

*TOENEC*

# ANNUAL REPORT

Year ended March 31, 2006

TOENEC

06

TOENEC CORPORATION

During the 88th term, from April 1, 2005, to March 31, 2006, the Japanese economy showed a continuation of higher corporate profits and a trend toward expanded private-sector equipment investment in the manufacturing industry and elsewhere, and the stock market is vigorous as well. These and other factors indicate a favorable economic outlook.

In our industry, although construction investment for manufacturing and the like arising from expanded private-sector equipment investment is increasing, public-sector projects continue to show a declining trend. Moreover, continuing suppression of equipment investment by electric-power companies and intense price competition among general private-sector construction made for a business climate that remained harsh.

Amid these conditions, in an effort to secure bookings for the final year of the company's mid-term management plan (running from the year ended March 31, 2003, through the year ended March 31, 2005) we strove to augment the price-competitiveness and sales strengths of our core operations, offer one-stop services extending from construction leveraging the company's proprietary technology through to maintenance, security management, and renovation, expand energy-solution operations, and implement other such moves. Along with this, the company has pulled together and worked as one to actively roll out efforts to secure profits by enhancing efficiency and reducing costs in our business operations. These have resulted in the following increases in both total bookings and total revenues for the term:

Total bookings JY184,382 million (up 5.1% from last term)

Total revenues JY180,215 million (up 0.4% from last term)

For profits, meanwhile, we promoted cost-reduction measures for labor and other fixed expenses, but the effects of such factors as a reduced profit rate from revenues due to price competition resulted in the recurring income of JY3,705 million (down

13.3% from last term), and the net income for the term was JY1,476 million (down 57.0% from last term); the effects of such factors as huge share-sale profits in the previous term resulted in lower profits.

Favorable corporate figures, along with a recovery in personal consumption due to improvements in the employment and income climate, suggest an outlook of continued gradual economic recovery buoyed by domestic private-sector demand. In our industry, however, although private-sector equipment investment reflecting favorable corporate performance is expected to increase, electric-power investment has reached bottom amid a background of ongoing low public-sector investment and deregulation, yet any growth will remain slight, and business conditions appear likely to remain harsh.

Amid this climate, to build a robust corporate constitution capable of securing stable profits, we have formulated a new mid-term management plan with "Promoting Strategies for Sustained Growth" as our theme. (For details, please see pages 8 and 9).

We intend to spare no effort to reaching these targets, and this end, we look forward to your continued support.

July 2006



President  
**Yasuhiro Noda**

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>ASSETS</b>			
Current assets:			
Cash and time deposits .....	¥21,143	¥29,135	\$179,988
Marketable securities .....	5,498	—	46,802
Notes and accounts receivable:			
Notes .....	6,477	8,280	55,135
Accounts .....	45,957	42,655	391,225
Others .....	1,156	2,114	9,844
	<u>53,590</u>	<u>53,049</u>	<u>456,204</u>
Allowance for doubtful receivables .....	(391)	(463)	(3,328)
	<u>53,199</u>	<u>52,586</u>	<u>452,876</u>
Inventories .....	12,764	13,900	108,656
Deferred income taxes .....	2,209	2,303	18,808
Others .....	7,378	6,067	62,803
Total current assets .....	<u>102,191</u>	<u>103,991</u>	<u>869,933</u>
Property and equipment:			
Buildings and structures .....	42,661	42,775	363,163
Machinery and equipment .....	27,009	27,054	229,923
Leasing property .....	1,921	1,745	16,356
Land .....	24,629	24,684	209,668
Construction in progress .....	136	—	1,156
	<u>96,356</u>	<u>96,258</u>	<u>820,266</u>
Accumulated depreciation .....	(48,653)	(48,242)	(414,177)
Total property and equipment .....	<u>47,703</u>	<u>48,016</u>	<u>406,089</u>
Investments and other assets:			
Investments in securities .....	12,356	9,212	105,186
Deferred income taxes .....	12,075	13,632	102,790
Others .....	3,444	2,930	29,316
Total investments and other assets .....	<u>27,875</u>	<u>25,774</u>	<u>237,292</u>
Total assets .....	<u>¥ 177,769</u>	<u>¥ 177,781</u>	<u>\$ 1,513,314</u>

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Short-term bank loans .....	¥5,571	¥6,420	\$47,427
Convertible bond within a year .....	4,998	—	42,547
Notes and accounts payable:			
Notes .....	7,001	15,831	59,594
Accounts .....	38,071	27,036	324,097
	<u>45,072</u>	<u>42,867</u>	<u>383,691</u>
Advances received on construction work in progress .....	3,808	6,713	32,418
Income taxes payable .....	1,660	2,245	14,128
Others .....	10,958	10,663	93,282
Total current liabilities .....	<u>72,067</u>	<u>68,908</u>	<u>613,493</u>
Liabilities:			
Long-term bank loans .....	3,857	2,930	32,831
Convertible bond .....	—	4,998	—
Liability for employees' severance payments .....	37,306	38,828	317,580
Liability for directors' and statutory auditors' severance payments .....	308	514	2,622
Others .....	22	25	193
Total liabilities .....	<u>41,493</u>	<u>47,295</u>	<u>353,226</u>
Shareholders' equity :			
Common stock			
Authorized-200,000,000 shares			
Issued -96,649,954 shares .....	7,681	7,681	65,385
Capital surplus .....	6,838	6,836	58,208
Retained earnings .....	45,652	45,065	388,632
Treasury stock, at cost .....	(990)	(969)	(8,429)
Accumulated other comprehensive income (loss) .....	5,028	2,965	42,800
Total shareholders' equity .....	<u>64,209</u>	<u>61,578</u>	<u>546,595</u>
Total liabilities and shareholders' equity .....	<u>¥ 177,769</u>	<u>¥ 177,781</u>	<u>\$ 1,513,314</u>

## Consolidated Statement of Income and Retained Earnings

TOENEC CORPORATION for the years ended 31st March, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Net sales:			
Construction contracts	¥180,660	¥180,108	\$1,537,930
Cost of sales:			
Construction contracts	161,651	159,662	1,376,109
Gross profit	19,009	20,446	161,821
Selling, general and administrative expenses	15,379	16,004	130,918
Operating income	3,630	4,442	30,903
Other income (expenses):			
Interest income	24	8	206
Interest expenses	(103)	(173)	(880)
Other, net	(97)	2,636	(824)
Income before income taxes	3,454	6,913	29,405
Income taxes expense (benefit):			
Current	1,624	2,042	13,823
Deferred	265	1,361	2,257
Net income	1,565	3,510	13,325
Retained earnings:			
Balance at beginning of the year	45,065	42,645	383,630
Appropriations:			
Cash dividends	(945)	(1,058)	(8,044)
Bonuses to directors and statutory auditors	(33)	(32)	(279)
Balance at end of the year	¥ 45,652	¥ 45,065	\$ 388,632
Per share of common stock:			
	Yen		U.S. Dollars
Net income	¥ 16.26	¥ 36.31	\$ 0.14
Cash dividends	10.00	11.00	0.09

## Consolidated Statement of Cash Flows

TOENEC CORPORATION for the years ended 31st March, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
Cash flows from operating activities			
Income before income taxes	¥ 3,454	¥ 6,913	\$ 29,405
Depreciation	3,070	3,201	26,138
Impairment of fixed assets	-	579	-
Increase (decrease) in allowance for doubtful receivables	54	(23)	458
liability for employees' severance payments	(1,522)	(905)	(12,959)
liability for director's and statutory auditor's severance payment	(206)	81	(1,755)
other allowance	105	(23)	899
Interest and dividend income	(141)	(108)	(1,204)
Interest expenses	103	173	880
Exchange losses (gains)	(13)	1	(112)
Loss on valuation of marketable securities	87	49	745
Losses (gains) on sale of marketable securities	(376)	(3,305)	(3,204)
Losses (gains) on sales and disposals of properties	184	140	1,566
Decrease (increase) in accounts receivable-trade	(1,920)	(7,473)	(16,346)
inventories	1,136	(1,952)	9,670
Increase (decrease) in accounts payable-trade	1,993	6,378	16,965
advances received on construction work in progress	(2,904)	995	(24,725)
consumption tax payable	(396)	249	(3,373)
Bonuses to directors and statutory auditors	(33)	(32)	(279)
Others, net	(751)	1,292	(6,391)
Income taxes expenses	1,924	6,230	16,378
Net cash provided by (used in) operating activities	(2,102)	(161)	(17,898)
Cash flows from investing activities			
Payments for time deposits	(1,071)	(897)	(9,121)
Time deposits received	1,528	882	13,005
Payments for purchases of marketable securities	(9,839)	-	(83,758)
Proceeds from sales of marketable securities	5,841	-	49,720
Payments for purchases of investments in securities	(320)	(248)	(2,719)
Proceeds from sales of investments in securities	1,781	14,920	15,164
Payments for long-term loans receivable	(65)	(533)	(550)
Collections from long-term loans receivable	-	1	-
Payments for purchases of property and equipment	(2,645)	(1,973)	(22,513)
Proceeds from sales of property and equipment	316	318	2,691
Interest and dividends income	140	109	1,189
Interest expenses	(98)	(173)	(832)
Others, net	(551)	19	(4,691)
Net cash provided by (used in) investing activities	(4,983)	12,425	(42,415)
Cash flows from financing activities			
Increase(decrease) in loans payable	(400)	-	(3,405)
Additions to long-term bank loans	2,990	2,363	25,457
Reductions of long-term bank loans	(2,512)	(2,877)	(21,386)
Redemption of bonds	-	(8,990)	-
Payments for purchases of treasury stock	(35)	(997)	(295)
Proceeds from sales of treasury stock	15	126	124
Dividends paid	(945)	(1,057)	(8,046)
Net cash provided by (used in) financial activities	(887)	(11,432)	(7,551)
Effect of exchange rate changes on cash	13	(1)	111
Net increase (decrease) in cash and cash equivalents	(6,035)	7,061	(51,375)
Cash and cash equivalents at beginning of the year	27,680	20,619	235,635
Cash and cash equivalents at end of the year	¥ 21,645	¥ 27,680	\$ 184,260

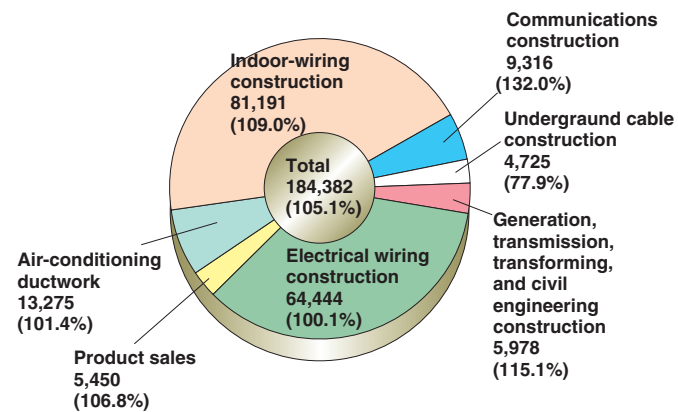
## Breakdown by Business Sector

(April 1, 2005 to March 31, 2006)

### Bookings and Revenues for the Term (units: JY millions)

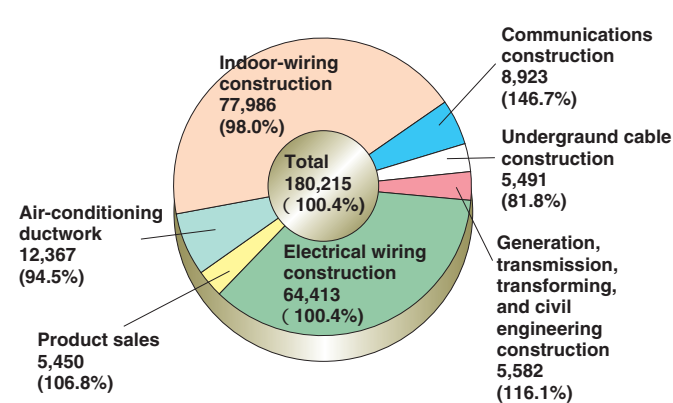
#### Bookings

(performance against prior term shown in parentheses)



#### Revenues

(performance against prior term shown in parentheses)

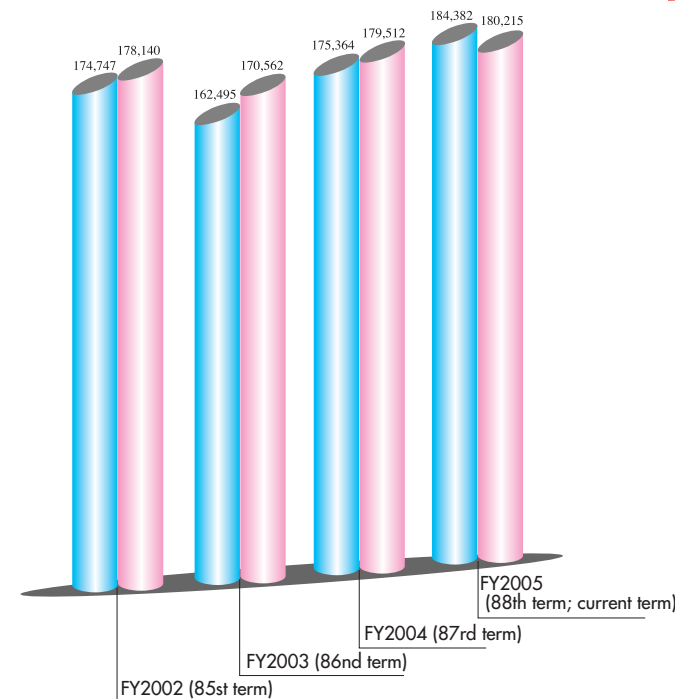


## Performance trends

(April 1, 2005 to March 31, 2006)

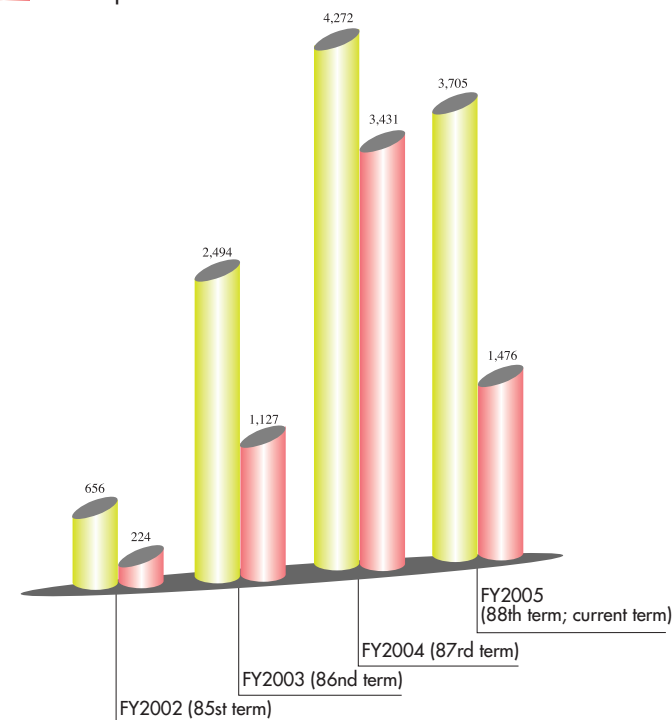
### Bookings and revenues (units: JY millions)

Bookings  
Revenues



### Operating profit and pre-tax profit (units: JY millions)

Operating profit  
Pre-tax profit



## Topics

### Formulating the New Mid-term Management Plan (FY2006 to FY2008)

#### "Promoting Strategies for Sustained Growth"

##### Basic Strategies

- Aim to thoroughly implement "customer first" principles, respond to wide-ranging customer needs as a comprehensive equipment enterprise, and become an enterprise trusted and chosen by customers.
- Strive to improve corporate value while sustaining and strengthening the company's competitiveness together with improving the company's profitability and strengthening its financial constitution.
- Implement efforts that contribute in a real way to achieving the targets of the Chubu Electric Power group.
- Promote development of human resources with abundant creativity and individuality, and advance the creation of workplaces of rich vitality.

### I Mid-term Management Plan

#### A Promotion of booking strategies designed to boost revenues

##### (1) Strengthened bookings and expanded original-contractor construction for core-business operations

- To earn customer trust, work to augment diversified service that create profits for customers, hierarchical sales and granular sales closely linked to the community, and envelop customers and expand creation of long-term relationships with them.
- Work to broaden the value chain and expand order bookings through such activities as offering single-stop services through construction, maintenance, renovation, and facility services.
- Work to expand bookings in the renovation field through promotion of proposal-oriented sales that integrate interior-wiring and air-

conditioning duct work.

- Strengthen our alliance with Chubu Electric Power solution sales, implement proposal-oriented sales that leverage our technical strengths, and proactively develop new customers.
  - Further strengthen our alliance with Fuji Denki Sosetsu and work to expand order bookings in the industrial air-conditioning field.
  - As part of the Chubu Electric Power group, proactively promote sales and construction for all-electrical equipment.
  - Work to achieve expansion in fields such as IT solutions, which are the new core for data communications.
  - Actively conduct technical proposals for construction bookings from Chubu Electric Power and work to expand order bookings.
- (2) Strengthened cost-competitiveness**
- To boost the cost-competitiveness of the Chubu Electric Power group, promote strategic cost reduction.
  - To strengthen cost-competitiveness and secure profits, work for the establishment and lateral deployment of cost-reducing technologies and promote further cost reduction through alliances with other business units.
  - Make efforts to thoroughly eradicate sources of negative costs.
- (3) Strengthened energy-solution business**
- Promote expansion of business domains and expansion of order bookings for existing projects through provision of optimal solutions driven by company-wide efforts to collect customer information and by technical strengths.
  - Work to augment a menu of solutions that anticipate diversifying customer needs.

**(4)Development and expansion of novel and new-domain business**

- a. Devote effort to active expansion of peripheral operations for the power-distribution area of the company.
- b. Proactively promote development and expansion of new business fields in which the company's strengths are given full play, such as IT-related fields as well as new-energy business and environment-related business. Also, take up development of leading-edge and competitiveness-enhancing technologies and work to create alliances with other companies.
- c. Put to full use our proprietary electrical-power technology and record of performance of construction projects cultivated through power transmission, transforming, and distribution, and promote development and expansion of new customers.
- d. Make effort to actively address "designated manager" systems( public-private partnerships ), marketization tests, and the like amid the ongoing opening of government enterprise to the private sector.

**B. Improved management efficiency**

**(1)Creation of management profit-earning systems for all company sectors and business locations**

- a. Analyze information by business sector and region, conduct selection and concentration of management resources to formulate strategies by sectors and region that take into account the overall optimum, and promote creation of systems that enable all business sectors and business locations to secure profits.

**(2)Reduction of fixed expenses and redistribution of management resources (personnel, materiel, and funds)**

- a. For business operations and projects where factors such as viability and growth potential are issues, promote prompt revision and carry out redistribution of management resources( personnel, materiel, and funds )to high-profit business.
- b. Promote compliance with the revised Law Concerning the Stabilization of Aged Workers' Employment and make effort to secure and optimally deploy personnel according to the scale of construction operations.
- c. Strive to achieve a corporate constitution capable of securing sustained profits, and promote further reductions in sales expenses and general administrative expenses.

**(3)Overall strengthening of the organization**

- a. Further strengthen the sales alliances of all business sectors.
- b. Work to implement support and evaluation systems for business sectors and group companies that demonstrate overall strength.

**C. Improvement of management and administration systems**

**(1)Strengthened moves to address corporate social responsibility (CSR)**

- a. As a good corporate citizen, strengthen efforts to address compliance, risk management, protection of the environment, information disclosure, and the like, and promote moves to become a trusted enterprise.

**(2)Strengthened administration systems**

- a. Work to thoroughly implement activities with an awareness of cash flow, including prompt and sure recovery of construction payments.
- b. Work to strengthen level-based

administration to thoroughly eradicate negative costs.

**(3)Strengthened management and administration systems for the corporate group**

- a. Work to strengthen management systems for improving the overall strength of the group, including affiliates.
- b. Strengthen administration of such factors as viability and growth potential.

**D. Rebirth of corporate spirit**

**(1)Strengthened fostering of human resources**

- a. Devote effort to enhancing technical strengths trusted by customers strategic, and strengthen fostering of human resource having the strategic capabilities, specialized expertise, and ability to act that the times require.
- b. Work to sustain and pass on our own innovative proprietary technology and skills.
- c. Roll out measures to assign the right people to the right positions across different business sectors and to enable employees to make maximum use of their capabilities, and establish a job-rotation system for fostering human resources.

**(4)Creation of a more vital workplace**

- a. Ensure that all employees share our corporate principles and strategies, and promote the creation of a workplace environment of abundant vitality where the challenges of reform are addressed with boldness.

**II Numerical Targets**

	Consolidated	Non-consolidated
Bookings	Over JY200 billion	Over JY199 billion
Revenues	Over JY200 billion	Over JY199 billion
Operating income	Over JY5 billion	Over JY4.7 billion
Interest-bearing liabilities	Reduced by over JY3 billion	Reduced by over JY5 billion
R O E	Over 3.5%	

Completion of the Towanomori Toyokawa Hoi Eisei Kumiai Funeral Hall, a Private Finance Initiative (PFI) Project

This funeral hall in Hoi-gun, Aichi Prefecture, booked as a PFI project in 2004, was completed in March 2006. The funeral hall is to be operated and maintained until 2026 by a special-purpose company funded by four companies-TOENEC, Toa Corporation, Tokura Construction Fujikensetsu kogyo Co., LTD. and Co., LTD- after which ownership is to be transferred free of charge to the city of Toyokawa, Aichi Prefecture. TOENEC constructed this facility, and hereafter is involved in control for operating and maintaining it.



Towanomori Toyokawa Hoi Eisei Kumiai Funeral Hall

**<Overview of the Facility>**  
 Construction: Reinforced concrete, 2 stories  
 Total floor space: 3,508 m<sup>2</sup>  
 Zones: 1 Cremation zone  
     8 cremation furnaces, 1 waste-disposal furnace, and 1 animal-cremation furnace  
 2 Service zone  
     Service halls and rooms for the bereaved (combined with bathing facilities)  
 3 Parlor zone  
     6 parlor rooms, parlor hall (capacity: 72), and children's room



Service zone

## Topics

### Examples of Bookings Under "Designated Manager" Systems

"Designated manager" systems were created by revised legislation in 2003, enabling local municipalities to entrust management of public facilities to entities that they designate. Operation of such public facilities is based on a spirit of collaboration between the public and private sectors, with businesses selected according to appropriate competitive conditions, and is intended to achieve high-quality service at low cost.

Under these systems, TOENEC received two bookings to manage facilities in the fiscal year ended March 31, 2006.



Aquarena Toyohashi, housing indoor swimming pools and an ice arena

<Location>  
Toyohashi, Aichi Prefecture  
<Tasks>  
Facility operation  
Maintenance of facility equipment, etc.



Mirai Kaikan Gifu Prefectural Public Cultural Hall

<Location>  
Gifu, Gifu Prefecture  
<Tasks>  
Facility operation and maintenance of facility equipment, etc.

### Participation in Construction for Kaiyo Academy

TOENEC took part in the new construction of Kaiyo Academy in the city of Gamagori, Aichi Prefecture.

The Sales Department of the Okazaki Branch carried out construction of the air-conditioning equipment as well as the water and drainage hygienic facilities for the gymnasium and teachers' quarters. The Energy Solutions Division delivered 12 3,000-liter Eco-Cute commercial hot-water heaters for the "house" (dormitory)

The school, which opened April 2006 in Laguna Gamagori, is a boys' boarding school offering education from junior through senior high, established primarily by the three companies to Toyota Motor Corporation, Chubu Electric Power, and Central Japan Railway Company, and was established to fulfill such principles as "fostering human resources able to be active in international society." The aim to create an environment in which students can concentrate on studies in a safe and secure setting as they grow is reflected in the architectural planning, which transcend ordinary school architecture by featuring aspects of planning for a small town.



Kaiyo Academy residence hall

## Topics

### Participation in a Major Project in Taiwan

TOENEC is taking part in construction for the Taiwan High Speed Rail ( Taiwan Shinkansen ) project. The Taiwan HSR line has transforming substations approximately every 10 kilometers, and TOENEC was responsible for the assembly of 32 sets of cable heads for the 16 power cables along each side of the line that carry electrical power from two of the substations.



The Taiwan High Speed Rail (Taiwan Shinkansen)



Construction in progress

### Activities to Protect the Environment and Use Energy Efficiently

TOENEC was involved in the installation of a photovoltaic power-generation system recognized by the New Energy and Industrial Technology Development Organization ( NEDO ) as a "project to introduce and promote energy conservation and new energy measures" in Yokoen, a special nursing home for the elderly in the city of Yokkaichi, Mie Prefecture.

The system is has a maximum output of 100.7 kW and is predicted to generate approximately 97,000 kWh annually. This is expected to

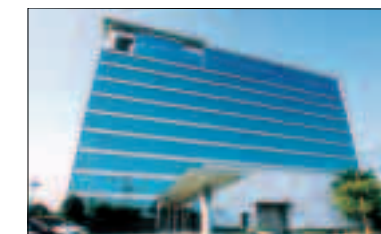
correspond to a reduction of approximately 17,450 kg-C in carbon dioxide( CO2 )emissions ( equivalent to the amount of CO2 absorbed by approximately 4,600 cryptomeria trees )and to a reduction in consumption of approximately 23,571 liters( approximately 120 200-liter barrels )of petroleum. The generated power is converted from DC to AC by an inverter, then used by all facilities in the nursing home. TOENEC manages the entire system.



Solar power generation system

The Bank of Nagoya Business Center ESCO Project( launched in April 2004 )in which TOENEC is participating earned the bronze medal Best ESCO Project Award for 2005, sponsored by the ESCO Promotion Office of the Energy Conservation Center Japan ( ECCJ )

This award is given by the ECCJ's ESCO Promotion Office for cases having a record of operation of at least one year after implementation that demonstrate excellent energy conservation and business performance. The aims of the award system are to further promote and popularize excellent ESCO projects, and to contribute to protection of the environment and energy conservation, including prevention of global warming.



Bank of Nagoya Business Center

## Topics

### Information Technology (IT) Activities

TOENEC received an order booking for a system to broadcast plenary sessions of the Nagoya City Council on the Internet, and completed construction in September 2005.

This system uses seven cameras installed on the walls of the council chamber as well as the chamber's existing sound system, automatically interlinking audio signals selectively received from the speaker's microphone with camera control for live and recorded transmission of the council chair, utterances by council members, and so on.



Nagoya City Council Chamber

TOENEC completed construction of a system for monitoring landslides and waters on the banks of rivers flowing through the city of Fujieda in Shizuoka Prefecture.

This system uses web cameras to monitor the river waters and slopes where landslides are highly likely. The images from the cameras are sent to a wireless station located about a kilometer away, where they are then distributed via the Internet.



Landslide monitor camera

### Reseller Contract for Conversation-recording Servers

TOENEC became the first electrical-power group company to enter into a reseller contract with Mercom Systems, Inc. ( now Verint Systems, Inc. ) of the USA for sales in Japan of the Audiolog series of conversation-recording servers developed and manufactured by Mercom. TOENEC launched full-fledged sales activities on October 3, 2005.

Mercom's Audiolog servers provide a system environment that integrate audio recording, video recording, playback and monitoring, safety-system management, and evaluation and reporting, offering solutions based on recording of a wide variety of conversations.

TOENEC provides single-stop service that extends from consulting through to system design, implementation, construction, operation, and maintenance.



Managing executive officer and Tokyo Headquarters general manager Hiroshi Yasumoto ( left ) and Mercom Systems vice president of international sales Colin Mills ( October 2005 )

### Establishment of a Basic Policy for Protection of Personal Information

Japan's Law Concerning the Protection of Personal Information came fully into effect in April 2005, and in response TOENEC established a basic policy for the protection of the personal information that the company acquires and holds. TOENEC complies strictly with legislation and other norms relating to the protection of personal information, and has decided to establish, implement, and maintain voluntary rules and systems to help achieve this.

## Company Overview

Trade Name TOENEC CORPORATION

Head Office 20-31 Sakae 1-chome Naka-Ku Nagoya  
Aichi 460-8408, JAPAN

Established October 1, 1944

Capitalization JY7,680,785,924 ( as of March 31, 2006 )

Employees 4,859 ( as of March 31, 2006 )

## Business Lines

1. Electrical and communications construction
  2. Pipe-laying
  3. Fire-control system construction
  4. Construction and building works
  5. Scaffolding, earthworks, and concrete works
  6. Road surfacing
  7. Painting
  8. Waterproofing work
  9. Waterworks
  10. Steel-structure construction
  11. Machinery and tool installation
  12. Interior finishing work
  13. Cleaning-facility construction
  14. Hot and cold water systems, and other work related to power provision, including steam and thermal generation, and wind and solar power generation
  15. Electrical transmission construction
  16. For all the items above, surveying, design, supervision, and consultation services, along with associated commissioned research, planning, development, etc.
  17. Purchase, sale, and leasing of the goods listed below
    - A. For the items listed above, power cables, utility poles, power stringing tools, etc.
    - B. Control equipment for power generation and transmission, lighting equipment and wiring materials
    - C. Household electrical appliances, furniture, kitchen equipment, medical equipment, health and hygiene equipment, home-care devices, home-care goods, fitness equipment,
  18. Ordinary freight vehicles
  19. Sale, leasing, and management of real estate
  20. Investment and financing in other companies
  21. Manpower dispatching
  22. Any business related to any of the items above
- sporting goods, apparel, and sundry items
- D. Building plant and equipment, air-conditioning equipment, and compressors
  - E. Power-transmission equipment, computer systems, data terminals, and parts related to these



Head Office Building

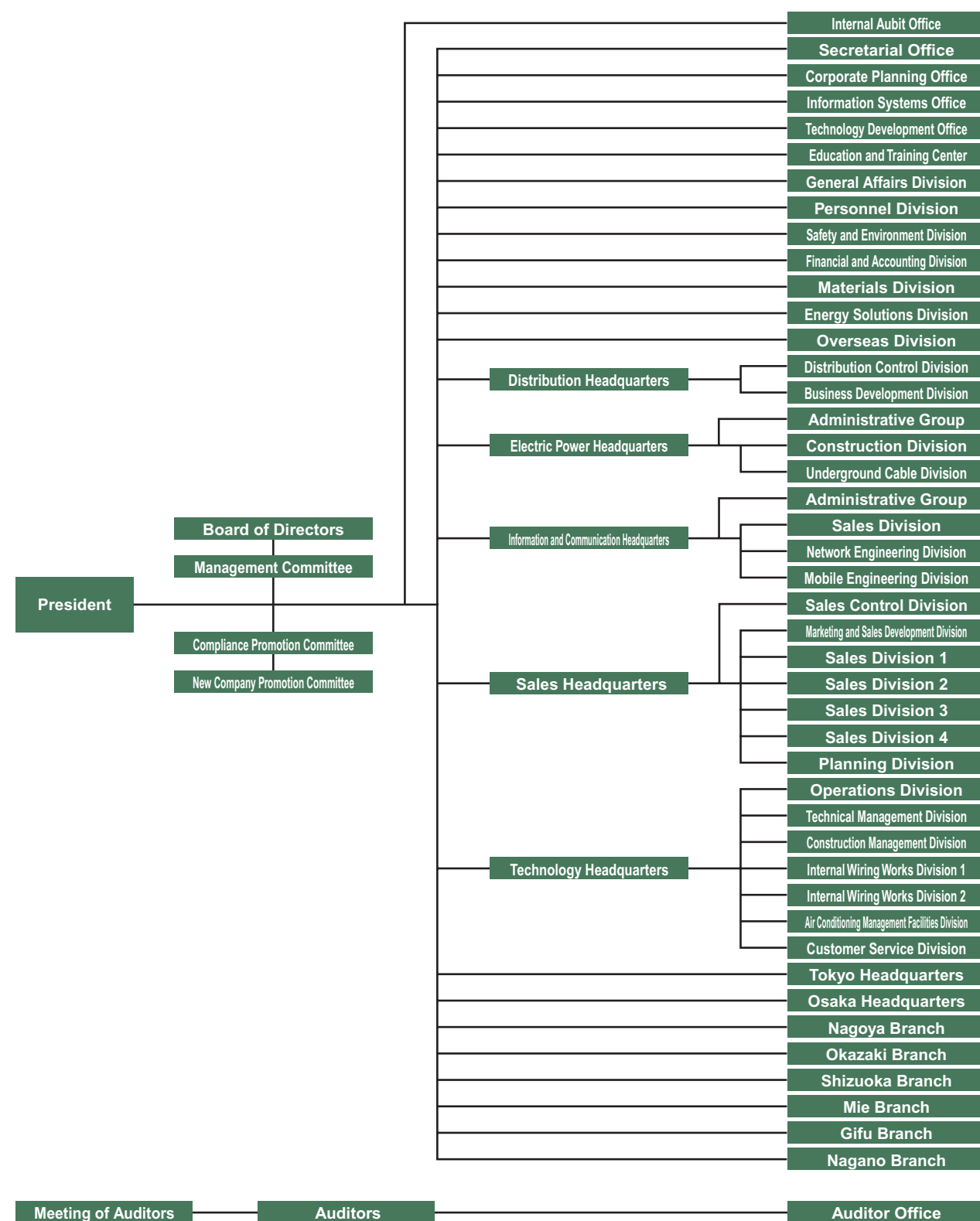


Head Office Annex



## Organization

(As of July 1, 2006)



## Corporate Directory

(As of July 1, 2006)

### Directors, Auditors and Officers

#### President and Director

Yasuhiro Noda

#### Senior Executive Director

Yoshinao Miyahara

#### Managing Director

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