



Fiscal Year Ended March 2024 (FY2023)

Management Overview

May 15, 2025

Toyo Engineering Corporation

Eiji Hosoi, President & CEO



- 1. Performance Overview and Outlook**
2. Status of Major Projects
3. Main Topics
4. Mid-Term Management Plan and Management Policy
5. Management Measures to increase efficiency of capital cost
6. APPENDIX

Fiscal Year 2023 Performance Overview

- ✓ **Projects are progressing smoothly overall.**
 - **Project portfolio (breakdown by country/type, scale, EPC/Non-EPC) is well-balanced**
 - **Rigorous risk management is being thoroughly implemented**
- ✓ **Net sales of ¥260.8 billion and net income of ¥9.8 billion, showing an increase compared to the previous year and the revised disclosed figures.**
- ✓ **Net income from our core business is ¥5.0 billion excluding extraordinary income of ¥4.8 billion.**
- ✓ **While FPSO projects (OFS) contributed positively to TOYO's overall performance, approximately ¥500 million of equity in losses of affiliates was incurred due to the impact of projects*¹ at a Brazilian equity-method affiliate*².**
- ✓ **The order amount (including equity method affiliates') reached ¥462.3 billion, meeting the target.**
- ✓ **A year-end dividend of 12 yen is scheduled (the reinstatement of dividends in seven years since the fiscal year ended March 2017).**

*1 Of the two Module Fabrication projects, one was completed by the end of 2023, and efforts are currently focused on the remaining project to be completed in the first half of 2024.

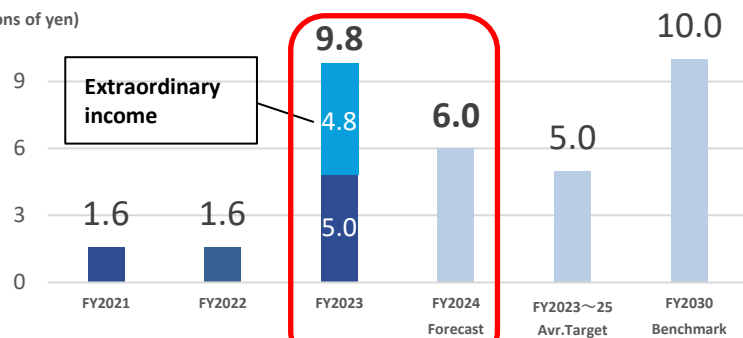
*2 To strengthen risk management and governance, it is planned to acquire additional shares and consolidate the company as a subsidiary from July 1, 2024.

Outlook for Fiscal Year 2024

- ✓ Net sales are expected to be ¥270 billion with net income of ¥6 billion.
- ✓ Contribution from OFS will lead to ¥2.5 billion profit in Non-operating Income.
- ✓ A 20% increase of net income from our core business as compared to that of ¥5 billion in the previous fiscal year.
- ✓ The orders target (including equity method affiliate companies) is expected to reach ¥250 billion.
- ✓ A year-end dividend of 25 yen is expected, with a dividend payout ratio of 25%.

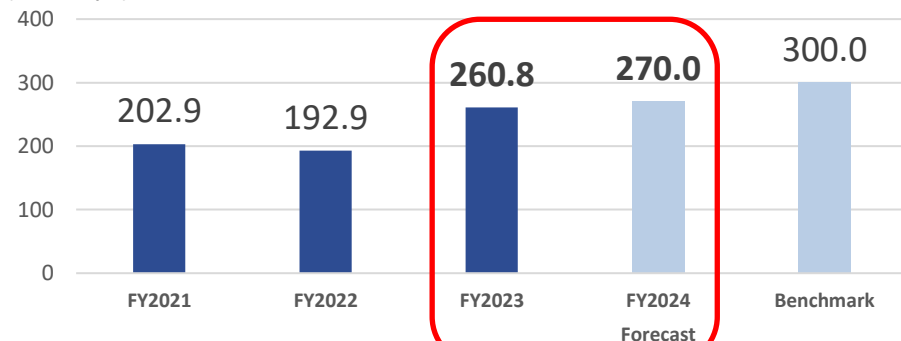
Consolidated net income

(Billions of yen)



Consolidated Net Sales

(Billions of yen)



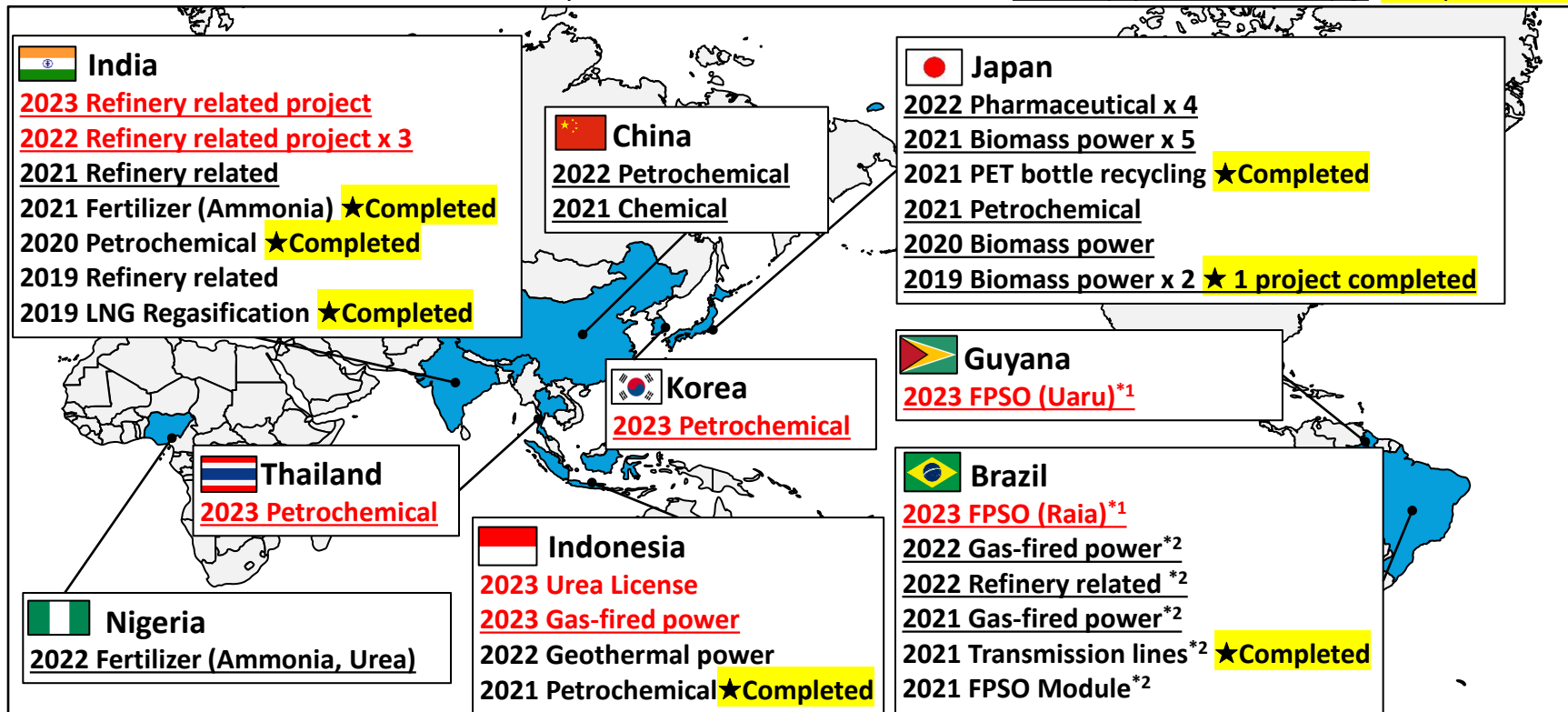


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Major Projects

TOYO secured two large FPSO projects (equity method affiliates). And we are managing a balanced portfolio of different types of projects in various countries

Year : Fiscal year of award Red letters : **Orders received in FY2023** Underlined projects : listed on the next page ★ : Completed in FY2023



*1 Equity-method affiliate: Offshore Frontier Solutions Pte. Ltd. (35% share) *2 Equity-method affiliate (50% share)

Status of Major Projects

Projects in various countries will continue to progress in a balanced manner, with completion scheduled sequentially from 2024 to 2027.

			2020	2021	2022	2023	FY 2024	2025	2026	2027
Japan		Pharmaceuticals (Yamaguchi)	EPC							
		Petrochemicals (Chiba)	EPC							
		Biomass Power generation 7	EPC							
India		Refinery related (Gujarat)	EPC							
		Refinery related (Maharashtra)	EPC							
		Refinery related (Gujarat)	EPC							
		Refinery related (Haryana)	EPC							
		Refinery related (Assam)	EPC							
China		Petrochemicals (Guangdong Province)	EPsCm							
		Chemistry (Jiangsu)	EPC							
Korea		Petroleum (Ulsan City)	EP+ Comm.							
Indonesia		Gas-fired power generation (Riau Islands Prov.)	EPC							
Thailand		Petrochemicals (Rayong Province)	EP							
Nigeria		Fertilizer - Ammonia & Urea - Rivers State	EP							
Guyana		FPSO Uaru*1	EPC							
Brazil		FPSO Raia*1	EPC							
		Gas-fired power generation*2 (Pará)	EPC							
		Petroleum*2 (São Paulo)	EPC							
		Gas-fired power generation*2 (Maranhão State)	EPC							

*1 Equity-method affiliate: Offshore Frontier Solutions Pte. Ltd. (35% share) *2 Equity-method affiliate (50% share)



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In pursuit of further growth – TOYO headquarters will be relocated to Makuhari in Chiba City



Interior Image



✓ New Working Style

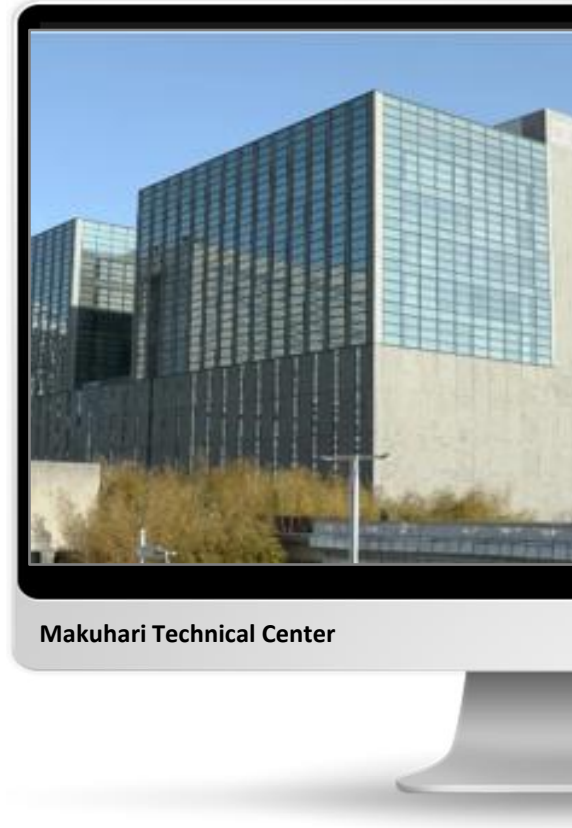
An environment conducive to maximize mobility and cohesion of our team and professionalism of each and every of employee. Operations to begin in January 2025.

✓ Makuhari Technical Center

Our appreciation of Makuhari New City Center's urban development philosophy of novelty, innovation, and diversity.

✓ Sponsorship of the Chiba Lotte Marines

Now we became an official sponsor of a local baseball team Chiba Lotte Marines, aiming to contribute to international and local communities through comprehensive engineering business activities.



Makuhari Technical Center

Relocation and expansion of a technical research laboratory to accelerate technological development for CN*¹ solutions

*1 Carbon neutral

T-Labo!



T stands for TOYO, Technology, and Toke (Local Uniqueness)



Next Generation Energy

In Mid-term Management Plan 2021-2025 we are focused on next-generation energy sources such as fuel ammonia, synthetic fuels, and SAF, as well as new technologies and business development in the fields of recycling and low environmental impact.



Enhanced development environment

Provision of spacious state-of-the-art testing and research facilities to focus on accelerated development of new technologies.



Technical Laboratory (T-Labo)

Location: Ounodai, Midori-ku, Chiba-shi, Chiba

Site area: 12,906.06 m²

Building area: 1,270.62 m²

Facilities: Testing and research buildings



MOU for commercialization of Japan's first compact hydrogen production system using ammonia as a raw material

Contributing to realization of a carbon-neutral society

01

Targeting commercialization of Japan's first compact hydrogen production system

TOYO, NIPPON SEISEN CO., LTD., Chubu Electric Power Co., Inc. and Chubu Electric Power Miraiz Co., Inc. have agreed to develop a small-scale ammonia cracking system^{*1} aiming for commercialization.

02

Division of responsibilities among 4 companies

TOYO and NIPPON SEISEN :
Process Equipment Development

Chubu Electric Power and Chubu Electric Power Miraiz :
Market research, economic evaluation and technical requirements study

Why is it significant?

01

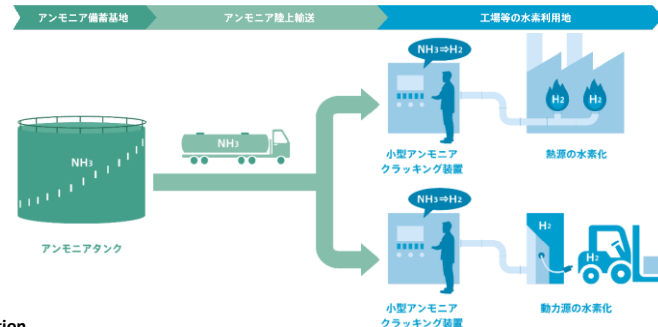
Increased demand for decarbonized fuels

To achieve carbon neutrality by 2050, factories and commercial facilities must convert to hydrogen, ammonia, and other decarbonized fuels.

02

Ammonia as a hydrogen carrier

Ammonia is expected to play a role as a hydrogen carrier, as transport and storage technologies have been established. The need for hydrogen derived from ammonia is expected to increase in the future.



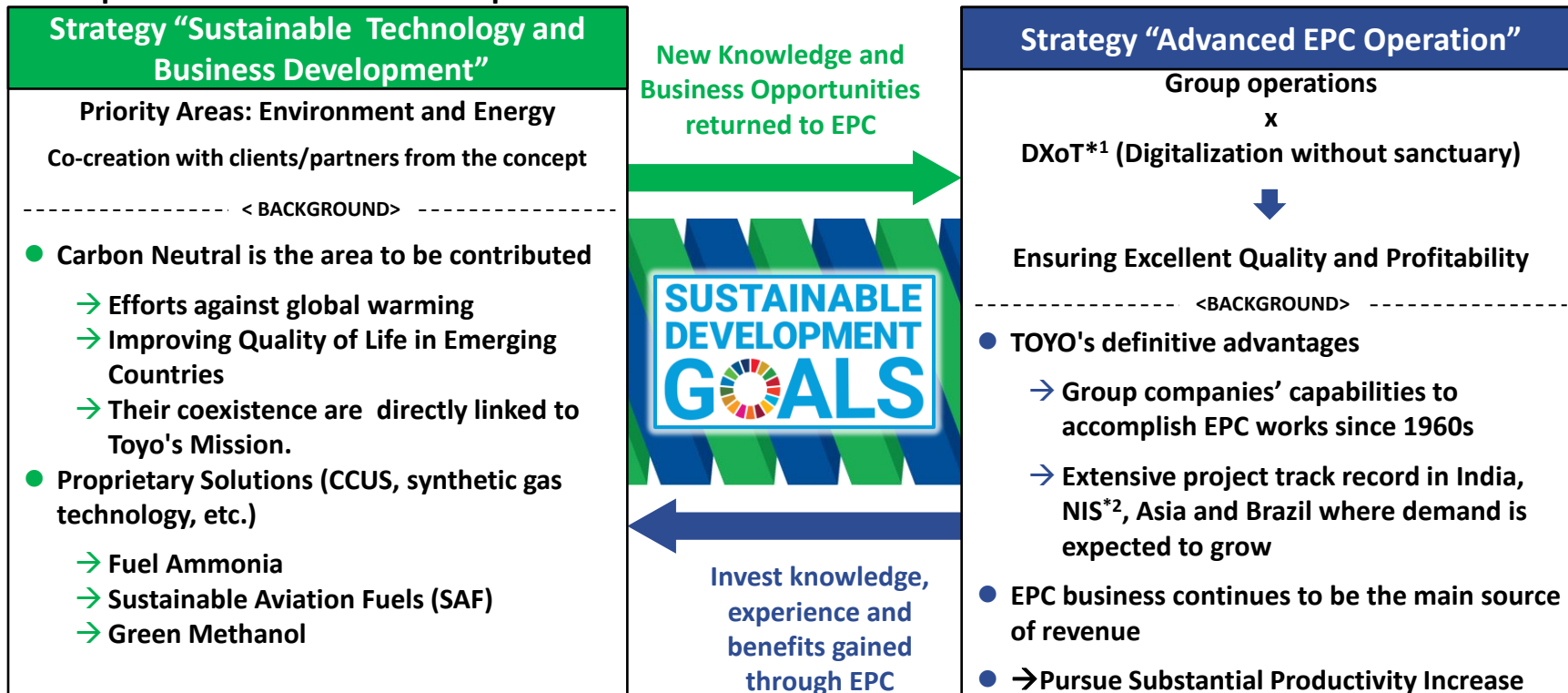
^{*1} A chemical reaction that cracks ammonia into hydrogen and nitrogen, often used for hydrogen production.



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Mid-Term Management Plan (2021-2025)

Realizing Sustainability for the Planet, Society, and Ourselves Through a Dual Approach of New Technology/Business Development and Advanced EPC Operation



KGI and KPI

KGI (Key Goal Indicator)

Target	Results FY2023
Consolidated Net Income ● More than ¥5 billion on average in FY2023-2025 ● FY2030 ⇒ <u>¥ 10 billion</u>	¥9.8 billion ¥5 billion if extraordinary income is excluded
Consolidated Net Sales ● Focus on profit rather than sales ● Target Net Sales of ¥300 billion	¥260.8 billion
ROE ● FY2025 ⇒ 10% or more ● Onward stable 10% or more	17.4% (9.3% if extraordinary income is excluded)
A Year-End Dividend ● The Reinstatement of Dividends within mid-term period	12 yen dividend is scheduled in FY2023

KPI (Key Performance Indicator)

Target	Results for FY2023
Non-EPC*1 Gross Profit Composition ● FY2025: 25% or more ● FY2030: 50%	58%
New Biz areas Gross Profit Composition ● FY2025: 25% or more ● FY2030: 50%	9%
Main Gr. Comp. Gross Profit Composition ● FY2025: 45% or more*2 ● FY2030: 50%	59%
Employee Satisfaction ● Improve from previous period	3.58 in FY2023 The same level as in FY2021 (3.63)
Number of Employees ● Toyo-J: Double human resources for New Technology and Biz Development from 110 ● Group Companies: Adjustment on demand	Approx. 130 employees Total number approx. 7,000

*1 Non-EPC = Those except for EPC/EP Lump-Sum Projects

*2 TSPI (Brazil) is not included because it is an equity-method affiliate.

New orders target for FY2024: ¥250 billion (including equity method affiliates**1)

	Main Fields	Regions	Scope of Services					Biz invest
			L	FS	FEED	E、EP	EPC	
New Business	Hydrogen/Fuel ammonia	Americas, Australia, Middle East			✓	✓	✓	✓
	Synthetic fuels (e-fuel/SAF), g-Methanol®	Japan, Southeast Asia, Americas			✓		✓	
	Circulating and low environmental impact solutions (waste plastic recycling, bio-polymers, etc.)	Southeast Asia					✓	
	Integration, Energy Transition, and Advanced Functionality in Chemical & Energy Companies	Japan					✓	
	Marine resource development (Methane Hydrate, Rare Earth, CCS, etc.)	Japan		✓	✓	✓		
	Cutting-edge Pharmaceuticals	Japan					✓	
	Energy Saving and GHG Reduction Services	Japan, Southeast Asia, Europe	✓	✓		✓		
	Solar Carports	Japan						✓
	Geothermal (Carbon Neutral Park)	Indonesia		✓				
Existing Business	FPSO	Americas			✓			
	Oil/Gas	India, Southeast Asia					✓	
	Petrochemicals/Chemicals	India, China, Southeast Asia Americas, Middle East			✓	✓	✓	
	Fertilizer (Urea)	Europe	✓			✓		
	Power Generation	Southeast Asia					✓	

*1 Expected order amount is 0 L: License, FS: Feasibility Study, FEED: Basic Design, E: Engineering, EP: Eng. and Procurement, EPC: Eng., Proc. and Construction, Biz Invest : Business Investment

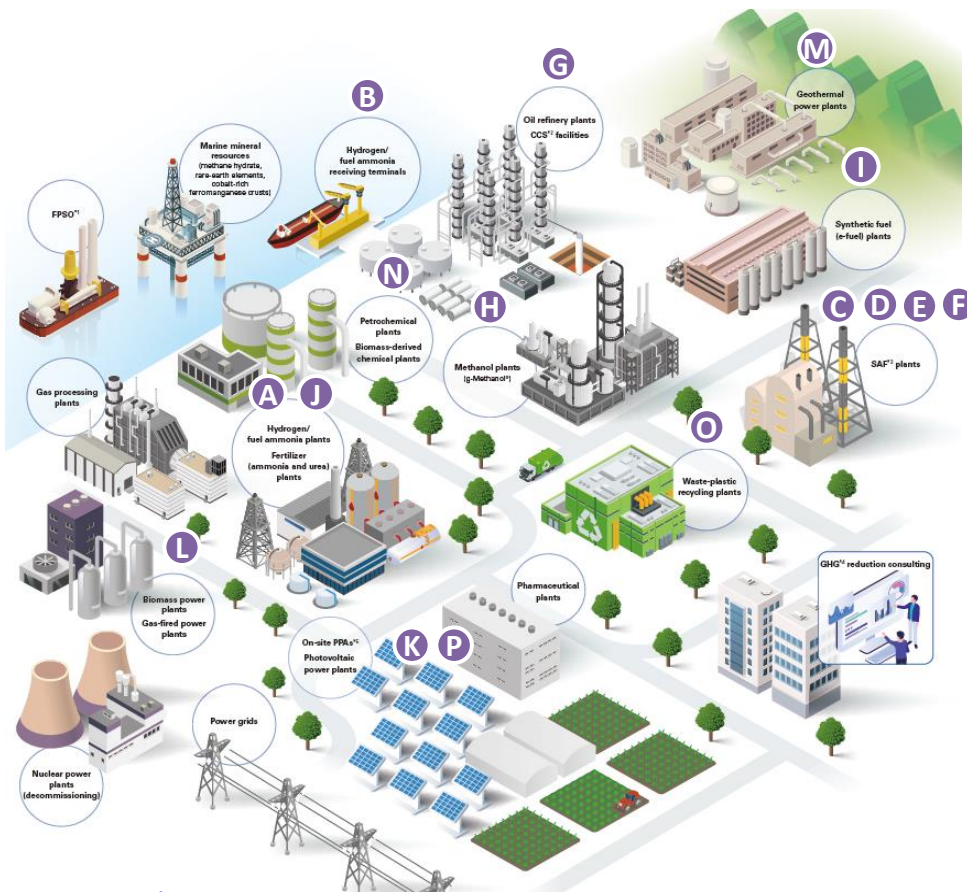
Progress on initiatives toward achieving the Mid-Term Management Plan goals

- Working on shifting TOYO's business portfolio to Carbon Neutral/Non-EPC Projects to stabilize earnings and profits.
- Focusing on improving profitability 1) by strategically getting projects with customer-focused sales and 2) by enhancing project management with DX tools.

Sustainable Technology and Business Development	Non-EPC (customer support service) projects To secure stable profits	• Award received for energy saving/GHG reduction services "HERO" Next steps: From FS^{*1} to providing a design packages and receiving service fees. • Providing Solar Carports with TOYO's Unique Technology and Services.
	Carbon Neutral Projects (Fuel ammonia/SAF/ High performance chemicals, etc) Pre-FEED/FEED ⇒ EPC	• FS and Pre-FEED^{*2} are being implemented in countries around the world, utilizing the Japanese government subsidy programs. • Implementing 5 FS Projects for hydrogen production by ammonia cracking.
	High profit rate and low risk projects Receive orders selectively	• Multiple urea licensing contracts awarded in Indonesia etc. in FY2023. • Overall resource allocation study and scenario setting at the Business Portfolio Committee using DX tools for efficient decision-making.
Advanced EPC Operation	Multiple large-scale FPSO projects Project Awards and Execution	• 2 project awards to a JV company with MODEC, Inc. from ExxonMobil and Equinor in FY2023 contributing to earnings. • FEED work in progress on a new project for Shell in Brazil.
	EPC Group companies located countries Awards of Mid-Scale Profitable Projects	• Award of a gas-fired power generation plant in Indonesia. • Award of a petrochemical plant in Korea. • Award of a refinery plant in India.
Corporate Strategy	Active recruitment of mid-career professionals Increased value and enhanced functionality	• FY2023: 38 mid-career hires, further enhanced implementation to continue. • Flexible allocation of human resources through organizational reforms that abolished the business unit system.

*1 Feasibility Study *2 Conceptual Design

TOYO's initiatives towards achieving Carbon Neutrality



Key Areas of Focus

Clean NH3 / H2

- Ⓐ Blue/Green Ammonia
- Ⓑ Ammonia Cracking

SAF

- ☒ C Gasification/FT Synthesis
- ☐ D Alcohol to Jet
- ☐ E Power to Liquid
- ☐ F Bioethanol

CCUS

- G** CO₂-EOR / CCS
- H** g-Methanol®
- I** e-Fuel
- J** e-Methane

Renewable Energy

- Ⓚ Solar Power Generation
- Ⓛ Biomass Power Generation
- Ⓜ Geothermal Power Generation

Energy Saving / Recycling

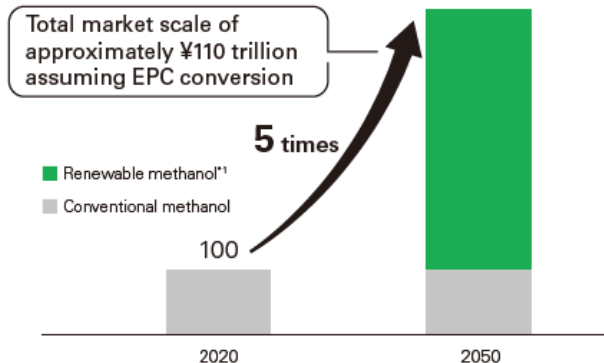
- N** SUPERHIDIC® / HERO
O Waste Plastic Recycling

Synthetic Fuels (e-fuel/SAF) and g-Methanol[®]

Aiming to expand TOYO business by utilizing MRF-Z[®] Reactor, TOYO's proprietary technology, in the expanding methanol-for-fuel market.

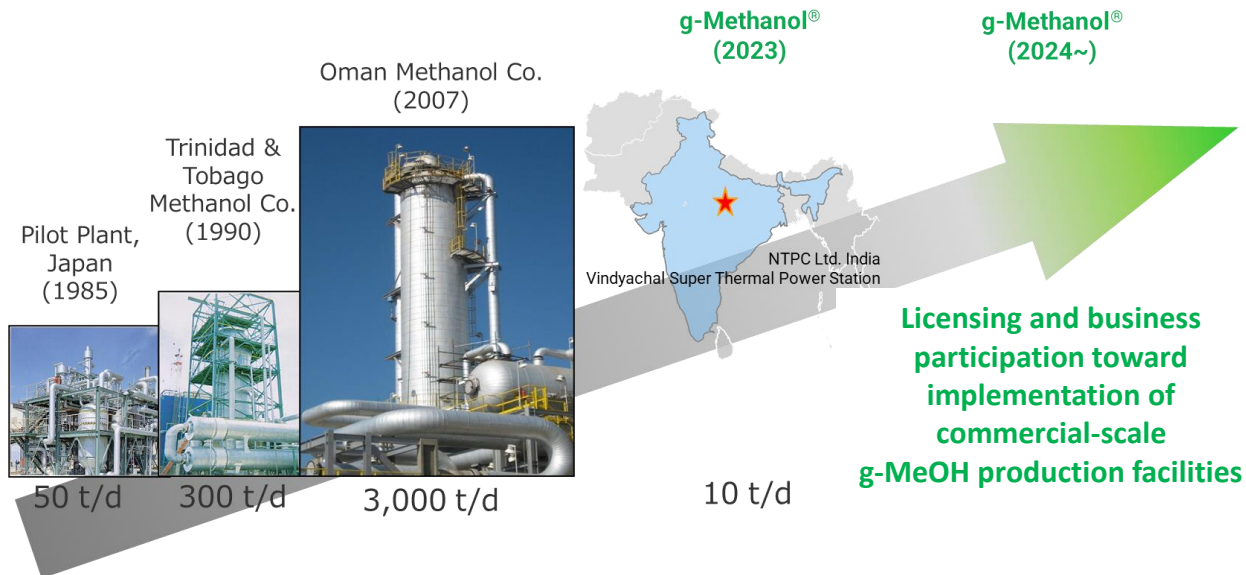
Predicted methanol production output in 2050

(Unit: millions of tons)



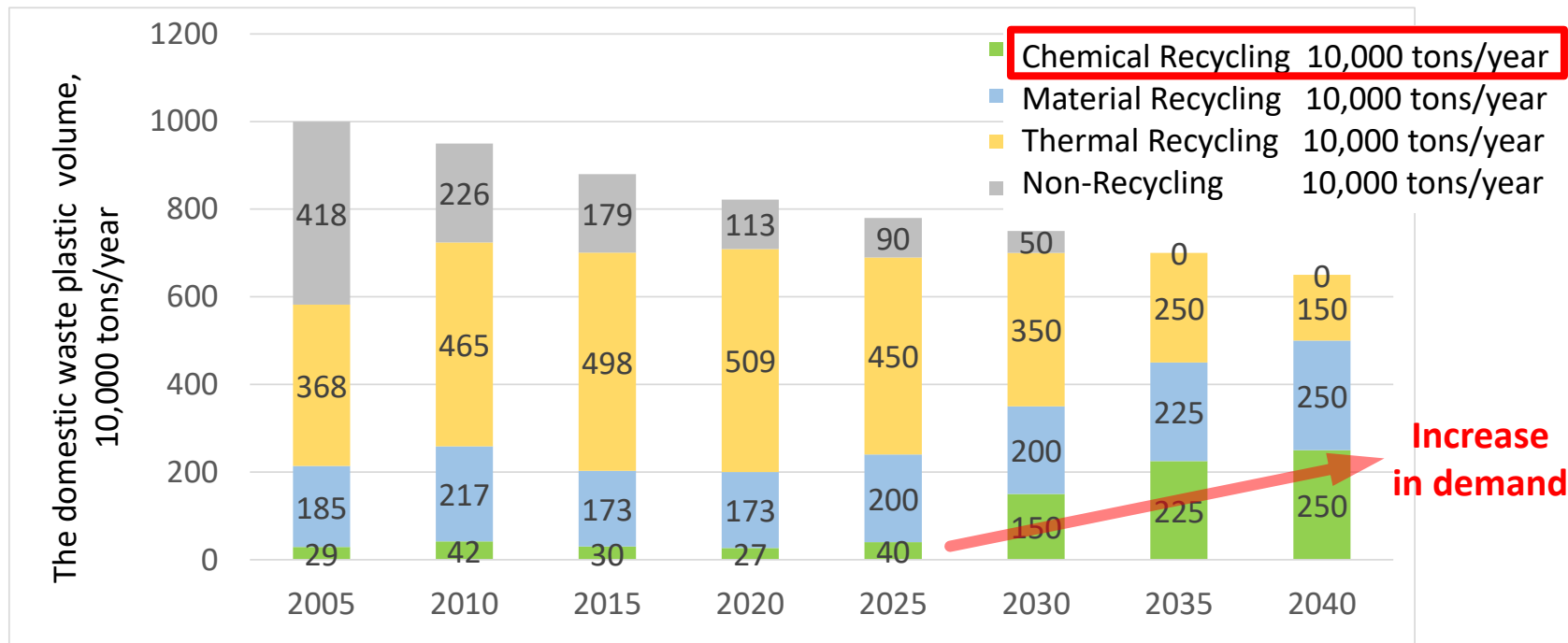
*1 Biomass methanol and e-methanol

Source: Compiled by TOYO based on Fig. 47 of IRENA's Renewable Methanol Report.



Recycling and Low Environmental Impact Solutions

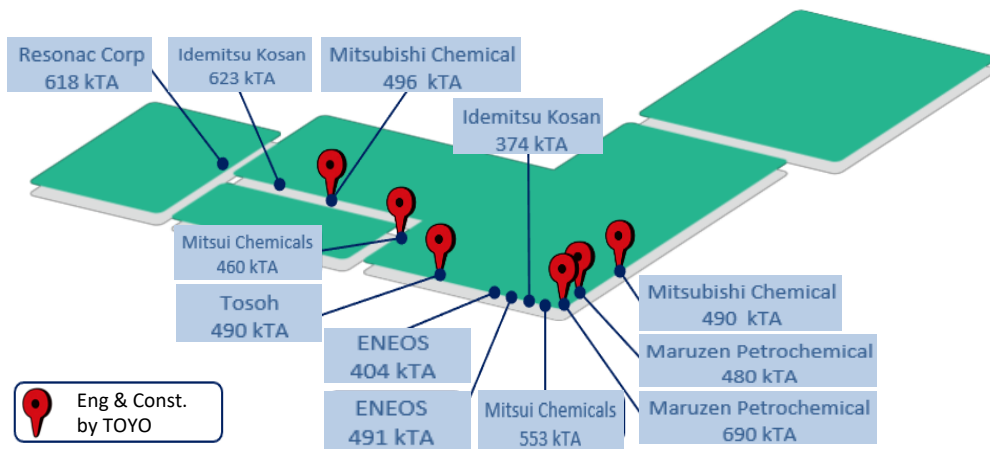
- Demand for Chemical Recycling Facilities to Lead Decarbonization in the Petrochemical Sector is Increasing
- Developing Waste Plastic Conversion Technology, a Key Technology in This Field



Integration, Energy Transition, and Advanced Functionality in Chemical & Energy Companies-1

The integration of 12 ethylene plants in Japan is in progress

- Formation of Petrochemical Complexes Around 12 Ethylene Production Centers
- Efficient Supply of Key Materials such as Synthetic Resins, Fibers, and Rubbers to Industries



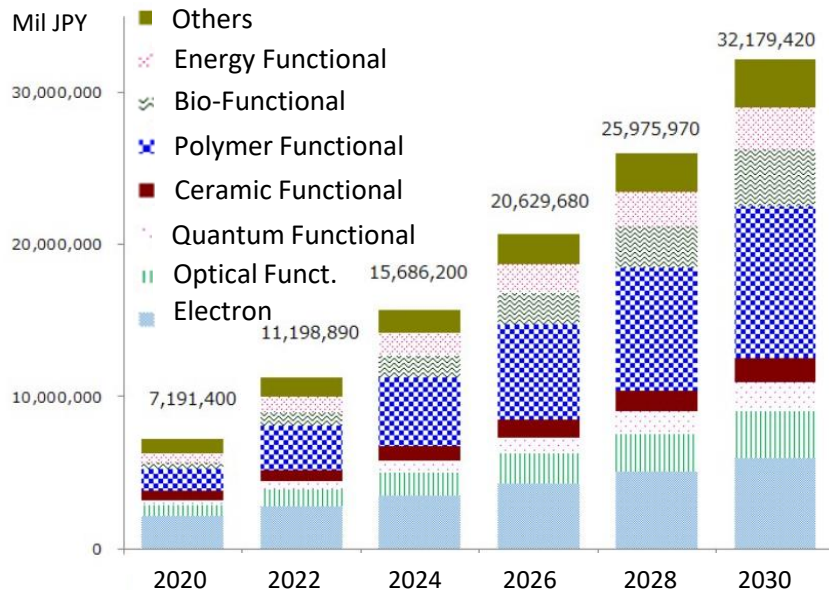
Companies Initiating Business Consideration for Specific Projects for Energy Transition and Advanced Functionality

Company	Initiatives
Mitsui Chemicals	Conversion to Ammonia combustion cracker
Maruzen Petrochemical	Conversion to Ammonia combustion cracker
Sumitomo Chemical	Conversion to Bio-Ethylene plant and capacity increase
Idemitsu Kosan	Conversion to Bio-Ethylene plant and capacity increase
ENEOS	Conversion to Bio-Ethylene plant and capacity increase
Mitsubishi Chemical	Conversion to Bio-Ethylene/ Propylene plant and capacity increase

Integration, Energy Transition, and Advanced Functionality in Chemical & Energy Companies-2

Japanese Companies Continue Investment to Maintain High Market Share of High-Performance Materials Used in Communication Devices and Battery Markets

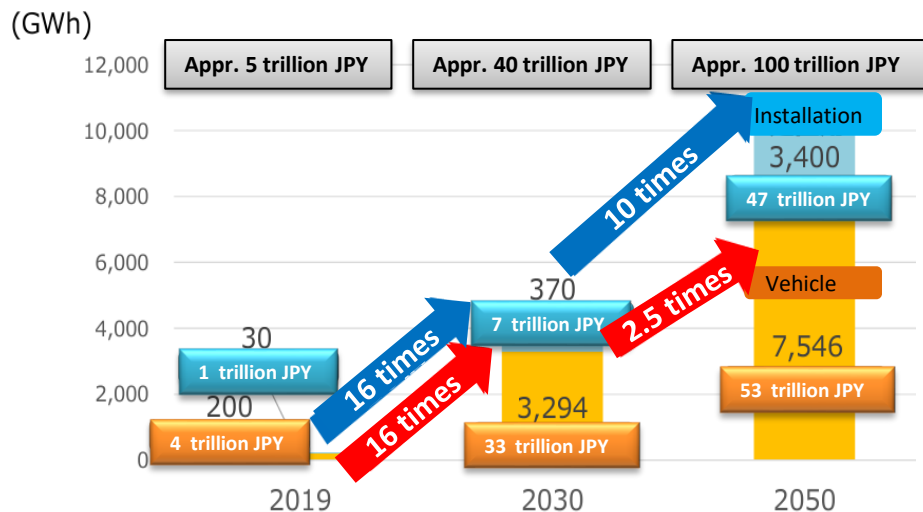
Global Market Forecast for Next-Generation High-Performance Materials



Local Production and Consumption of High-Performance Chemicals Advancing for Economic Security: Expansion of Domestic Investment in Japan.

Working to increase orders for high-performance chemical plants used in communication devices, semiconductor production, and battery materials.

Forecast of the Global Battery Market Size

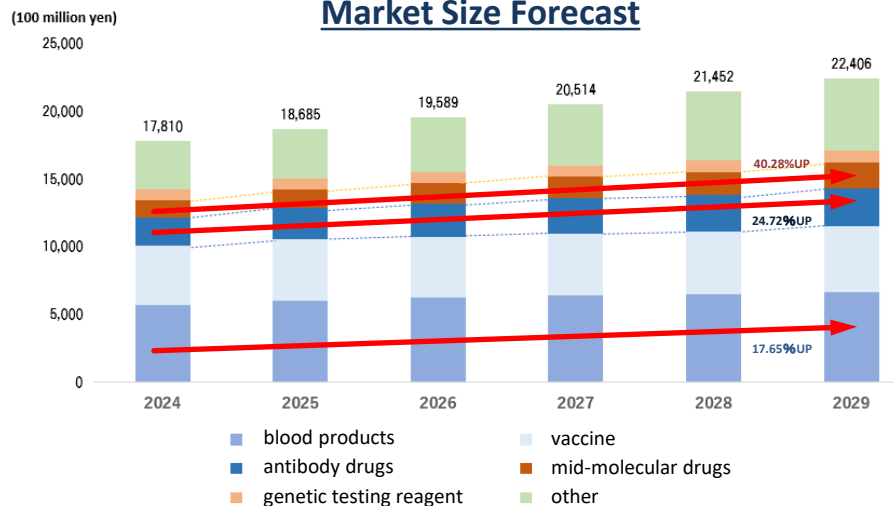


Cutting-Edge Pharmaceuticals

The domestic market for bio (antibody) and mid-molecular drugs is continuous growth.

Utilizing cutting-edge technology such as single-use systems, the bio-pharmaceutical EPC trend is towards larger-scale projects.

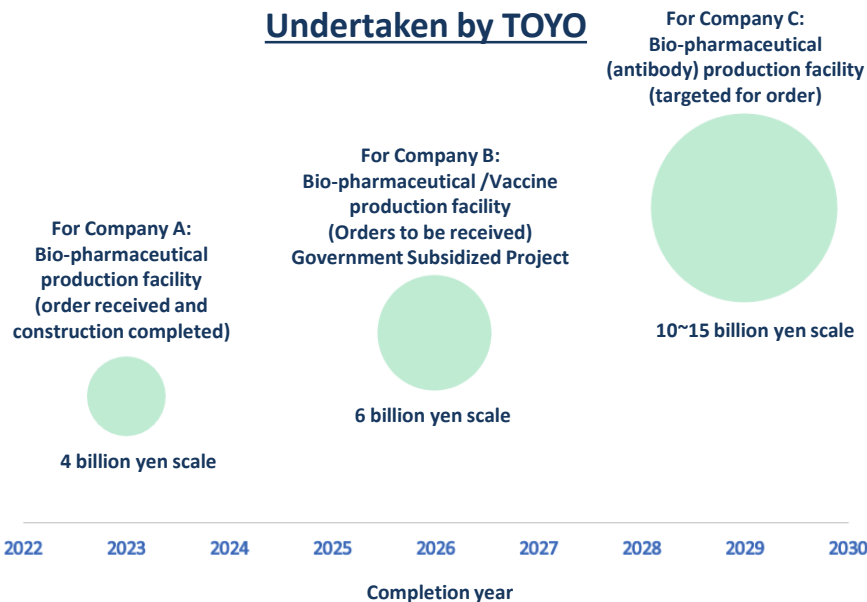
Biotech and Medium Molecular Drug Manufacturers Market Size Forecast



- The domestic market for biotech and mid-molecular drug manufacturers is currently estimated at 1,781 billion yen
- Projected to grow 25.8% over the next five years to reach 2,240.6 billion yen
- Growth in blood products (17.65%), antibody drugs (24.72%), and mid-molecular drugs (40.28%) will be contributed to growth by breakdown

Source: Biopharmaceutical Manufacturers Industry Forecast Report by XENO BRAIN Created on Feb 19, 2024

Concept of Bio-Pharmaceutical Plant EPC Project Undertaken by TOYO

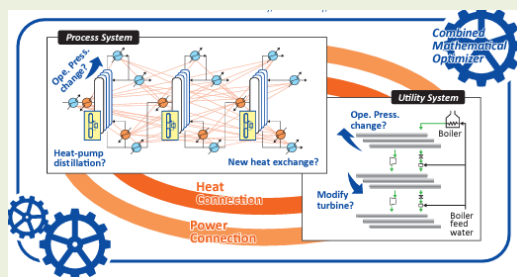


Plant Energy Saving / GHG Reduction Services HERO

TOYO's Proprietary Technology

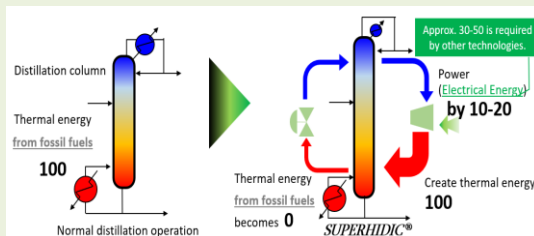
【HERO】

- Applying Mathematical Optimization Technology to the Chemical Industry.
- Consulting services to create energy-saving and GHG emission reduction solutions that meet customer requirements by combining a vast number of operating and design conditions and constraints.



【*SUPERHIDIC®*】

Electrification of energy sources by combining the theoretically largest energy-saving form of distillation process with heat pump technology, reducing energy consumption by more than 50% and significantly reducing GHG emissions.

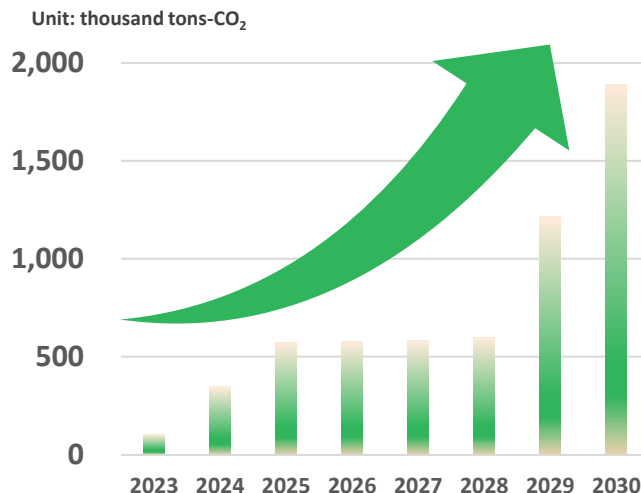


Expansion of scale of application, target, and accumulation of experience
→ Larger number of customers

Licensing agreements signed in Europe
→ Strengthen sales promotion in Europe

CO₂ Emission Reduction Target

2030 Cumulative Contribution to CO₂ Emission Reduction: Achieving 1.9 million Tons of CO₂



Geothermal (Carbon Neutral Park)

- Conducted discussions with GDE*1, MPI*2, and other Indonesian geothermal operators.
- Through Overall Development Plans and Collaborative Research, Aiming to Achieve "Carbon Neutral Park*3" Utilizing Geothermal Energy

Business Environment Overview (Previously)

- Japan and Indonesia Aim for Significant Increase in Geothermal Power Generation Capacity
- Continuing Discussions with Indonesian Geothermal Operators after Signing MOU

- Continue to formulate overall development plan and conduct joint research on new technologies by
- (1) Geothermal closed-loop technology*4
 - (2) Recovery of valuable metals and minerals
 - (3) Green hydrogen production using geothermal power
 - (4) Subsurface monitoring in geothermal field

Initiatives (forthcoming)

- 01 Optimizing geothermal field development by introducing new technologies
- 02 Bringing back innovative technology to the Japanese geothermal field after demonstration
- 03 Establishing a new business model in the geothermal field



MOU with GDE



MOU with MPI



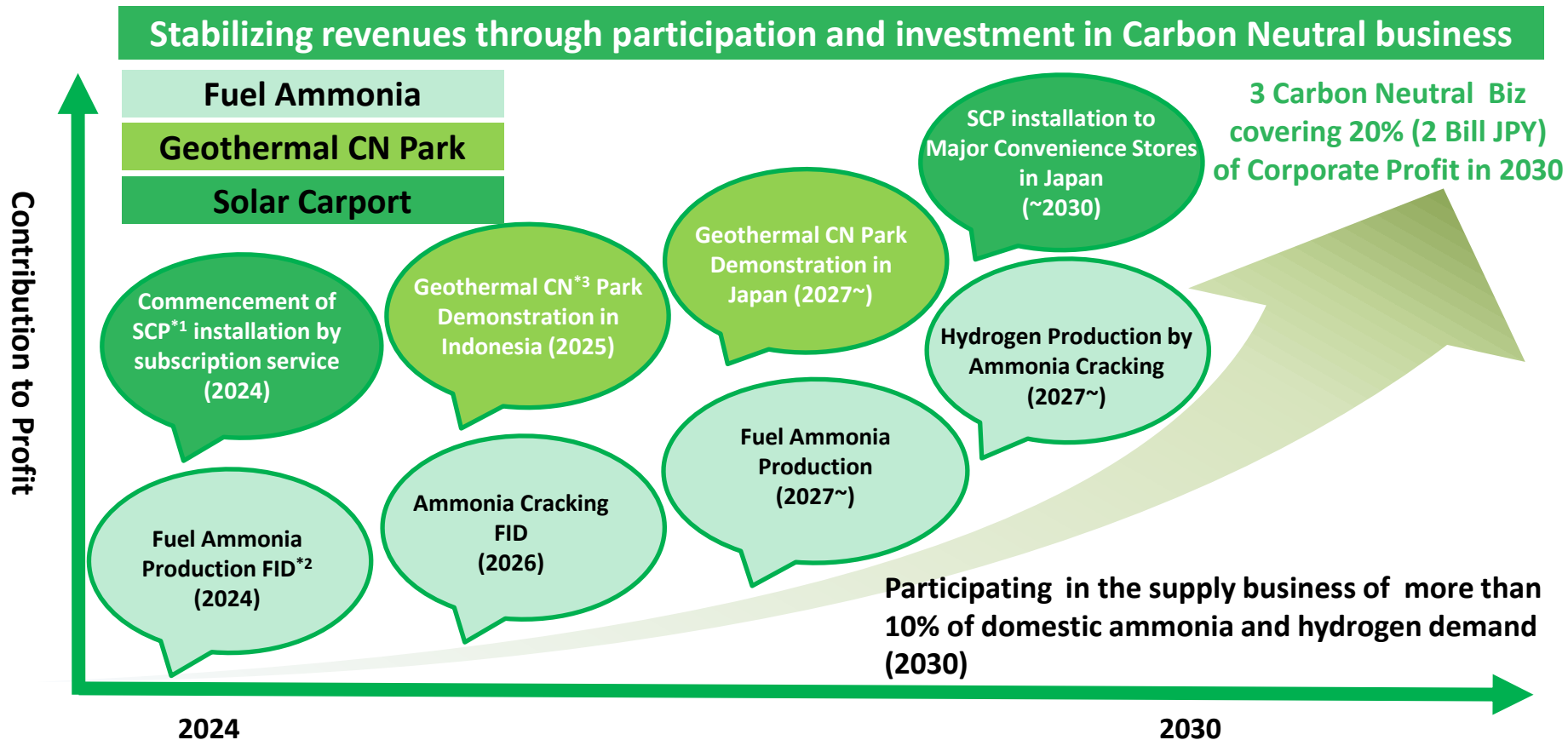
Geothermal Field

*1 PT Geo Dipa Energi (Indonesia's state-owned geothermal development company), *2 PT Medco Power Indonesia (Indonesia's private power generation company)

*3 The concept of promoting the overall development and optimization of geothermal fields by combining various related technologies, both underground and above ground,

*4 A power generation method in which a loop connecting aboveground and underground is installed to circulate fluid inside and utilize the heat resources that exist underground.

TOYO's initiatives towards achieving Carbon Neutrality-2 Biz Investment



*1 Solar carport *2 Final investment decision *3 Carbon neutral

Petrochemicals/Chemicals Market Forecast

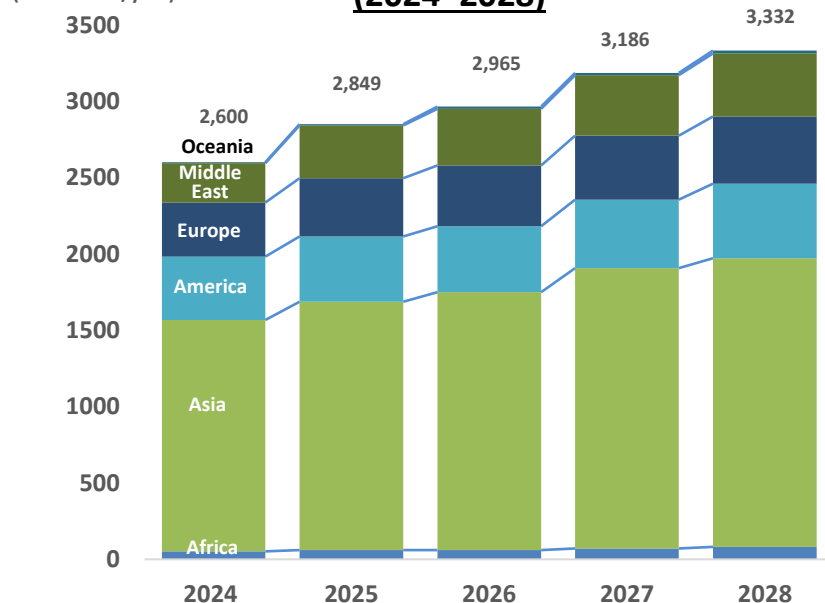
Sustained Growth of Ethylene and Polymer Markets in Asia, with Focus on India and the Middle East

TOYO with World-Leading Ethylene Construction Records, and the Booming Asian Markets

Petrochemical/Chemical Market Size Forecast

(million tons/year)

(2024~2028)

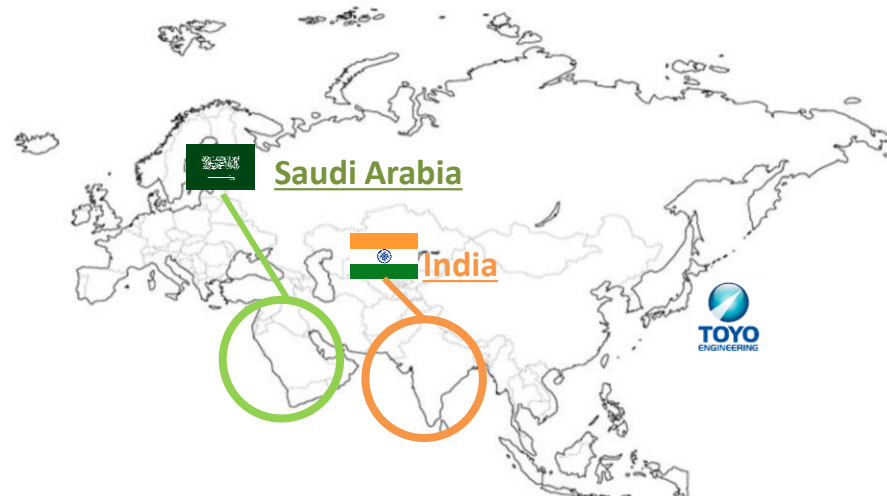


- Global ethylene market growing at an average annual rate of 4.09%.
- Approximately 1,919 new plants to be put in operation by 2030, mainly in Asia and the Middle East

Source: Global Petrochemical Capacity and Capital Expenditure Outlook, 2024-2030 2024.4

In the Asian Neighborhood

Expansion of Large Ethylene Plant Construction Plan



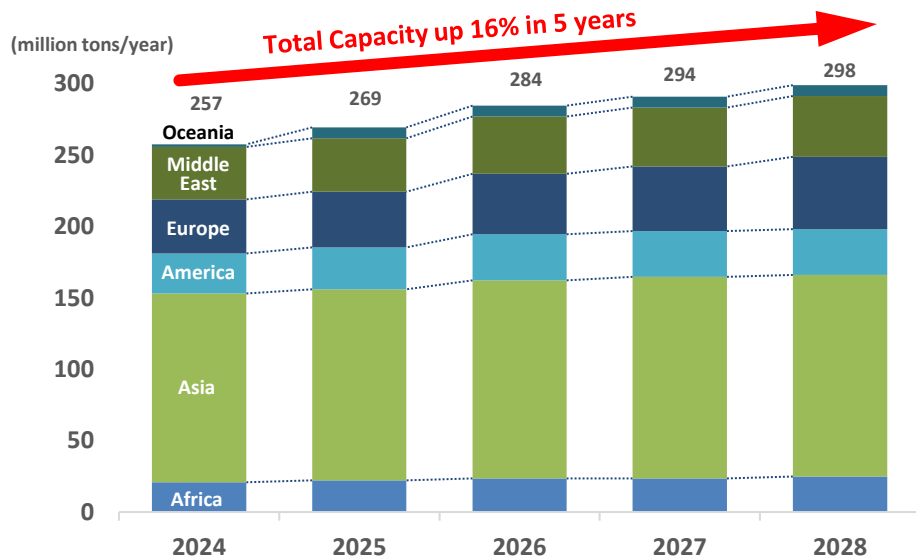
- More than 7 ethylene complexes of 1.8 million tons/year planned in Saudi Arabia
- More than 6 projects of the similar scale are planned by both by state-owned and private companies in India.

Ample Business Opportunities for TOYO with 50 Ethylene and numerous Polyethylene/Polypropylene plant construction projects record

Fertilizer (Urea)

Increase in Demand for Fertilizers (Urea) Due to Global Food Demand Growth

Fertilizer (Urea) Market Size Forecast (2024~2028)



- Continued Market Growth Expected with Population Increase
- Forecasting 16% Market Growth Over the Next 5 Years from 2024
(The Majority of Capacity Expansion Planned in Asia is in India, Where TOYO Has Abundant Experience)

Source : Global Urea Capacity and Capital Expenditure Outlook, 2023-2030 by XENO BRAIN 2024.4

**New Proprietary Urea Synthesis Technology ACES21-LP®
- Technology Contributing to Low-Cost Urea Production
and Environmental Conservation"**

**New Technology Combining the Superior Process Concept of
Conventional Urea Synthesis Technology 'ACES21®' with
State-of-the-Art Low-Pressure Synthesis Technology**

OPEX Reduction by ACES21-LP®

	ACES21®	ACES21-LP®
Electricity	Base	5% Reduction
Steam (MT/MT) at compressor turbine inlet	Base	3% Reduction

ACES21-LP®
UREA PROCESS by TOYO

- Achieving Both Energy Consumption Reduction and High-Pressure Equipment Cost Reduction (*Possible to achieve 3-5% reduction in steam and electricity consumption, and 5-10% reduction in equipment cost)
- ACES21®: Urea synthesis technology jointly developed by TOYO, which has designed and constructed over 100 urea plants, and Pusri, an Indonesian company (this proprietary technology **adopted in 18 plants worldwide**)

Intangible assets as a source of value creation

Engineering for Sustainable Growth of the Global Community



Human Capital

Professionals with a wealth of knowledge and experience



Technology

Realization of social implementation through own technology and co-creation engineering



Group Companies

Global operational capability to provide localized services

Human Capital Management Initiatives

VARIOUS MEASURES

Vision for Organizational Structure and Human Talent

Contribution with Diverse Expertise and Experience.
Value Creation through Autonomous Growth and Authenticity.

Autonomous
Professional Group



Employees



Company

1. Creating a Comfortable Working Environment
2. Providing Opportunities for Growth and Challenges
3. Compensation Based on Performance

(1) Creating a Comfortable Working Environment

Creating an Environment Where Diverse Individuals Can Thrive

- Planned Headquarters Relocation to Makuhari, Chiba City in January 2025.
- Enhancing Mobility and Cohesion as a team, and professionalism of each employee.
- Autonomous choice of work location, remote work.



Interior Image

Work-Life Balance

- Introduction of Shortened Work Hours and MF Leave^{*1}.
- Improving Male Paternity Leave Utilization Rate.
- Introduction of a second job system.

Increased Engagement

- PDCA for Considering, Planning, and Implementing Various Measures Based on Engagement Survey Results.

(2) Providing Opportunities for Growth and Challenges

Human Resource Development and Career Support

- Global Leaders Seminar.
- Identifying Suitable Talent for New Businesses through Active Rotation.
- Onboarding Plan for Career-Hire Employees.
- Safety Education.
- DX Seminar.

(3) Compensation Based on Performance

Review of evaluation and compensation systems

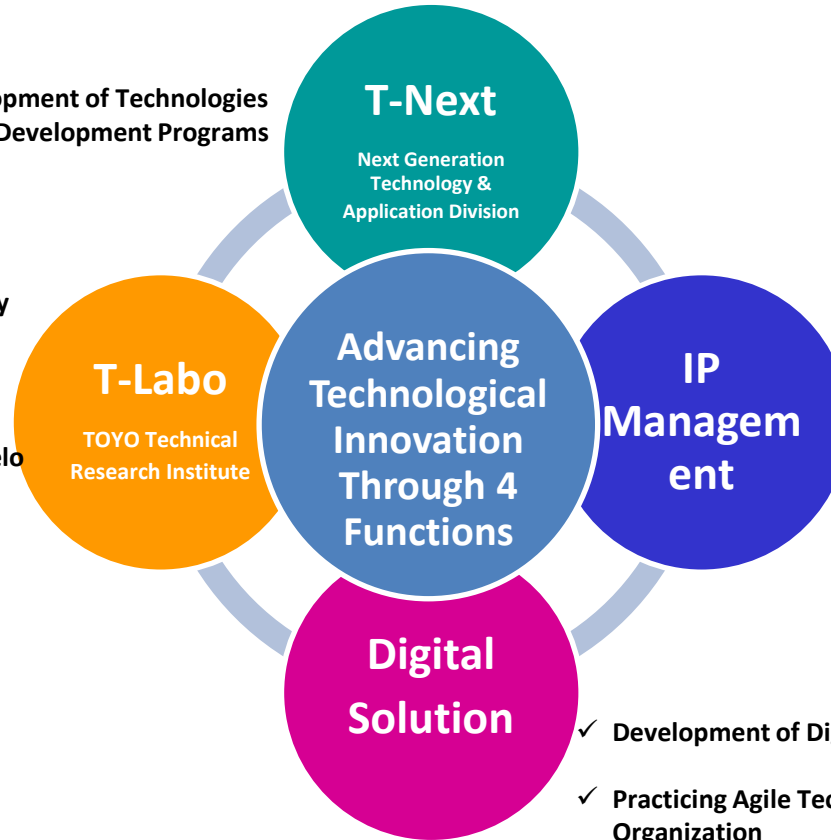
- Consecutive increase of base salary in 2022 and 2023.
- Fair evaluation system based on performance/responsibility.
- Redesigning the Recognition System for Outstanding Achievement.
- Early Selection and Promotion of High Performers.

^{*1} Menstruation, Fertility Treatment, Menopause etc.

Technology Strategy

- ✓ Research, Adoption, and Development of Technologies
- ✓ Implementation of Technology Development Programs

- ✓ Further Development of Proprietary Technologies
- ✓ Development of Next-Generation Technologies
- ✓ Laboratories for Collaborative Development with Other Companies
- ✓ Providing an Environment for Pilot Projects



- ✓ Transition from just an Intellectual Property/Licensing Management Division to a Strategic Division
- ✓ Ensuring Core Technology Intellectual Property Protection Through Frontline Activities, and Supporting Business Model Development with Contract Design, e.g. NDA^{*1}, JDA^{*2}, PoC^{*3}

- ✓ Development of Digital Solution Products
- ✓ Practicing Agile Technology Development through Network Organization

Regionally Rooted Services and Global Operations Collaboration

Establishing Companies capable of EPC services in Countries with Expected Economic Development and Increased Demand

Strength: Solid EPC Execution Capabilities in Each Company

Future Prospects: Addressing Market Demand in Local Countries, Expansion into Neighbor Countries/Regions; Preparation for Launching New Technologies and Businesses at each Group Company

Toyo China

- 407 Employees
- Promising Chinese Market
- Functional Chemicals and Secondary Batteries

TPS (Japan)

- 235 Employees
- iFactory®: Continuous Production Method Pharmaceutical Manufacturing Facilities
- Pharmaceuticals: Partnership with Taisei Corporation

Toyo India

- 2,253 Employees
- Vast Domestic Market
- Considering the Middle East and Africa Markets
- FPSO Detailed Design
- OFS Uaru, Raia, and Follow-up Projects

Toyo Korea

- 334 Employees
- Petrochemical Polymers

TSPI (Brazil)

- 1,727 Employees
- Great Market Potential for Carbon Neutral Business

Toyo Malaysia

- 295 Employees
- Collaboration with Sarawak State Government on energy transition

IKPT (Indonesia)

- EPC Company (673 Employees)
- MOU on Geothermal Biz development signed with Geo Dipa Energi, Medco Power Indonesia
- Investment Opportunities within ASEAN Region

Global Total 7,283

Including Toyo Japan 1,165 employees, and 194 employees at other affiliated companies



1. Performance Overview and Outlook
2. Status of Major Projects
3. Main Topics
4. Mid-Term Management Plan and Management Policy
5. **Management Measures to increase efficiency of capital cost**
6. APPENDIX

Management Measures to increase efficiency of capital cost

Current Situation Analysis	Cost of Equity Capital: Assumed at 7-8% based on CAPM ROE: Varied from 2.2% to 9.3% between FY2019 and FY2023 (excluding real estate sale gains) Equity Spread (ROE - Cost of Equity Capital) turned positive in 2023 PBR: Below 1x from FY2021 onward PER: Within the range of 10-20x for listed companies on average (excluding real estate sale gains in FY2023)
Target (KGI)	ROE: Over 10% in FY2025 Consolidated Net Income: ¥5 billion or more on average for FY2023-2025, ¥10 billion for FY2030 Reinstatement of Dividends: Planned reinstatement of dividends of 12 yen per share at the end of FY2023
Measures Initiatives	(1) Initiatives for Improving ROE to Increase PBR • Increasing the Proportion of Non-EPC Business with Low Volatility and High Profit Margins • Monetizing New Businesses such as Carbon Neutral Biz and other businesses • Strengthening Existing Businesses (Promoting DX, Diversifying Revenue Base at Toyo-Japan and Key Domestic and Overseas Companies, Strengthening Risk Management) (2) Policies and Initiatives to Improve Market Valuation • Strengthening shareholder returns: Policy to maintain a dividend payout ratio of 25% for the time being • Clear Articulation of Medium to Long-Term Vision and Enhancement of Disclosure and Explanation Regarding Strategy and Initiative Progress



1. Performance Overview and Outlook
2. Status of Major Projects
3. Main Topics
4. Mid-Term Management Plan and Management Policy
5. Management Measures to increase efficiency of capital cost

6. APPENDIX

- FY2024 Performance Summary
- FY2025 Performance Forecast
- KGI and KPI
- Materiality and KPI
- Management Measures to increase efficiency of capital cost (Supplementary Materials)
- Progress of Digital Transformation Strategy
- Overview of Key Projects
- Other Reference Materials

FY2023 Performance Summary

Sales and income increased with net sales of ¥260.8 billion and net income of ¥9.8 billion

Unit: Billions of yen	Forecast (A)	Year-end results (B)	Diff. (B-A)
Net sales	250.0	260.8	+10.8
Gross profit	26.0	28.3	+2.3
Gross profit margin	10.4%	10.9%	+0.5pt
SG&A expenses	21.0	21.6	△0.6
Operating income	5.0	6.7	+1.7
Non-operating income & expenses	0	0.2	+0.2
Ordinary income	5.0	6.9	+1.9
Profit attributable to owners of parent	7.9	9.8	+1.9
New orders	120.0	159.8	+39.8
New orders including the equity method affiliates	410.0	462.3	+52.3
Dividends per share	12 Yen*	12 Yen	-

* Disclosed on March 21, 2024 in accordance with timely disclosure requirements

FY2024 Performance Forecast

Net sales of ¥270 billion and net income of 6 billion yen are expected.

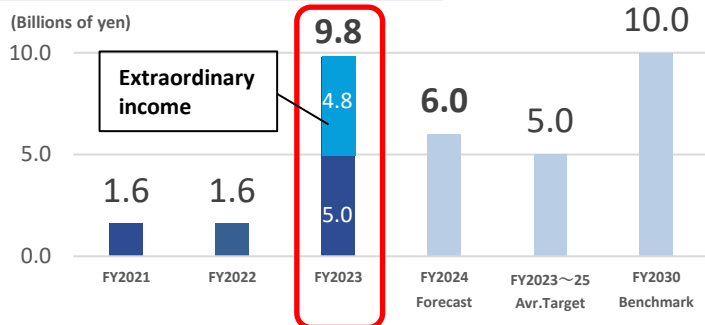
20% Profit Increase Compared to the Previous Term's ¥5 Billion Net Income from Core Business

Unit: Billions of yen	FY2023 (A)	FY2024 (B)	Diff. (B-A)
Net sales	260.8	270.0	+9.2
Gross profit	28.3	30.0	+1.7
Gross profit margin	10.9%	11.1%	+0.2pt
SG&A expenses	21.6	25.0	△3.4
Operating income	6.7	5.0	△1.7
Non-operating income & expenses	0.2	2.5	+2.3
Ordinary income	6.9	7.5	+0.6
Profit attributable to owners of parent	9.8	6.0	△3.8
New orders	159.8	250.0	+90.2
New orders including the equity method affiliates	462.3	250.0	△212.3

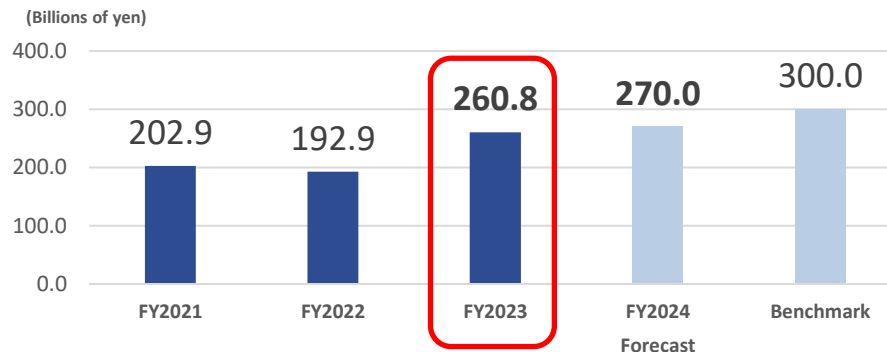
*Assumed exchange rate for FY2024 = 150 JPY/USD

Dividends per share : 25 yen at the end of the term (planned)

Consolidated Net Income



Consolidated Net Sales

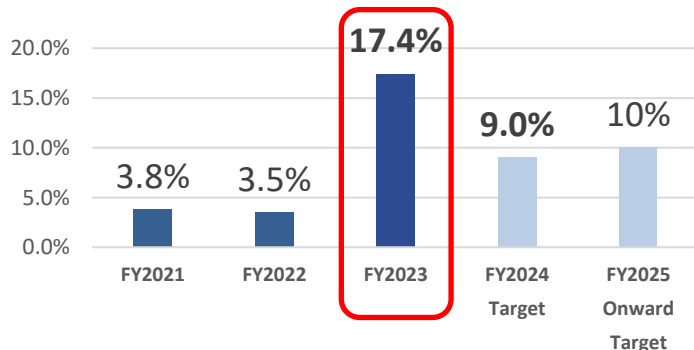


Consolidated Net income and Consolidated Net Sales

Net Income of FY2023 Includes Extraordinary Profit of ¥4.8 Billion from real estate sale.

Excluding it, profit on our core business is expected to increase in FY2024 with contribution from ongoing projects and Non-EPC businesses.

ROE



Improvement expected towards FY2025 target due to increased profit on core business.

Dividends Reinstatement (expected per share)

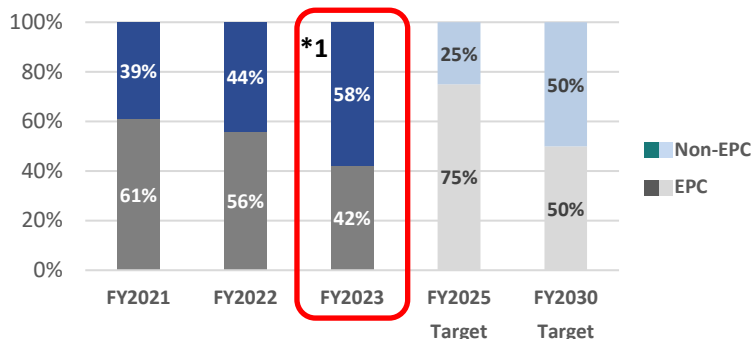
FY2023 (Year ended March 31, 2024): 12 yen

FY2024 (Year ending March 31, 2025): 25 yen

KPI

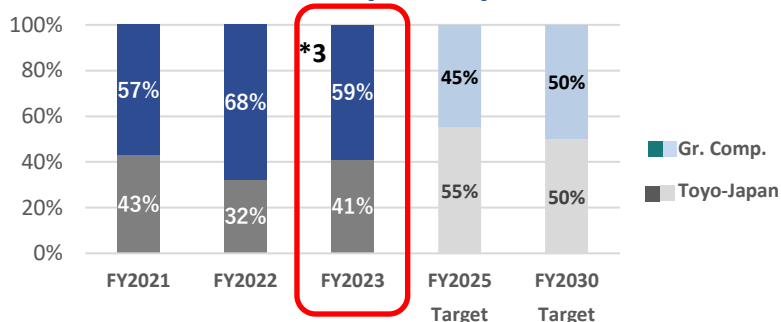
Non-EPC Gross Profit Composition and Group Companies Gross Profit Composition have already exceeded FY2025 Target

Non-EPC Gross Profit Composition



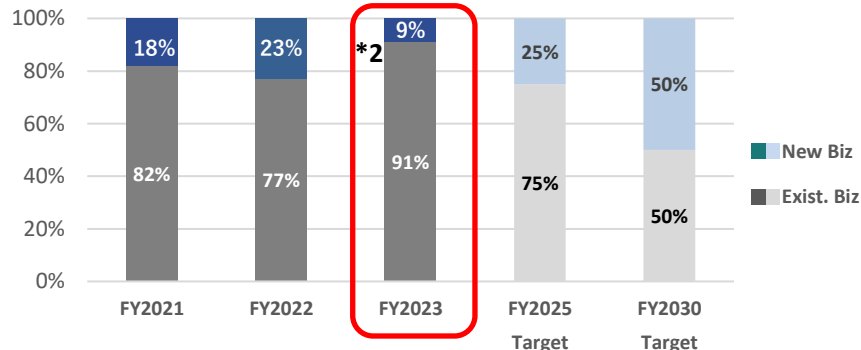
Non-EPC= Projects other than EPC/EP Lump-Sum Projects

Group Companies Gross Profit Composition



*Excluding TSPI (Brazil) and OFS (Singapore) as Equity-Method Affiliates

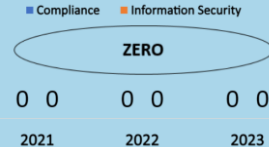
New Business Gross Profit Composition



- *1 Major Non-EPC projects**
- ✓ Energy-saving GHG Reduction Services
 - ✓ FS and Pre-FEED for Fuel Ammonia/SAF, etc.
 - ✓ EPsCm and PMS for Petrochemicals
 - ✓ License/Basic Design for Urea
- *2 Major New Business Projects**
- ✓ Energy-saving GHG Reduction Services
 - ✓ High-Performance Chemicals
 - ✓ Methane Hydrate
- *3 Major Projects of Group Companies**

-  Toyo-India (Refinery, Chemicals/Fertilizer)
-  Toyo-China (Chemicals, Petrochemicals)
-  IKPT (Indonesia) (Petrochemicals)
-  TPS (Maintenance, Pharmaceuticals, Chemicals)

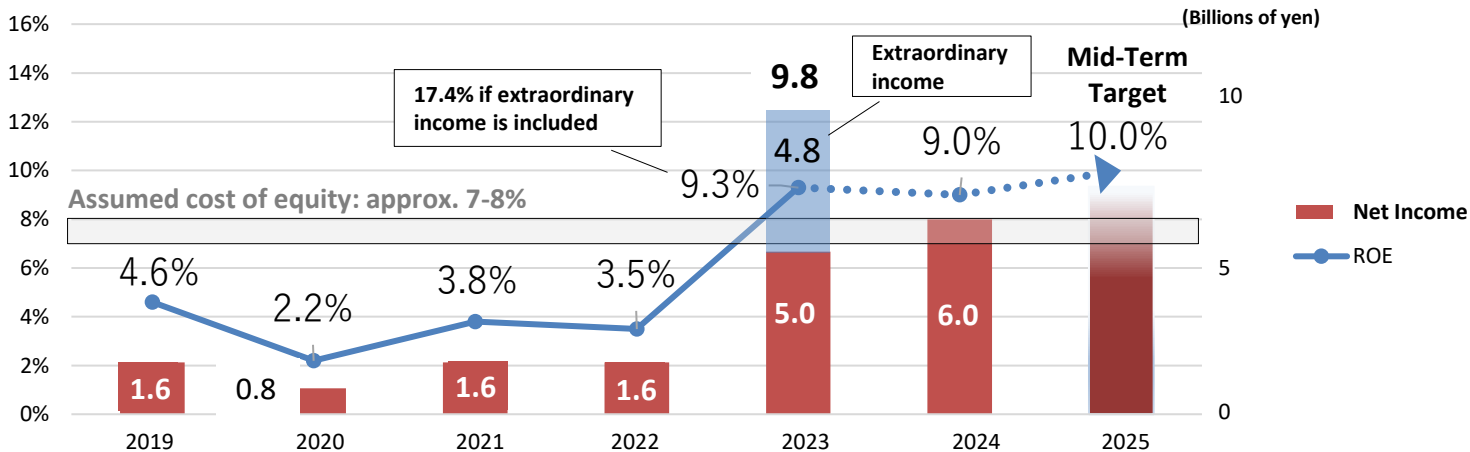
Materiality and KPI

Materiality	Corresponding SDGs	KPI Content	FY2023 (cumulative)	FY2021-2023 results	Description
Aim to realize an environment-friendly society*1	  	Cumulative number of orders and business investments from FY 2021	5 projects (26)		Project Examples: - Liquefied Hydrogen Value Chain - CO₂ capture - Geothermal Power Plant - GHG Reduction Service HERO
Enrich people's lives*1	     	Cumulative number of orders and business investments from FY 2021 - Food supply - Energy supply - Foundation of life	5 projects (13) 8 Projects (37) 17 Project (75)		Project Examples: - Fertilizer Plants - Geothermal Power Plant and Refineries - Ethylene and pharmaceuticals
People of diverse backgrounds engage in active, meaningful work	   	1. Rating of Employees' engagement survey 2. Lost Time Incident Rate (LTIR) =Total Lost Time Incidents × 1 million / Employee-Worked Man-Hours	3.58 (out of 5 points) 0.11		1. FY2023 Assessment (Conducted every other year) 2. Exceeded KPI of 0.1 threshold
Establish an organization with integrity and discipline		1. Number of serious violations of compliance 2. Number of Major Information Security Accidents	0 cases 0 cases		Continued Zero Cases Since the beginning of the Mid-Term Plan in FY2021

*1 The result is the number of projects with an order value of ¥100 million or more among the TOYO Group's orders received.

Current Analysis: Return on Equity (ROE)

- Assumed Cost of Equity is Approximately 7-8% Based on CAPM.
- Fluctuated between 2.2% and 9.3% from FY2019 to FY2023 (excluding gains from real estate sales).



Policies and Initiatives for Improvement

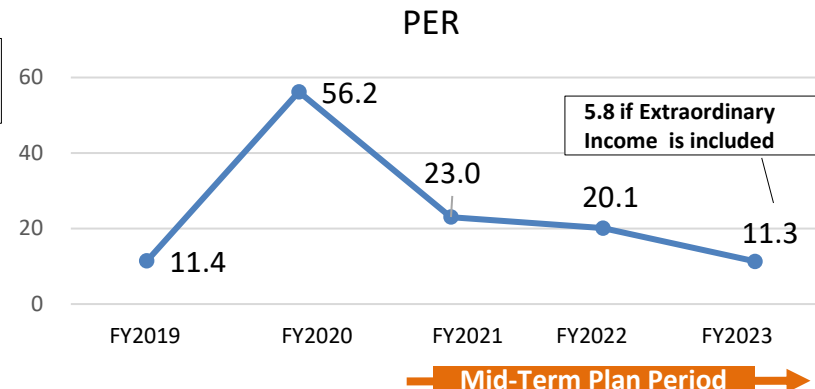
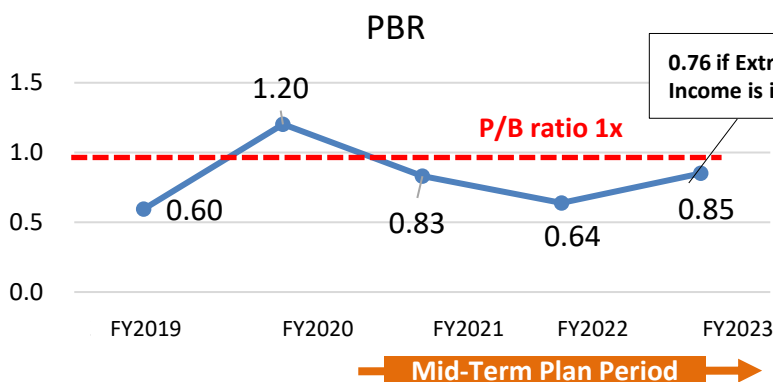
Mid-Term Plan Period

- Profit Margin Enhancement through Advancement of DX and Increase of Non-EPC Businesses.
- Strengthening Risk Management for Stable Revenue Generation.
- Transformation of Business Portfolio and Significant Contribution to Revenue through EPC Orders in New Business Areas including CN.
- Stable Revenue Generation from FPSO Business (OFS).

→ Based on the above, we are aiming for an ROE of 10% or higher and setting a target of ¥75 billion in equity capital (equity ratio of 25% or higher) for the purpose of increasing the level of capitalization. (FY2023: ¥63.9 billion, 22.4%)

Current Status Analysis: Market Assessment

- PBR has remained below 1x since FY2021.
- One reason for the low PBR is believed to be the failure to sufficiently generate market expectations as to attainability of growth strategies, as well as the lack of specific measures as to shareholders return until the timely disclosure of dividend reinstatement on March 21, 2024.



Policies and Initiatives for Improvement

- Clear Articulation of the Medium- to Long-Term Vision that looks further ahead than the current Mid-Term Plan by FY2025.
- Strengthening Shareholder Returns: ¥12 per Share at the End of Fiscal Year 2023. As a principle, aiming for a dividend payout ratio of 25% (excluding non-recurring extraordinary income), and establishing a management structure that consistently generates profits on both a consolidated and non-consolidated basis.
- Promoting initiatives in new business areas such as Fuel Ammonia, and enhancing information disclosures and explanations to facilitate understanding of the attainability of profit targets.

Policy/Target: Achieving KGI based on the Mid-Term Plan 2021-2025

- Targeting a Consolidated Net Income of ¥10 Billion in FY2030 through Improving Profit Margins Rather than Expanding Net Sales
- Advancing Medium-Term Strategies to Increase Profits, Aiming for ROE of 10% or Higher

Consolidated Net Income

- Over ¥5 billion on average in FY2023-2025
- FY2030 → ¥10 billion

Consolidated Net Sales

- Focus on Profit rather than Net Sales
- Targeting Consolidated Sales of ¥300 Billion Including Equity Method Affiliates'

ROE

- Targeting 10% or higher for FY2025
- Maintaining 10% or higher thereafter

Assuming Capital Cost of 7-8%

Dividends

- Aiming to reinstate dividend payment within the Mid-Term Plan period
 - Dividends payment reinstated in FY2023
 - Stable dividends payment to continue

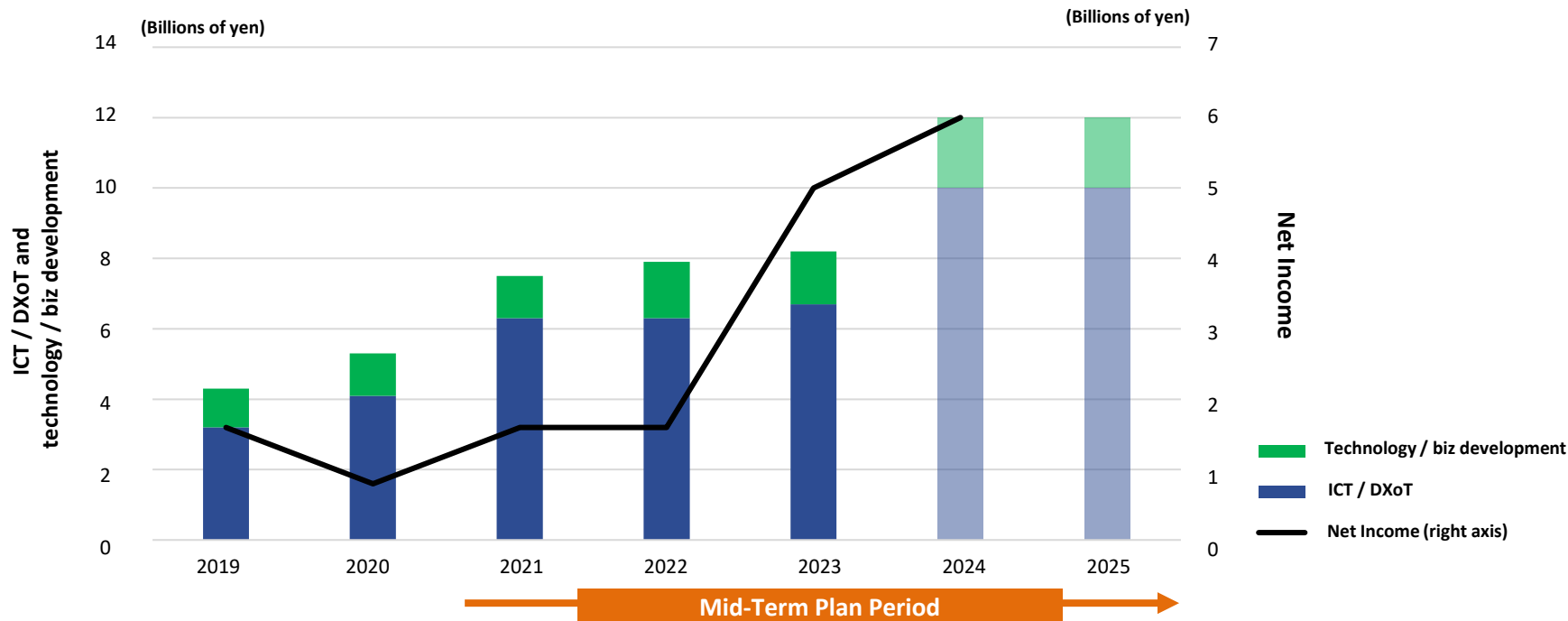
Initiatives : Transformation of Business Portfolio by Mid-Term Management Plan



Initiatives: Implement growth investments based on the Mid-Term Plan

- We are increasing investments for growth since the start of the Mid-Term Plan, along with an increase in Net Income since FY2020.
- Moving forward, to the stage where we can fully reap the benefits of these investments.

Investment in ICT / DXoT and technology / biz development and Net Income



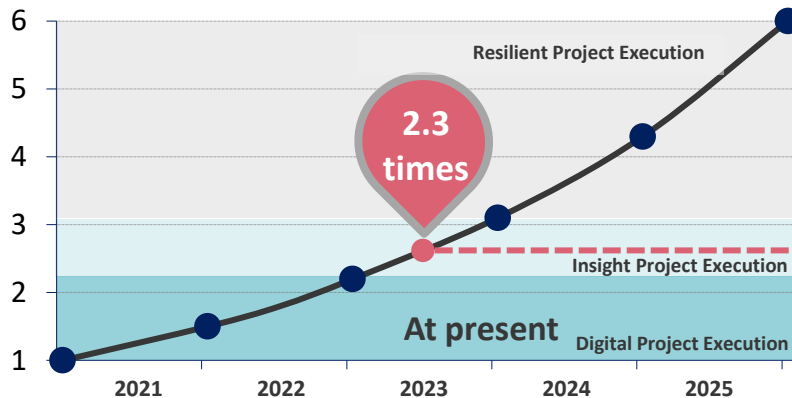
* Net income for FY2023 generated from our core business activities is 5 billion JPY, and 9.8 billion JPY if extraordinary income is included

Progress of Digital Transformation Strategy

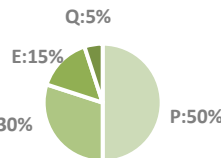
Progress at 38% Toward 6x Productivity by 2025

Gradual Implementation of Various DX Tools in New Projects to Enhance Project Management

Productivity

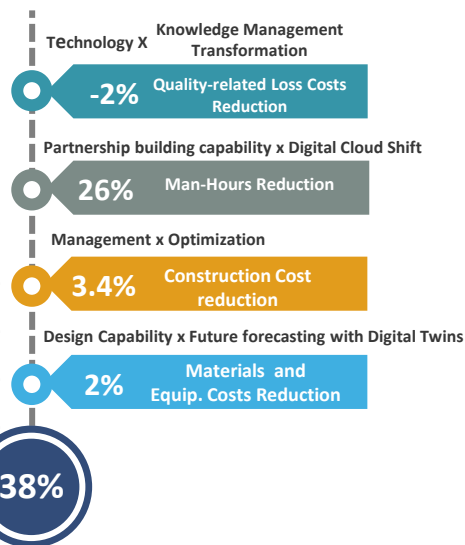


6
times



Project Cost Ratio

- Quality-Related Loss Cost (Q) ↓ 50%
- Man-hours (E) ↓ 50%
- Construction Cost (C) ↓ 15%
- Material/Equip. Cost (P) ↓ 10%



Approx. 40% progress toward
6x productivity

		FY23 (Result)	FY24 Plan	FY25 Plan
Progress toward 6x Productivity		38%	75%	100%
KGI	Quality-related Loss Cost	-2% *1	40%	50%
	Man-Hours reduction	26%	40%	50%
	Materials/Equipment Costs reduction	2%	7%	10%
	Construction Cost reduction	3.4%	12%	15%
	Shortening of Construction Period	12%	16%	20%

*1 In the current fiscal year, we experienced a negative impact due to the incurred quality-related loss costs from certain projects commenced before the implementation of DX.

Overview of Key Projects (Japan)

7 Biomass Power Generation Plants

Yamaguchi: Pharmaceuticals
Award in FY2022
E: Final Stage, **P/C: Peak Phase**
To be completed in FY2024



1) Shizuoka: Award in FY2019
Under commissioning
To be completed in FY2024

2) Chiba: Award in FY2020
Under commissioning
To be completed in FY2024

3) Niigata: Award in FY2020
E/P: Final Stage
Construction: Peak Phase
To be completed in FY2024



4) Saga: Award in FY2021
E/P: Final Stage
Construction: Peak Phase
To be completed in FY2024



Chiba: Petrochemicals
Award in FY2021
Engineering/Procurement: Final Stage
Construction: Peak Phase
To be completed in FY2024

5) Hokkaido: Award in 2021
E/P: Final Stage
Construction: Peak Phase
To be completed in FY2024



6) Aichi: Award in 2021
E/P: Final Stage
Construction: Peak Phase
To be completed in FY2025



7) Wakayama: Award in 2021
E/P: Final Stage
Construction: Peak Phase
To be completed in FY2025



Overview of Key Projects (Overseas)

India

Refinery related project (Maharashtra)

Award in FY2023

Engineering / Procurement: Final Stage;

Construction: Peak Civil Const. Phase

To be completed in FY2025



Refinery related project (Haryana)

Award in FY2022

Engineering: Completed; Procurement: Final Stage;

Construction: Peak Phase

To be completed in FY2024



Refinery related project (Gujarat)

Award in FY2022

Engineering: Completed; Procurement: Final Stage;

Construction: Peak Phase

To be completed in FY2024



Refinery related project (Assam)

Award in FY2021

Engineering/Procurement: Completed

Construction: Peak Phase

To be completed in FY2024



Overview of Key Projects (Overseas)

China

Petrochemicals*¹ (Guangdong)

Award in FY2022

Services to be completed in FY2025

(1) EPsCm*² Operations

Engineering: Completed; Procurement: Final Stage;

Construction: Peak Phase

(2) PMS*³ Services

Engineering/Procurement: Final Stage

Construction: Peak Phase

(3) Overall Project Management Services

Commissioned work is progressing well.

Chemicals (Jiangsu) Award in FY2021

Engineering: Completed

Procurement/Construction: Final Stage

To be completed in FY2024



Construction status
as of last year

Korea

Petrochemicals (Ulsan) Award in 2023

Engineering: Final Stage;

Procurement: Peak Phase, + Commissioning

Services to be completed in FY2026



Indonesia

Gas-Fired Power Plant (Riau Islands)

Award in FY2023

Engineering: Peak Phase;

Procurement: Middle Stage;

Construction: Early Stage

To be completed in FY2025



Nigeria

Fertilizer Plant (Rivers State)

Award in FY2022

Engineering: Final Stage

Procurement: Peak Phase

To be completed in FY2026



Overview of Key Projects (equity method affiliates)

OFS

FPSO Uaru (Guyana) Award in FY2023
Engineering /Procurement: Peak Phase
 Construction: Transitioning to Full-Scale



FPSO Raia (Brazil) Award in FY2023
Engineering /Procurement: Middle Stage
 Construction: Transitioning to Full-Scale



Gas-Fired Power (Pará)
 Award in FY2022
 Engineering: Final Stage
Procurement: Peak Phase
 Construction: Middle Stage
 To be completed in FY2025



Brazil
 Refinery (São Paulo)
 Award in FY2022
 Engineering: Final Stage; Procurement:
 Final Stage; **Construction: Peak Phase**
 To be completed in FY2025



Courtesy of Petrobras

Gas-Fired Power (Maranhão State)
 Award in FY 2021
 Engineering/Procurement: Completed
Construction: Final Stage
 To be completed in FY2024



Urea license granted for an Indonesian fertilizer plant

Project Overview and Background

- 01 **Client and Project**
Urea license granted to PT Pupuk Sriwidjaja Palembang for construction of a fertilizer plant (2,750 tons per day).
- 02 **Description of services**
Licensing, basic design, some equipment procurement, technical services.
- 03 **Application of new technologies**
TOYO's proprietary new urea synthesis technology ACES21-LP® to be applied for the first time.
- 04 **Track record and trust**
TOYO has more than 100 urea plant construction projects, and TOYO's extensive experience in Indonesia was highly evaluated and led to the award.

ACES21-LP® Technology Features

- 01 **Cost reduction through simplification of urea synthesis process**
Reduction of plant construction costs, and optimization of operating conditions also reduce operating costs.
- 02 **ACES21-LP® Innovative Technology**
Low-pressure synthesis technology reduces energy consumption and lowers costs by reducing boost power and improving process efficiency.

3-5% reduction in Energy Consumption	5%-10% reduction of Synthetic high-pressure equipment cost
--------------------------------------	--
- 03 **Wide range of technology application**
Versatile technology applicable not only to new plants but also to existing ones.

Solar Carport Business

**We are initiating Subscription-based Services in FY2024 and
Aiming for Increased Adoption of these Services in Domestic Convenience Stores**

Recognizing the Issue

- While the Japanese government's renewable energy target is 36-38% by 2030...
- ...Japan already boasts the world's largest capacity of solar power installations per unit of flat land area.
- Hence, the introduction of solar power to parking lots becomes one of the solutions, but...
- ...cost is high, and the impact on customers attendance during construction remains to be a challenge.

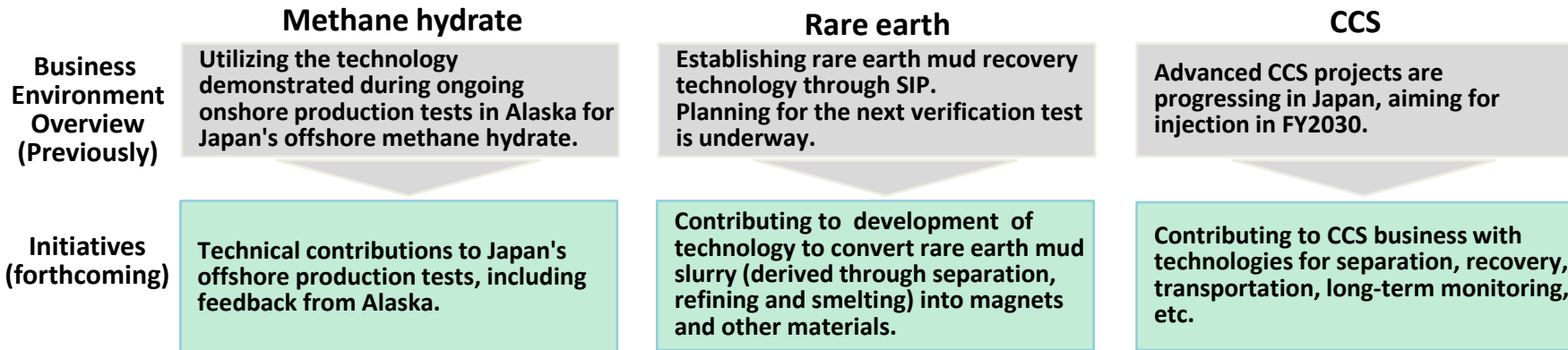


TOYO's proprietary (patent-pending) technology and services

- Using our unique 3D construction method, we can shorten the on-site construction period to as little as 3 days (normally 7-10 days)
- Instead of EPC, we offer fixed-rate services that include O&M, accident response, and insurance.

Marine Resources Development

Performing 1) Methane-hydrate, 2) Rare earth, and 3) CCS-related services based on the Ocean Basic Plan, the Ocean Energy and the Mineral Resources Development Plan, and the CCS Project Bill of Japan.

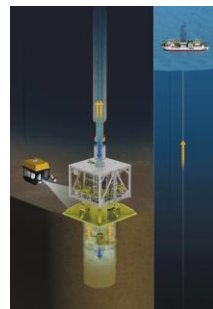


Alaska Onshore Production Test



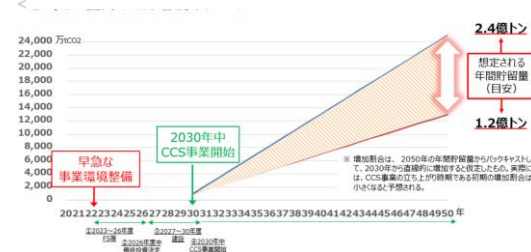
<https://prtimes.jp/main/html/rd/p/000000054.000107878.html>

Rare earth subsea production system



<https://www.nature.com/articles/d42473-020-00524-y>

Image of CCS diffusion in Japan

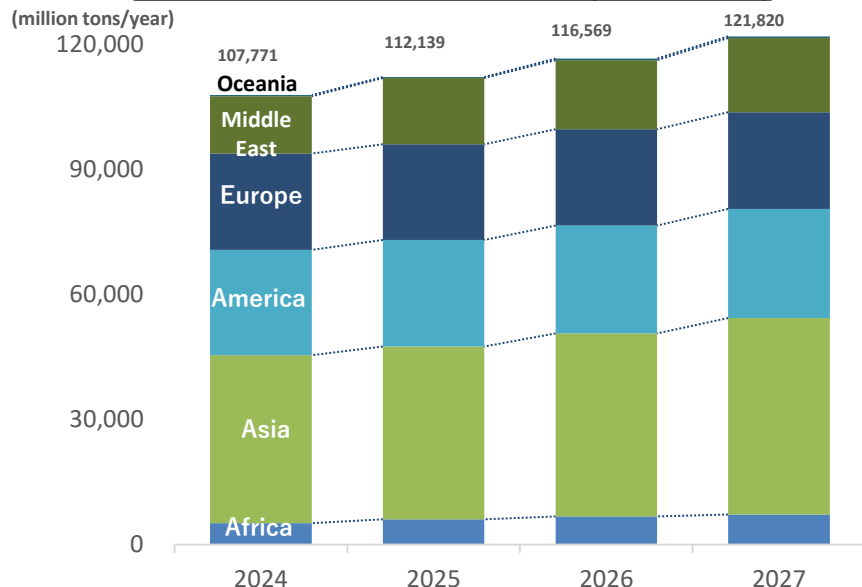


https://www.meti.go.jp/shingikai/energy_environment/ccs_choki_roadmap/pdf/20230310_1.pdf

Oil/Gas

Continued New Investments in Oil/Gas as Transition Energy Until Carbon Neutrality Realization

Oil/Gas Market Size Forecast (2024-2027)



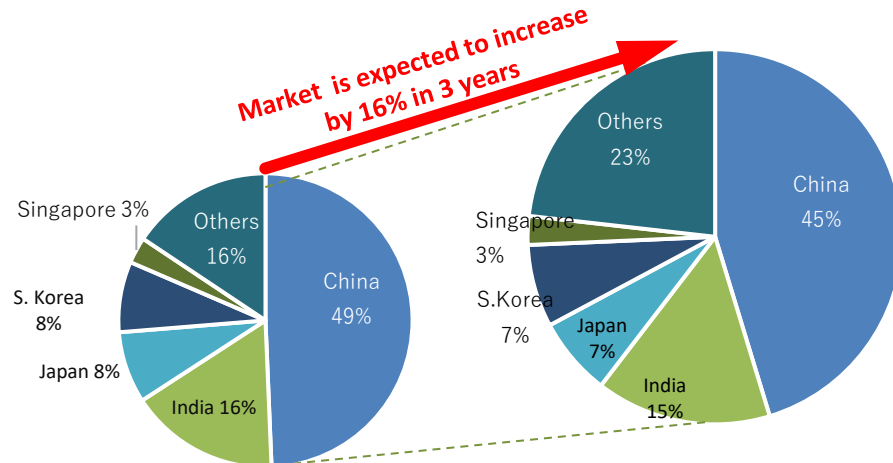
- Oil/gas refining market expected to grow at an average annual rate of more than 1.3% over coming four years
- Growing demand for transportation fuels in China and India due to the growing middle class

Source : Global Refining Industry Outlook to 2027 2024.4

Addressing Continued Oil/Gas Demand and Contributing to Energy Efficiency with Proprietary Technology *SUPERHIDIC®*

Oil/Gas Market Size Forecast in Asia (2024-2027)

Asian Market Size by Country in 2024 38,788 million tons
Asian Market Size by Country in 2027 45,164 million tons



- Plans for several large refinery expansion/new LNG receiving terminals in India
- A country with our largest EPC company - aiming to win EPC/PMC projects
- Proposals for Energy saving of more than 50% with proprietary our "SUPERHIDIC®" technology



Toyo Engineering Corporation

URL <https://www.toyo-eng.com>

For further questions on this material, please contact:

Yoshifumi SHIRAISHI

General Manager

Corporate Communications Department

2-8-1 Akanehama, Narashino, Chiba, Japan 275-0024

TEL +81-47-454-1681

E-mail ir@toyo-eng.com

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.