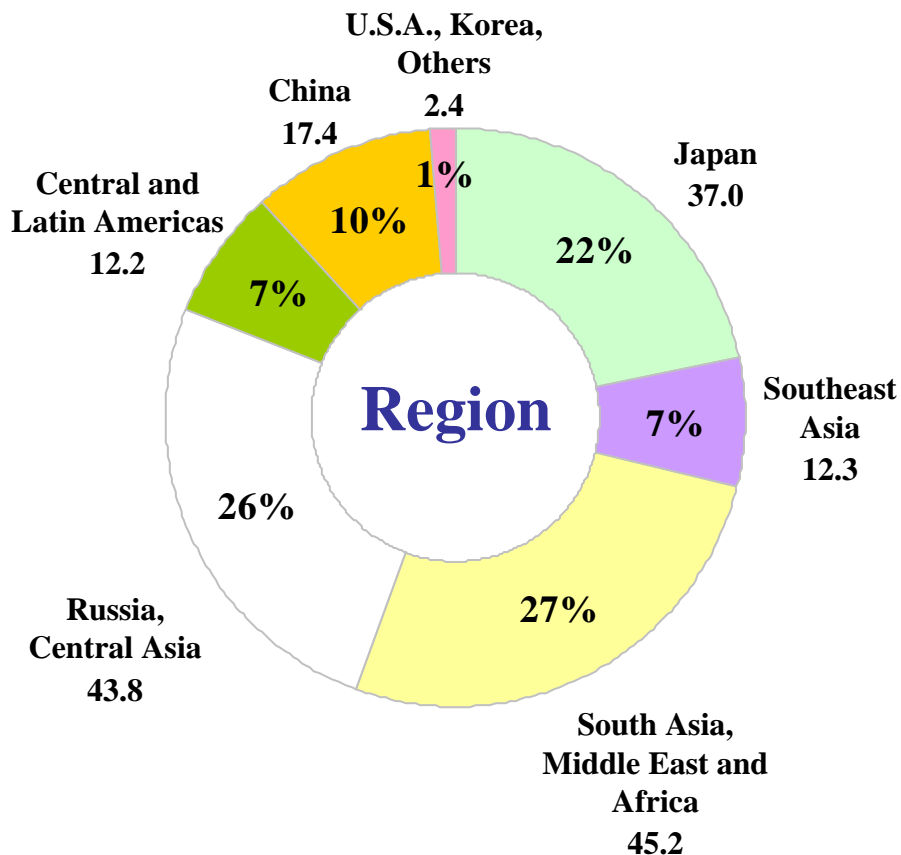
Non-consolidated	99.6	137.5	149.2	142.9	160.0
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Segment	Forecast	FY2003	Difference
Real Estate	2.4	2.4	0.0
IT	15.0	14.5	(0.5)
EPC	157.6	153.6	(3.9)
Total	175.0	170.5	(4.4)

Net sales (Breakdowns by region & segment details)

< Billions of yen >

FY2003 (Mar. 2004)
Net sales : ¥170.5 billion



Net sales (Major net sales)

Major net sales (FY2003 (Mar.2004))

Overseas

More than 10 billion yen	4 projects	Petrochemical, SAUDI ARABIA Energy-related, RUSSIA Energy-related, AZERBAIJAN Refinery, RUSSIA
More than 2 billion yen	8 projects	Petrochemical, CHINA (2 projects) Chemical fertilizer, INDONESIA Chemical fertilizer, IRAN Refinery, BRAZIL Petrochemical, IRAN Petrochemical, SAUDI ARABIA Energy-related, BRAZIL

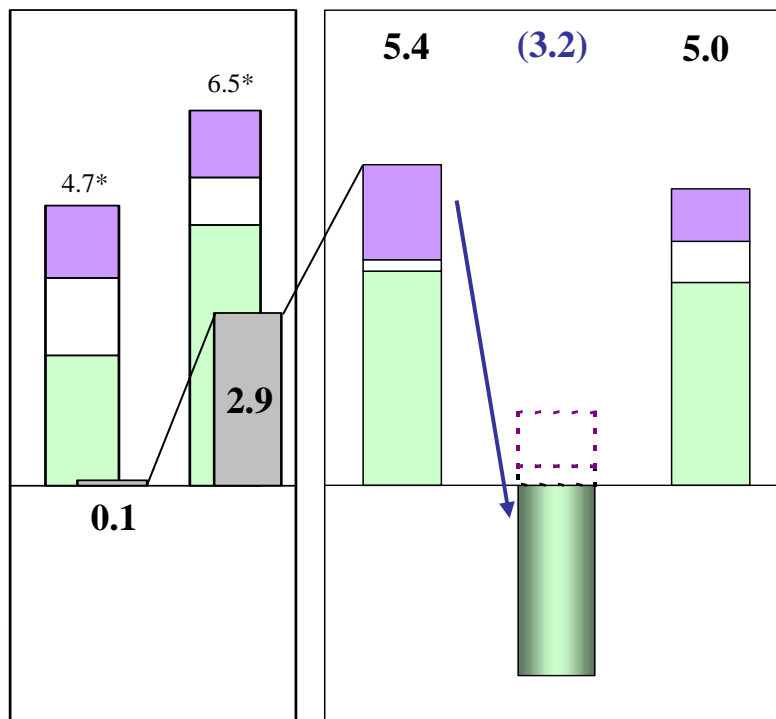
Japan

More than 0.5 billion yen	4 projects	Energy-related Petrochemical (2 projects) General manufacturing facilities
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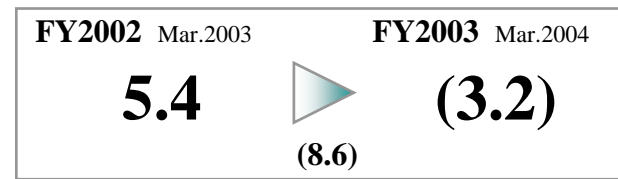
Operating income

< Billions of yen >

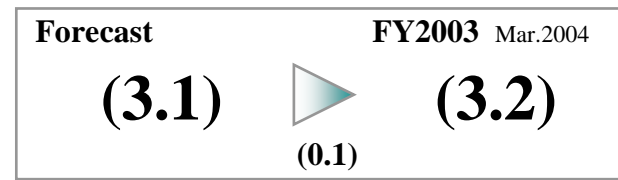
Forecast



Compared with the previous fiscal year



Compared with forecast



* Due to change of accounting method.

	FY2000 Mar.2001	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	Forecast for FY2004
Real Estate	1.2	1.1	1.6	0.9	0.9
IT	1.3	0.8	0.2	0.3	0.7
EPC	2.1	4.4	3.6	(4.5)	3.4
Sub total	4.7	6.5	5.4	(3.2)	5.0
Indivisible cost	(4.6)	(3.5)			
Total	0.1	2.9			

➤ Decreased operating income mainly due to extra cost to recover the schedule delay in a petrochemical project in Saudi Arabia.

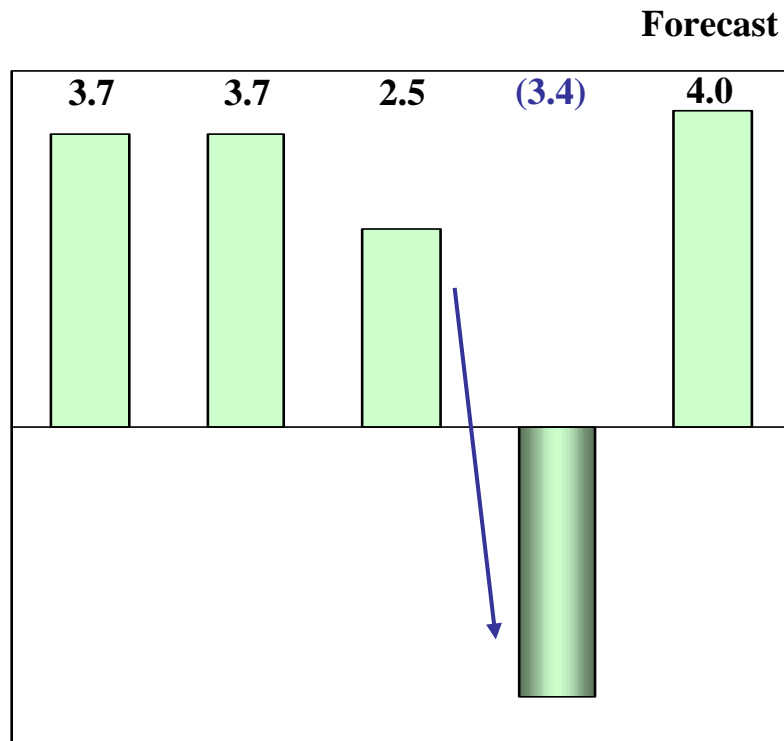
Segment	Forecast	FY2003	Difference
Real Estate	0.9	0.9	0.0
IT	0.3	0.3	0.0
EPC	(4.3)	(4.5)	(0.1)
Total	(3.1)	(3.2)	(0.1)

<Reference>

Non-consolidated	(1.5)	1.4	3.1	(4.7)	3.5
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Ordinary income

< Billions of yen >



Compared with the previous fiscal year



Compared with forecast



- Ordinary income figure mostly results from the decreased operating income, but reached to the range of announced forecast.

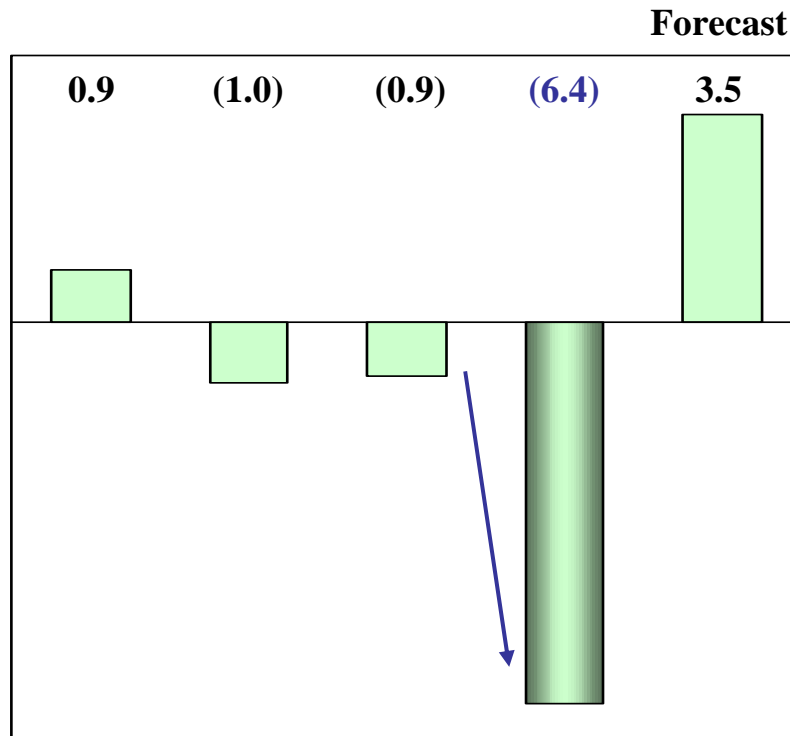
	FY2000 Mar.2001	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	Forecast for FY2004
Consolidated	3.7	3.7	2.5	(3.4)	4.0

<Reference>

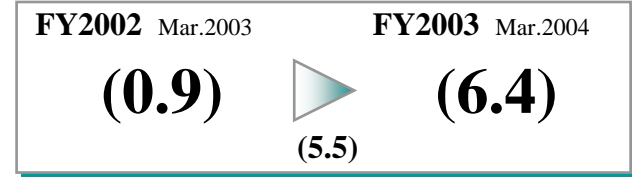
Non-consolidated	2.4	2.2	1.2	(4.5)	3.0
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Net income

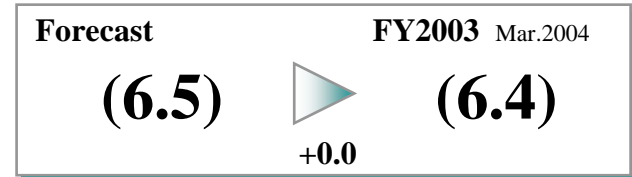
< Billions of yen >



Compared with the previous fiscal year



Compared with forecast



- Net income figure mostly results from the decreased operating income, but reached to the range of announced forecast.

	FY2000 Mar.2001	FY2001 Mar.2002	FY2002 Mar.2003	FY2003 Mar.2004	Forecast for FY2004
Consolidated	0.9	(1.0)	(0.9)	(6.4)	3.5

<Reference>

Non-consolidated	0.1	(1.1)	(1.0)	(6.4)	3.0
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Balance sheet

< Billions of yen >

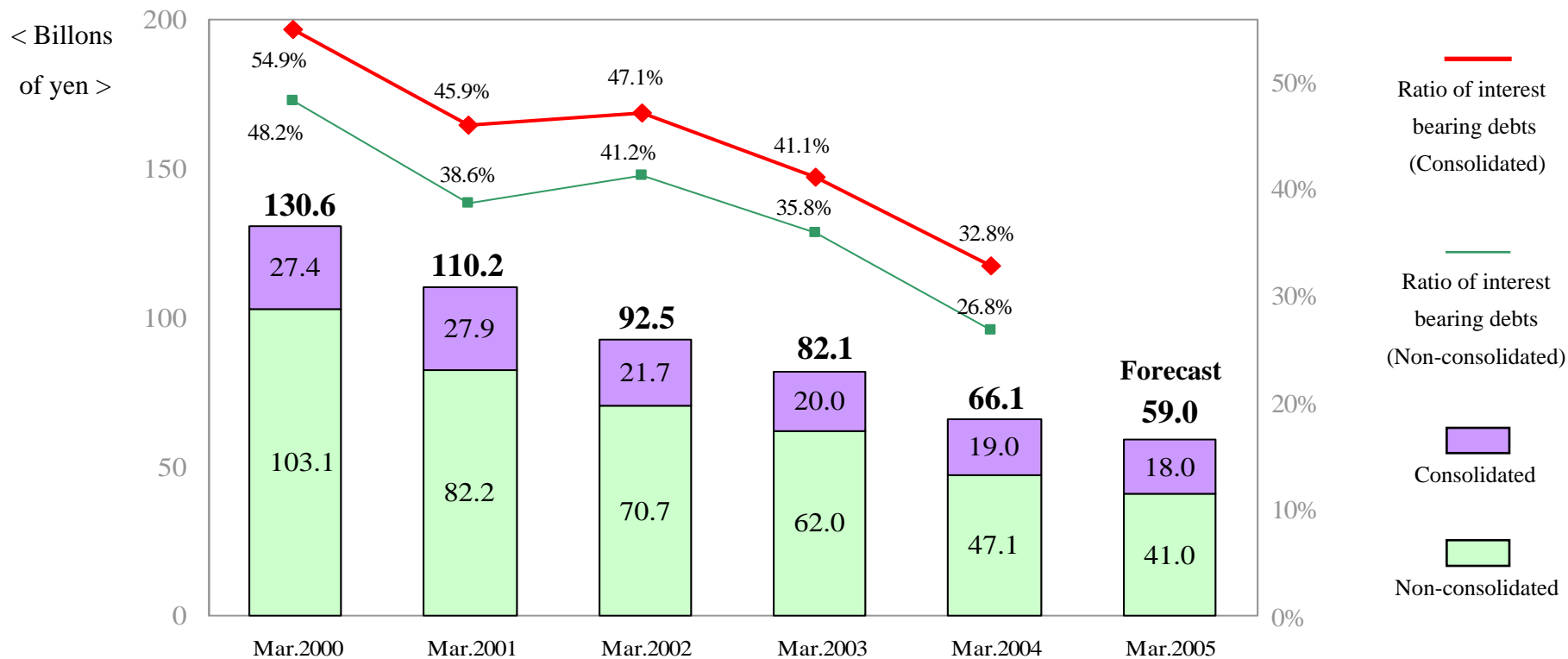
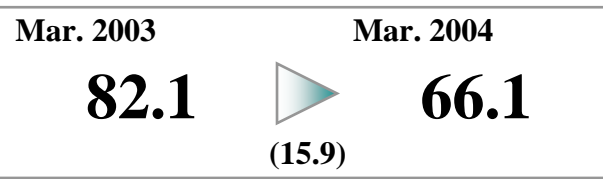
Consolidated	March 31, 2003	March 31, 2004	Difference
Current assets	146.7	149.3	2.5
Cash	42.7	44.0	1.3
Notes and account receivable for projects with deferred payments others	12.4	9.2	(3.2)
	39.5	28.0	(11.5)
Marketable securities	0.0	-	(0.0)
Contract work in progress	41.8	62.6	20.7
Other current assets	10.1	5.3	(4.7)
Fixed assets	52.7	51.7	(0.9)
Property, plant and equipment	33.8	33.2	(0.6)
Intangible assets	1.2	1.6	0.4
Investments and assets	17.6	16.8	(0.8)
Total assets	199.4	201.1	1.6

Consolidated	March 31, 2003	March 31, 2004	Difference
Current liabilities	120.9	129.5	8.6
Notes and accounts payable	33.2	30.1	(3.0)
Short-term bank loans for projects with deferred payments others	2.2	2.2	(0.0)
	37.9	24.2	(13.8)
Advance and other receipts	38.8	61.9	23.0
Other current liabilities	8.5	11.0	2.4
Long-term liabilities	46.7	44.9	(1.7)
Corporate bonds	-	1.0	1.0
Long-term debt for projects with deferred payments others	8.1	5.7	(2.4)
	33.6	32.9	(0.7)
Other long-term liabilities	4.9	5.2	0.3
Minority interests	2.1	1.8	(0.2)
Common stock	13.0	13.0	-
Additional paid-in capital	15.5	15.5	0.0
Retained earnings	2.2	(4.2)	(6.4)
Net unrealized gain (loss) on securities	(0.5)	1.2	1.7
Foreign currency translation adjustments	(0.5)	(0.8)	(0.2)
Treasury stock	(0.0)	(0.0)	0.0
Total liabilities, minority interests and shareholders' equity	199.4	201.1	1.6

Interest bearing debt balance

< Billions of yen >

- **15.9 billion yen reduction of interest bearing debts through cash flows from operating activities. Accelerated reduction schedule compared to the original plan.**
- **Continue to reduce interest bearing debts in FY2004.**

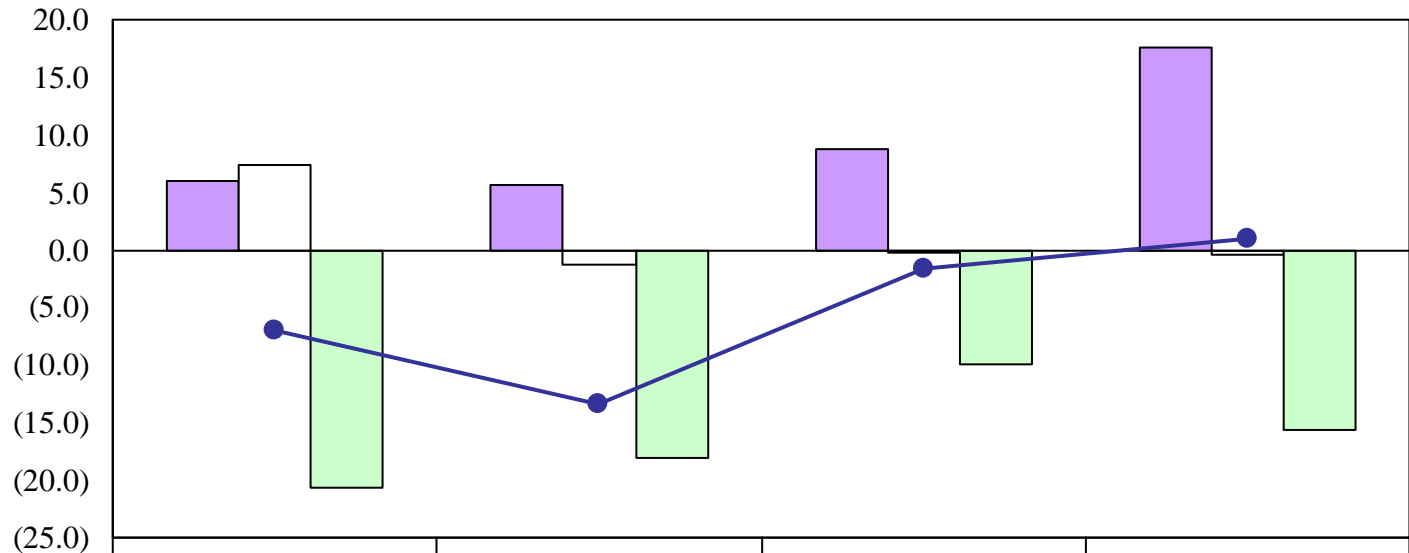


Committed line of credit : - - ¥7 billion ¥10 billion ¥10 billion

Cash flows

< Billions of yen >

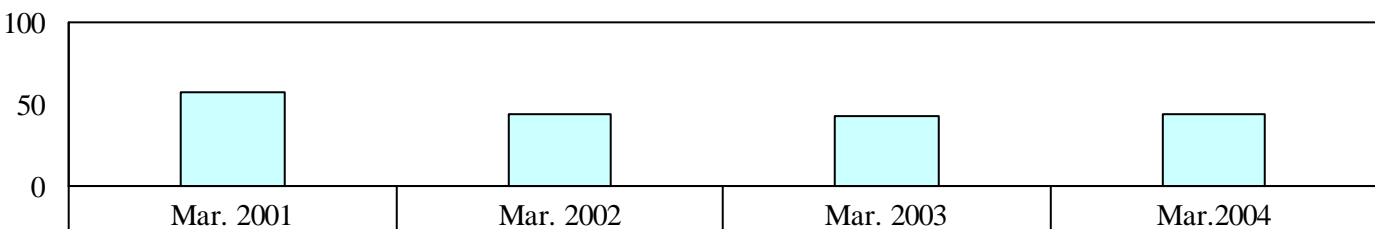
Cash flows



Operating activities	6.0	5.7	8.8	17.5
Investing activities	7.4	(1.3)	(0.2)	(0.5)
Financing activities	(20.7)	(18.1)	(10.0)	(15.7)
Net increase / decrease in cash	(7.0)	(13.4)	(1.6)	1.0

	Mar. 2001	Mar. 2002	Mar. 2003	Mar. 2004
Operating activities	6.0	5.7	8.8	17.5
Investing activities	7.4	(1.3)	(0.2)	(0.5)
Financing activities	(20.7)	(18.1)	(10.0)	(15.7)
Net increase / decrease in cash	(7.0)	(13.4)	(1.6)	1.0

Cash, end of the fiscal



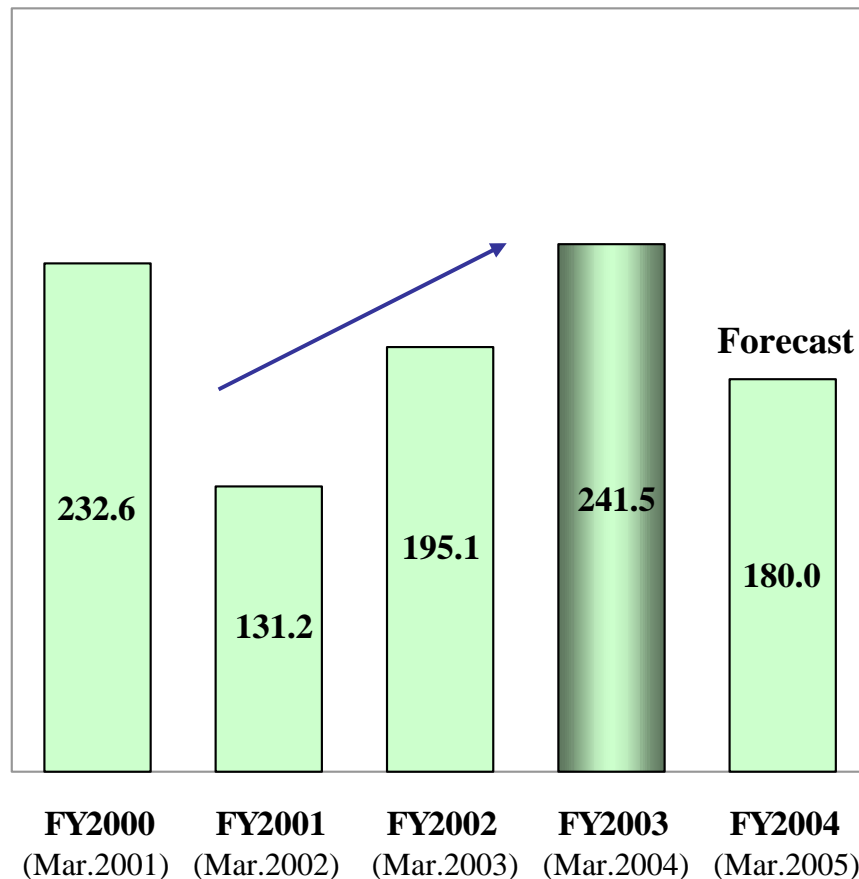
Cash, end of the fiscal	56.9	43.4	42.5	43.6
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	Mar. 2001	Mar. 2002	Mar. 2003	Mar. 2004
Cash, end of the fiscal	56.9	43.4	42.5	43.6

New orders & backlog of contracts

< Billions of yen >

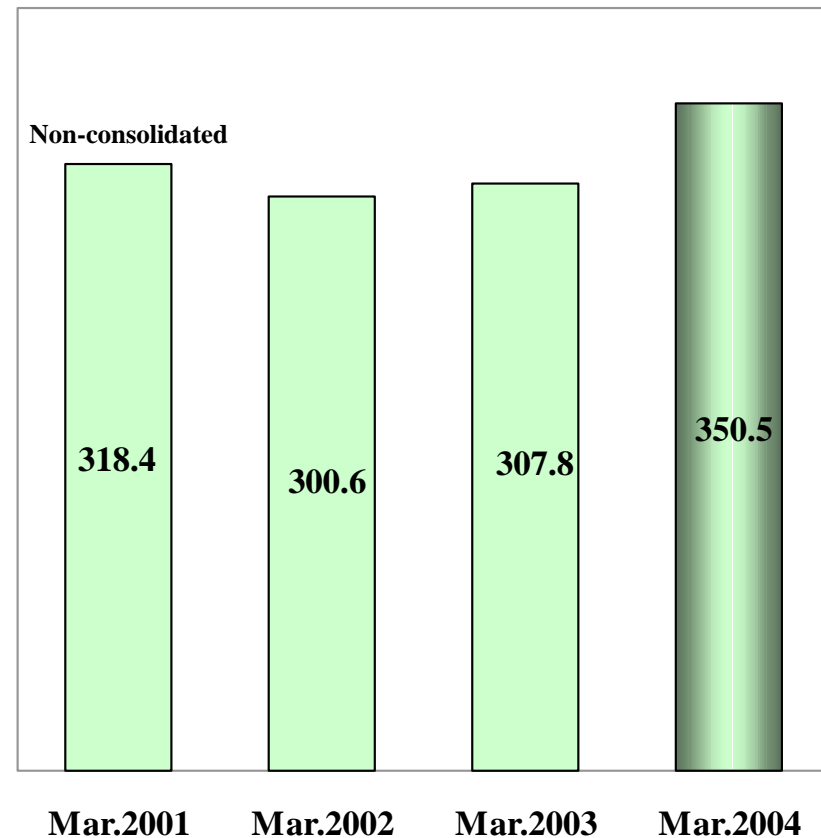
New Orders



<Reference : Non-consolidated>

218.6	116.7	170.3	216.3	160.0
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Backlog of contracts



318.4	295.5	294.5	338.7
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New orders (Major new orders)

Contract price	Project outline (FY2003)
More than 100 billion yen	Energy-related, RUSSIA
More than 30 billion yen	Energy-related, IRAN
More than 20 billion yen	Petrochemical, SAUDI ARABIA
More than 10 billion yen	Petrochemical, JAPAN
More than 2 billion yen	General manufacturing facilities, JAPAN Energy-related, JAPAN Petrochemical, JAPAN
Others	Energy-related, IT, General manufacturing facilities, etc
Total	241.5 billion yen *

New orders : 241.5 billion yen

Achieved a target of 240.0 billion yen for FY2003.

*** Notes :**

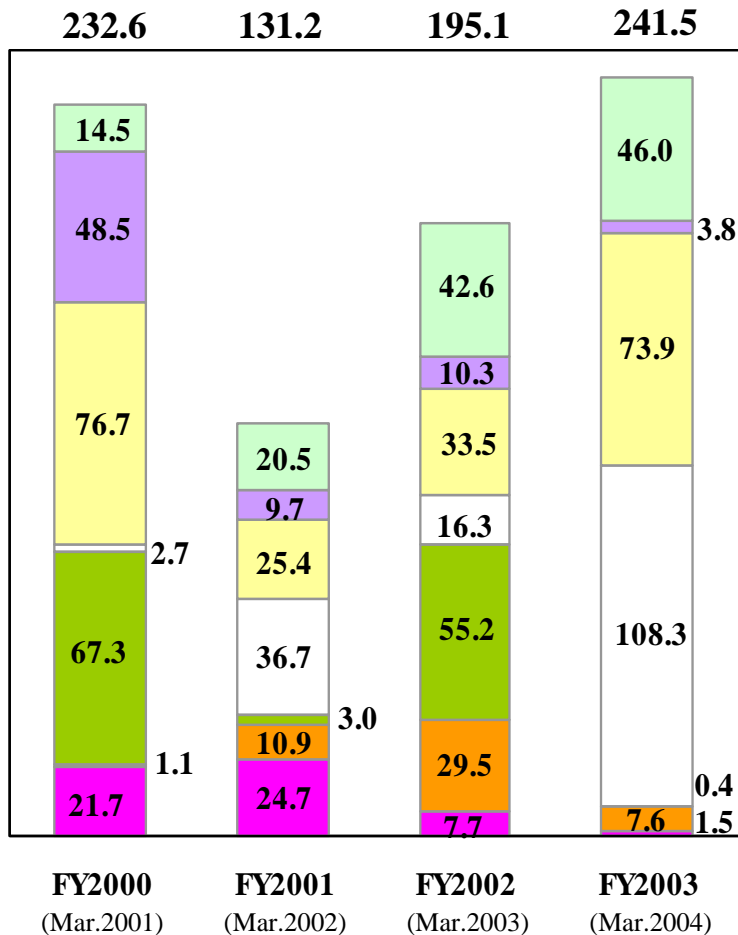
Toyo Engineering	215.9 billion yen
Domestic subsidiaries	15.8 billion yen
Overseas subsidiaries	9.7 billion yen
Total	241.5 billion yen

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

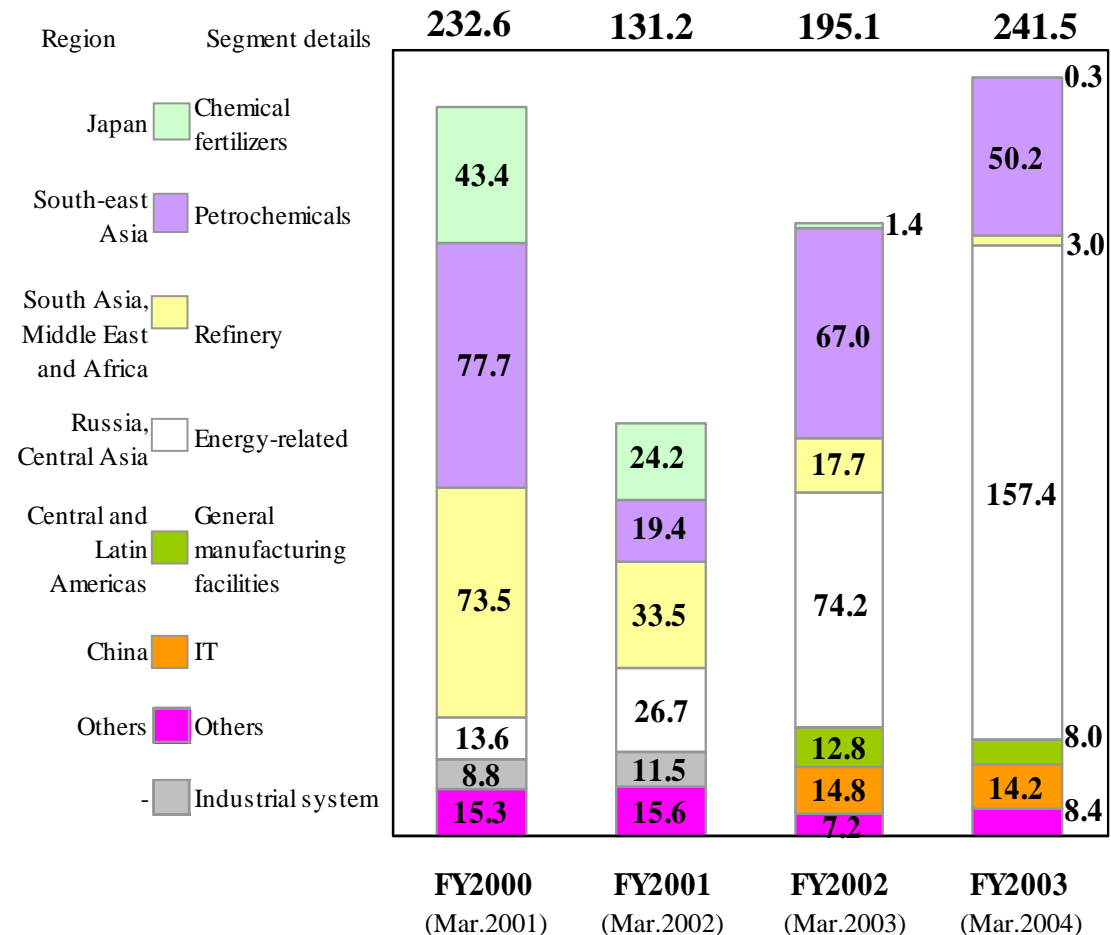
New orders (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details

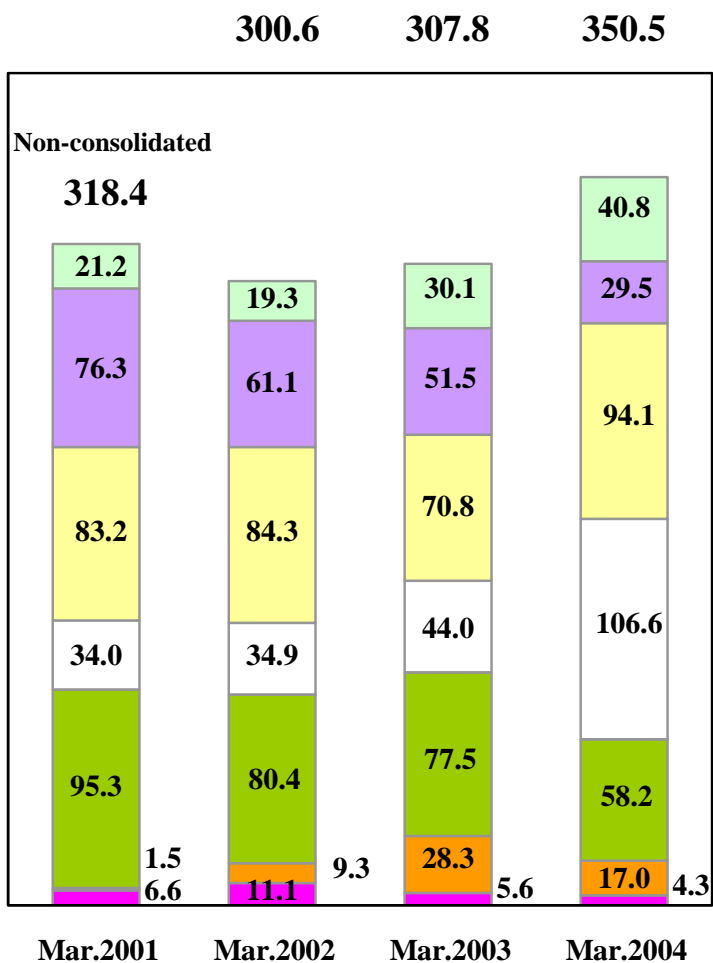


*The above does not include figures related to real estate segment.

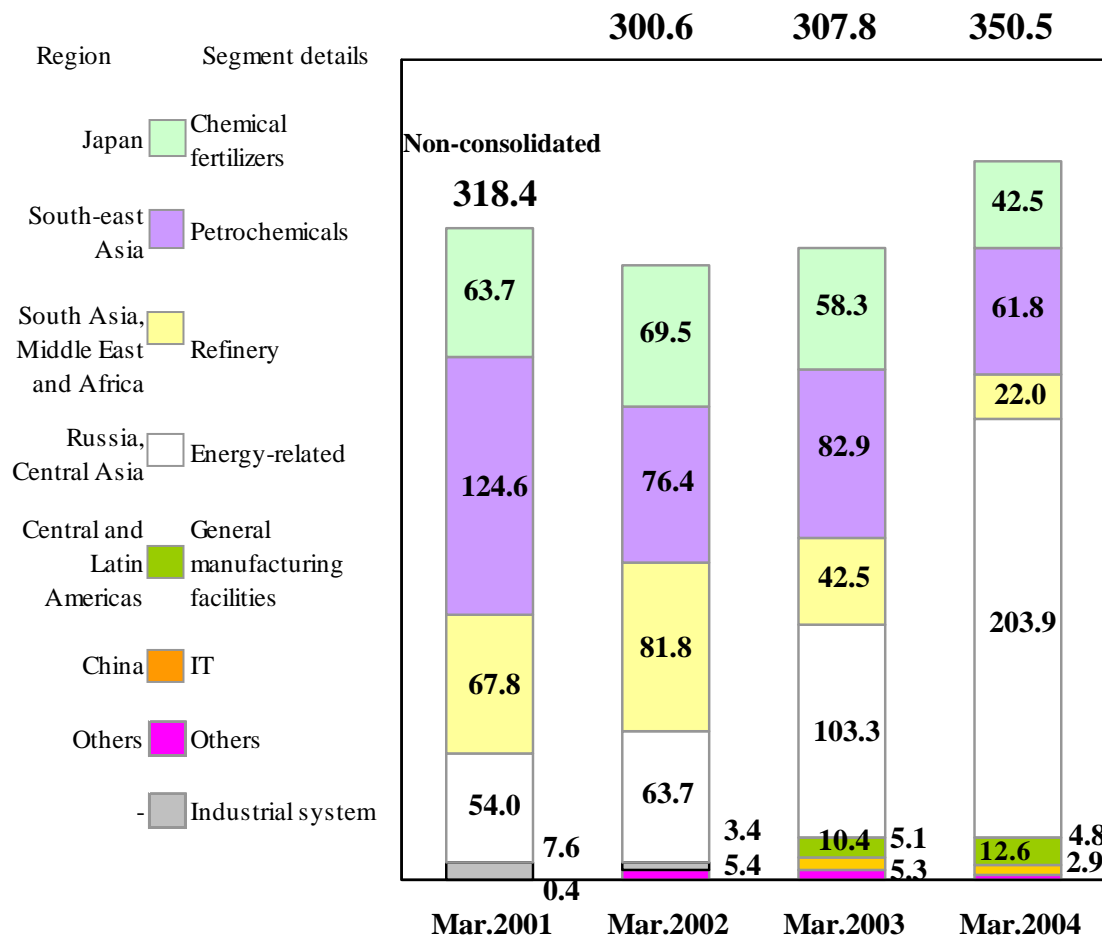
Backlog of contracts (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details



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

Subsidiaries information

Consolidated Subsidiaries

< Companies >

		Mar 31,2003	Increase	Decrease	Mar 31,2004
Number of companies consolidated	Consolidated subsidiaries	12	1	0	13
	Affiliated companies consolidated by equity method	1	0	0	1
	Total	13	1	0	14
(Reference)	All subsidiaries	28	2	3	27
Number ofr all subsidiaries & affiliated company	All affiliated companies	6	2	0	8
	Total	34	4	3	35

Results of major subsidiaries

Subsidiaries, affiliated companies	Business fields	Capital	FY2003 (Mar.2004)
			Net sales
Consolidated subsidiaries		Billions of yen	Billions of yen
Toyo Business Engineering Corporation	IT	0.7	11.4
TEC Estate, Ltd.	Real estate	5.0	1.3
Suntec Corporation	Real estate	0.5	2.4
Toyo U.S.A., Inc.	EPC	0.1	4.5
Toyo Engineering Korea Ltd.	EPC	0.5	6.9
Toyo Engineering India Limited	EPC	0.2	5.0
International Procurement & Service Corporation	EPC	0.1	25.3
Affiliated companies consolidated			
Toyo Thai Corporation Ltd.	EPC	0.7	6.1

Forecast

< Billions of yen >

	FY2003 (Mar.2004)	Forecast for FY2004 (Mar.2005)		Notes
		Interim term	Entire term	
Consolidated				
Net sales	170.5	80.0	180.0	Forecast for breakdowns by segment
Operating income	(3.2)	1.75	5.0	
Ordinary income	(3.4)	1.25	4.0	
Net income	(6.4)	1.0	3.5	
New orders	241.5	-	180.0	
Non-consolidated				
Net sales	142.9	72.5	160.0	
Operating income	(4.7)	1.25	3.5	
Ordinary income	(4.5)	1.0	3.0	
Net income	(6.4)	1.0	3.0	
New orders	216.3	-	160.0	
Dividends per share (yen)	-	-	¥3.0	

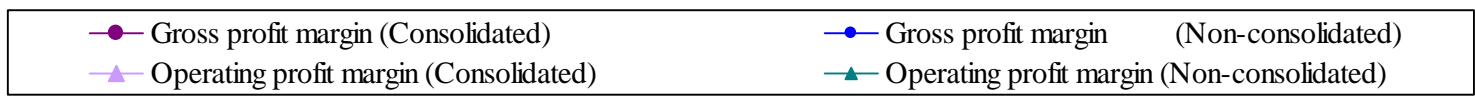
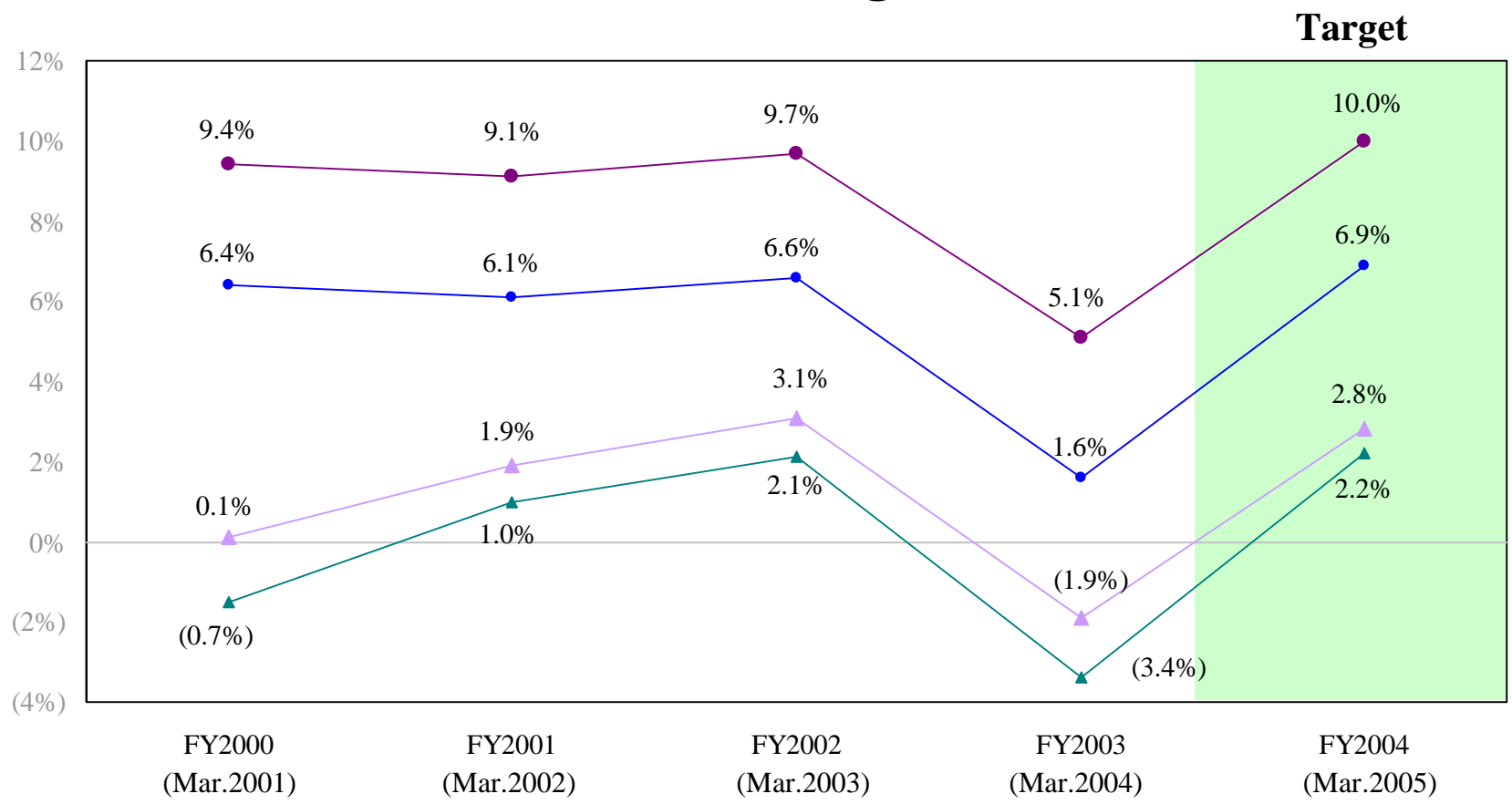
Forecast for breakdowns by segment

Segment	Net sales		Operating income	
	Interim term	Entire term	Interim term	Entire term
Real estate	1.2	2.4	0.4	0.9
IT	4.4	14.0	0.2	0.7
EPC	74.4	163.6	1.15	3.4
Total	80.0	180.0	1.75	5.0

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

- Reference -

Profit margin





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.