

Chubu Electric Power Group

TOENEC

ANNUAL REPORT

Year ended March 31, 2008

08

TOENEC CORPORATION



During our 90th fiscal year from April 1, 2007, to March 31, 2008, the Japanese economy continued to recover gradually, characterized by increased exports and capital investment as corporate profits overall improved despite some discrepancies based on industry or scale of business.

In our own industry, however, we continue to face difficult challenges as reduced public spending on both the national and municipal level has resulted in fewer public works projects, and increasing cost competitiveness has reduced profitability of general contracting work even as material and outsourced labor costs continue to rise.

Given this situation, and in accordance with our current Midterm Business Plan as adopted in April 2006, we are concentrating our management resources in core business while focusing our efforts on increasing the efficiency of our construction methods even as we become more selective regarding the profitability of the projects we accept and work to position ourselves strategically as the prime contractor.

As the upshot of this, orders received and net sales for the past year both showed slight declines, as we finished the year with a total of JY180.894 billion (down 4.5% YoY) in orders received and JY 192.732 billion (down 2.1% YoY) in net sales. In addition, we transferred our power transmission, transformation, and underground construction operations to C-Tech Corporation, a subsidiary of Chubu Electric Power Company, Incorporated, as of October 1, 2007.

Thanks to major improvements in sales at our indoor wiring construction division as well as special profits realized through the transfer to C-Tech Corporation, we realized major increases in profitability, finishing the year with JY 7.392 billion (up 48.2% YoY) in operating profits and JY 5.752 billion (up 141.5% YoY) in net profit.

Economic trends for the coming year include the prospect of softening profitability for export-oriented businesses due to the rising value of the Japanese yen, which combined with the effects of the sub prime loan crisis in the US is expected to reduce capital investment. At the same time, individual consumers are

likely to become wary of rising prices, and the economy is expected to lose its forward momentum. Moreover, reduced private investment and increasing cost competitiveness indicate that TOENEC will continue to face difficult challenges over the coming year.

Given these circumstances, we will promote initiatives for strengthening and increasing efficiency in our indoor, outdoor, and underground power line construction operations as well as in all our other business operations, even as we continue our efforts to position ourselves strategically as a provider of indoor wiring, air conditioning, and information technology installation services.

Moreover, the fiscal year started April 1, 2008, is the final year of our current Midterm Business Plan, during which we intend to complete all our initiatives for promoting sustainable growth strategies, implementing a wide range of policies for growth, and ensuring stable profitability through sound business management. We look forward to your continued understanding and support.

July 2008



President

Yasuhiro Noda

Non-consolidated Balance Sheet

TOENEC CORPORATION 31st March, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
ASSETS			
Current assets:			
Cash and deposits	¥ 23,985	¥ 21,320	\$ 239,391
Marketable securities	14,012	1,002	139,856
Notes and accounts receivable:			
Notes	5,973	5,467	59,619
Accounts	38,192	49,824	381,197
Others	1,388	1,514	13,849
	<u>45,553</u>	<u>56,805</u>	<u>454,665</u>
Allowance for doubtful accounts	(321)	(347)	(3,205)
	<u>45,232</u>	<u>56,458</u>	<u>451,460</u>
Inventories	10,164	17,421	101,451
Deferred tax assets	173	993	1,726
Others	8,143	7,303	81,280
Total current assets	<u>101,709</u>	<u>104,497</u>	<u>1,015,164</u>
Property, plant and equipment:			
Buildings and structures	40,290	41,380	402,135
Machinery, vehicles and equipment	5,244	7,678	52,345
Land	24,610	25,626	245,630
Construction in progress	137	-	1,371
	<u>70,281</u>	<u>74,684</u>	<u>701,481</u>
Accumulated depreciation	(31,861)	(34,012)	(318,010)
Total property, plant and equipment	<u>38,420</u>	<u>40,672</u>	<u>383,471</u>
Investments and other assets:			
Investment securities	8,317	11,677	83,013
Deferred tax assets	12,193	11,163	121,703
Others	2,782	2,691	27,765
Total investments and other assets	<u>23,292</u>	<u>25,531</u>	<u>232,481</u>
Total assets	<u>¥ 163,421</u>	<u>¥ 170,699</u>	<u>\$1,631,116</u>

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
LIABILITIES			
Current liabilities:			
Short-term loans payable	¥ 3,700	¥ 3,700	\$ 36,930
Notes and accounts payable:			
Notes	6,519	7,554	65,066
Accounts	<u>34,901</u>	<u>43,879</u>	<u>348,347</u>
	<u>41,420</u>	<u>51,433</u>	<u>413,413</u>
Advances received on uncompleted construction contracts	3,453	3,580	34,467
Accrued income taxes	2,983	2,587	29,774
Others	<u>8,118</u>	<u>7,637</u>	<u>81,024</u>
Total current liabilities	<u>59,674</u>	<u>68,937</u>	<u>595,608</u>
Non-current liabilities			
Reserve for retirement benefits	33,618	35,384	335,539
Reserve for directors' retirement benefits	198	156	1,980
Others	<u>9</u>	<u>10</u>	<u>93</u>
Total non-current liabilities	<u>33,825</u>	<u>35,549</u>	<u>337,612</u>
Total liabilities	<u>93,499</u>	<u>104,487</u>	<u>933,220</u>
NET ASSETS			
Owners' equity:			
Capital stock			
Authorized - 200,000,000 shares			
Issued - 96,649,954 shares	7,681	7,681	76,662
Capital surplus	6,839	6,839	68,262
Retained earnings	50,227	45,415	501,316
Treasury stock	(1,224)	(1,190)	(12,220)
Total owners equity	<u>63,522</u>	<u>58,745</u>	<u>634,020</u>
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	2,630	4,625	26,246
Deferred gain or losses on hedges	<u>3,770</u>	<u>2,843</u>	<u>37,629</u>
Total valuation and translation adjustment	<u>6,400</u>	<u>7,467</u>	<u>63,875</u>
Total net assets	<u>69,922</u>	<u>66,212</u>	<u>697,895</u>
Total liabilities and net assets	<u>¥ 163,421</u>	<u>¥ 170,699</u>	<u>\$1,631,116</u>

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Net sales:			
Construction contracts	¥192,732	¥196,795	\$1,923,670
Cost of sales:			
Construction contracts	170,121	177,371	1,697,979
Gross profit	22,612	19,424	225,691
Selling, general and administrative expenses	15,942	14,960	159,123
Operating income	6,669	4,464	66,568
Other income (expenses):			
Interest income	187	58	1,869
Interest expenses	(56)	(67)	(562)
Other, net	3,227	667	32,205
Income before income taxes	3,358	657	33,512
Income before income taxes	10,027	5,122	100,080
Income taxes-current			
Current	3,825	2,503	38,177
Deferred	450	236	4,489
Net income	¥ 5,752	¥ 2,382	\$ 57,414
Per share of common stock:	Yen		U.S. Dollars
Net income	¥ 61.17	¥ 25.27	\$ 0.61
Cash dividends	10.00	10.00	0.10

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Cash flows from operating activities			
Income before income taxes	¥ 10,027	¥ 5,122	\$100,080
Depreciation	1,349	1,281	13,461
Impairment loss	715	-	7,135
Increase (decrease) in			
allowance for doubtful accounts	43	315	431
reserve for director's bonuses	15	27	154
reserve for retirement benefits	(1,117)	(1,913)	(11,145)
reserve for directors' retirement benefits	42	(118)	422
other reserves	(1,368)	1,282	(13,649)
Interest and dividends income	(362)	(250)	(3,617)
Interest expenses	56	67	562
Foreign exchange losses (gains)	4	1	39
Loss on valuation of marketable securities	12	237	116
Losses (gains) on sale of marketable securities	(13)	(310)	(130)
Losses (gains) on sale of investment parent company	-	(567)	-
Losses (gains) on sales and disposals of properties	(107)	(1)	(1,067)
Decrease (increase) in			
accounts receivable-trade	10,284	(3,220)	102,645
inventories	6,080	(4,788)	60,683
Increase (decrease) in			
accounts payable-trade	(9,813)	6,595	(97,948)
advances received on uncompleted construction contracts	383	(211)	3,827
accrued consumption taxes	718	62	7,165
Directors' bonuses paid	-	(23)	-
Others, net	(1,933)	588	(19,297)
Income taxes expenses	15,015	4,175	149,867
Income taxes expenses	(3,429)	(1,526)	(34,225)
Net cash (used in) provided by operating activities	11,586	2,649	115,642
Cash flows from investing activities			
Payments into time deposits	(6,959)	(472)	(69,461)
Proceeds from withdrawal of time deposits	7,001	548	69,880
Purchase of marketable securities	(8,500)	(1,903)	(84,839)
Proceeds from sales of marketable securities	-	5,909	-
Purchase of investments in subsidiaries	(7)	-	(70)
Purchase of investment securities	(8)	(317)	(82)
Proceeds from sales of investment securities	36	1,075	356
Payments of loans receivable	(33)	(103)	(333)
Collection of loans receivable	58	13	581
Purchases of property, plant and equipment	(669)	(1,241)	(6,682)
Proceeds from sales of property, plant and equipment	348	121	3,478
Interest and dividends income	366	234	3,656
Interest expenses	-	(64)	-
Proceeds from transfer of business	4,991	-	49,815
Others, net	38	(4)	382
Net cash (used in) provided by investing activities	(3,338)	3,798	(33,317)
Cash flows from financing activities			
Redemption of bonds	-	(4,998)	-
Payments for purchases of treasury stock	(39)	(218)	(387)
Proceeds from sales of treasury stock	5	19	45
Interest expenses	(55)	-	(549)
Dividends paid	(939)	(944)	(9,368)
Net cash (used in) provided by financial activities	(1,028)	(6,140)	(10,259)
Effect of exchange rate change on cash and cash equivalents	(4)	(1)	(39)
Net increase (decrease) in cash and cash equivalents	7,216	306	72,027
Cash and cash equivalents at beginning of the year	21,400	21,094	213,596
Cash and cash equivalents at end of the year	¥ 28,617	¥ 21,400	\$ 285,624

Consolidated Balance Sheet

TOENEC CORPORATION 31st March, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
ASSETS			
Current assets:			
Cash and deposits	¥ 25,508	¥ 21,798	\$ 254,597
Marketable securities	14,012	1,002	139,856
Notes and accounts receivable:			
Notes	6,105	5,613	60,939
Accounts	38,730	50,360	386,567
Others	1,296	1,608	12,940
	46,131	57,581	460,446
Allowance for doubtful accounts	(331)	(361)	(3,300)
	45,800	57,220	457,146
Inventories	10,394	17,722	103,742
Deferred tax assets	344	1,160	3,436
Others	8,231	7,376	82,156
Total current assets	104,291	106,279	1,040,933
Property, plant and equipment:			
Buildings and structures	41,600	42,704	415,213
Machinery, vehicles and equipment	27,073	29,509	270,216
Property for lease	2,219	2,264	22,148
Land	24,669	25,686	246,224
Construction in progress	179	-	1,783
	95,740	100,163	955,584
Accumulated depreciation	(48,159)	(51,078)	(480,677)
Total property, plant and equipment	47,581	49,085	474,907
Investments and other assets:			
Investment securities	15,683	11,563	156,529
Deferred tax assets	11,979	10,941	119,562
Others	2,894	2,988	28,883
Total investments and other assets	30,555	25,492	304,974
Total assets	¥ 182,427	¥ 180,857	\$1,820,814

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
LIABILITIES			
Current liabilities:			
Short-term loans payable	¥ 7,300	¥ 6,323	\$ 72,857
Notes and accounts payable:			
Notes	6,550	7,661	65,378
Accounts	35,795	44,270	357,274
	42,345	51,931	422,652
Advances received on uncompleted construction contracts	3,541	3,786	35,343
Accrued income taxes	3,073	2,802	30,672
Others	8,735	8,126	87,184
Total current liabilities	64,994	72,969	648,708
Non-current liabilities:			
Long-term loans payable	3,854	4,281	38,467
Reserve for retirement benefits	33,621	35,386	335,572
Reserve for directors' retirement benefits	265	208	2,640
Others	16	30	163
Total non-current liabilities	37,756	39,905	376,842
Total liabilities	102,750	112,873	1,025,550
NET ASSETS			
Owners' equity:			
Capital stock			
Authorized - 200,000,000 shares			
Issued - 96,649,954 shares	7,681	7,681	76,662
Capital surplus	6,839	6,839	68,262
Retained earnings	59,955	47,220	598,414
Treasury stock	(1,224)	(1,190)	(12,220)
Total owners equity	73,251	60,550	731,118
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	2,646	4,625	26,411
Deferred gain or losses on hedges	3,770	2,843	37,629
Translation adjustments	11	(34)	107
Total valuation and translation adjustment	6,427	7,434	64,147
Total net assets	79,678	67,983	795,265
Total liabilities and net assets	¥ 182,427	¥ 180,857	\$1,820,814

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Net sales:			
Construction contracts	¥197,386	¥199,976	\$1,970,119
Cost of sales:			
Construction contracts	173,128	179,169	1,727,992
Gross profit	24,259	20,807	242,127
Selling, general and administrative expenses	16,692	15,500	166,604
Operating income	7,567	5,307	75,523
Other income (expenses):			
Interest income	184	59	1,834
Interest expenses	(157)	(76)	(1,570)
Other, net	3,702	366	36,948
Income before income taxes	3,728	349	37,212
Income before income taxes	11,295	5,655	112,735
Income taxes-current:			
Current	4,096	2,751	40,881
Deferred	428	215	4,271
Net income	¥ 6,771	¥ 2,690	\$ 67,583
Per share of common stock:	Yen		U.S. Dollars
Net income	¥ 72.00	¥ 28.53	\$ 0.72
Cash dividends	10.00	10.00	0.10

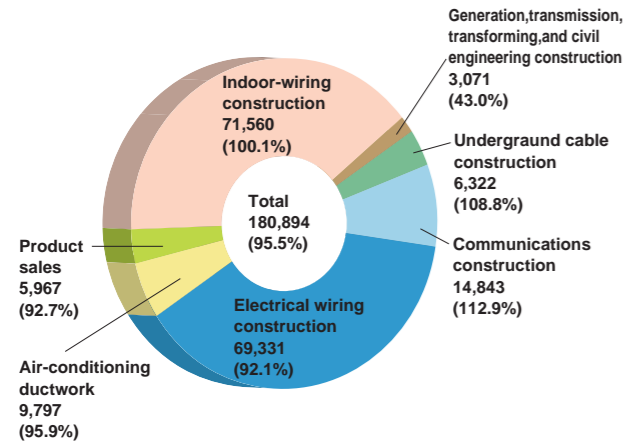
	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Cash flows from operating activities			
Income before income taxes	¥ 11,295	¥ 5,655	\$ 112,735
Depreciation	3,764	3,315	37,568
Impairment loss	715	-	7,135
Increase (decrease) in			
allowance for doubtful accounts	141	304	1,405
reserve for director's bonuses	9	33	93
reserve for retirement benefits	(1,115)	(1,922)	(11,134)
reserve for directors' retirement benefits	56	(100)	563
other reserves	(1,368)	1,282	(13,649)
Interest and dividends income	(353)	(241)	(3,520)
Interest expenses	157	76	1,570
Foreign exchange losses (gains)	4	1	39
Loss on valuation of marketable securities	12	237	116
Losses (gains) on sale of marketable securities	(15)	(310)	(145)
Losses (gains) on sale of investment parent company	-	(567)	-
Equity in (earnings) losses of affiliates	(572)	-	(5,704)
Losses (gains) on sales and disposals of properties	(87)	228	(870)
Decrease (increase) in			
accounts receivable-trade	10,573	(3,492)	105,533
inventories	6,278	(4,528)	62,658
Increase (decrease) in			
accounts payable-trade	(13,185)	6,570	(131,605)
advances received on uncompleted construction contracts	259	(559)	2,581
accrued consumption taxes	736	84	7,345
Directors' bonuses paid	-	(29)	-
Others, net	1,346	372	13,432
Income taxes expenses	18,650	6,409	186,147
Income taxes expenses	(3,825)	(1,618)	(38,179)
Net cash (used in) provided by operating activities	14,825	4,791	147,968
Cash flows from investing activities			
Payments into time deposits	(7,499)	(472)	(74,851)
Proceeds from withdrawal of time deposits	7,511	548	74,970
Purchase of marketable securities	(8,500)	(1,903)	(84,839)
Proceeds from sales of marketable securities	-	5,909	-
Purchase of investment securities	(15)	(316)	(152)
Proceeds from sales of investment securities	37	1,061	371
Payments of loans receivable	(33)	(103)	(333)
Collection of loans receivable	-	13	-
Purchases of property, plant and equipment	(3,617)	(5,339)	(36,104)
Proceeds from sales of property, plant and equipment	632	376	6,313
Interest and dividends income	363	239	3,622
Interest expenses	-	(73)	-
Proceeds from transfer of business	4,991	-	49,815
Others, net	78	(153)	774
Net cash (used in) provided by investing activities	(6,053)	(213)	(60,413)
Cash flows from financing activities			
Increase(decrease) in short-term loans payable	-	(1,871)	-
Proceeds from long-term loans payable	3,500	3,660	34,934
Repayment of long-term loans payable	(2,951)	(659)	(29,451)
Redemption of bonds	-	(4,998)	-
Payments for purchases of treasury stock	(39)	(218)	(387)
Proceeds from sales of treasury stock	5	19	45
Interest expenses	(132)	-	(1,322)
Dividends paid	(939)	(944)	(9,368)
Net cash (used in) provided by financial activities	(556)	(5,010)	(5,550)
Effect of exchange rate change on cash and cash equivalents	16	(0)	155
Net increase (decrease) in cash and cash equivalents	8,232	(433)	82,161
Cash and cash equivalents at beginning of the year	21,878	21,645	218,370
Increase in cash and equivalents from newly consolidated subsidiary	-	667	-
Cash and cash equivalents at end of the year	¥ 30,110	¥ 21,878	\$ 300,530

Breakdown by Business Sector

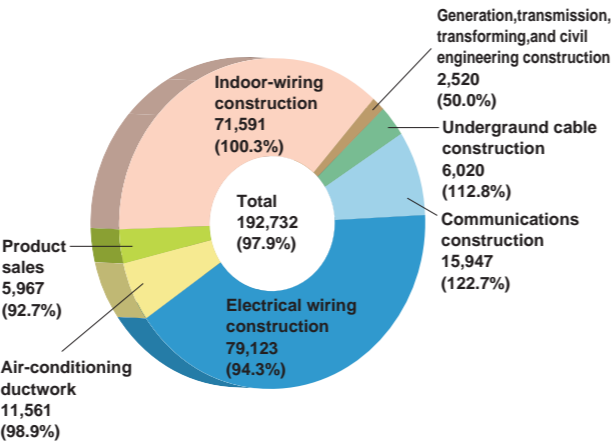
(April 1, 2007 to March 31, 2008)

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

Bookings
(performance against prior term shown in parentheses)



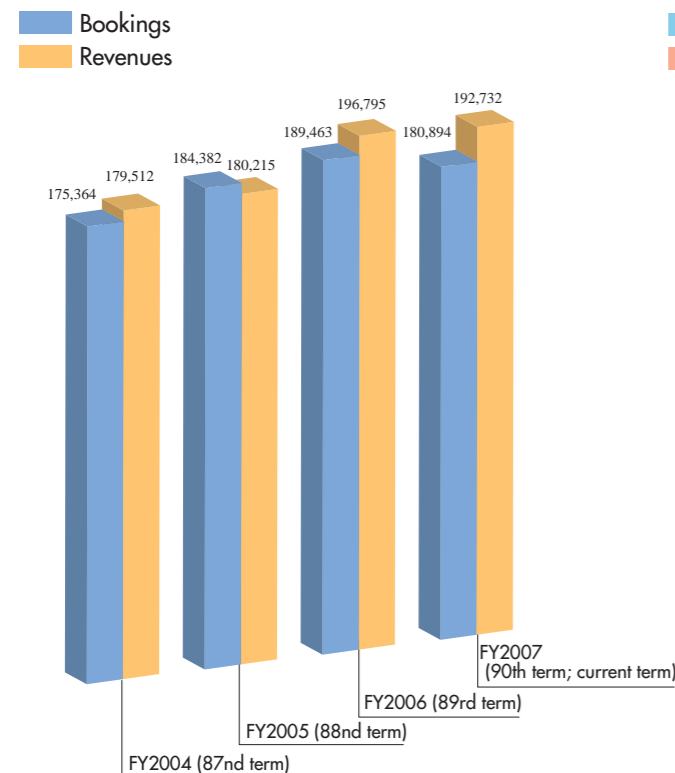
Revenues
(performance against prior term shown in parentheses)



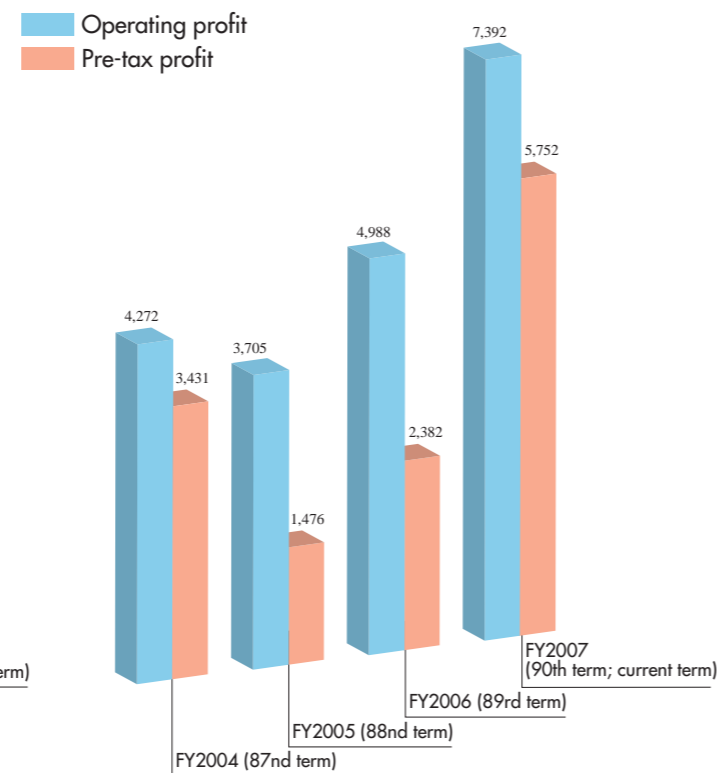
Performance trends

(April 1, 2007 to March 31, 2008)

Bookings and revenues (units: JY millions)



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

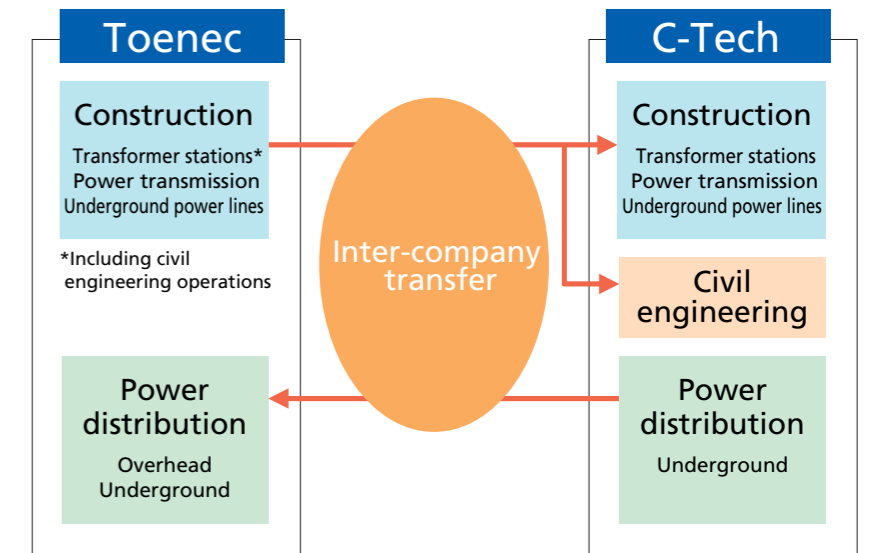


Topics

Construction Division Transfer

On October 1, 2007, Toenec's power transmission, transformation, and underground construction operations were transferred to C-Tech Corporation Incorporated, a subsidiary of Chubu Electric Power Company, Incorporated, while Toenec took over C-Tech Corporation's underground power distribution operations.

In recent years, there has been a major fall-off in work orders from Chubu Electric's construction division for the construction of new facilities. Because Toenec will now focus on the efficient performance of modifications to existing facilities, it became necessary to restructure our organization and transfer this line of business to a company within the Chubu Electric Group capable of maintaining this technology through the performance of large-scale construction projects on a regular basis.

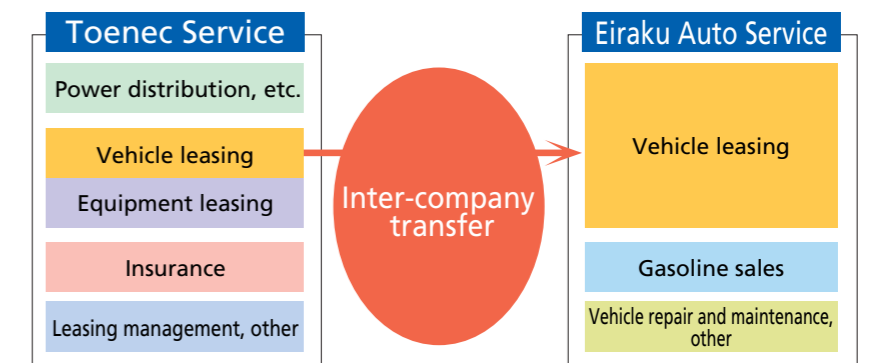


Toenec Service Corporation Reaches Agreement with Eiraku Auto Service Co.,Ltd. for Restructuring of Vehicle Leasing

Toenec Service Corporation, a subsidiary of Toenec, has reached an agreement with Chubu Electric Group company Eiraku Auto Service Co.,Ltd. to transfer its vehicle leasing operations to Eiraku as of October 1, 2008.

This restructuring of operations between Eiraku Auto Service Co.,Ltd., which handled the leasing of vehicles to Chubu Electric Group companies, and Toenec Service Corporation, which handled the leasing of vehicles to Toenec, is expected to enhance the efficiency of leasing operations to both entities.

Restructuring scheme



※The name of Eiraku Auto Service was changed to Chuden Auto Lease.

Topics

Solar Energy at Toyota Motor Corporation's Tsutsumi Plant

Solar photovoltaic power generation is an energy source that doesn't emit carbon dioxide, which makes it attractive both as a means to provide electrical power for production lines as well as preserve a pleasant environment. The solar energy system at Toyota Motor Corporation's Tsutsumi plant produces 2,000 kW of clean energy thanks to 12,000 solar panels installed on roofs of assembly plants and mechanical facilities.



Solar panels



The rooftop at the visitor center comprise solar panels and grass belts.



Office building

Topics

Mode Gakuen Spiral Towers

Fast becoming one of the most popular destinations in Nagoya is the Mode Gakuen Spiral Towers building just south of Nagoya Station, which houses commercial space for retail shops and restaurants as well as three technical colleges: Nagoya Mode Gakuen, offering programs in fashion and design; HAL Nagoya, offering programs in IT and digital content creation; and Nagoya Isen, offering programs in vocational medical specializations.

Toenec served as a contractor for the installation of the building's electrical power service lines, transformers, and distribution facilities.



Entrance



Classrooms



Spiral Towers seen from ground level

Topics

Gifu City Towers 43

Gifu City Towers 43, situated just to the west of JR Gifu Station is a multipurpose high-rise facility that includes residential units and has become well known as the tallest building in the Chubu region of central Japan. Toenec was responsible for installing the overall electrical system of this skyscraper.



Gifu City Towers 43, as seen from east of JR Gifu Station

Toenec Participates in MIC Telecommunications Trials

Toenec is participating in trials conducted by the Ministry of Internal Affairs and Communications (MIC) in advanced technology for wide-area wireless access to telecommunications networks. This new technology, known as WiMAX, is seen as a potential alternative to landline broadband access in areas where microwave reception is poor as well as a basic technology for the ubiquitous computing networks of the not-so-distant future, and the present trials are intended to verify the reliability of this protocol. Toenec was involved in the construction of and improvements to the infrastructure needed for trial operation.



A WiMAX station

Topics

Toenec's Electrical Wiring Construction Division Works on Post-disaster System Recovery

Typhoon No. 9 swept through Japan's Tokai and Kanto regions in September 2007, leaving extensive damage in its wake, especially in parts of Nagano and Shizuoka Prefectures. Our Electrical Wiring Construction Division took the lead as everyone at Toenec worked extensively to complete system recovery in the aftermath of this natural disaster.



Toenec Competes in New Year Ekiden for the First Time

The 52nd All Japan Business Ekiden Competition was held on January 1, 2008, in Gunma Prefecture, where Toenec employees belonging to our Track and Field team participated in the race for the first time ever.



Company Overview

Trade Name TOENEC CORPORATION
 Head Office 20-31 Sakae 1-chome, Naka-Ku
 Nagoya 460-0008, JAPAN
 Established October 1, 1944
 Capitalization JY7,680,785,924(as of March 31, 2008)
 Employees 4,755 (as of March 31, 2008)



Head Office



Head Office Annex



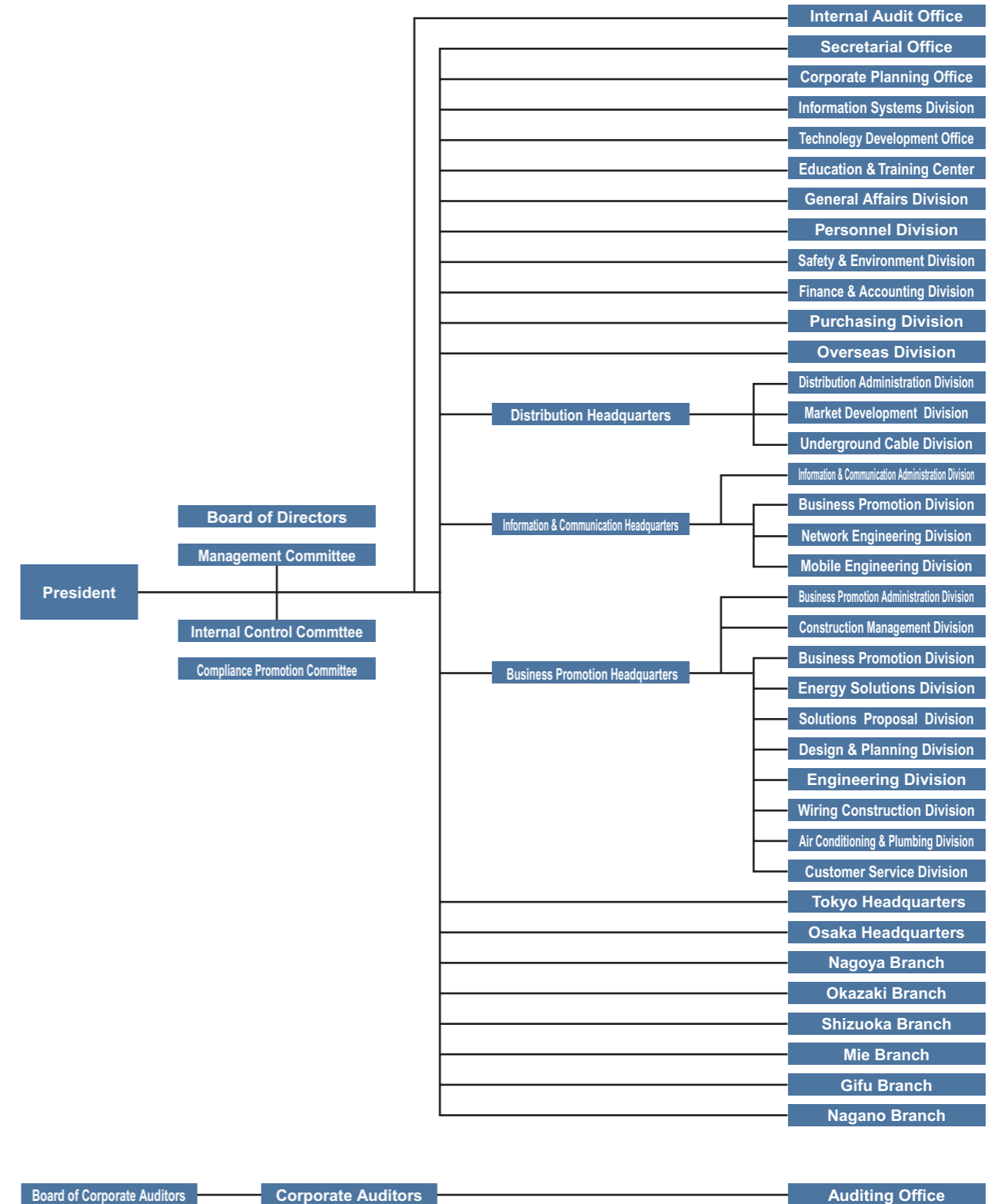
Education & Training Center Create Hall

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, maintenance, and consultation services, along with associated commissioned research, planning, development, etc.
17. Procurement, manufacture, 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. Electrical appliances, furniture, kitchen equipment, medical equipment, health and hygiene equipment, home-care devices, home-care goods, fitness equipment, 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
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

Organization

(As of July 1, 2008)



President and Director

Yasuhiro Noda (Executive Officer)

Senior Managing Director

Yoshinao Miyahara (Executive Officer)

Managing Directors

Atsushi Katsuragawa (Executive Officer)

Masahiro Mikawa (Executive Officer)

Toyoo Tanaka (Executive Officer)

Hidetoshi Wada (Executive Officer)

Directors

Kenji Hirata (Executive Officer)

Hiroshi Yamada (Executive Officer)

Mikio Niwa (Executive Officer)

Tadashi Yamauchi (Executive Officer)

Yuji Kume

Tsutomu Miura (Executive Officer)

Tsutomu Morita (Executive Officer)

Corporate Auditors (full-time)

Toshio Tomita

Koichi Kumagai

Corporate Auditors

Tetsu Ito

Shinji Ishihara

Executive Officers

Yutaka Takase

Yasumasa Moriyama

Yukio Sekiguchi

Akira Ito

Akira Okamoto

Yoshitaka Yasui

Shigeru Asami

Motoyuki Ito

Hisao Owaki

Masao Okuhira

Mamoru Komiyama

TOENEC SERVICE CORPORATION

31-41 Sakae 1-Chome, Naka-Ku, Nagoya 460-0008, Japan

Phone: +81 (052) 201-6755

Fax: +81 (052) 211-1795

Norio Kawamoto, president

Incorporated October 1, 1981

Paid-in capital of JY 100 million

Offices in Nagoya, Okazaki, Shizuoka, Mie, Gifu, and Nagano

FILLTECH CORPORATION

1-32 Chitose 3-Chome, Minato-ku, Nagoya 455-0011, Japan

Phone & Fax: +81 (052) 652-9938

Yoshiyasu Ando, president

Incorporated April 2, 2001

Paid-in capital of JY 35 million

TOENEC CONSTRUCTION (SHANGHAI) CO., LTD.

2F Chang Fa Building (East Area),

No. 128 Wei Hai Road, Huang Pu

District, Shanghai 200003, China

Phone: (86)21-6358-1878

Masaru Ohnuki, president

Incorporated September 16, 2003 (Approved for operation January 19, 2004)

Paid-in capital of USD 2.1 million

TOENEC (TAIWAN) CO., LTD.

4th Floor, No. 13, Sec. 1, Chang-an E. Rd., Jhongshan District,

Taipei City 104, Taiwan (R.O.C.)

Phone: (886)2-2511-5937

Toshio Isomura, president

Incorporated January 4, 1985 (Toenec first acquired a financial interest on February 17, 2003)

Paid-in capital of TWD 8 million

TOENEC PHILIPPINES INC.

Room 301, 3rd Floor, L&F Building, 107 Aguirre Street,

Legaspi Village, Makati City 1229, Philippines

Phone: (63)2-892-1285

Toshihiro Hamase, vice-president

Incorporated October 26, 1995

Paid-in capital of 1 million pesos

TOENEC (THAILAND) CO., LTD.

Room 1402, Bangkok Tower, 2170 New Petchburi Road, Bangkok,

Huaykwang, Bangkok 10320, Thailand

Phone: (66)2-308-0320

Minoru Niwa, president

Incorporated June 27, 1996

Paid-in capital of 10 million baht