

**Outline of Settlement of Accounts
for Fiscal 2004 Interim Period
(April 1, 2004, to September 30, 2004)**

November 10, 2004



Table of Contents

1 . Operating Results for Interim Period

- 1-1. Comparisons with same period of previous fiscal year
- 1-2. Comparisons with initial forecasts
- 1-3. Trends in profit and loss indicators (consolidated)
- 1-4. Sales of projects under percentage-of-completion method (non-consolidated)
- 1-5. Sales by geographic segment
- 1-6. Sales by business domain
- 1-7. Main projects contributing to sales (non-consolidated)

2 . Financial Position As of September 30, 2004

- 2-1. Comparisons with same period of previous fiscal year
- 2-2. Trends in balance sheet indicators (consolidated)

3 . New Contracts

- 3-1. New contracts and outstanding contracts by geographic segment
- 3-2. New contracts and outstanding contracts by business domain

4 . Forecasts of Settlement of Accounts for Fiscal 2004, ending March 31, 2005

- 4-1. Income
- 4-2. Balance of new contracts (non-consolidated)
- 4-3. Detailed sales forecast (by geographic segment and business domain)

1. Operating Results for Interim Period

1-1. Comparisons with same period of previous fiscal year

Consolidated

(Unit: Billions of yen)

	September 30, 2004	September 30, 2003	Difference	Fiscal 2003	Fiscal 2002	Fiscal 2001
Net sales	181.7	189.0	-7.3	409.9	378.0	335.2
Gross profit	12.2	15.5	-3.3	30.4	32.2	35.1
Selling, general and administrative expenses	7.2	7.3	-0.0	14.9	15.1	15.2
Operating income	4.9	8.2	-3.3	15.4	17.0	19.9
Ordinary income	7.4	8.7	-1.2	18.4	14.8	22.5
Net income before taxes on income	7.9	9.0	-1.0	17.1	11.4	8.0
Net income	5.2	6.0	-0.8	10.5	6.7	4.9

Non-consolidated

(Unit: Billions of yen)

	September 30, 2004	September 30, 2003	Difference	Fiscal 2003	Fiscal 2002	Fiscal 2001
Net sales	160.1	171.5	-11.4	367.7	338.9	298.7
Gross profit	7.4	10.6	-3.1	20.0	22.1	25.2
Selling, general and administrative expenses	4.3	4.2	+0.0	8.8	8.9	8.3
Operating income	3.1	6.3	-3.2	11.1	13.1	16.8
Ordinary income	5.8	6.3	-0.5	14.1	14.0	20.0
Net income before taxes on income	6.4	6.6	-0.2	12.9	7.4	6.4
Net income	4.6	4.8	-0.2	8.2	5.3	4.4

(Calculated based on the September 30, 2004 exchange rate of ¥111.05=\$1 and the September 30, 2003 rate of ¥111.25=\$1)

1-2. Comparisons with initial forecasts

Consolidated

(Unit: Billions of yen)

	Forecasts (May 2004)	Actual figures	Difference
Net sales	200.0	181.7	-18.2
Gross profit	14.2	12.2	-1.9
Selling, general and administrative expenses	7.2	7.2	+0.0
Operating income	7.0	4.9	-2.0
Ordinary income	8.4	7.4	-0.9
Net income	5.3	5.2	-0.0

1-2 Main reasons for increase/decrease in account items (consolidated) (Compared with initial forecasts)

1. Net sales

Principal factor is lags in the progress of construction.

2. Gross profit

The main factor was the deteriorating profitability of an Algerian project.

Non-consolidated

(Unit: Billions of yen)

	Forecasts (May 2004)	Actual figures	Difference
Net sales	175.0	160.1	-14.8
Gross profit	9.5	7.4	-2.0
Selling, general and administrative expenses	4.5	4.3	-0.1
Operating income	5.0	3.1	-1.8
Ordinary income	6.5	5.8	-0.6
Net income	4.5	4.6	+ 0.1

(Forecasts were based on an exchange rate of ¥108.00=\$1; actual figures were computed using the September 30, 2004 rate of ¥111.05=\$1)

1-3. Trends in profit and loss indicators (consolidated)

	September 30, 2004	September 30, 2003	Difference	Fiscal 2003	Fiscal 2002	Fiscal 2001
Gross profit ratio	6.7%	8.2%	-	7.4%	8.5%	10.5%
Return on equity	7.3%	9.0%	-	7.6%	5.2%	3.9%
Net income per share	¥20.74	¥23.93	-¥3.19	¥40.88	¥25.65	¥19.45
Dividend payout ratio	-	-	-	24.6%	28.8%	28.8%

1-4. Sales of projects under percentage-of-completion method (non-consolidated)

Sales of projects under percentage-of-completion method	September 30, 2004	¥135.0 billion	(As percentage of sales: 84.3%)
	September 30, 2003	¥144.6 billion	(As percentage of sales: 84.3%)

1-5. Sales by geographic segment

(Unit: Billions of yen)

		Net sales	Ratio(%)
Non-consolidated	Japan	28.7	15.8%
	Africa	50.0	27.5%
	Asia	32.9	18.1%
	Middle East	41.6	22.9%
	Oceania	5.4	3.0%
	North and South America	1.2	0.7%
	Europe, CIS and Eastern Europe	0.1	0.1%
Non-consolidated subtotals		160.1	88.1%
Consolidated subsidiaries		21.6	11.9%
Total		181.7	100.0%

1-6. Sales by business domain

(Unit: Billions of yen)

		Net sales	Ratio(%)
Non-consolidated	Oil and Gas development	46.5	25.6%
	Petroleum refining	38.8	21.4%
	LNG	23.1	12.7%
	Chemical	34.2	18.9%
	Power generation, Nuclear power and New energy	2.2	1.2%
	Living and General production	10.5	5.8%
	Environmental protection, Social development and IT	4.5	2.5%
	Other	0.0	0.0%
Non-consolidated subtotals		160.1	88.1%
Consolidated subsidiaries		21.6	11.9%
Totals		181.7	100.0%

1-7. Main projects contributing to sales (non-consolidated)

Net sales	¥160.1 billion
-----------	----------------

Japan ¥28.7 billion	¥1 billion or more	11 projects	Petroleum refining (4 jobs) Chemical (1 job) Living and General production (4 jobs) Environmental protection, Social development and IT (2 jobs)				
			Overseas ¥131.4 billion	<table border="1"> <tr> <td>¥10 billion or more</td> <td>5 projects</td> <td>Oil and Gas development (2 jobs) <ul style="list-style-type: none"> • Western Libya gas processing PJ (Libya) • Dolphin PJ (Qatar) Petroleum refining (1 job) <ul style="list-style-type: none"> • Sohar refinery PJ (Oman) LNG (1 job) <ul style="list-style-type: none"> • NLNG Plus PJ (Nigeria) Chemical (1 job) <ul style="list-style-type: none"> • CSPEC LOP PJ (China) </td> </tr> <tr> <td>¥3 billion or more</td> <td>7 projects</td> <td>Oil and gas development (3 jobs) <ul style="list-style-type: none"> • In Amenas gas PJ (Algeria) • In Salah gas field development PJ (Algeria) • Ourhoud crude oil recovery PJ (Algeria) Petroleum refining (2 jobs) <ul style="list-style-type: none"> • Atyrau oil refinery modernization PJ (Kazakhstan) • LSDP PJ (Bahrain) LNG (2 jobs) <ul style="list-style-type: none"> • SEGAS LNG PJ (Egypt) • WLNG early EPCM PJ (Australia) </td> </tr> </table>	¥10 billion or more	5 projects	Oil and Gas development (2 jobs) <ul style="list-style-type: none"> • Western Libya gas processing PJ (Libya) • Dolphin PJ (Qatar) Petroleum refining (1 job) <ul style="list-style-type: none"> • Sohar refinery PJ (Oman) LNG (1 job) <ul style="list-style-type: none"> • NLNG Plus PJ (Nigeria) Chemical (1 job) <ul style="list-style-type: none"> • CSPEC LOP PJ (China)
¥10 billion or more	5 projects	Oil and Gas development (2 jobs) <ul style="list-style-type: none"> • Western Libya gas processing PJ (Libya) • Dolphin PJ (Qatar) Petroleum refining (1 job) <ul style="list-style-type: none"> • Sohar refinery PJ (Oman) LNG (1 job) <ul style="list-style-type: none"> • NLNG Plus PJ (Nigeria) Chemical (1 job) <ul style="list-style-type: none"> • CSPEC LOP PJ (China) 					
¥3 billion or more	7 projects	Oil and gas development (3 jobs) <ul style="list-style-type: none"> • In Amenas gas PJ (Algeria) • In Salah gas field development PJ (Algeria) • Ourhoud crude oil recovery PJ (Algeria) Petroleum refining (2 jobs) <ul style="list-style-type: none"> • Atyrau oil refinery modernization PJ (Kazakhstan) • LSDP PJ (Bahrain) LNG (2 jobs) <ul style="list-style-type: none"> • SEGAS LNG PJ (Egypt) • WLNG early EPCM PJ (Australia) 					

2. Financial Position As of September 30, 2004

2-1. Comparisons with same period of previous fiscal year

Consolidated

(Unit: Billions of yen)

	Current assets	Fixed assets	Total assets	Current liabilities	Long-term liabilities	Equity	Total liabilities and shareholders' equity	Current assets
Sept. 30, 2004 (ratios)	253.2 (64%)	140.4 (36%)	393.6 (100%)	200.8 (51%)	43.9 (11%)	0.2 (0%)	148.6 (38%)	393.6 (100%)
Fiscal 2003 (ratios)	234.5 (66%)	120.4 (34%)	355.0 (100%)	160.1 (45%)	43.7 (12%)	4.8 (1%)	146.2 (41%)	355.0 (100%)
Difference	+18.6	+19.9	+38.6	+40.7	+0.1	-4.6	+2.3	+38.6
Fiscal 2002	218.4	117.2	335.7	160.5	39.3	4.5	131.2	335.7
Fiscal 2001	197.1	125.4	322.6	152.3	38.4	4.2	127.6	322.6
Fiscal 2000	191.6	134.4	326.0	174.2	24.6	4.1	123.1	326.0

Non-consolidated

(Unit: Billions of yen)

	Current assets	Fixed assets	Total assets	Current liabilities	Long-term liabilities	Equity	Total liabilities and shareholders' equity
Sept. 30, 2004 (ratios)	228.3 (63%)	135.8 (37%)	364.1 (100%)	190.9 (52%)	36.6 (10%)	136.5 (38%)	364.1 (100%)
Fiscal 2003 (ratios)	207.0 (65%)	112.0 (35%)	319.1 (100%)	147.3 (46%)	36.8 (12%)	134.8 (42%)	319.1 (100%)
Difference	+21.2	+23.7	+45.0	+43.5	-0.2	+1.7	+45.0
Fiscal 2002	193.5	110.0	303.5	147.9	33.5	121.9	303.5
Fiscal 2001	170.6	118.7	289.3	136.5	32.1	120.6	289.3
Fiscal 2000	165.5	129.0	294.5	158.5	18.9	116.9	294.5

2-2. Trends in balance sheets indicators (consolidated)

	September 30, 2004	September 30, 2003	Difference	Fiscal 2003	Fiscal 2002	Fiscal 2001
Current ratio	126%	141%	-	146%	136%	129%
Fixed assets ratio	95%	88%	-	82%	89%	98%
Equity ratio	38%	40%	-	41%	39%	40%
Shareholders' equity per share	¥584	¥545	+¥39	¥575	¥515	¥493

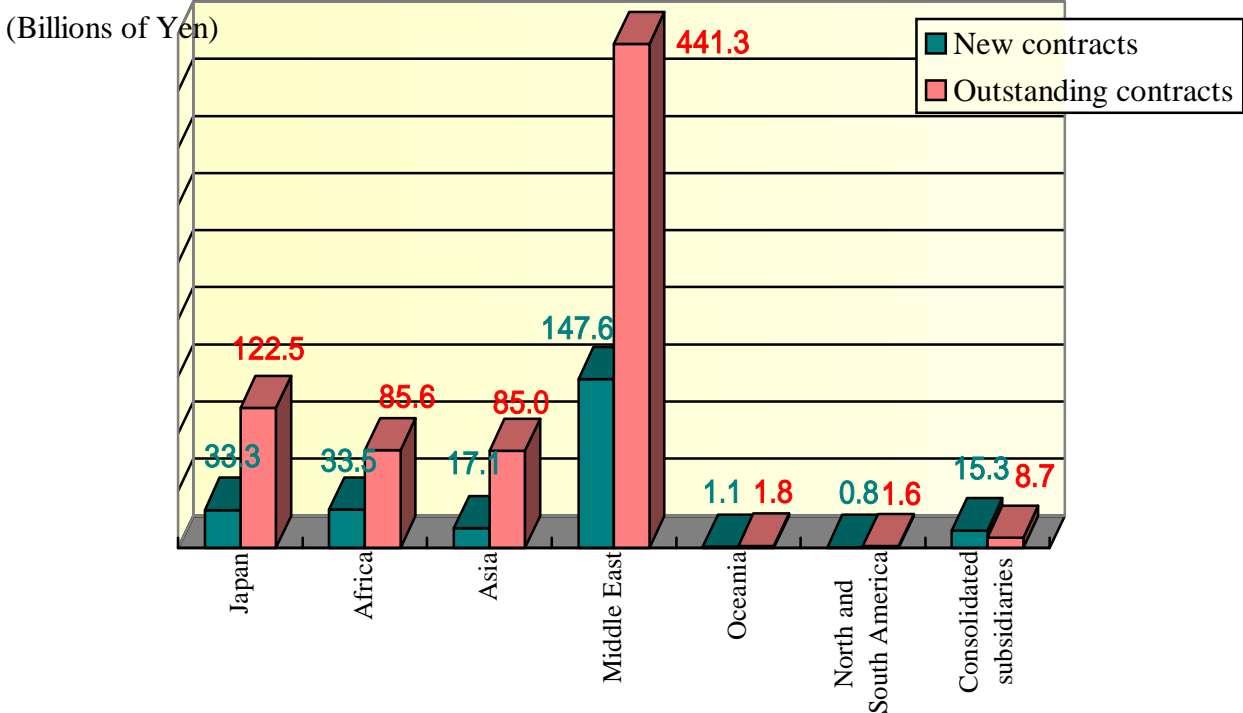
3. New Contracts

3-1. New contracts and outstanding contracts by geographic segment

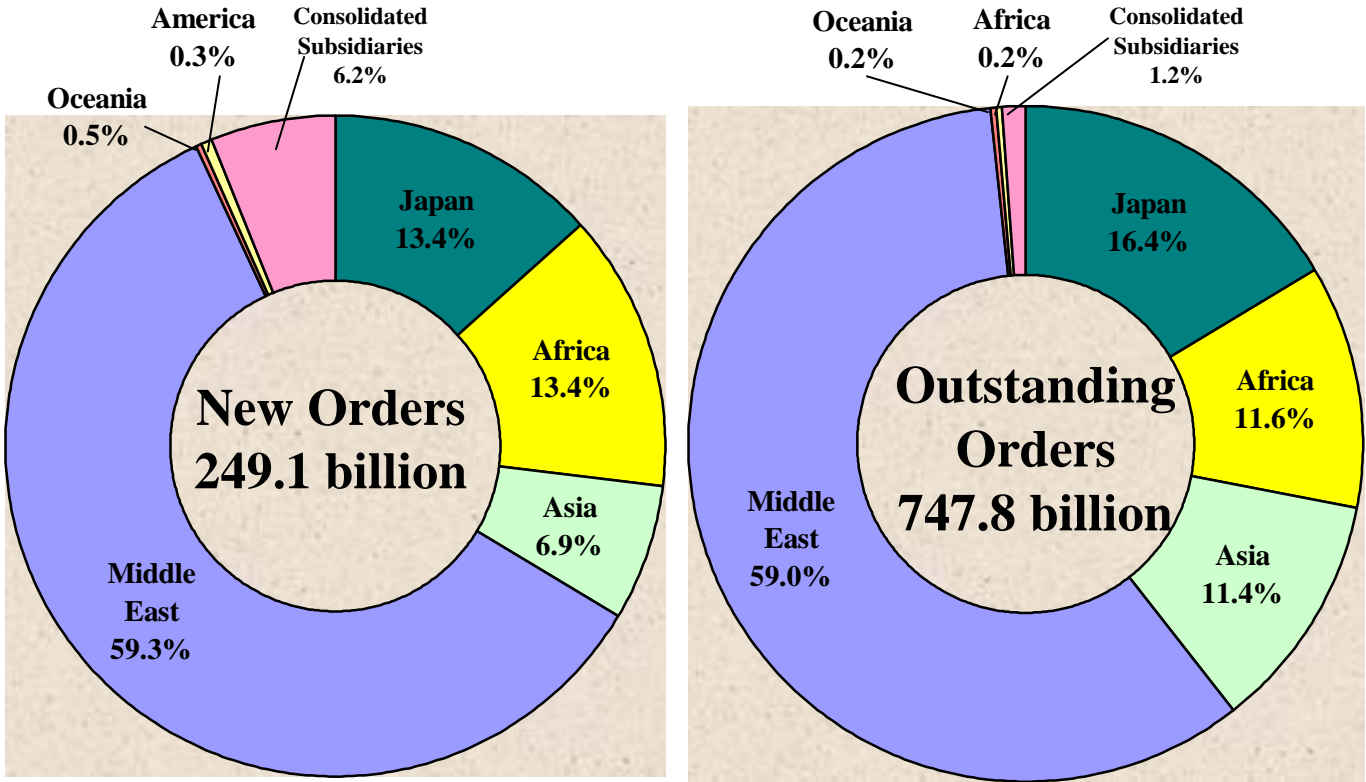
(Unit: Billions of yen)

		New contracts	Ratio (%)	Outstanding contracts	Ratio (%)
Non-consolidated	Japan	33.3	13.4%	122.5	16.4%
	Africa	33.5	13.4%	86.5	11.6%
	Asia	17.1	6.9%	85.0	11.4%
	Middle East	147.6	59.3%	441.3	59.0%
	Oceania	1.1	0.5%	1.8	0.2%
	North and South America	0.8	0.3%	1.6	0.2%
	Europe, CIS and Eastern Europe	0.0	0.0%	0.0	0.0%
Non-consolidated subtotals		233.7	93.8%	739.1	98.8%
Consolidated subsidiaries		15.3	6.2%	8.7	1.2%
Totals		249.1	100.0%	747.8	100.0%

New contracts and outstanding contracts by geographic segment (Monetary value)



New contracts and outstanding contracts by geographic segment (ratios)

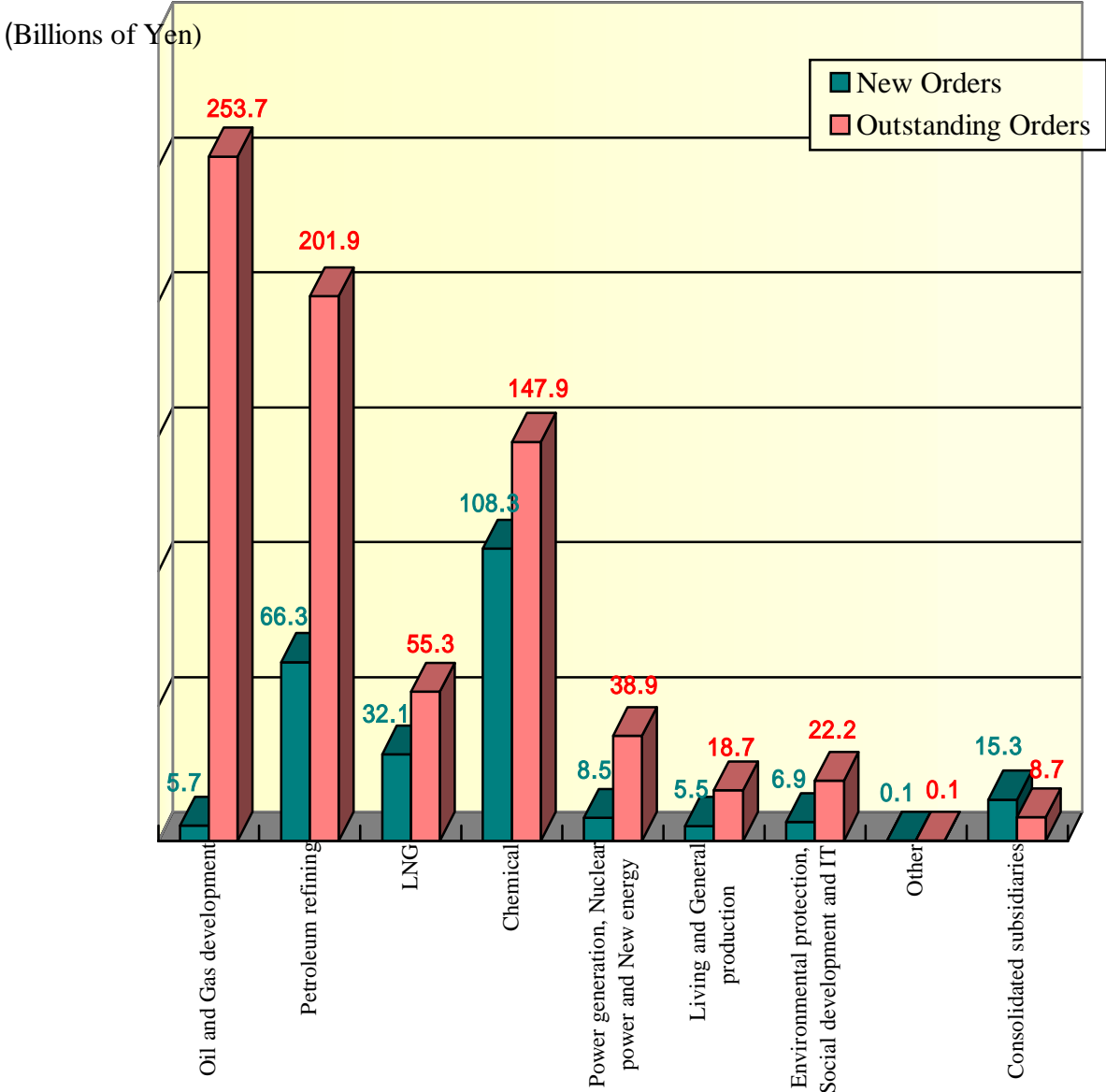


3-2. New contracts and outstanding contracts by business domain

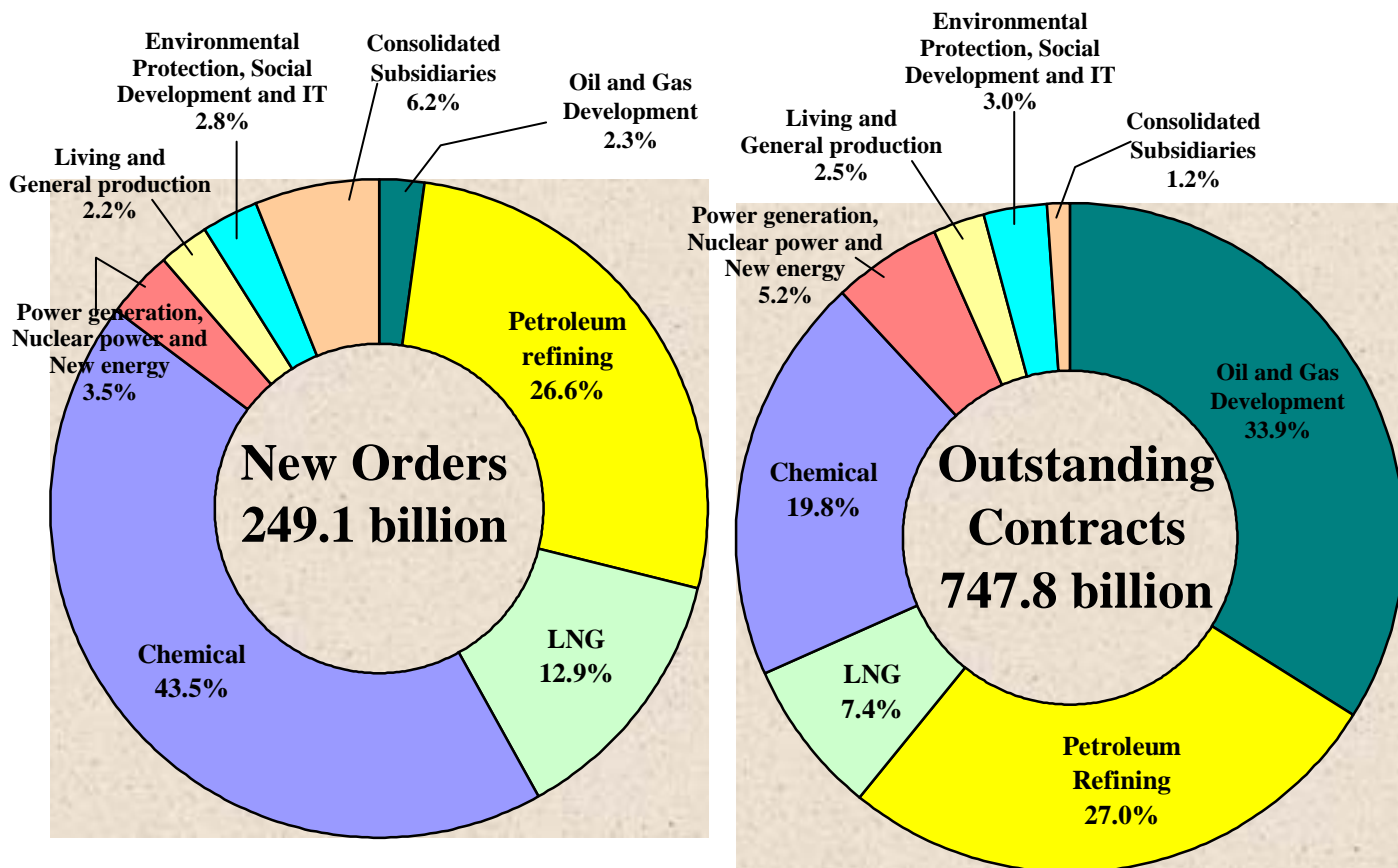
(Unit: Billions of yen)

		New contracts	Ratio (%)	Outstanding contracts	Ratio (%)
Non-consolidated	Oil and Gas development	5.7	2.3%	253.7	33.9%
	Petroleum refining	66.3	26.6%	201.9	27.0%
	LNG	32.1	12.9%	55.3	7.4%
	Chemical	108.3	43.5%	147.9	19.8%
	Power generation, Nuclear power and New energy	8.5	3.5%	38.9	5.2%
	Living and General production	5.5	2.2%	18.7	2.5%
	Environmental protection, Social development and IT	6.9	2.8%	22.2	3.0%
	Other	0.1	0.0%	0.1	0.0%
Non-consolidated subtotals		233.7	93.8%	739.1	98.8%
Consolidated subsidiaries		15.3	6.2%	8.7	1.2%
Totals		249.1	100.0%	747.8	100.0%

New contracts and outstanding contracts by business domain (Monetary value)



New contracts and outstanding contracts by business domain (ratios)



Main new contracts and their contract amounts (non-consolidated)

New contracts	¥233.7 billion
---------------	----------------

Japan ¥33.3 billion	¥1 billion or more	11 projects	Petroleum refining (4 jobs) Gas processing (1 job) Chemical (2 jobs) Living and General production (1 job) Environmental protection, Social development and IT (3 jobs)
Overseas ¥200.4 billion	¥10 billion or more	4 projects	Petroleum refining (1 job) • LSDP PJ (Bahrain) Gas processing (1 job) Chemical (2 jobs) • QAPCO ethylene expansion PJ (Qatar) and one other PJ
	¥3 billion or more	2 projects	Chemical (2 jobs) • CSPC LOP PJ (China) and one other PJ

Main outstanding contracts and their contract amounts (Non-consolidated)

Outstanding contracts	¥739.1 billion
-----------------------	----------------

Japan ¥122.5 billion	¥3 billion or more	9 projects	Petroleum refining (7 jobs) Living and General production (1 job) Environmental protection, Social development and IT (1 job)
Overseas ¥616.5 billion	¥30 billion or more	5 projects	Oil and Gas development (2 jobs) • Dolphin PJ (Qatar) • South Pars gas field PJ (Iran) Petroleum refining (2 jobs) • Sohar refinery PJ (Oman) • LSDP PJ (Bahrain) Chemical (1 job)
	¥1 billion or more	9 projects	Oil and Gas development (2 jobs) • In Amenas gas PJ (Algeria) • Bub field production facilities expansion PJ (U.A.E.) Petroleum refining (1 job) • Atyrau oil refinery modernization PJ (Kazakhstan) Gas processing (2 jobs) Chemical (3 jobs) • CSPC LOP PJ (China) • Tuban aromatics PJ (Indonesia) • QAPCO ethylene expansion PJ (Qatar) Power generation, Nuclear power and New energy (1 job) • Berri Gas cogeneration PJ (Saudi Arabia)

4. Forecasts of Settlement of Accounts for Fiscal 2004, ending March 31, 2005

4-1. Income

(Unit: Billions of yen)

	Consolidated	Non-consolidated
Net sales	440.0	390.0
Gross profit	26.5	16.5
Selling, general, and administrative expenses	15.3	9.0
Operating income	11.2	7.5
Ordinary income	13.6	10.4
Net income	9.7	8.3

Note: Forecasts are based on assumed exchange rates of ¥108.00=\$1 and ¥137.04=EUR1.

4-2. Balance of new contracts (non-consolidated)

(Unit: Billions of yen)

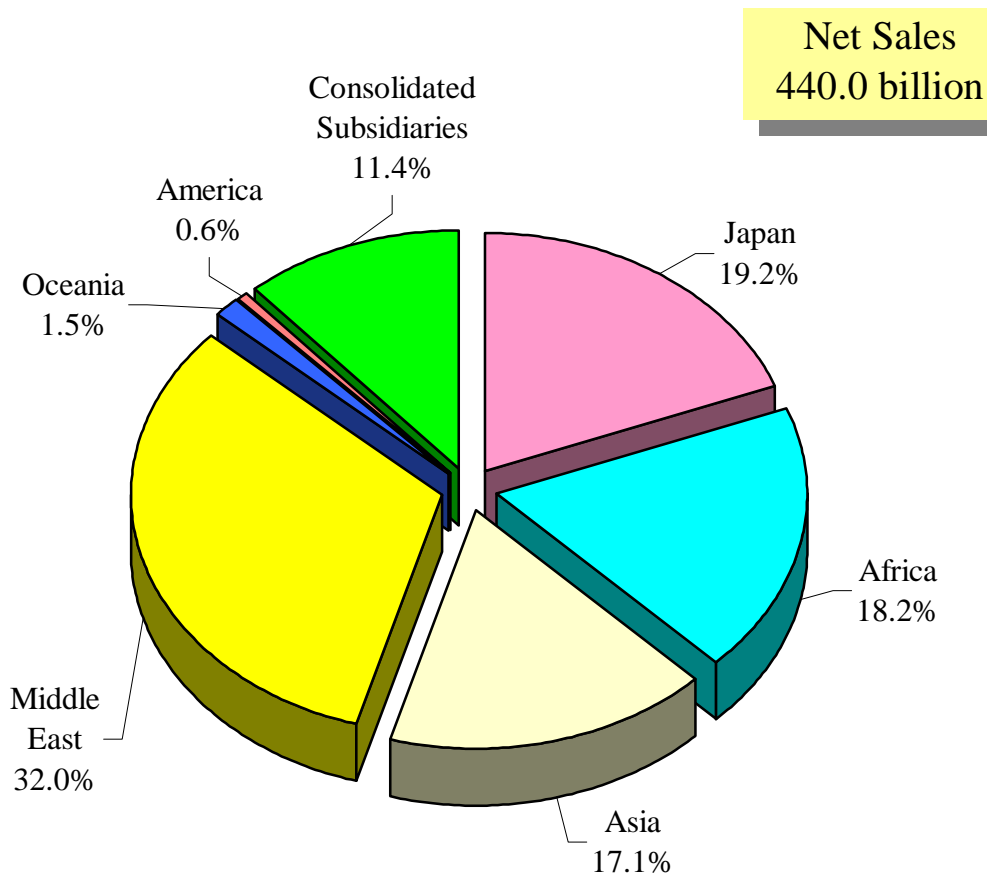
	Japan	Overseas	Total
New contracts	70.0	300.0	370.0

4-3. Detailed sales forecast (by geographic segment and business domain)

Forecasts of sales by geographic segment

(Unit: Billions of yen)

		Net sales	Ratio(%)
Non-consolidated	Japan	84.5	19.2%
	Africa	80.0	18.2%
	Asia	75.5	17.1%
	Middle East	141.0	32.0%
	Oceania	6.5	1.5%
	North and South America	2.5	0.6%
	Europe, CIS, Eastern Europe	0.0	0.0%
Non-consolidated subtotals		390.0	88.6%
Consolidated subsidiaries		50.0	11.4%
Totals		440.0	100.0%



Forecasts of sales by business domain

(Unit: Billions of yen)

		Net sales	Ratio(%)
Non-consolidated	Oil and Gas development	113.0	25.7%
	Petroleum refining	121.5	27.6%
	LNG	43.0	9.8%
	Chemical	73.5	16.7%
	Power generation, Nuclear power and New energy	5.5	1.2%
	Living and General production	19.0	4.3%
	Environmental protection, Social development and IT	14.5	3.3%
Non-consolidated subtotals		390.0	88.6%
Consolidated subsidiaries		50.0	11.4%
Totals		440.0	100.0%

