

April 6, 2021

For Immediate Release

To Whom It May Concern

Toyo Engineering Corporation

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Information of Lawsuit against Toyo Engineering Corporation

This is to notify that BANKRUPT ESTATE OF BANCO SANTOS S.A. (hereinafter referred to as “Plaintiff”) filed a lawsuit against Toyo Engineering Corporation (“TOYO”) together with 30 other defendants to pierce their corporate veils as follows.

1. Outline of Lawsuit

- (1) Court: 31st Civil Court of the District of São Paulo, Brazil
- (2) Applicable Law: Brazilian Law
- (3) Date of Commencement: April 5, 2021 (local time)

2. Counterparty

- (1) Name: BANKRUPT ESTATE OF BANCO SANTOS S.A.
- (2) Address: Rua Tabapua, 474, 8^o andar, conjuntos 84 e 85
Itaim Bibi, Sao Paulo/SP, Brasil
- (3) Representative: Dr. Paulo Guilherme de Mendonça Lopes

3. Causes and circumstances of the Lawsuit

The Plaintiff alleges to pierce the corporate veil of all the 31 defendants to pursue a joint and several liability for a credit which the Plaintiff has against one of the defendants belonging to a business group to which SOG-Oleo e Gas S/A (“SOG”), a joint venture partner of TOYO, also belongs. The vast majority of the defendants are companies belonging to the same business group and individuals as their shareholders, and also include three of TOYO’s equity-method affiliates equally owned between TOYO and SOG. The amount of the credit claimed is approx. BRL 230 million or USD 40 million.

4. Prospects

TOYO has no capital or management relationship at all with SOG or any other business group companies or their shareholders, other than with the above mentioned equity-method affiliates, and therefore thinks that the alleged piercing of corporate veil is groundless and without merit. The claim against our equity-method affiliates is also considered without merit despite 50% share by SOG, because they are operating their business as completely independent entities.

On the basis stated above, no impact on our performance can be assessed at this point in time, but if there arises anything to be disclosed, we will forthwith notify accordingly.