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First half of fiscal year 2005 (September 30, 2005)

OUTLINE OF INTERIM FINANCIAL RESULTS

November 11, 2005

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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

- *Gained revenue and net income in line with initial interim forecast.*
- *Over 91 billion yen of new orders equivalent to 46% of FY2005 target.*
- *Steadily improving financial position.*

Financial summary

< Billions of yen >

Sep. 2004	Sep. 2005	Difference	Forecast for Sep.2005 <small>(As of May.2005)</small>	Difference
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Consolidated

Net sales	88.8	86.8	(2.0)	75.0	+11.8
Operating income	1.3	0.6	(0.7)	1.0	(0.3)
Ordinary income	1.2	0.4	(0.7)	0.5	(0.0)
Net income	1.1	0.2	(0.9)	0.0	+0.2
New orders	112.0	91.3	(20.7)	Reached 46% of target for FY2005	

Non-consolidated

Net sales	78.4	73.0	(5.3)	65.0	+8.0
Operating income	1.1	0.2	(0.8)	0.75	(0.48)
Ordinary income	1.2	0.3	(0.8)	0.5	(0.1)
Net income	1.0	0.1	(0.9)	0.0	+0.1
New orders	96.7	80.2	(16.5)	Reached 45% of target for FY2005	
Dividends per share (yen)	-	¥0.0	-	¥0.0	±¥0.0

Exchange rate for forecast

1US\$ = ¥105.00

1EUR = ¥135.00

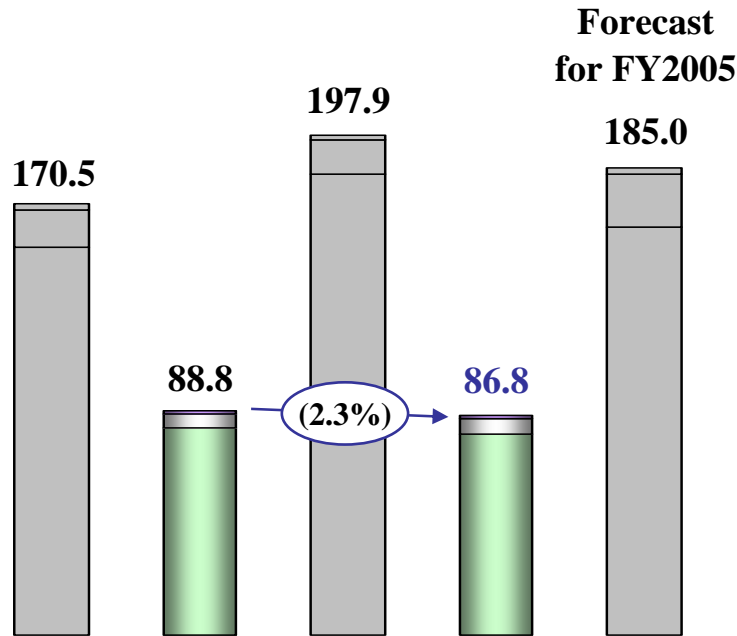
Income statement

< Billions of yen >

Consolidated	Sep. 2004		Sep. 2005		Difference		Forecast for Sep.2005 (As of May.2005)	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen	%		
Net sales	88.8	100.0	86.8	100.0	(2.0)		75.0	11.8
Cost of sales	81.8	92.1	78.8	90.8	2.9			
Gross profit	7.0	7.9	8.0	9.2	0.9	1.3		
Selling, general and administrative expenses	5.6	6.4	7.3	8.5	(1.6)			
Operating income	1.3	1.5	0.6	0.7	(0.7)	0.8	1.0	(0.3)
Non-operating income	0.7	0.9	0.6	0.8	(0.1)			
Non-operating expenses	0.8	1.0	0.7	0.9	0.0			
Total non-operating income and expenses	(0.0)		(0.1)		(0.0)			
Ordinary income	1.2	1.4	0.4	0.6	(0.7)	0.8	0.5	(0.0)
Extraordinary gain	0.2	0.3	0.3	0.4	0.1			
Extraordinary loss	0.2	0.3	0.3	0.4	(0.1)			
Total extraordinary gain and loss	0.0		0.0		(0.0)			
Income before income taxes and minority interests	1.2	1.4	0.5	0.6	(0.7)			
Current income taxes	0.4	0.4	0.2	0.3	0.1			
Deferred income taxes	(0.0)	(0.1)	0.1	0.1	(0.2)			
Minority interests	(0.2)	(0.2)	(0.0)	(0.1)	0.1			
Net income	1.1	1.3	0.2	0.3	(0.9)	1.0	0.0	0.2

Net sales

< Billions of yen >



	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Forecast for Mar. 2006
Real Estate	2.4	1.2	2.3	1.1	2.5
IT	14.5	5.5	13.4	6.1	21.0
EPC	153.6	82.1	182.2	79.6	161.5
Total	170.5	88.8	197.9	86.8	185.0

<Reference>

Non-consolidated	142.9	78.4	175.6	73.0	165.0
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Compared with same period last year

Sep. 2004	Sep. 2005
88.8	86.8
▶ (2.0)	

Compared with forecast for Sep. 2005

Forecast	Sep. 2005
75.0	86.8
▶ +11.8	

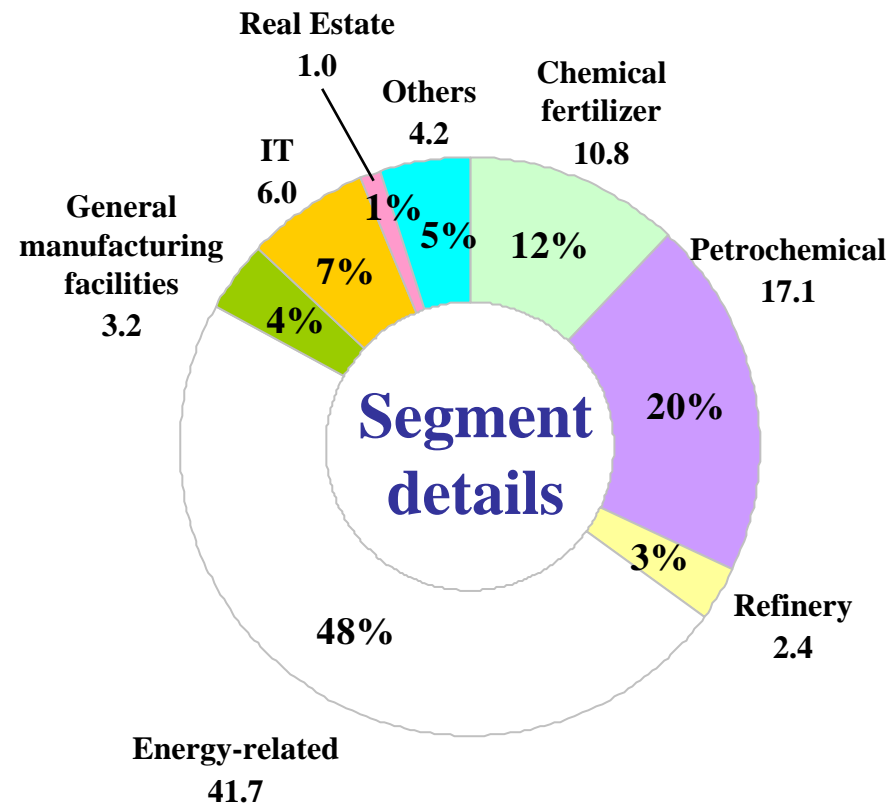
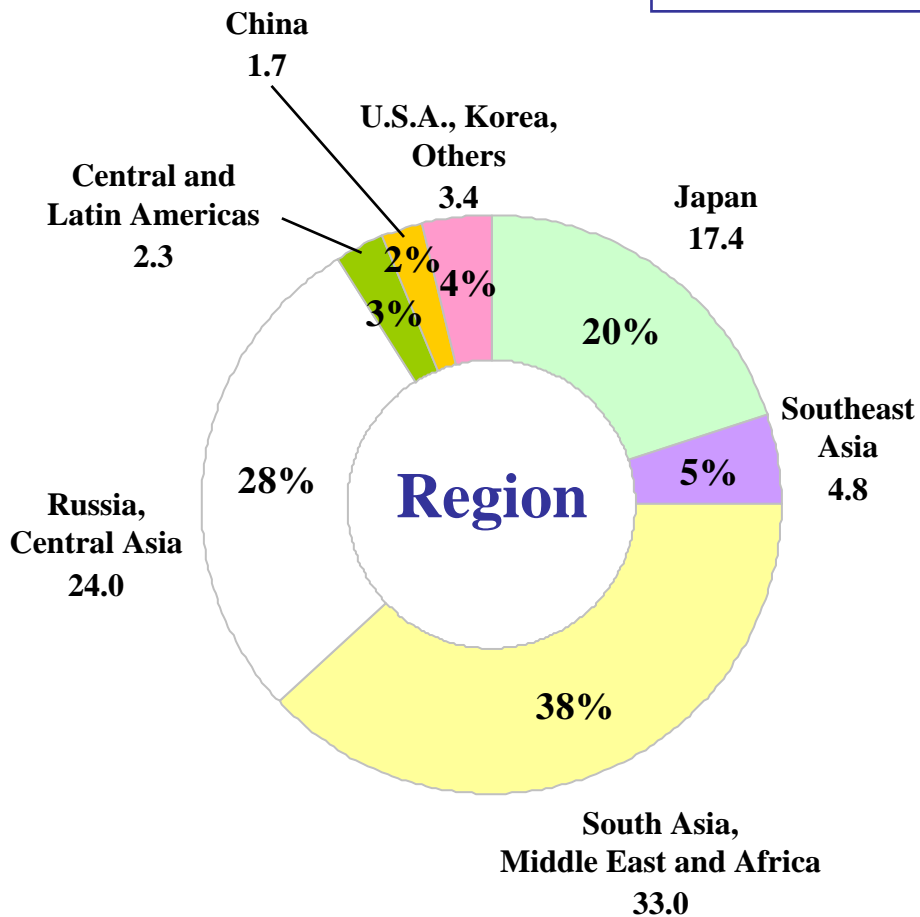
- Higher progress in several projects applying the percentage of completion method.
- Impact of JP¥ depreciation against foreign currencies.

Segment	Forecast	Sep. 2005	Difference
Real Estate	1.3	1.1	(0.2)
IT	5.2	6.1	0.9
EPC	68.5	79.6	11.1
Total	75.0	86.8	11.8

Net sales (Breakdowns by region & segment details)

< Billions of yen >

Sep. 2005
Net sales : ¥86.8 billion



Net sales (Major contracts)

Major contracts (Sep. 2005)

Overseas

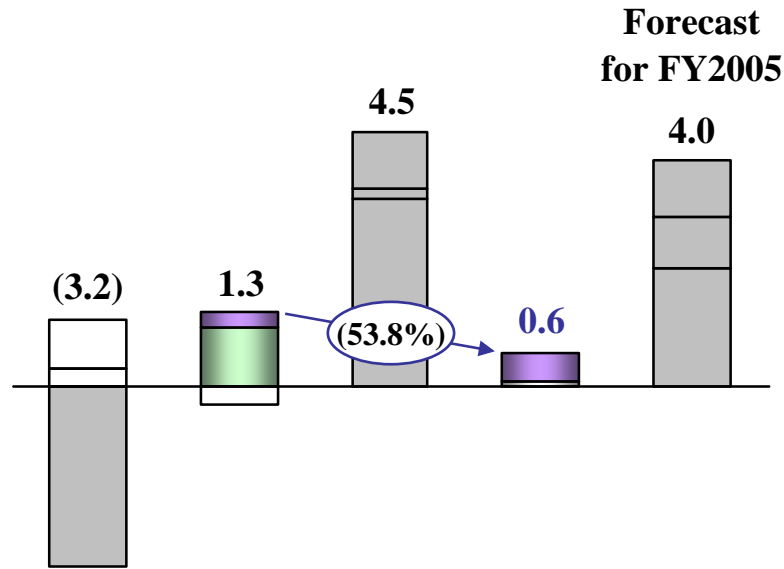
Over 10 billion yen	2 projects	Energy-related, RUSSIA Energy-related, IRAN
Over 5 billion yen	2 projects	Petrochemical, SAUDI ARABIA Chemical fertilizer, IRAN
Over 2 billion yen	1 project	Chemical fertilizer, BANGLADESH
Over 1 billion yen	2 Projects	Chemical fertilizer, INDONESIA Petrochemical, MALAYSIA

Japan

Over 2 billion yen	1 project	Petrochemical
Over 1 billion yen	2 projects	Energy-related General manufacturing facilities

Operating income

< Billions of yen >



	Mar.2004	Sep.2004	Mar.2005	Sep.2005	Forecast for Mar.2006
Real Estate	0.9	0.5	1.0	0.5	1.0
IT	0.3	(0.4)	0.2	0.1	0.9
EPC	(4.5)	1.2	3.3	0.0	2.1
Sub total	(3.2)	1.3	4.5	0.6	4.0

<Reference>

Non-consolidated	(4.7)	1.1	3.2	0.2	2.5
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Compared with same period last year

Sep. 2004		Sep. 2005
1.33	▶	0.61
		(0.71)

- Increase in SG&A expenses.

Compared with forecast for Sep.2005

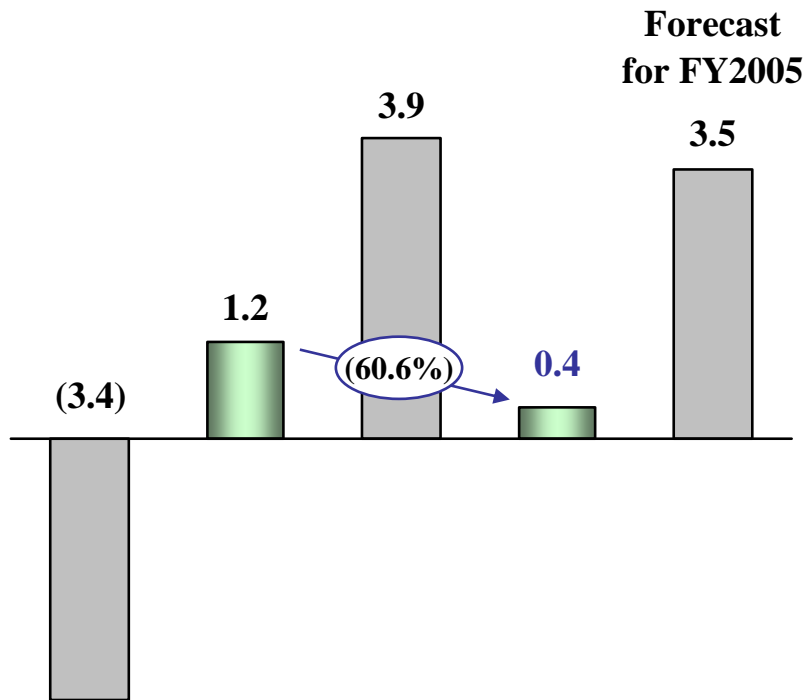
Forecast		Sep. 2005
1.00	▶	0.61
		(0.38)

- Decrease in non-consolidated gross profit : (0.11)
- Increase in non-consolidated SG&A expenses : (0.37)
- Contribution of consolidated subsidiaries : +0.10

Segment	Forecast	Sep. 2005	Difference
Real Estate	0.45	0.50	0.04
IT	(0.50)	0.07	0.57
EPC	1.05	0.04	(1.00)
Total	1.00	0.61	(0.38)

Ordinary income

< Billions of yen >



	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Forecast for Mar. 2006
Consolidated	(3.4)	1.2	3.9	0.4	3.5

<Reference>

Non-consolidated	(4.5)	1.2	3.0	0.3	2.25
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Compared with same period last year

Sep. 2004		Sep. 2005
1.25	▶	0.49
		(0.76)

- Decrease in operating income.

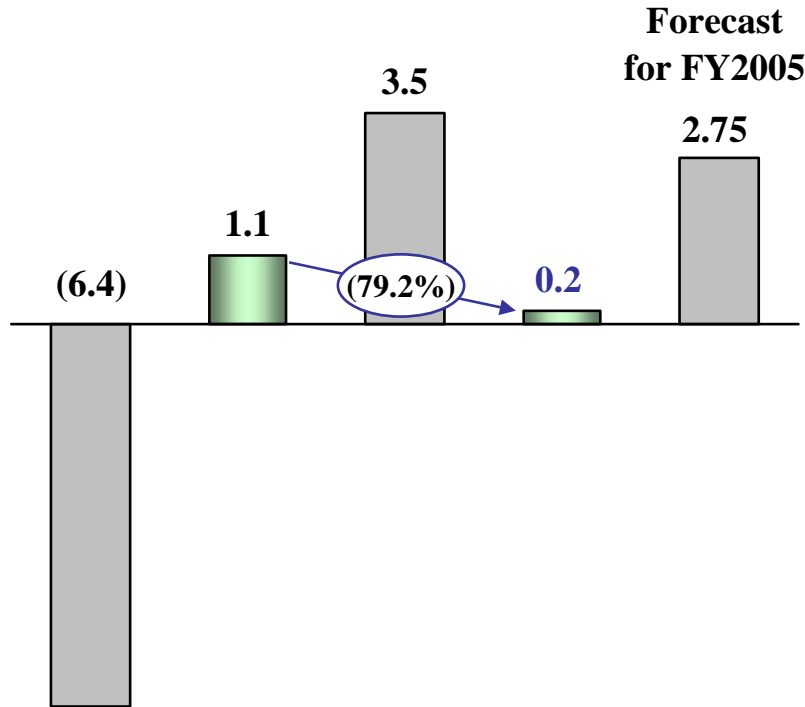
Compared with forecast for Sep. 2005

Forecast		Sep. 2005
0.50	▶	0.49
		(0.01)

- Decrease in consolidated operating income : (0.38)
- Increase in interest income and decrease in financial expenses : +0.35
- Contribution of consolidated subsidiaries : +0.02

Net income

< Billions of yen >



Compared with same period last year

Sep. 2004		Sep. 2005
1.16	▶ (0.92)	0.24

➤ Decrease in ordinary income.

Compared with forecast for Sep.2005

Forecast		Sep. 2005
0.00	▶ +0.24	0.24

➤ Non-consolidated extraordinary gain and loss : +0.23

	Mar.2004	Sep.2004	Mar.2005	Sep.2005	Forecast for Mar.2006
Consolidated	(6.4)	1.1	3.5	0.2	2.75

<Reference>

Non-consolidated	(6.4)	1.0	3.1	0.1	2.25
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Balance sheet

< Billions of yen >

Consolidated	Sep 30. 2004	Mar 31. 2005	Sep 30. 2005	Difference (Sep.2005 vs Mar,2005)
Current assets	155.3	159.0	169.0	10.0
Cash	42.5	45.9	43.9	(1.9)
Other current assets	6.3	11.1	9.7	(1.3)
<Operating assets>				
Notes and account receivable for projects with deferred payments	8.1	6.7	5.6	(1.1)
others	30.8	33.4	21.0	(12.4)
Contract work in progress	67.5	61.7	88.6	26.8
Fixed assets	50.2	50.5	51.8	1.2
Property, plant and equipment	32.9	34.2	34.7	0.5
Intangible assets	1.8	2.0	1.9	(0.0)
Investments and assets	15.3	14.2	15.0	0.7
Total assets	205.5	209.5	220.8	11.2

Consolidated	Sep 30. 2004	Mar 31. 2005	Sep 30. 2005	Difference (Sep.2005 vs Mar,2005)
Current liabilities	135.5	137.5	148.9	11.4
Short-term bank loans for projects with deferred payments	2.2	2.1	2.1	0.0
others	17.4	15.5	11.3	(4.2)
Other current liabilities	9.2	14.4	13.1	(1.2)
<Operating liabilities>				
Notes and accounts payable	37.2	31.7	28.0	(3.7)
Advance and other receipts	69.3	73.7	94.3	20.6
Long-term liabilities	42.9	41.6	40.6	(1.0)
Corporate bonds	3.0	3.0	3.0	0.0
Long-term debt for projects with deferred payments	4.6	3.5	2.5	(1.0)
others	30.3	29.9	29.5	(0.3)
Other long-term liabilities	4.9	5.2	5.5	0.2
Minority interests	1.6	1.8	1.7	(0.0)
Shareholders' equity	25.4	28.4	29.4	1.0
Total liabilities, minority interests and shareholders' equity	205.5	209.5	220.8	11.2

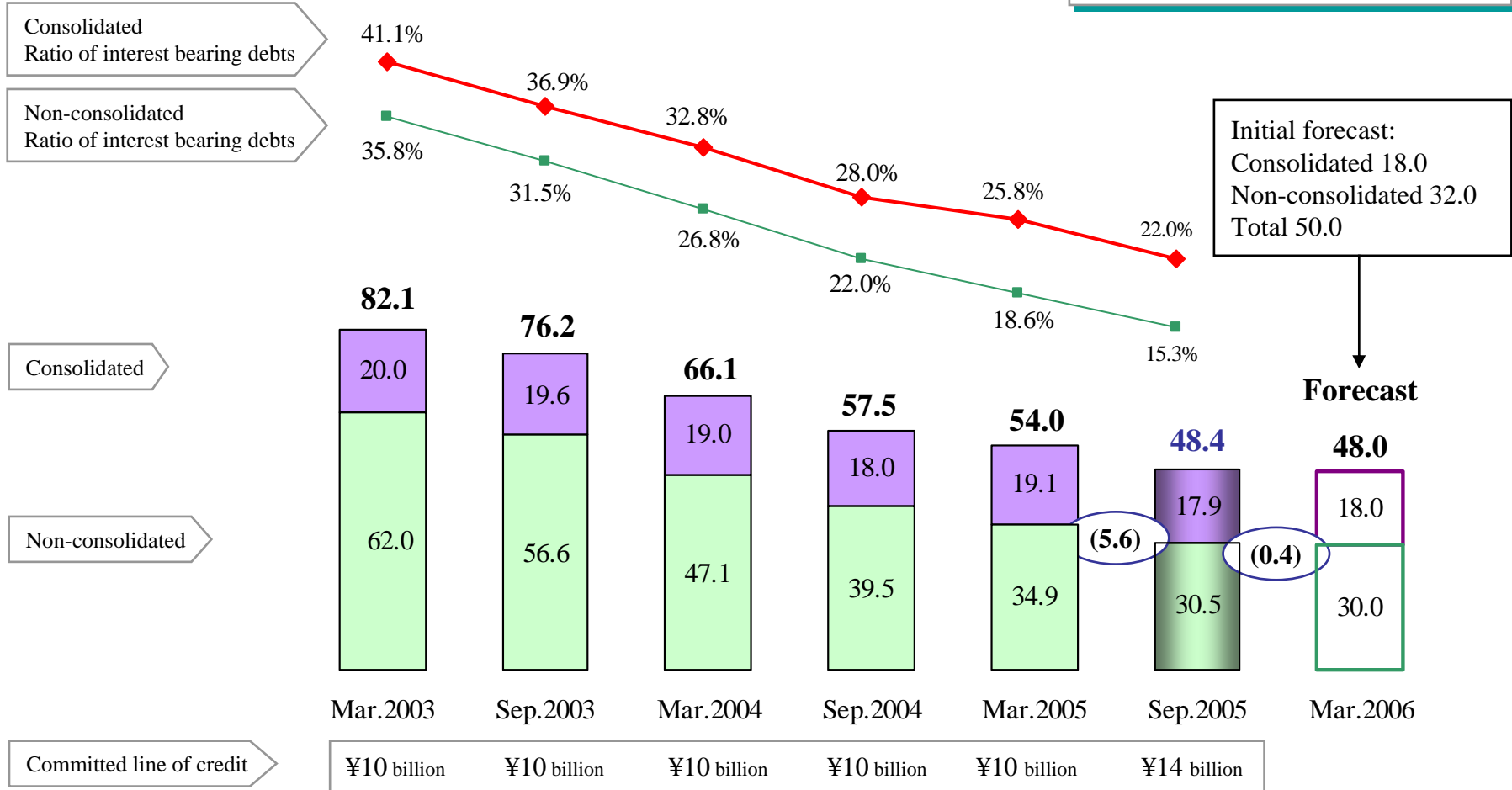
Interest bearing debt balance

< Billions of yen >

➤ Debt equity ratio (times)

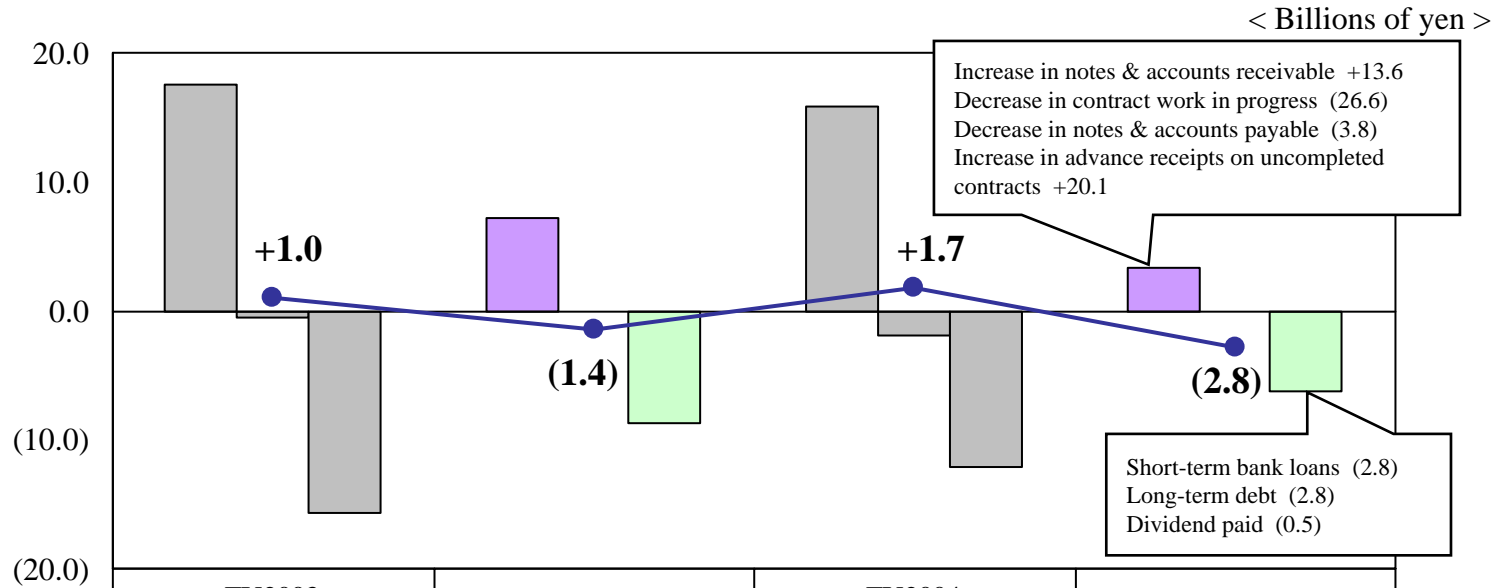
Consolidated **1.65** Non-consolidated **0.79**

Mar. 2005 **54.0** Sep. 2005 **48.4**
 (5.6)



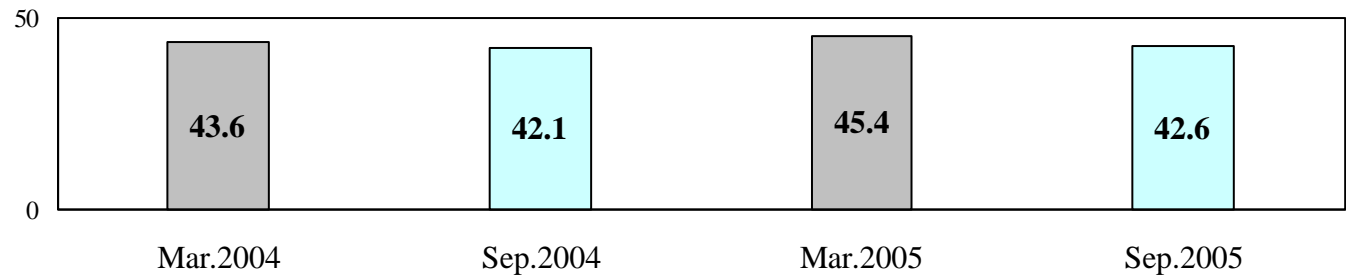
Cash flows

Cash flows



Operating activities	17.5	7.2	15.9	3.3
Investing activities	(0.5)	0.0	(2.0)	(0.1)
Financing activities	(15.7)	(8.7)	(12.1)	(6.2)
Net increase / decrease in cash	1.0	(1.4)	1.7	(2.8)

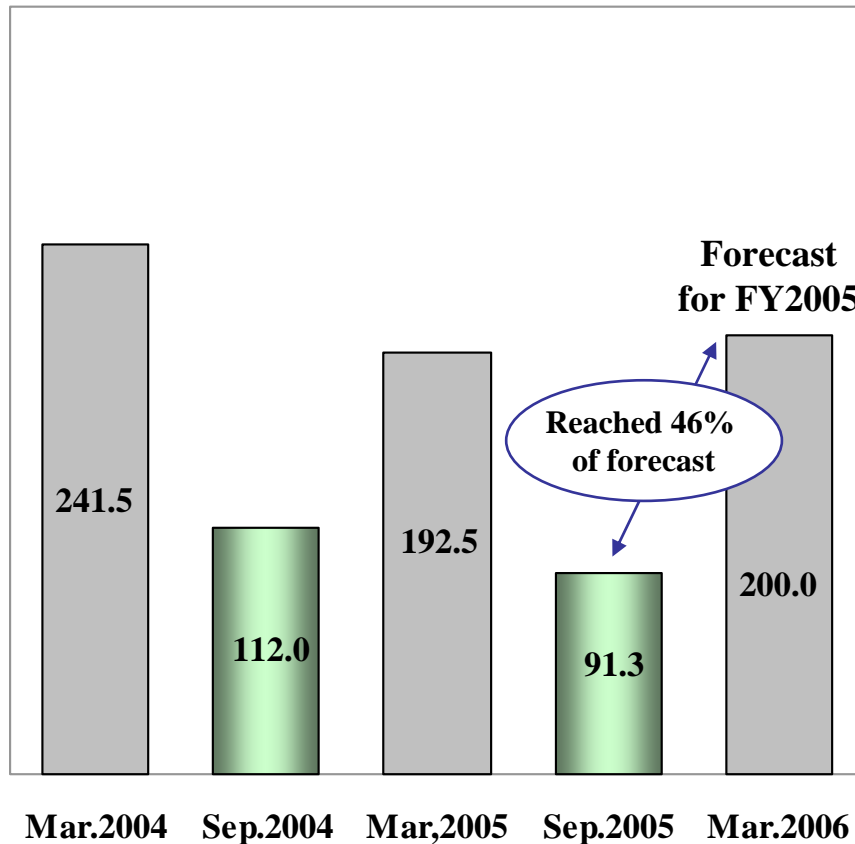
Cash, end of the fiscal



New orders & backlog of contracts

< Billions of yen >

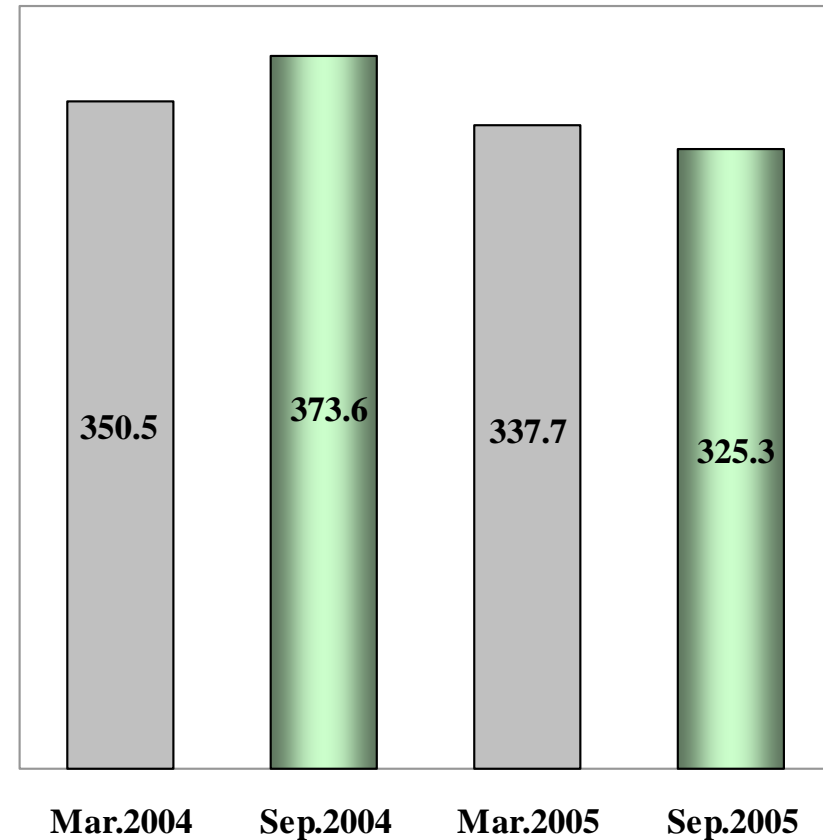
New Orders



<Reference : Non-consolidated>

216.3	96.7	160.9	80.2	180.0
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Backlog of contracts



338.7	355.9	316.7	308.3
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New orders (Major new orders)

Contract price	Project outline (Sep.2005)
Over 30 billion yen	Petrochemical, SAUDI ARABIA
Over 5 billion yen	Energy-related, IRAN Energy-related, RUSSIA Refinery, JAPAN
Over 2 billion yen	Refinery, JAPAN
Over 1 billion yen	Refinery, VIETNAM General manufacturing facilities, JAPAN
Others	Energy-related, IT, General manufacturing facilities, etc
Total	91.3 billion yen *

*** Notes :**

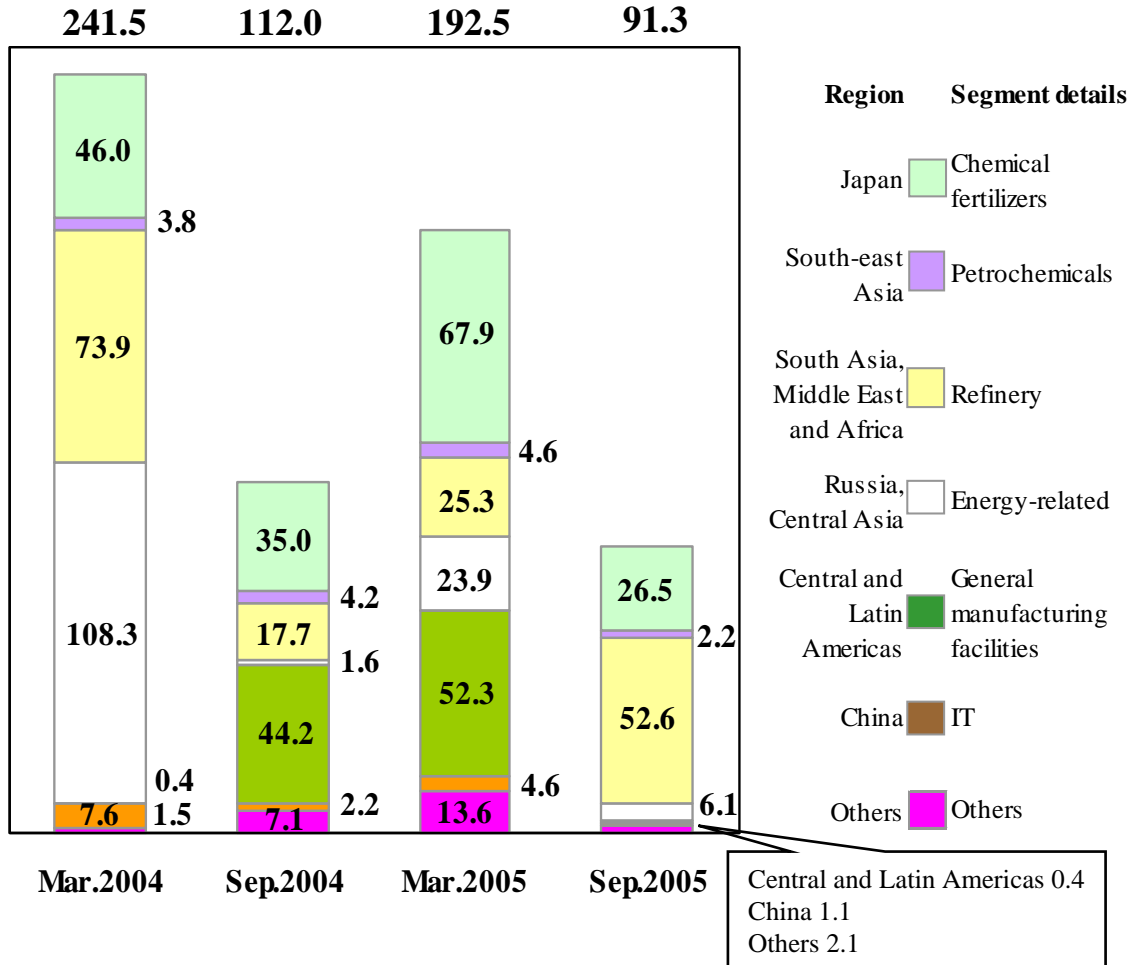
Toyo Engineering	79.9 billion yen
Domestic subsidiaries	9.3 billion yen
Overseas subsidiaries	2.0 billion yen
Total	91.3 billion yen

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

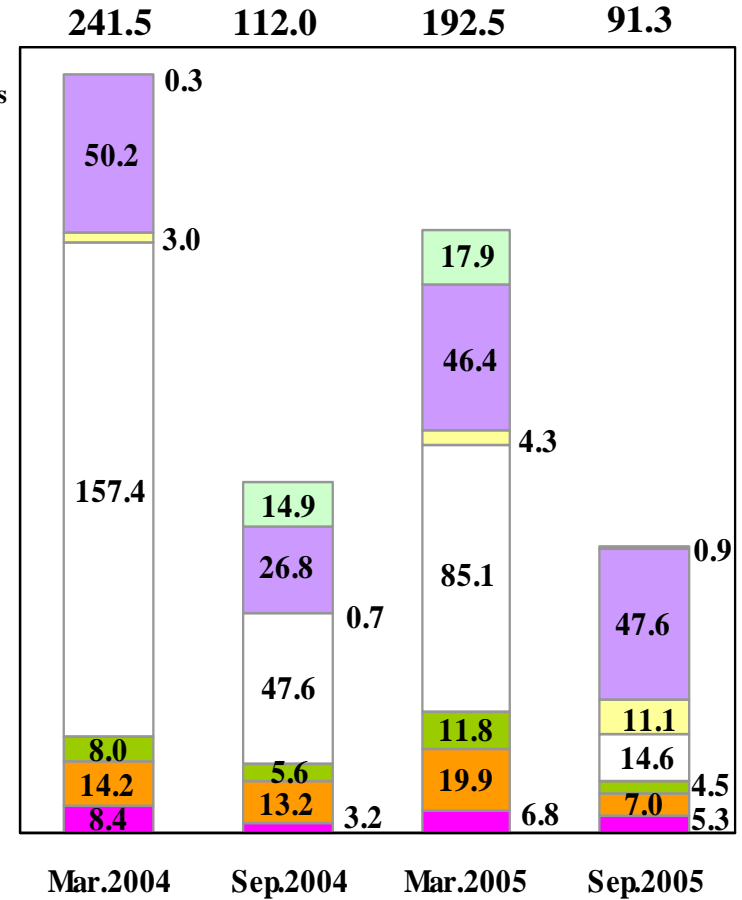
New orders (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details

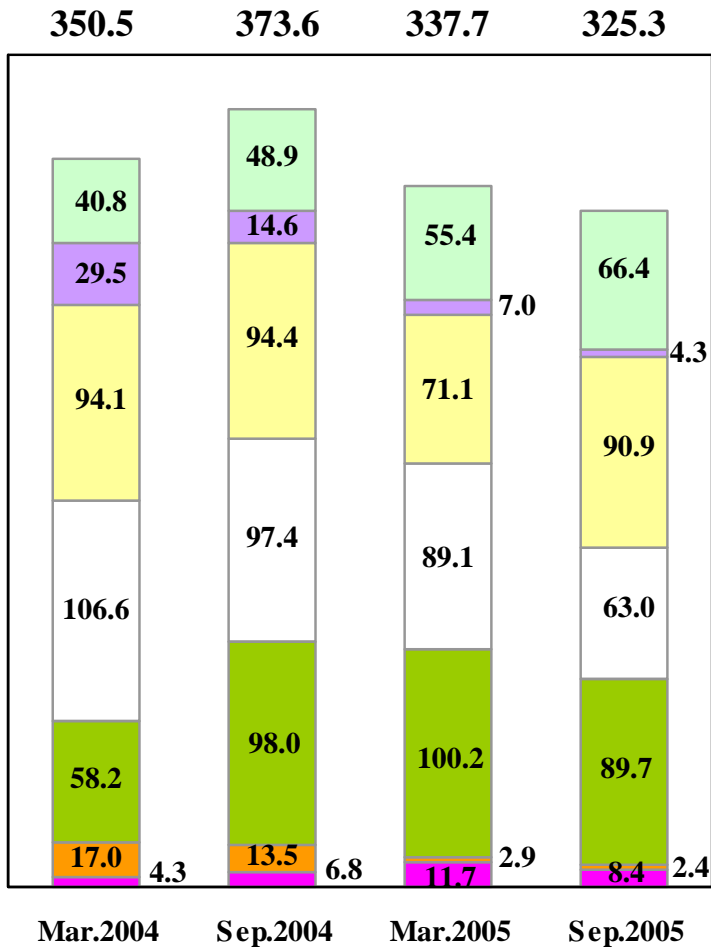


*The above does not include figures related to real estate segment.

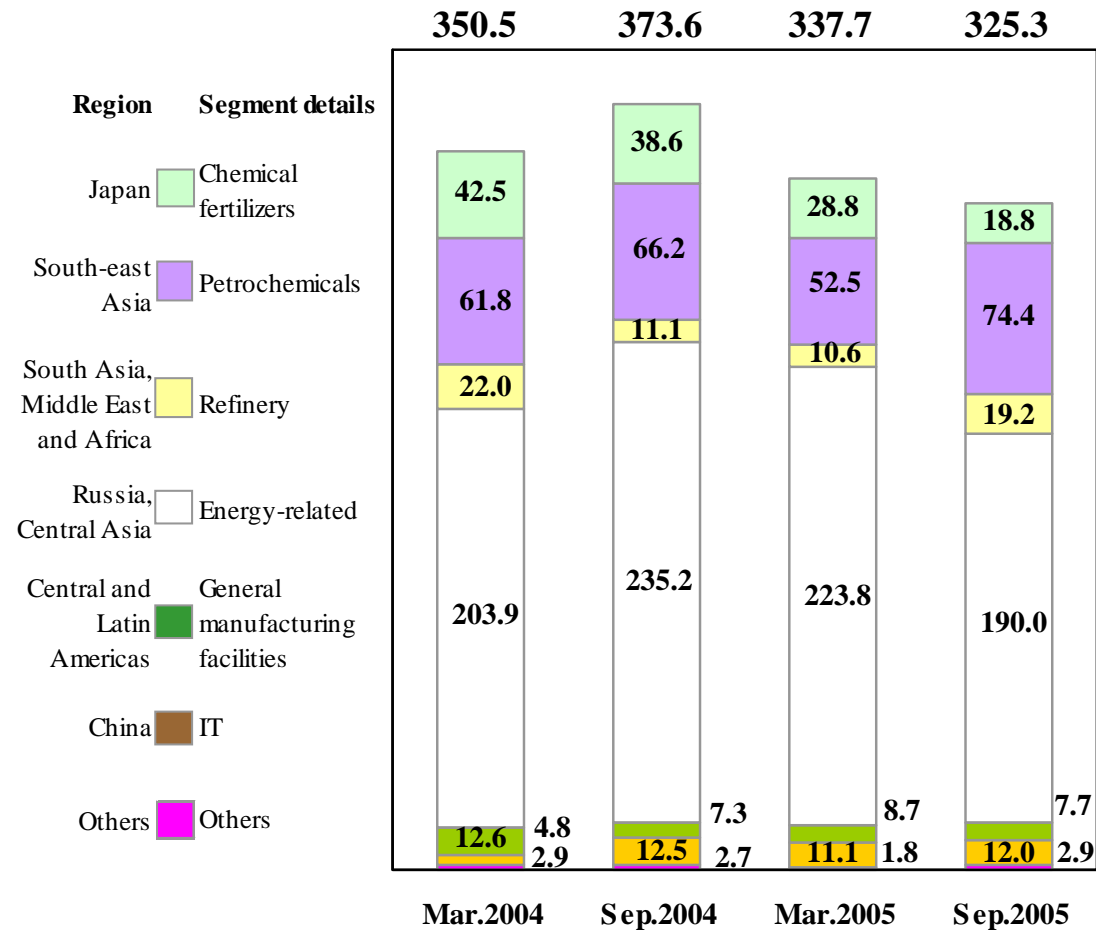
Backlog of contracts (Breakdowns by region & segment details)

< Billions of yen >

Breakdowns by region



Breakdowns by segment details



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

Forecast

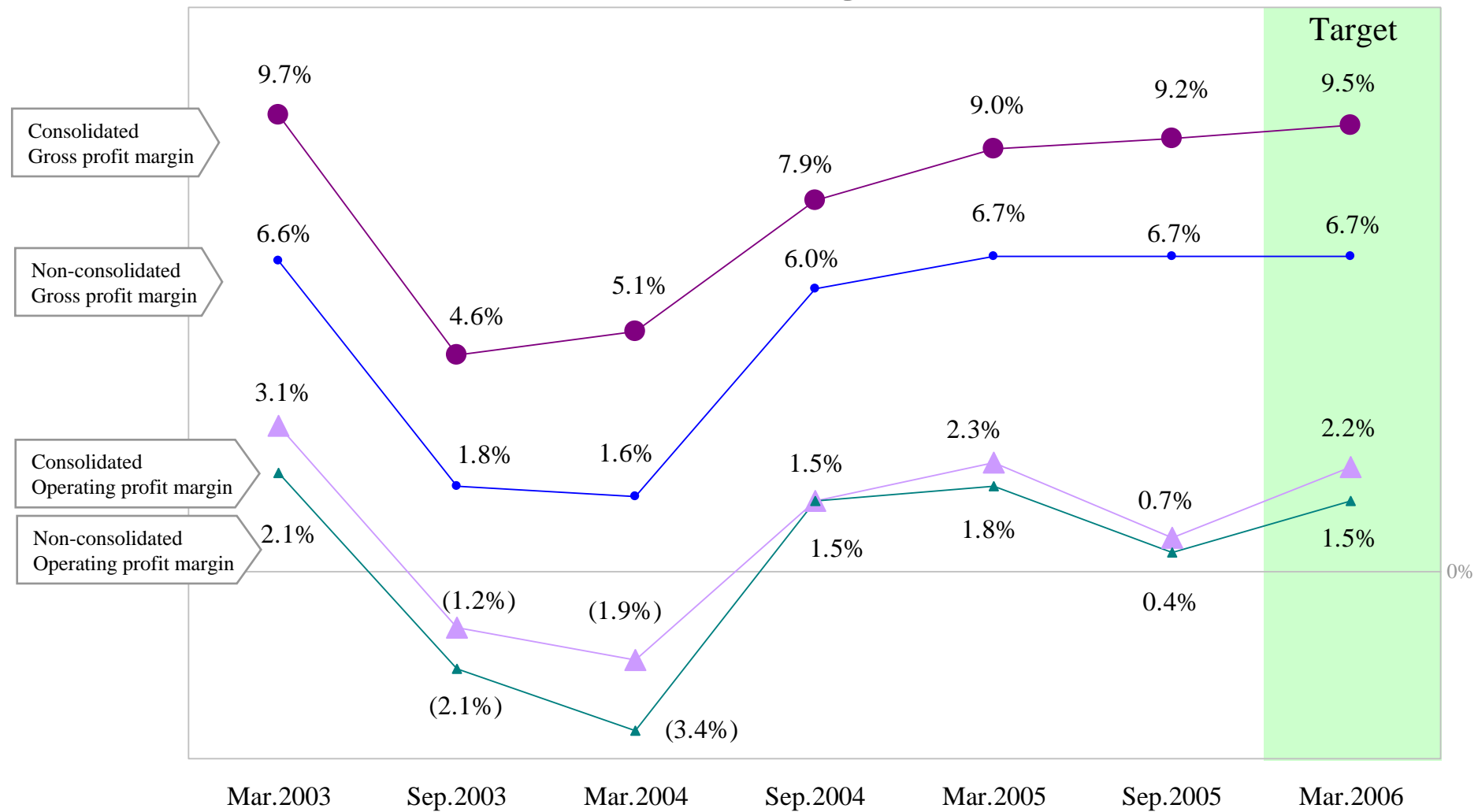
< Billions of yen >

Consolidated	FY2004 (Mar.2005)	Forecast for FY2005 (Mar.2006)		Notes																													
		Initial forecast	As of Nov.2005																														
Net sales	197.9	200.0	⇒ 185.0	<p>Forecast for breakdowns by segment</p> <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>Initial forecast</th> <th>As of Nov.2005</th> <th>Initial forecast</th> <th>As of Nov.2005</th> </tr> </thead> <tbody> <tr> <td>Real estate</td> <td>2.7</td> <td>2.5</td> <td>1.0</td> <td>1.0</td> </tr> <tr> <td>IT</td> <td>20.0</td> <td>21.0</td> <td>0.8</td> <td>0.9</td> </tr> <tr> <td>EPC</td> <td>177.3</td> <td>161.5</td> <td>3.2</td> <td>2.1</td> </tr> <tr> <td>Total</td> <td>200.0</td> <td>185.0</td> <td>5.0</td> <td>4.0</td> </tr> </tbody> </table>	Segment	Net sales		Operating income		Initial forecast	As of Nov.2005	Initial forecast	As of Nov.2005	Real estate	2.7	2.5	1.0	1.0	IT	20.0	21.0	0.8	0.9	EPC	177.3	161.5	3.2	2.1	Total	200.0	185.0	5.0	4.0
Segment	Net sales		Operating income																														
	Initial forecast	As of Nov.2005	Initial forecast		As of Nov.2005																												
Real estate	2.7	2.5	1.0		1.0																												
IT	20.0	21.0	0.8		0.9																												
EPC	177.3	161.5	3.2		2.1																												
Total	200.0	185.0	5.0	4.0																													
Operating income	4.5	5.0	⇒ 4.0																														
Ordinary income	3.9	4.0	⇒ 3.5																														
Net income	3.5	3.5	⇒ 2.75																														
New orders	192.5	200.0	⇒ 200.0																														
Non-consolidated				<p>➤ Due to delays in completion schedule of energy-related (pipeline) projects in Brazil.</p>																													
Net sales	175.6	180.0	⇒ 165.0																														
Operating income	3.2	3.5	⇒ 2.5																														
Ordinary income	3.0	3.0	⇒ 2.25																														
Net income	3.1	3.0	⇒ 2.25																														
New orders	160.9	180.0	⇒ 180.0																														
Dividends per share (yen)	¥3.0	¥3.0	⇒ ¥3.0																														

Exchange rate for forecast : 1US\$ = ¥105.00 ⇒ ¥110.00 1EUR = ¥135.00 ⇒ ¥135.00

- Reference -

Profit margin



- Reference -

Subsidiaries information

Consolidated Subsidiaries

< Companies >

		Mar 31,2005	Increase	Decrease	Sep 30,2005
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	1	28
Number of all subsidiaries & affiliated company	All affiliated companies	10	0	0	10
	Total	39	0	1	38

Results of major subsidiaries

Subsidiaries, affiliated companies	Business fields	Capital	Share	Sep.2005
				Net sales
Consolidated subsidiaries		Billions of yen	%	Billions of yen
Toyo Business Engineering Corporation	IT	0.7	51	4.6
TEC Estate, Ltd.	Real estate	5.0	100	0.5
Suntec Corporation	Real estate	0.5	100	1.1
Toyo U.S.A., Inc.	EPC	0.1	100	2.3
Toyo Engineering Korea Ltd.	EPC	0.5	81	5.8
Toyo Engineering India Limited	EPC	0.3	74	0.9
International Procurement & Service Corporation	EPC	0.1	100	3.3
Affiliated companies consolidated				
Toyo Thai Corporation Ltd.	EPC	0.7	39	4.6

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.