



Fiscal Year Ended March 2025 (FY2024)

Management Overview

May 15, 2025

Toyo Engineering Corporation

President & CEO Eiji Hosoi

Key Messages for Today

FY2024 Results	<ul style="list-style-type: none"> ✓ Due to project delays and impairment losses on fixed assets, net sales increased but profit declined year-on-year (Net Sales: ¥278.0 billion, Net income: ¥2.0 billion) ✓ Dividend ¥25 per share (as planned)
FY2025 Forecast	<ul style="list-style-type: none"> ✓ Forecast: Revenue ¥200 billion, Net income ¥5.0 billion ✓ Planned dividend: ¥25 per share (Payout ratio: Above 25%)
Mid-Term Management Plan Progress	<ul style="list-style-type: none"> ✓ Results: <ol style="list-style-type: none"> 1. Strengthening EPC business: Solid performance in projects in India and China; FPSO contributing to earning 2. Non-EPC business: Strong order intake, particularly in urea licensing ✓ Challenges: <ol style="list-style-type: none"> 1. Accelerating revenue growth from new business domains 2. Preventing project losses through enhanced risk management system, operational discipline, and DX
TOYO Vision 2040	<ul style="list-style-type: none"> ✓ Establishing a long-term vision as foundation for the Next Mid-Term Plan (FY2026–2030) ✓ In addition to securing stable earnings from the EPC business, aim to shift toward a multi-layered revenue structure ✓ Pursue a dual revenue model combining flow-type business (short-term cycle) and stock-type business (long-term cycle)
Capital-Efficient Management	<ul style="list-style-type: none"> ✓ Initiatives to improve ROE for higher PBR valuation: <ul style="list-style-type: none"> Strengthening and stabilizing earnings from the existing EPC business, enhancing risk management; Improving profitability through expansion of non-EPC businesses; Conducting FS and FEED for carbon-neutral and other new business to secure EPC opportunities Initiatives to enhance market valuation: <ul style="list-style-type: none"> Clarifying mid-to-long-term vision, enhancing disclosure on strategies; Maintaining stable dividend payments
Impact of U.S. Tariff Policy	<ul style="list-style-type: none"> ✓ Current: <ul style="list-style-type: none"> No significant impact on ongoing projects (Current exposure to U.S.-based projects and procurement of U.S.-made equipment remains limited) ✓ Outlook: <ul style="list-style-type: none"> Potential risks include slowdown in global economy due to reduced U.S. plant investment and escalation of trade tensions → Focus on TOYO's strength in securing projects across a diverse range of countries

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Fiscal Year 2024 (Ended March 2025) Performance Overview

Revenue increased but profit declined year-on-year due to profit deterioration from some project delays and losses on fixed assets

Net Sales and Profit	<p>Net Sales: ¥278.0 billion</p> <p>Gross Profit: ¥26.0 billion (Gross margin: 9.4%), Net Income: ¥2.0 billion</p>	
Reasons for Downward Revision of Earnings	<p>Although profitability improved in several projects in India, China, in the FPSO business, these gains were not sufficient to offset the following negative impacts:</p> <ol style="list-style-type: none"> 1. Profit deterioration in Brazilian power project and a domestic pharmaceutical project (completed in early FY2025)/Additional negotiations with clients remain unresolved <ul style="list-style-type: none"> ✓ Due to multiple factors, including client-related issues, project delays occurred, leading to significant additional costs in 2H of the fiscal year ✓ Ongoing negotiations prevented the recognition of expected additional revenue 2. Delays in 2 Biomass Power Projects <ul style="list-style-type: none"> ✓ Scheduled for completion in FY2024, but commissioning issues caused schedule delays and necessitated additional costs 3. Impairment Loss at Brazilian consolidated subsidiary <ul style="list-style-type: none"> ✓ An extraordinary loss of ¥1.3 billion was recorded due to impairment of fixed assets related to an FPSO module yard 	
Orders Received & Backlog of Orders	<p>Orders received^{*1}:¥244.2 billion; Orders backlog^{*1} : ¥410.1 billion</p> <ul style="list-style-type: none"> ✓ Indonesia: 3 geothermal; Malaysia: chemical & refinery-related; Japan: chemical & pharmaceutical projects awarded in Q4 ✓ Non-EPC orders including licensing (urea, methanol), energy-saving and GHG reduction consulting services 	
Revenue-Contributing & Completed Projects	<p>Projects Contributing to Net Sales</p> <ul style="list-style-type: none"> ✓ India: Fertilizer, Oil, Gas; China: Chemical; Thailand: Petrochemical ✓ Indonesia: Geothermal; Nigeria: Fertilizer ✓ Brazil, Guyana: FPSO 	<p>Completed Projects</p> <ul style="list-style-type: none"> ✓ China: Chemical; Brazil: FPSO module ✓ Japan: Petrochemical, pharmaceutical, 3 biomass projects
Dividend per Share	<p>Year-end dividend planned: ¥25 per share</p> <p>(Based on cash flow status and future outlook, maintained in line with initial forecast)</p>	

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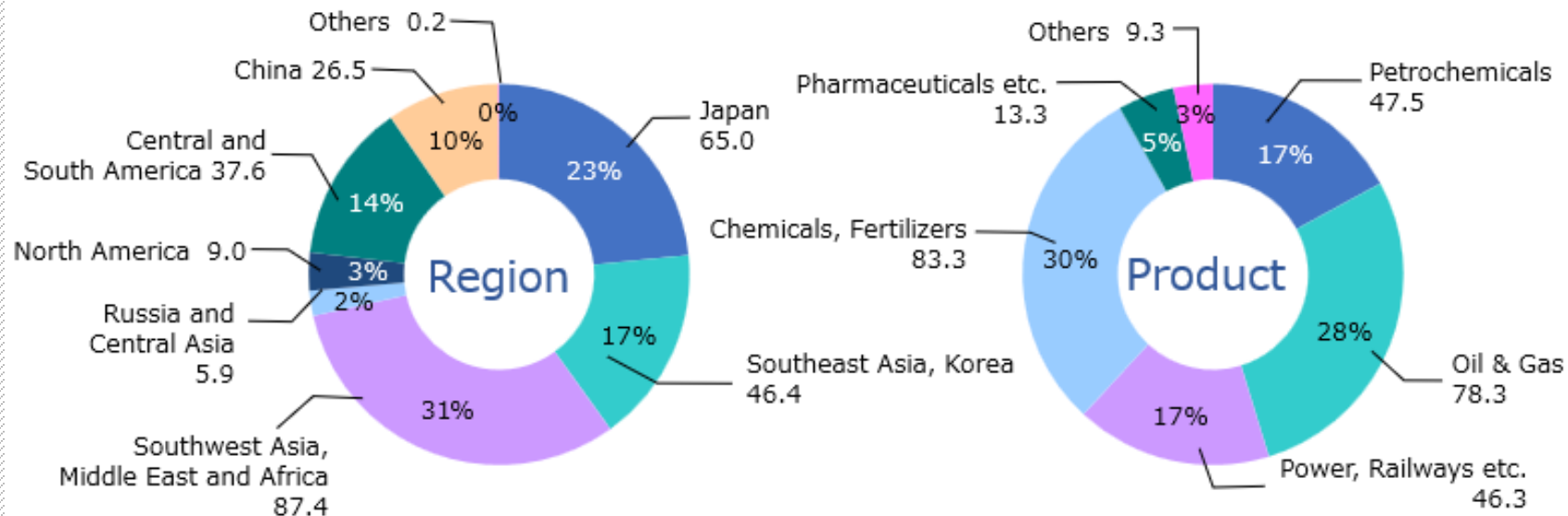
^{*1} Includes equity-method affiliates

^{*2} Figures for OFS are as of the end of December 2024, based on its January–December fiscal year

FY2024: Net Sales by Region and Product

- Diversified portfolio across regions and products enables appropriate risk diversification
- Minimizing impact from country-specific risks and market fluctuations worldwide to support stable business operations

2025/3 Net Sales 278.0 Billion



Outlook for FY2025 (Ending March 2026)

An increase in net profit is anticipated, supported by high-margin non-EPC projects and robust FPSO business performance.

Net Sales & Profit

Net sales: ¥200.0 billion; Gross Profit: ¥26.5 billion; Net income forecast: ¥5.0 billion

Gross Margin

Gross margin is projected to improve to 13.3%, supported by contributions from high-margin projects currently in progress

Ordinary Income

Ordinary income will be ¥6.5 billion after reflecting non-operating income mainly from FPSO business

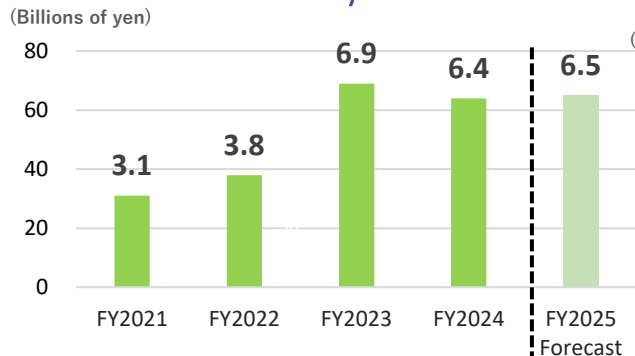
Order Target

Order intake target (including equity-method affiliates): ¥400.0 billion
(Orders for two FPSO projects already secured)

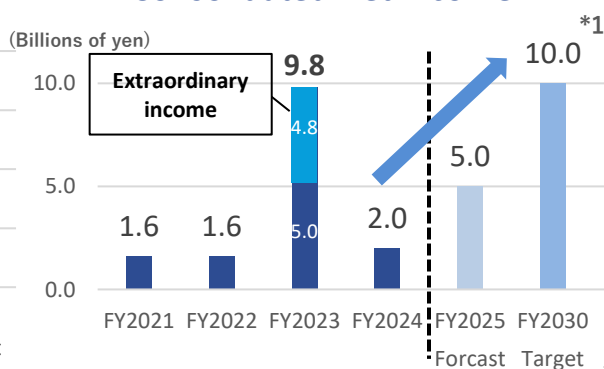
Dividend per Share

Year-end dividend forecast: ¥25 per share (Payout ratio: Above 25%)

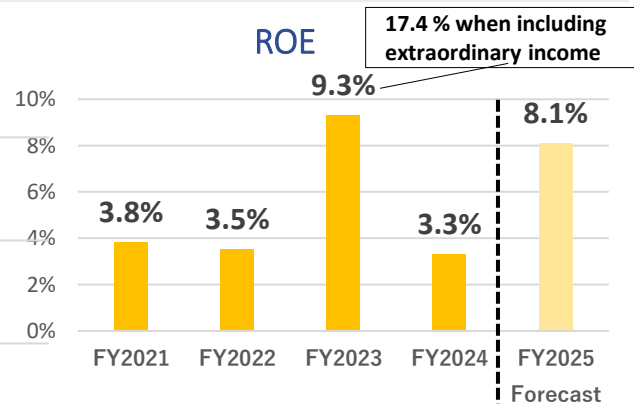
Ordinary Income



Consolidated Net Income



ROE



FY2025 New order Target

Order target: ¥400.0 billion (including ¥230.0 billion from equity-method affiliates)

Building a well-balanced order portfolio across diverse products and regions

● : Target Project

	Main Areas	Regions	L	FS/ FEED	E/ EP	EPC	Biz. Invest.
New Business	Hydrogen/Fuel Ammonia	Japan, SE Asia		●		●	●
	Synthetic Fuels (e-fuel/SAF) , g-Methanol TM	Japan		●			
	Low Environmental Impact Solutions (Waste plastic recycling, bio-polymers etc.)	Japan, SE Asia		●		●	
	Integration, Energy Transition, and Advanced Functionality in Chemical & Energy Companies	Japan		●		●	
	Marine Resource Development (Methane hydrate, rare earth, CCS etc.)	Japan		●	●		
	Advanced Pharmaceuticals	Japan				●	
	Energy Saving and GHG Reduction Solutions	Japan, SE Asia, Europe		●	●		
	Solar Carports	Japan					●
	Geothermal (Carbon Neutral Park)	Japan, Indonesia		●			
Existing Business	FPSO	Americas (Brazil, Guyana)		●		●	
	Oil/Gas	India, SE Asia, Europe		●	●	●	
	Petrochemicals/Chemicals	India, China, South Korea, SE Asia, Americas, Europe		●	●	●	
	Fertilizers (Urea)	Europe, Americas, Africa	●	●	●		
	Power Generation (Geothermal)	Indonesia				●	

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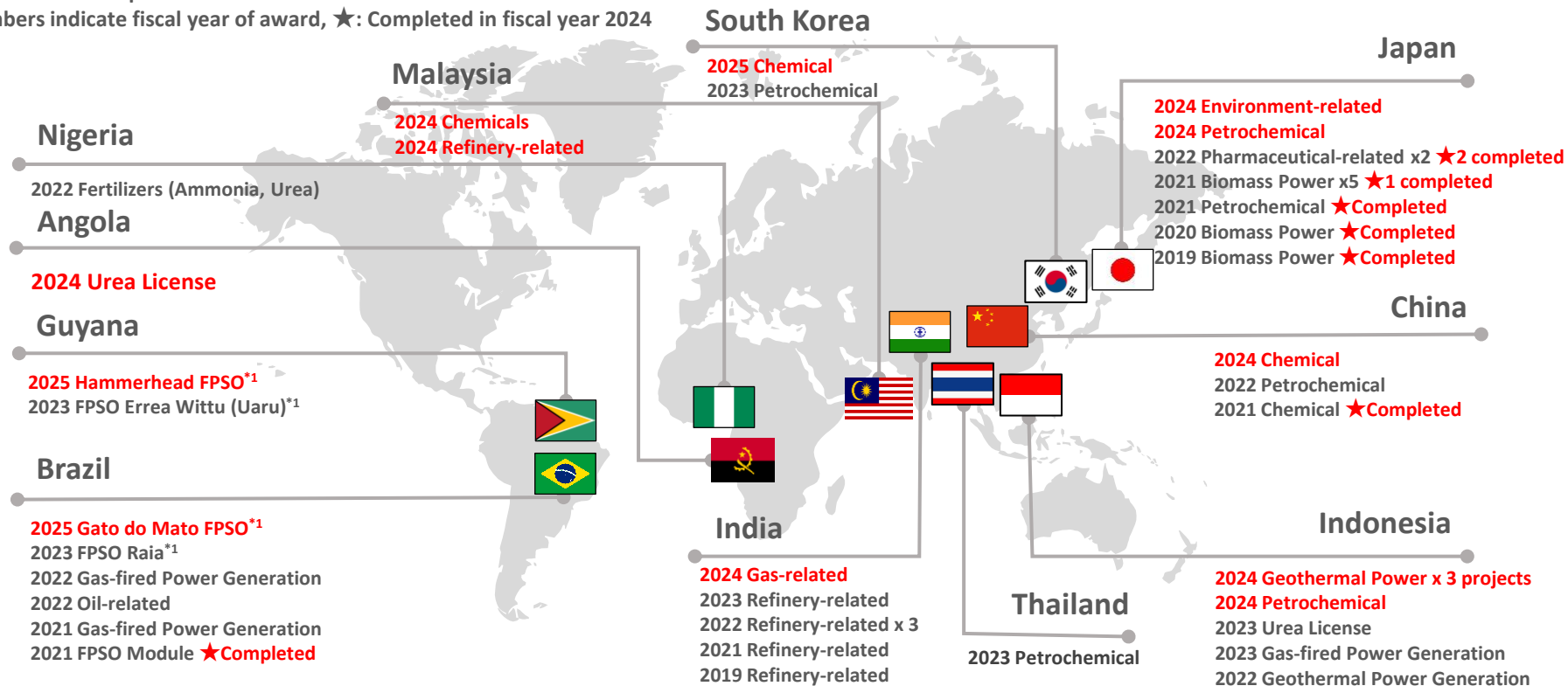
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Major Projects

- A well-balanced portfolio of projects across diverse regions and product categories
- Actively executing numerous projects, particularly in Global South countries such as India and Indonesia, where our subsidiaries are established

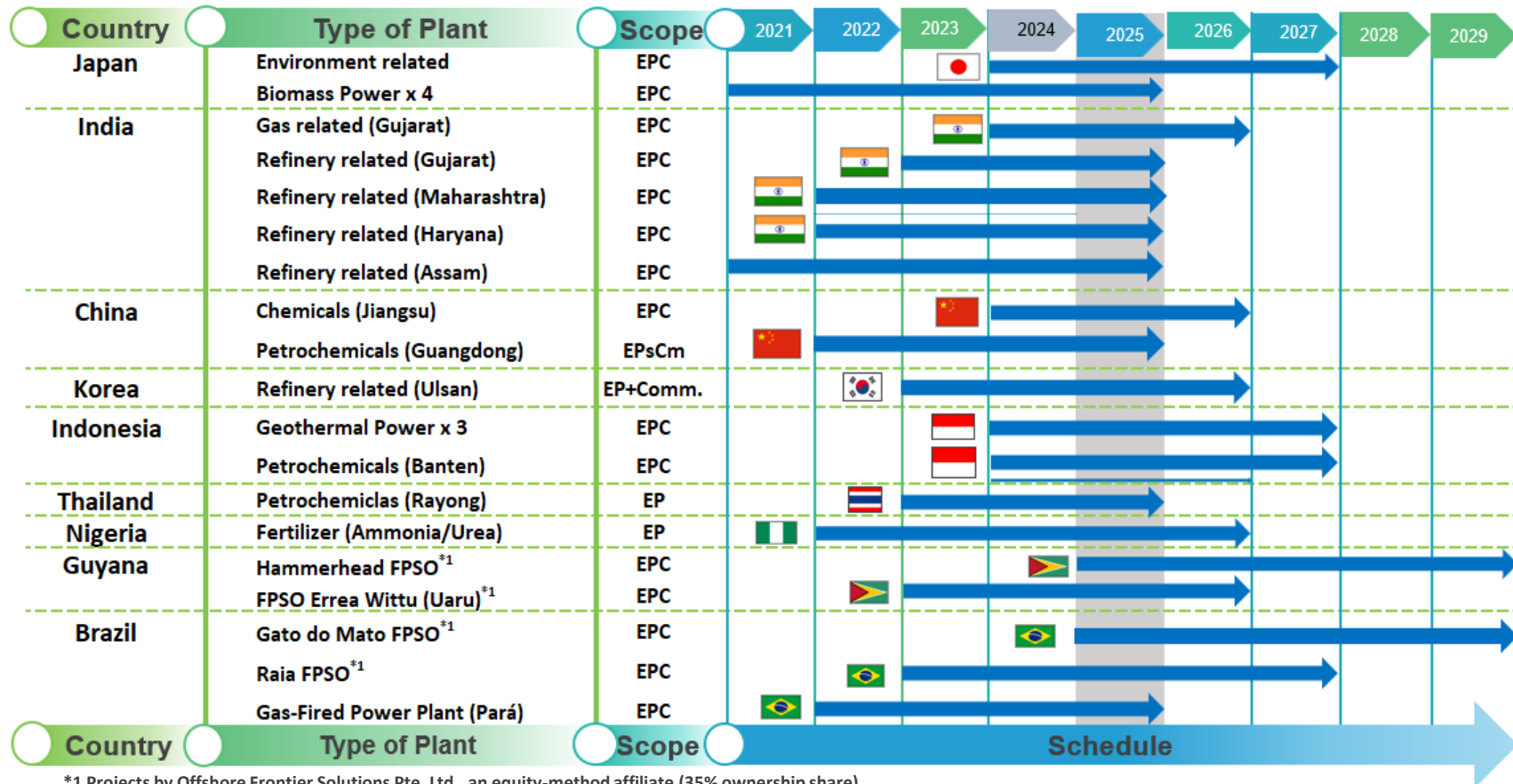
As of the end of April 2025

Numbers indicate fiscal year of award, ★: Completed in fiscal year 2024



Status of Major Projects

Projects across various countries are progressing in a well-balanced manner with scheduled completions sequentially from 2025 through 2029



*1 Projects by Offshore Frontier Solutions Pte. Ltd., an equity-method affiliate (35% ownership share)

Main Topic (1) FPSO (Floating Production, Storage, and Offloading)

- Operating through Offshore Frontier Solutions (OFS), a joint venture with MODEC - one of the world's top two FPSO providers
- Currently executing 4 projects for clients including ExxonMobil and Shell.
- Over 60 personnel seconded from TOYO to OFS, positioning FPSO as our core EPC business area.
- Profit Recognition: As a 35% equity-method affiliate, OFS's FPSO business is recorded as non-operating income and reflected in "ordinary income".
- Order Recognition: Orders are recognized under equity-method accounting.



Main Topic (2) Urea technology license for a Fertilizer Plant Project in Angola



- One of the world's largest granular urea plants
- Daily production capacity: 4,000 tons
- TOYO's proprietary urea technology licensed

Resources × Agriculture × Growth Markets TOYO's Fertilizer Business Expanding in Africa



Early Mover Advantage in Angola's Growth Market

- Supplying technology for a first ever fertilizer plant in Angola (world's 3rd largest population growth rate)
- Contributing to local food security and regional development through 100% domestic fertilizer production and reduced reliance on imports



High-Value, Low-Risk Business Model

- License-based business using our proprietary technology, ACES21™, a large-scale urea synthesis process
- A high-margin, low-risk non-EPC business
- Efficient licensed technology enables customers to reduce both CAPEX and OPEX

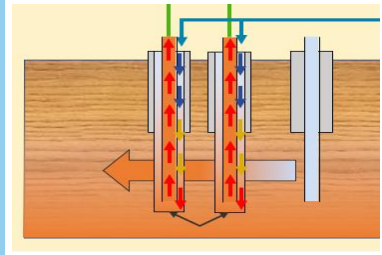


Strategic Expansion Focused on Repeat Business

- Providing operational support to build customer familiarity with our urea licensed technology.
- Strengthening customer relationships in Africa to drive recurring orders

Main Topic (3) The Geothermal Carbon Neutral Park Concept

- Comprehensive development and optimization of geothermal fields by integrating a wide range of above-ground and subsurface technologies
- Implementation in Indonesia, based on an MoU signed with the Ministry of Energy and Mineral Resources (MEMR) for geothermal master plan development

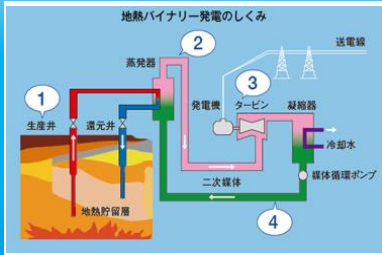
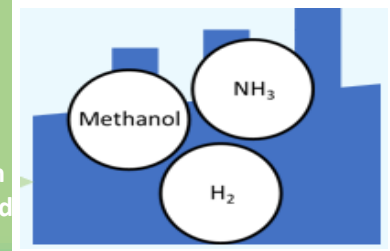


Closed-loop System & Energy Management

Recover underground heat using a closed-loop circulation system

Green Hydrogen Ammonia

Utilizing geothermal power to produce clean hydrogen, ammonia and methanol



Binary Power Generation

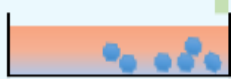
Enabling stable power supply

Scaling Prevention

Ensuring long-term operational stability of the equipment



Minerals Extraction

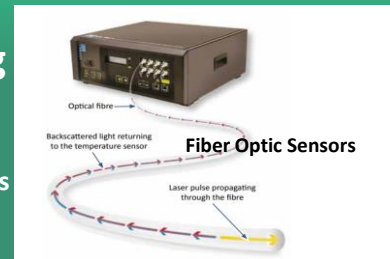


Metal and Mineral Recovery

Extracting valuable metals and minerals from geothermal brine to enhance field value

Subsurface Imaging & Monitoring

Utilizing advanced technologies such as fiber-optic sensors to monitor subsurface conditions in real time



Main Topic (4) Advancing Green Ammonia Value Chain (GAIA)

- Aiming to secure stable earnings not only through traditional EPC but also via business investments
- Accelerating early realization of a green ammonia project through a JV with Indonesia's major fertilizer company and Itochu Corporation, leveraging surplus capacity at an existing plant



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Mid-term Management Plan (2021–2025)

- The steady increase in the proportion of low-risk, high-margin non-EPC businesses is enhancing profitability and securing business stability.
- Commercialization of new businesses centered on carbon neutrality is still in progress. Going forward, we aim to accelerate growth in this area to transform our business portfolio, strengthen earnings capacity, and ensure long-term sustainability.

Achieving sustainable growth through the synergistic advancement of Sustainable Technology/Business Development, and Advanced EPC Operation



Mid-term Management Plan: KGI and KPI

KGI (Key Goal Indicator)

Target	Results FY2024
Consolidated Net Income <ul style="list-style-type: none"> ● More than ¥5 billion on average in FY2023-2025 ● FY2030 ⇒ <u>¥ 10 billion</u> 	¥2.0 billion
Consolidated Net Sales <ul style="list-style-type: none"> ● Focus on profit rather than sales ● Target Net Sales of <u>¥300 billion</u> 	¥278.0 billion
ROE <ul style="list-style-type: none"> ● FY2025 ⇒ 10% or more ● Onward stable 10% or more 	3.3%
A Year-End Dividend <ul style="list-style-type: none"> ● <u>Reinstatement of Dividends</u> within mid-term period 	¥25 dividend is scheduled in FY2024

KPI (Key Performance Indicator)

Target	Results for FY2024
Non-EPC*1 Gross Profit Composition <ul style="list-style-type: none"> ● FY2025: 25% or more ● FY2030: 50% 	68%
New Biz areas Gross Profit Composition <ul style="list-style-type: none"> ● FY2025: 25% or more ● FY2030: 50% 	13%
Main Gr. Comp. Gross Profit Composition <ul style="list-style-type: none"> ● FY2025: 45% or more*2 ● FY2030: 50% 	43%
Employee Satisfaction <ul style="list-style-type: none"> ● Improve from previous period 	Next survey scheduled for FY2025 FY2023 result: 3.58 (out of 5)
Number of Employees <ul style="list-style-type: none"> ● Toyo-J: Double human resources for New Technology and Biz Development from 110 ● Group Companies*2: Adjustment on demand 	Approx. 130 employees Total number approx. 6,000

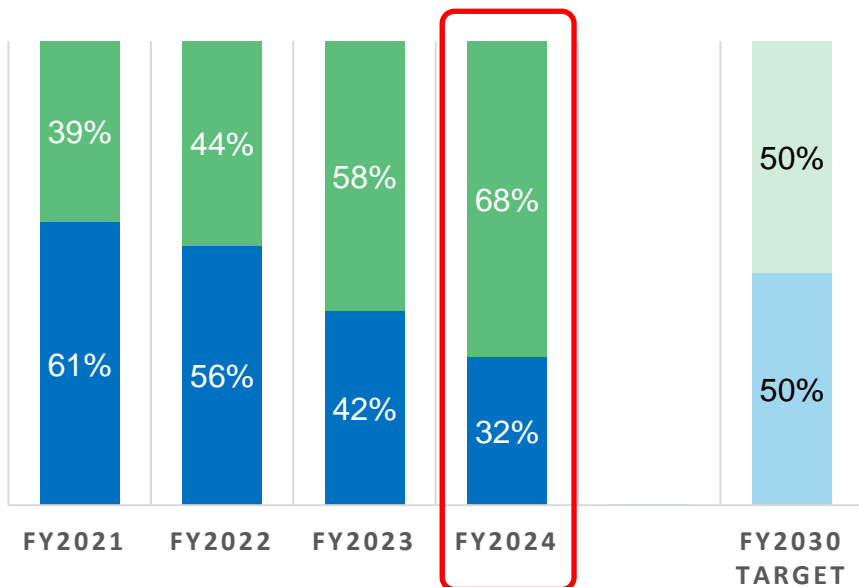
*1 Non-EPC = Those except for EPC/EP Lump-Sum Projects

*2 OFS (Singapore) is an equity-method affiliate; its income is recorded as non-operating profit and its employees are not included in the headcount.

Mid-term Management Plan: KPI

- The gross profit ratio from non-EPC businesses has already exceeded the targets set for FY2030.
- Going forward, the focus will shift to increasing the absolute profit amount.

NON-EPC GROSS PROFIT COMPOSITION



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

Major Non-EPC Projects

- Energy-saving and GHG reduction services
- Feasibility studies (FS) and Pre-FEED for fuel ammonia and SAF (Sustainable Aviation Fuel)
- EPsCm^{*1}, EPs, and PMS^{*2} for petrochemical projects
- Urea technology licensing and basic design

Non-EPC
EPC



Objective: Enhancing Profitability and Ensuring Business Stability

By increasing the share of low-volatility, high-margin non-EPC projects, we aim to improve overall profitability and ensure stable business operations.

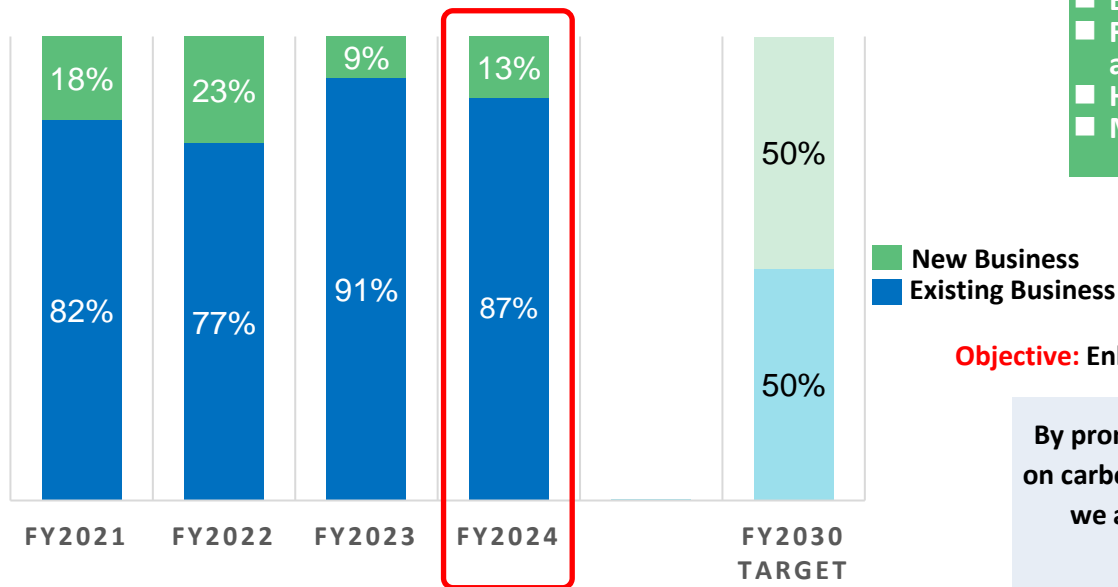
*1 Engineering, Procurement Support, Construction Management

*2 Project Management Support

Mid-term Management Plan: KPI

■ **Slower-than-Expected Growth in New Business Domains:** Customer investment decisions - particularly for carbon-neutral projects - taking longer than anticipated, resulting in a delayed increase in the share of new businesses.

NEW BUSINESS GROSS PROFIT COMPOSITION



Major New Business Areas

- Energy-saving and GHG reduction services
- Feasibility studies (FS) and Pre-FEED for fuel ammonia and SAF (Sustainable Aviation Fuel)
- High-performance chemicals
- Marine resource development

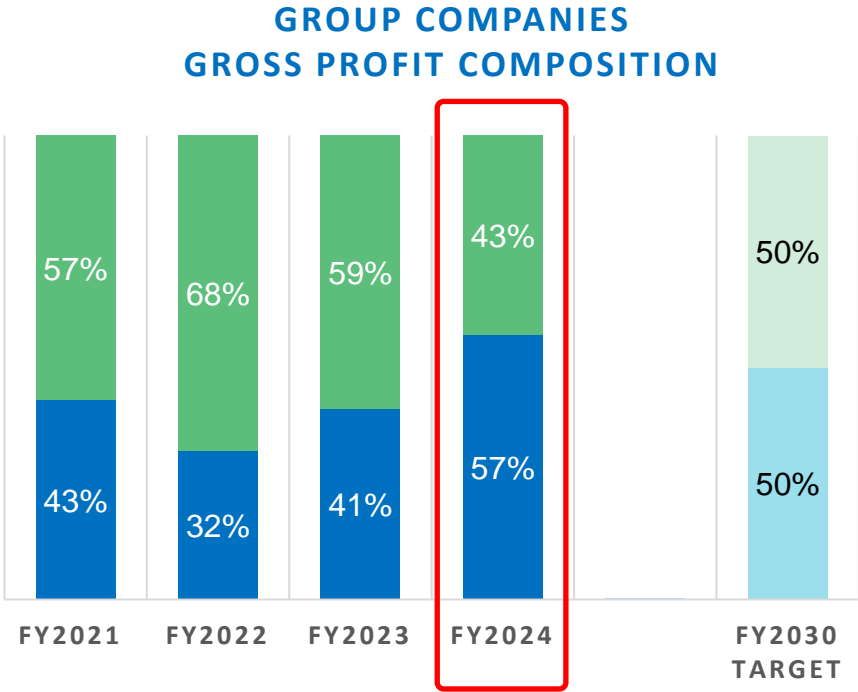


Objective: Enhancing Profitability and Ensuring Business Sustainability

By promoting the monetization of new businesses centered on carbon neutrality and transforming our business portfolio, we aim to enhance profitability and ensure long-term sustainability.

Mid-term Management Plan: KPI

Over the past four years, the contribution ratio from key group companies has remained at or above FY2030 target levels.



Major Projects of Group Companies

- Toyo-India: Fertilizers, Chemicals, Oil & Gas
- Toyo-China: Chemicals, Petrochemicals
- IKPT (Indonesia): Geothermal, Oil & Gas
- TPS (Japan): Maintenance, Pharmaceuticals

■ Group Companies
■ Toyo-Japan



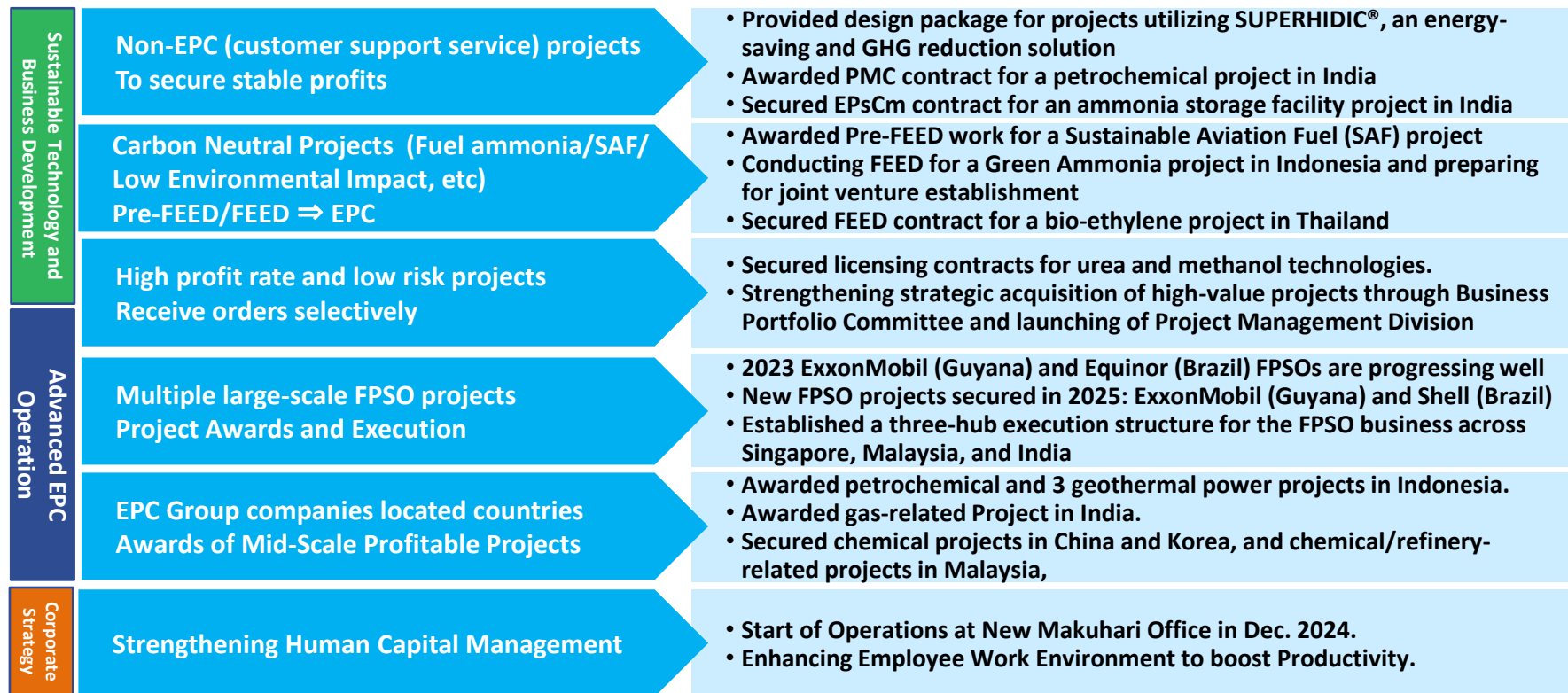
Objective: Ensuring Stable and Reliable Business Operations

By maintaining rigorous risk management and generating balanced earnings across Toyo-Japan and key domestic and international group companies, we aim to ensure stable and reliable business operations.

The Brazilian subsidiary has been included as a key group company since it was consolidated into the income statement starting in the second half of this fiscal year.
OFS (Singapore) is an equity-method affiliate and is therefore counted as non-operating income.

Progress on Mid-Term Management Plan: Summary

- 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.



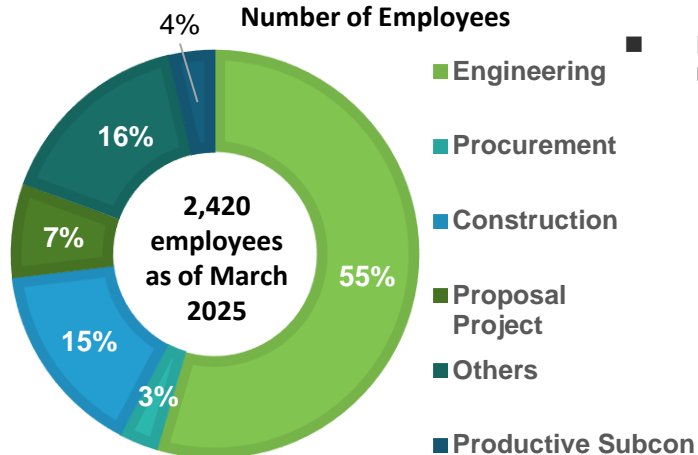
Progress on Mid-Term Management Plan: Strengthening Group Operations

■ A key subsidiary in the Global South are independently executing EPC projects

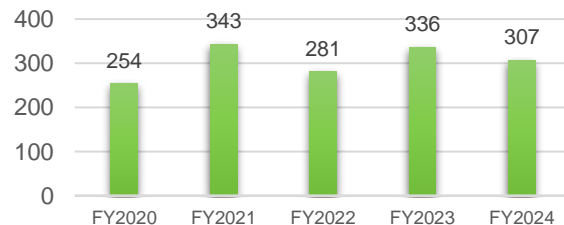
India

Established 49 years ago

Number of Employees

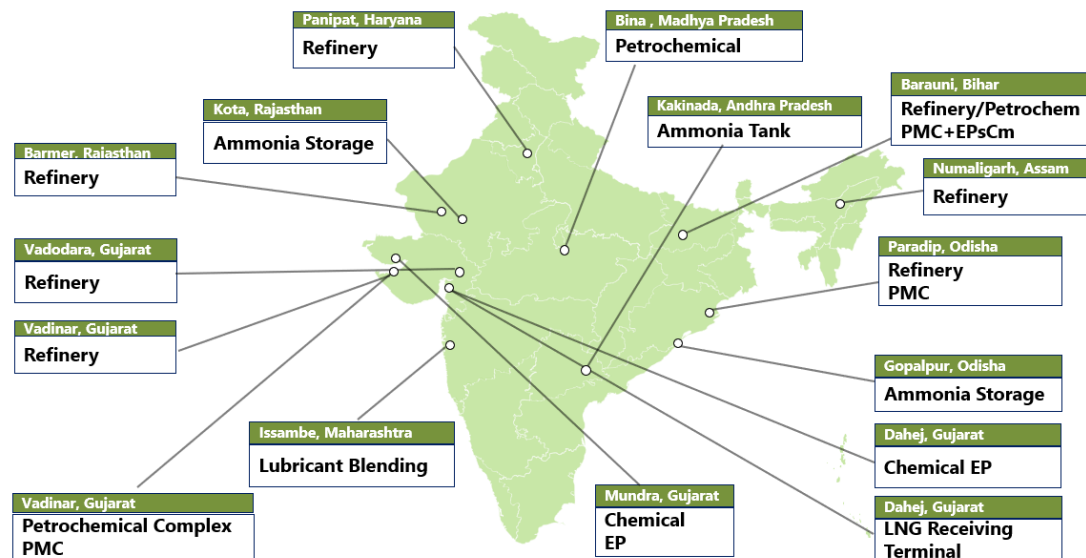


Net Sales, Million USD



- **Core Hub for Global Project Execution**
Provides engineering and procurement functions for oil & gas, ethylene, ammonia, urea, FPSO, and decarbonization-related projects
- **Leverages region-specific expertise built through years of project experience to meet the needs of the Indian market**

Key Projects



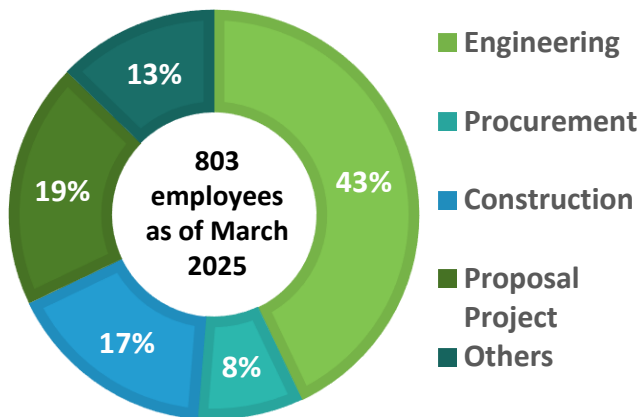
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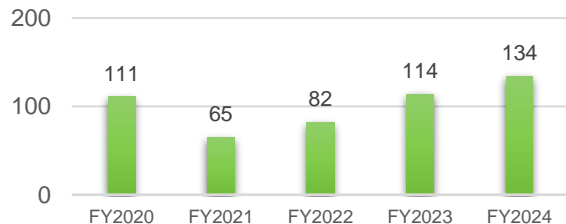
Indonesia

- **Joined TOYO Group in 2012**
- **Extensive track record in fertilizer, geothermal power, oil & gas, and petrochemical projects**

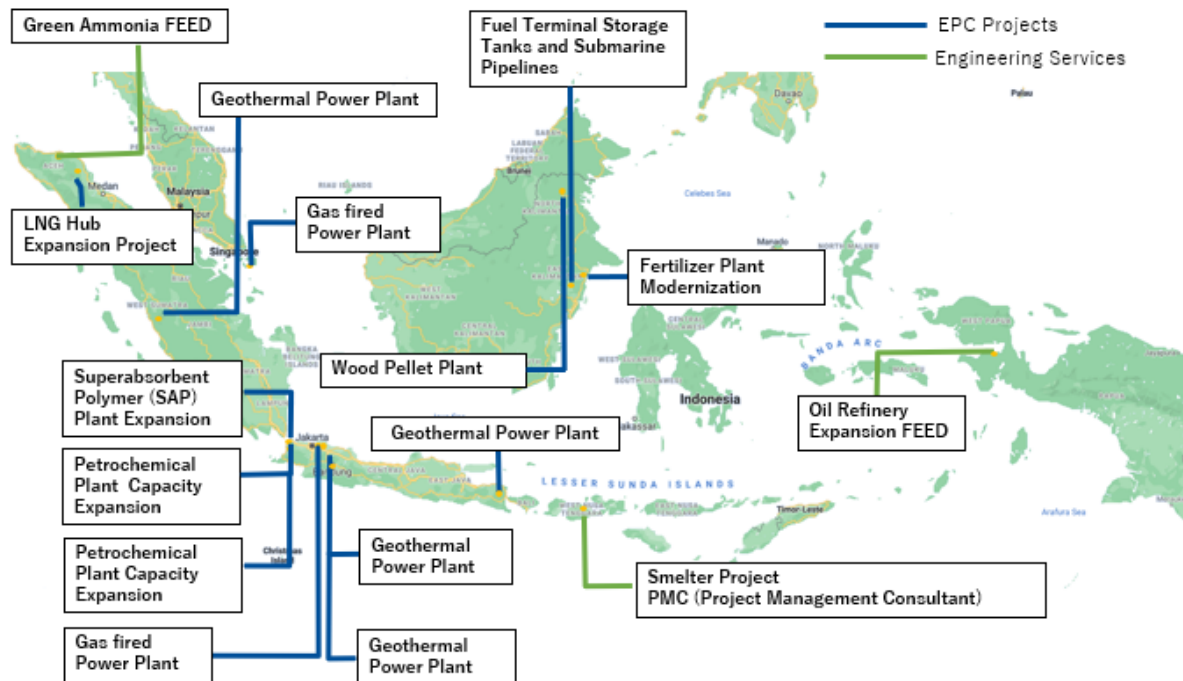
Number of Employees



Net Sales, millions USD



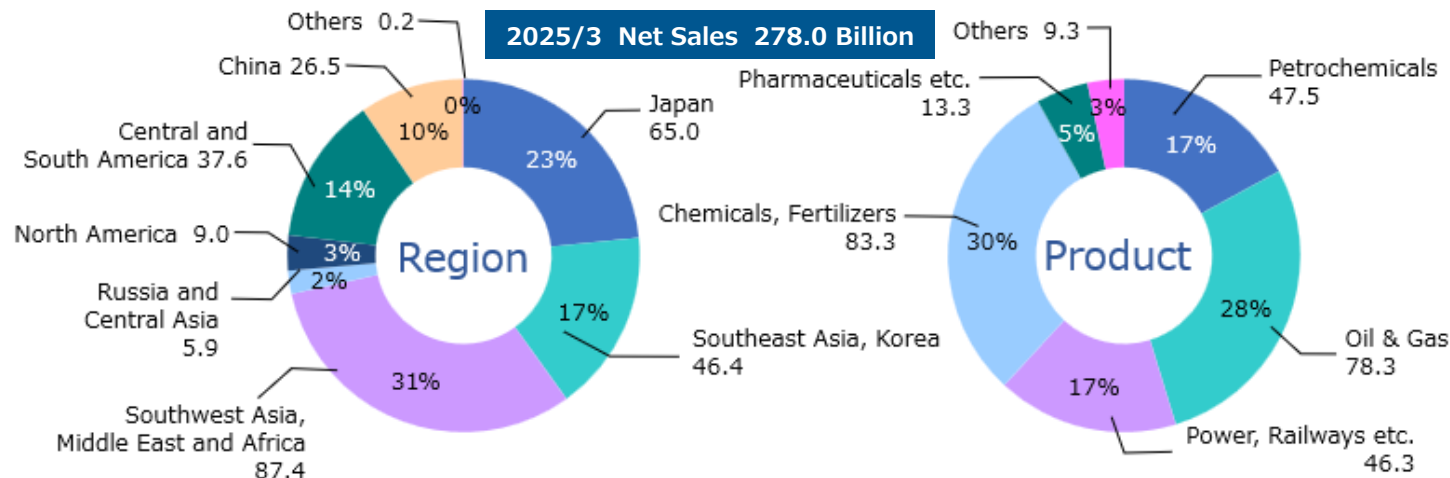
Key Projects



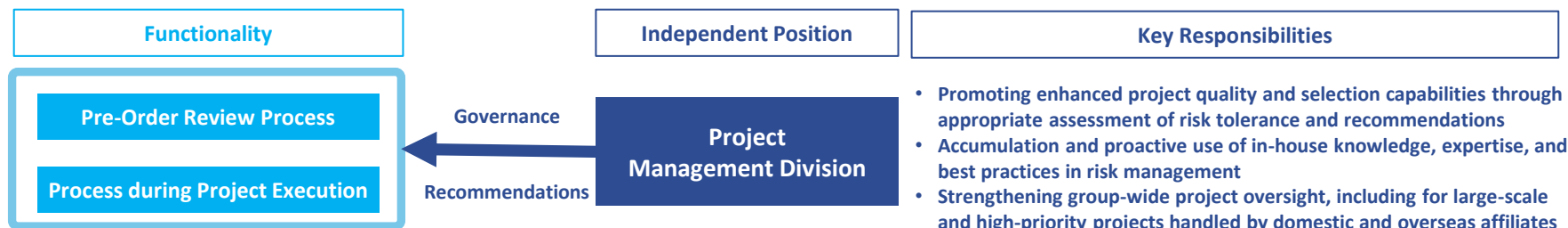
Progress on Mid-Term Management Plan: Project Risk Management

1 Promoting risk mitigation through a diversified portfolio by region and product

- ✓ Minimizing the impact of country-specific risks and market fluctuations across the globe to support stable business operations

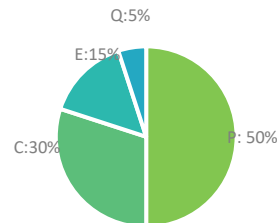
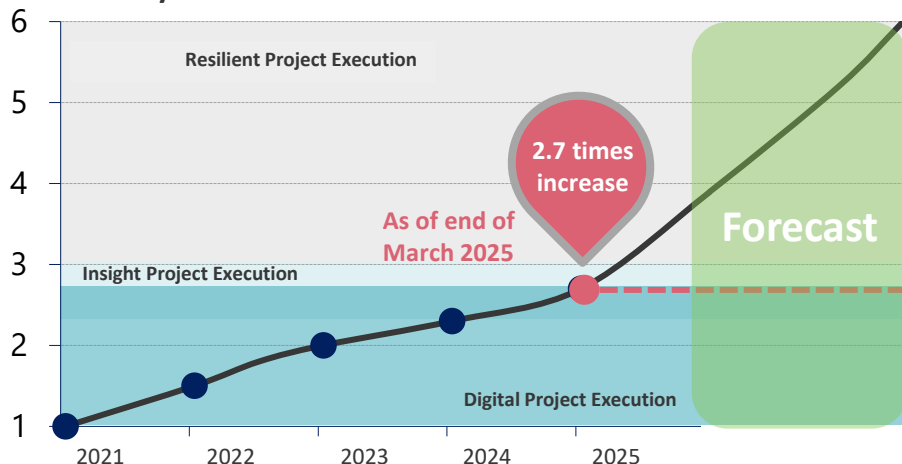


2 Establishment of Project Management Division, and significantly expanding its functions, roles, and personnel



Progress on Mid-Term Management Plan: Digital Transformation

Productivity x



Project Cost Ratio

Goal

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

Progress Rate

Technology x Knowledge Management Transformation

15% Quality-related Loss Cost Reduction

Partnership building capability x Digital Cloud Shift

30% Man-Hours Reduction

Management Capability x Optimization

5% Construction Cost Reduction

Design Capability x Future Prediction with Digital Twin

2% Materials and Equip. Costs Reduction

45%

45% progress toward 6x productivity

Progress Status	FY24 Results	FY25 Outlook	Goal
Progress towards 6x Productivity	45%	56%	100%
Quality-Related Losses	15%	30%	50%
Man-Hours reduction	30%	35%	50%
KGI Materials/Equipment Costs reduction	2%	4%	10%
Construction Cost reduction	5%	5%	15%
Shortening of Construction Period	12%	12%	20%

- ✓ Transitioning from the investment phase to a phase of maximizing impact
- ✓ Prioritizing results in high-impact areas such as schedule reduction, labor efficiency, and quality-related costs
- ✓ Organizational mindset is evolving, laying the foundation for company-wide transformation
- ✓ Pursuing change that extends beyond the introduction of DX tools to include processes, mindset, and corporate culture

Progress on Mid-Term Management Plan: Initiatives for Human Capital Management

- Commencement of operations at the Makuhari new office from December 2024: a foundation for a new era, the office will serve as a "starting point for growth" where people and teams learn from one another.
- By creating a comfortable and inclusive work environment, we aim to foster collaboration among professionals with diverse expertise and advanced technical skills - driving the creation of corporate value.

The new office as a "starting point for growth"

01

Creating a supportive and comfortable work environment

Implementing various initiatives to enable diverse talent to thrive and perform at their best while staying true to themselves

- Annual leave take-up rate 61.1%
- Childcare leave acquisition rate 63.6% (Male 56.8%, Female 100%)
- Rate of foreign nationality in management positions 8%
- Proportion of female managers 6%
- Senior employment rate 10.7%
- Rate of mid-career hires 31.8%

02

Providing opportunities for growth and challenge

Developing professionals with advanced technical expertise and specialized knowledge

- Joint training programs with employees from group companies and overseas offices
- On-the-job training through practical assignments and fieldwork
- Job rotation to broaden individual knowledge and skillsets

Trends in Investment in Talent Development (*) and Training Hours

2022	2023	2024
43.4 million yen	83.6 million yen	92.5 million yen
80,670 hours	122,130 hours	108,660 hours

Covers all structured training programs at Toyo-Japan (including classroom lectures and on-site OJT at group locations).

*Note: Investment figures exclude personnel costs associated with training participation..

03

Compensation based on performance and contribution

- Evaluation system based on performance and responsibilities
- Early promotion opportunities for young employees to managerial positions, with additional compensation
- Award system to recognize outstanding achievements
- Base salary increases implemented for three consecutive years from FY2022 to FY2024

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- “TOYO Vision 2040” established to guide strategic direction toward FY2040 (Full version to be announced along new Mid-Term Plan)
- Core ambition - Transformation into an Engineering Partner that co-creates social value, guided by our Mission

Mission

Engineering for Sustainable Growth of the Global Community

**Beyond EPC –
Evolving into an
Engineering Partner that
co-Creates and delivers
social value**

**From Building Plants
to Building the Future**

- Evolving from a flow-type EPC model to a multi-layered revenue structure that combines both flow-type and stock-type businesses
- Reinvesting recurring income into growth to evolve into an Engineering Partner that co-creates and delivers social value

1

**Designing the entire lifecycle of
a plant - maximizing value for
the business**

- Beyond EPC - expanding into Plant Lifecycle (“PLC”) solutions that address the entire project lifecycle, contributing to enhanced business value for our clients.

2

**From Contracting to
Co-Creation**

- Designing value together with clients and from the earliest concept stage - Establishing participatory business partnerships and shaping new forms of co-creation.

3

**Creating New Markets Through
Ecosystems**

- To realize a multi-layered revenue structure, we are driving new market creation through ecosystem collaboration.
- By integrating technology, digital innovation, and on-the-ground capabilities, becoming a leading player in high-value, differentiated domains.

A Dual Revenue Model of “Flow × Stock” to Support Stable Business Operations

Flow-Type Business (Short-Term Cycle) Revenue based on order intake and individual projects

1. Revenue recognized upon the completion of each EPC project.
2. Consulting income from services such as Feasibility Studies (FS) and Project Management Consultancy (PMC)

- EPC Business (Flow-Type Model): By leveraging AI and digital transformation (DX), we are driving further risk reduction and profitability enhancement.
- We focus on projects with potential to expand into high value-added and stock-type business domains.

PROJECT SOLUTIONS

Identifying Risks and Securing Future Stable Earnings

- Focusing on high value-added EPC projects
- Selecting projects with potential to expand into stock-type business models



Stock-Type Business (Long-Term Cycle) Recurring Charges, Long-Term Contracts, Operational Revenue

1. Revenue from O&M services, DX platform usage fees, licensing fees, energy management, and data management
2. Income gains

- TOYO's Core Competence: Engineering - Applying foundational technologies to realize practical, commercial-scale systems and products.
- We aim to become a segment leader in targeted fields by expanding our expertise in differentiated technologies and strengthening strategic partnerships.

PLANT LIFE CYCLE (PLC) SOLUTIONS

Combining Stability and Growth through Recurring Revenue*1

- Value Creation via Business Investment and Performance-based Rewards
- Targeting small and specialized areas to become a segment leader.



**Flow is the “gateway to earnings,” while stock is the “pillar of support.”
By combining both, we achieve stable management and enhanced corporate value.**

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Performance Overview and Outlook

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Status of Major Projects & Main Topics

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APPENDIX

Current Situation Analysis

Cost of Equity Capital:	Assumed at 7-10% based on CAPM
ROE:	Varied from 2.2% to 9.3% between FY2019 and FY2023 (excluding real estate sale gains)
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:	Reinstated dividend with 12 yen per share at the end of FY2023

Measures and Initiatives

- 1) Initiatives to improve ROE and increase PBR
 - Strengthening of existing EPC Business (promoting DX and ensuring stable earnings from the FPSO business)
 - Stabilizing earnings and enhancing risk management (building a well-balanced business portfolio and establishing the Project Management Division)
 - Improving profitability through growth in non-EPC businesses (expanding low-volatility, high-margin businesses)
 - Laying the groundwork for EPC orders in new business areas (conducting FS and FEED, particularly for carbon-neutral projects)
- 2) Policies and Initiatives to improve market valuation
 - Clarifying the company's mid- to long-term vision and enhancing disclosure → Formulating and sharing TOYO Vision 2040
 - Maintaining stable dividends - continuing a policy of a 25% payout ratio in the near term
 - Dividend forecast: ¥25 per share for FY2024 year-end, ¥25 per share for FY2025 year-end

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FY2024 Performance Summary

■ Net Sales of ¥278.0 billion and net income of ¥2.0 billion - higher net sales but lower profit compared to forecast

Unit: Billions of yen	Forecast (A)	Year-end results (B)	% Increase	Diff.(B-A)
Net sales	270.0	278.0	+3%	+8.0
Gross profit	29.0	26.0	△10%	△3.0
Gross profit margin	10.7%	9.4%	-	△1.3pp
SG&A expenses	24.0	23.4	+3%	+0.6
Operating income	5.0	2.5	△50%	△2.5
Non-operating income & expenses	2.5	3.8	+52%	+1.3
Ordinary income	7.5	6.4	△15%	△1.1
Profit attributable to owners of parent	6.0	2.0	△67%	△4.0
New orders	250.0	237.9	△5%	△12.1
New orders including equity method affiliates	250.0	244.2	△2%	△5.8
Dividend per share	¥ 25	¥ 25	-	-

FY2025 Performance Forecast

- Net Sales forecast: ¥200.0 billion; Net income forecast: ¥5.0 billion
- Net income expected to increase 150% year-on-year

Unit: Billions of yen	FY2024 (A)	FY2025 (B)	%Increase	Diff.(B-A)
Net sales	278.0	200.0	△28%	△78.0
Gross profit	26.0	26.5	+2%	+5
Gross profit margin	9.4%	13.3%	-	+3.9pp
SG&A expenses	23.4	25.0	△7%	△1.6
Operating income	2.5	1.5	△40%	△1.0
Non-operating income & expenses	3.8	5.0	+32%	+1.2
Ordinary income	6.4	6.5	+2%	+0.1
Profit attributable to owners of parent	2.0	5.0	+150%	+3.0
New orders	237.9	170.0	△29%	△67.9
New orders including equity method affiliates	244.2	400.0	+64%	+155.8

*Assumed exchange rate for FY2025 = 140 JPY/USD

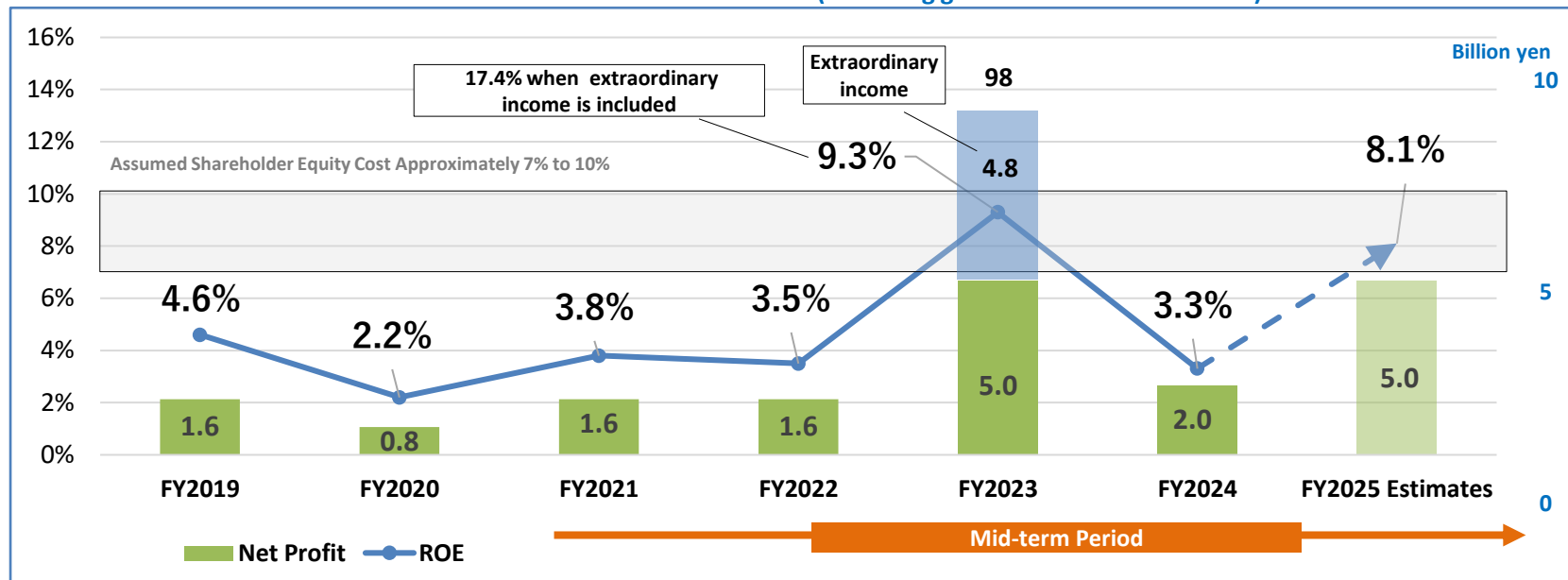
Dividend per share : 25 yen at the end of the term (planned)

Materiality	Corresponding SDGs	KPI Content	FY2024 (cumulative)	FY2021-2024 results	Description
Aim to realize an environment-friendly society* ¹		Cumulative number of orders and business investments from FY 2021	16 projects (42)		Project Examples: <ul style="list-style-type: none">• Biopolymers, Green Ammonia• Electrolytes for Lithium-Ion Batteries• Geothermal Power Generation
Enrich people's lives* ¹		Cumulative number of orders and business investments from FY 2021 <ul style="list-style-type: none">▪ Food supply▪ Energy supply▪ Foundation of life	5 projects (18) 12 Projects (49) 23 Project (98)		Project Examples: <ul style="list-style-type: none">• Fertilizer Plants• Geothermal Power, Refineries• Petrochemicals 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) 0.06		1. FY2023 Assessment (Next survey will be conducted in FY2025) 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 Actual figures include only TOYO Group orders with a contract value of ¥100 million or more.

Current Analysis: Return on Equity (ROE)

- The estimated cost of equity capital is app. 7–10% based on CAPM
- Between FY2019 and FY2024, the rate ranged from 2.2% to 9.3% (excluding gains from real estate sales)."



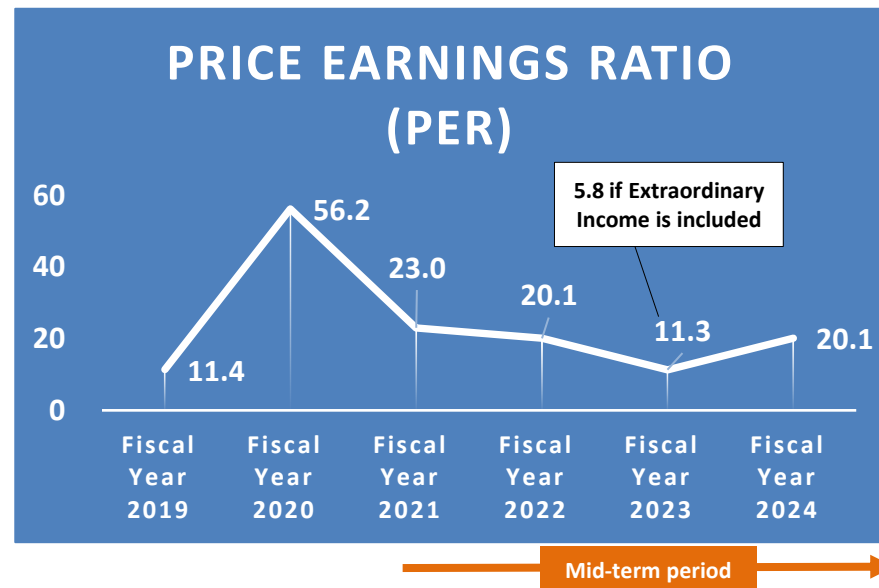
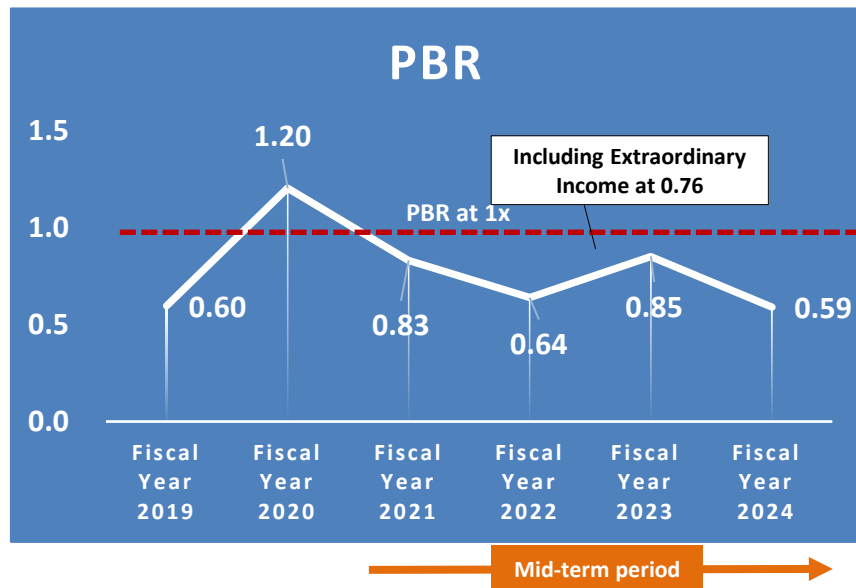
Key Strategic Initiatives for Enhancing Profitability and Business Stability

- Strengthening of Existing EPC Business → Expansion of DX-applied projects and stable revenue recognition from FPSO business (2 ongoing projects + 2 newly awarded)
- Enhancing Profit Stability and Risk Management → Appropriate balance across regions, products, and between HQ and subsidiaries; strengthened oversight through the establishment of the Project Management Division
- Improving Profit Margins by Increasing the Share of Non-EPC Business → Orders received for license-based projects (e.g., urea, methanol)
- Portfolio Transformation and Earnings Contribution from New Businesses Centered on Carbon Neutrality (CN*) → FS*2 and FEED*3 underway toward future EPC orders

Based on the above, the company aims to achieve an ROE of over 10% and strengthen its capital base by targeting ¥75 billion in shareholders' equity (with an equity ratio of at least 25%) as a near-term goal (FY2024 actuals: ¥60.2 billion in shareholders' equity, equity ratio: 20.9%)

Current Analysis: Market Evaluation (Trends in PBR & PER)

- Since FY2021, the Price-to-Book Ratio (PBR) has remained below 1x.
- One of contributing factors is the company's insufficient communication to the market regarding the future potential of its growth strategy.



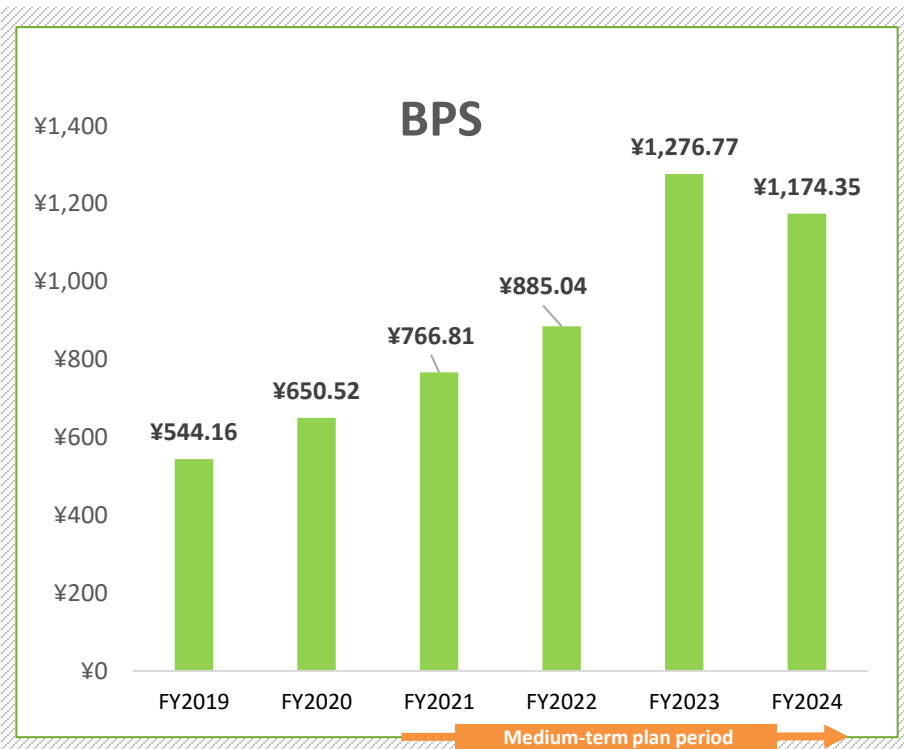
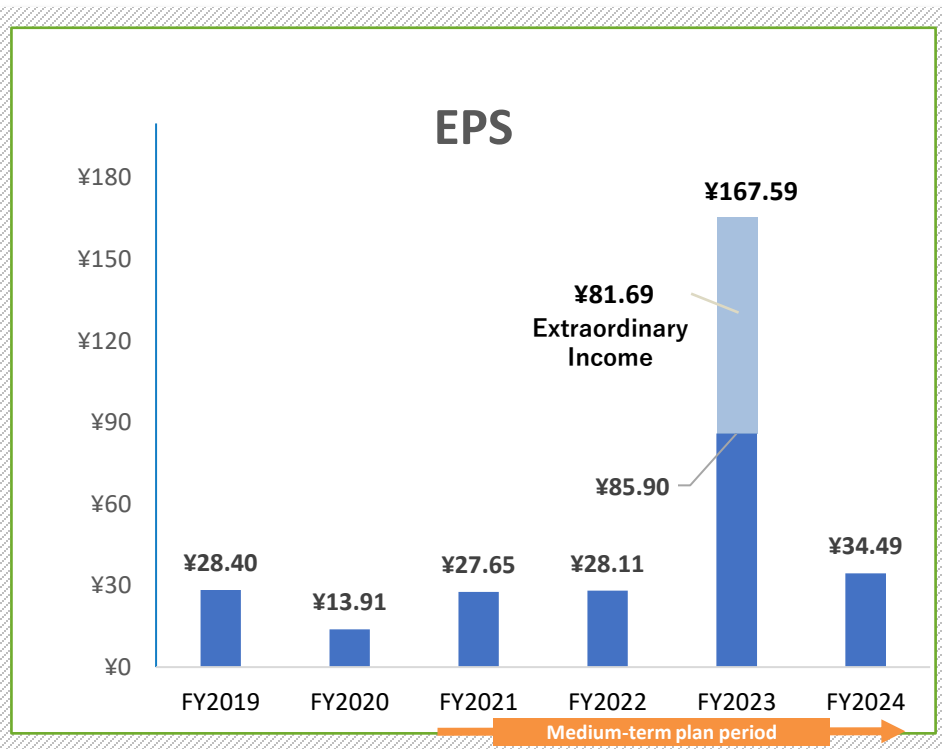
Key Strategic Initiatives for Enhancing Profitability and Business Stability

- Clarification of a Long-Term Vision Beyond the Current Mid-Term Plan (through FY2025) → Formulation and announcement of TOYO Vision 2040
- Sustained Dividend Policy: As a principle, maintain a payout ratio above 25%, and strengthen a stable earnings structure on both consolidated and non-consolidated bases → Dividend per share: ¥25 for FY2024 year-end (as initially planned); ¥25 projected for FY2025 year-end (Above 25% payout ratio)
- Enhanced Disclosure and Communication → Host business strategy briefings to ensure better understanding of our initiatives and revenue potential in new business domains such as fuel ammonia

Current Analysis: EPS & BPS Trends

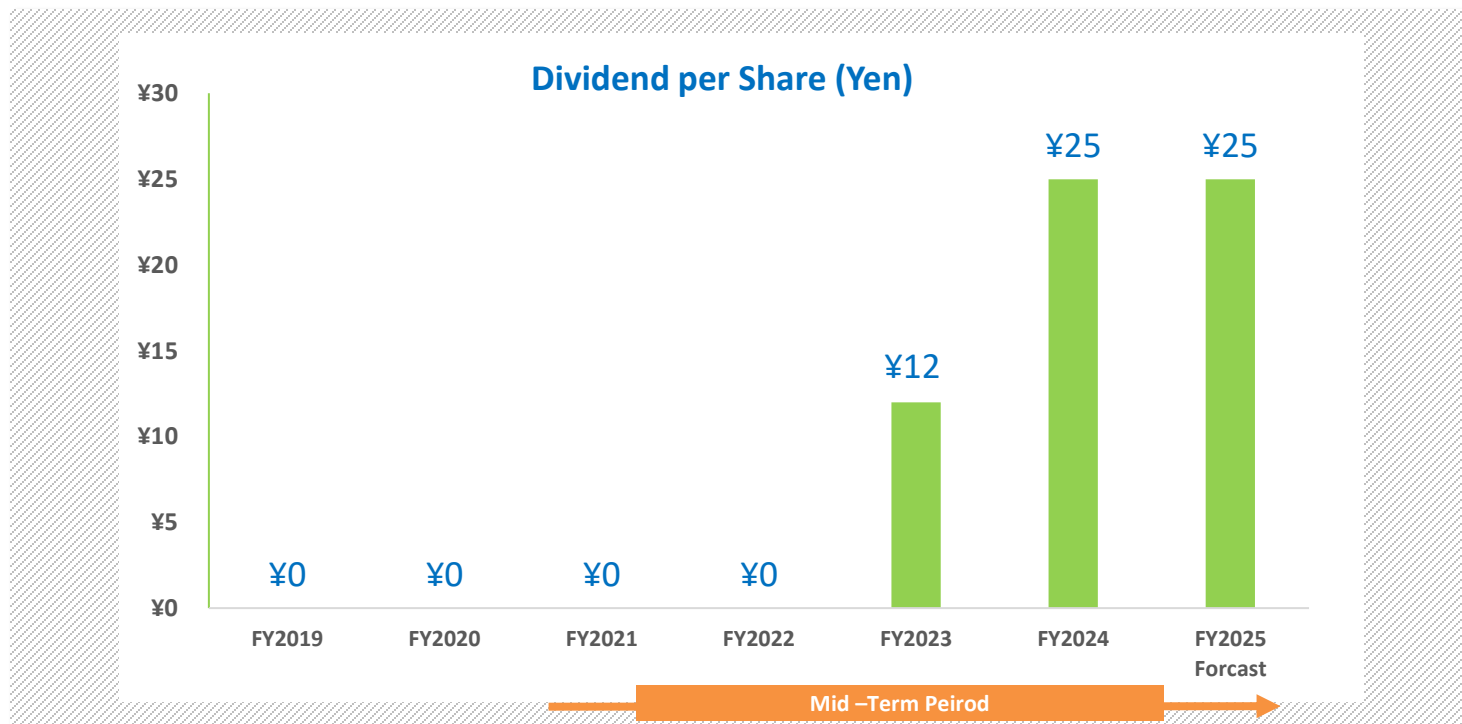
- Business Performance has recovered under the Mid-Term Management Plan launched in FY2021
- EPS surged to ¥167.59 in FY2023 (including ¥81.69 in extraordinary income)
- Projected EPS for FY2024: ¥34.49.

- Steady accumulation of profit has led to a consistent increase in net assets
- Net assets per share rose to ¥1,276.77 in FY2023
- Due to a decline in accumulated comprehensive income, it has decreased to ¥1,174.35 in FY2024



Current Analysis: Dividend

- FY2023: Dividend reinstated in light of earnings recovery and strengthened profit base
- FY2024: Scheduled dividend of ¥25 to be maintained, considering current liquidity and future outlook
- FY2025: Dividend of ¥25 planned. (Payout ratio : Above 25%)
- **Expected dividend yield is 3.72%** based on the share price of ¥672 as of May 12, 2025

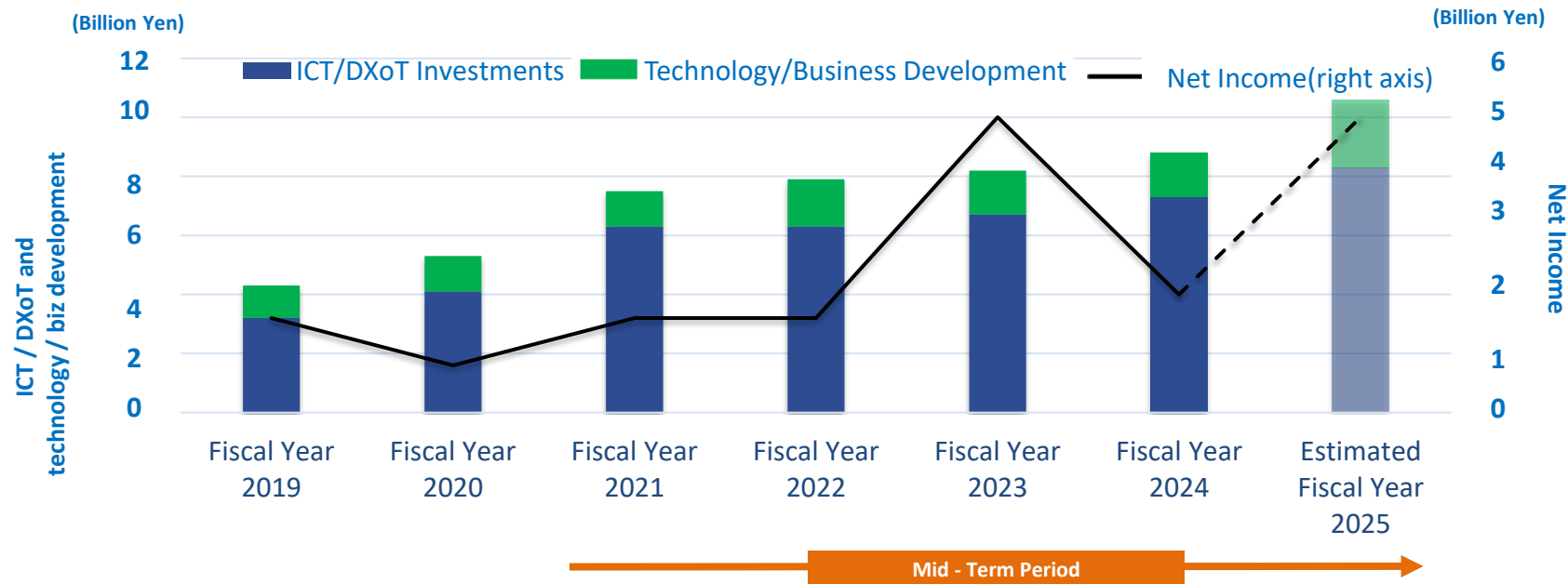


(Note) On October 1, 2017, a reverse stock split was conducted at a ratio of 5 common shares to 1.

Initiatives: Implementation of growth investments based on the Mid-Term Plan

- Since the launch of the Mid-Term Plan, growth investments have expanded, and net income has been on an upward trend since FY2020.
- However, due to the impact of extraordinary losses, FY2024 is expected to see a year-on-year decline in profit.
- Going forward, the company will enter a stage of fully harvesting the results of these investments.

DXoT/Technology/Business Development Investment vs. Net Income



Note: FY2023 net income is shown as ¥5.0 billion on a core business basis. Including extraordinary income, the total would be ¥9.8 billion.



Fertilizers (urea)

- Fertilizer plants are expected to see steady demand, with global fertilizer consumption projected to increase by 3.55% annually through 2030, driven by population growth and rising concerns over global food security.
- Multiple new construction and revamp projects are anticipated, particularly in Central Asian countries rich in feedstock gas, as well as in the Middle East and Africa.



Petrochemicals & Chemicals

- The global ethylene market is projected to grow at a compound annual growth rate (CAGR) of 4.09%. Continued capital investment is expected, particularly in the Middle East and India.
- However, due to a supply-demand imbalance in ethylene and its derivatives, capacity adjustments are ongoing across Asia.
- Additionally, new investments are anticipated in chemical production facilities using bioethanol and recycled synthetic oil from waste plastics as feedstock.



FPSO

- The number of planned projects remains robust, with many under consideration especially in Latin America, Africa, and Southeast Asia. Notably, large oil field discoveries are concentrated in ultra-deep and deepwater areas in Latin America and West Africa.
- Investments are expected to continue in parallel with the global carbon neutrality movement.



Power Generation

- Growing demand is expected from energy transition efforts and data centers.
- In Asia, capital investment is anticipated in areas such as geothermal, biomass, and waste-to-energy projects within the broader renewable energy sector.



Oil & Gas

- Amid prolonged geopolitical tensions in Ukraine and the Middle East, supply concerns kept crude oil prices resilient around USD 80 in 2024. However, prices began a downward trend into the USD 60 range by February - March 2025.
- Gas prices remained flat in both Asia and Europe.
- Future development and expansion projects are expected to be based on “low-carbon, high-efficiency” models.
- As a transition energy toward carbon neutrality, investment in oil and gas is expected to continue over the medium to long term.



Fuel Ammonia & Hydrogen

- Ammonia and hydrogen projects targeting Japan are expected to be narrowed down based on selection through price gap support and infrastructure support programs, leading to FEED execution.
- Following the agreement on mid-term measures at IMO's MEPC83, growing demand is anticipated in the marine bunkering sector as a key use case for ammonia.
- Ammonia is also expected to be adopted early as a hydrogen carrier, driving increased inquiries for ammonia cracking projects to extract hydrogen.



Geothermal (CN)

- Indonesia, the world's second-largest geothermal power producer, currently has 2.4 GW of capacity and aims to increase this to 5.5 GW by 2030.
- Japan is also targeting an increase from 0.6 GW to 1.5 GW by 2030, raising expectations for the development of next-generation geothermal projects.



SAF & Synthetic Fuels

- According to Japan's Ministry of Land, Infrastructure, Transport and Tourism, SAF demand is projected to reach 1.71 million kL by 2030. Both JAL and ANA target a 10% SAF usage rate by 2030 and aim for net-zero emissions by 2050.
- In Japan, SAF production projects are expected to accelerate toward 2030, supported by the Green Innovation Fund timeline.
- Globally, multiple SAF projects - especially using HEFA* and ATJ* technologies - are also under development.



High-Performance Chemicals

- Customer investment in R&D and high-performance product development remains strong.
- In particular, projects related to semiconductors and EV battery materials are expected to move forward not only in Japan but also across Southeast Asia and the United States.



Energy-saving & GHG reduction

- Secured a major contract for the energy-saving system SUPERHIDIC®, leveraging decarbonization opportunities in Central/Eastern Europe and the Americas. Multiple negotiations are ongoing.
- Launched long-term consulting services for HERO with Thailand's leading petrochemical company, PTTGC, through the signing of a GESA* agreement, thus building a stable revenue foundation, with expansion progressing across Thailand.



Marine Resources Development

- In April 2023, Japan's 4th Basic Plan on Ocean Policy was approved by the Cabinet. In March 2024, the Marine Energy and Mineral Resource Development Plan was announced.
- Japan is promoting the development of ocean resources, including Methane hydrate extraction, Rare earth development (under the Cabinet Office's 3rd SIP* initiative) and CCS (Carbon Capture and Storage) technology.

IMO: International Maritime Organization

MEPC83: 83rd session of the Marine Environment Protection Committee

HEFA: Hydroprocessed Esters and Fatty Acids

ATJ: Alcohol-to-Jet – a technology using bioethanol as feedstock

GESA: General Engineering Service Agreement

SIP: Cross-ministerial Strategic Innovation Promotion Program (Japan Cabinet Office)

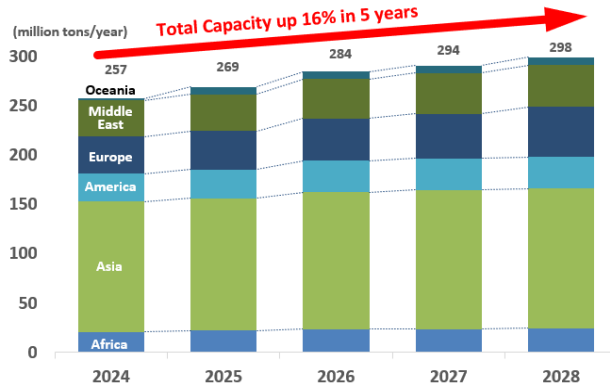
Business Environment: Key Product Markets (Fertilizer & Geothermal Power)

Fertilizer (Urea)

- Global population growth and rising food demand as a tailwind
- The urea market is expected to grow by approximately 16% over the next five years starting in 2024, driven especially by increasing demand in Asia.
- Driving fertilizer business growth while contributing to sustainable agriculture

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)

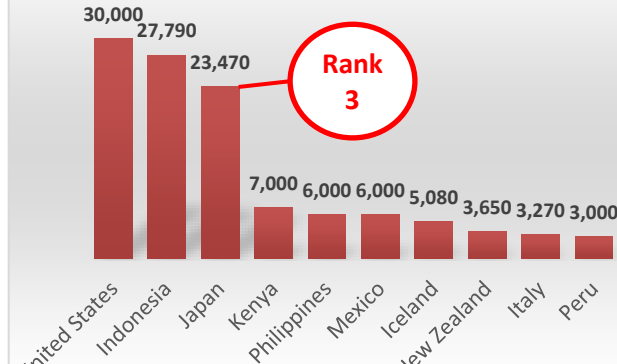
Source : Global Urea Capacity and Capital Expenditure Outlook, 2023-2030 by XENO BRAIN 2024.4

Geothermal

- Indonesia ranks 2nd globally in both geothermal resources and installed capacity. The country rapidly expanded to approximately 2.3 GW by 2020 and aims to reach 5.7 GW by 2030 - a 2.5x increase.
- Japan holds the world's 3rd largest geothermal resources but ranks 10th in installed capacity. By FY2030, it targets 1.4~1.55 GW, a 2.3 to 2.6 times increase from 2020 levels.

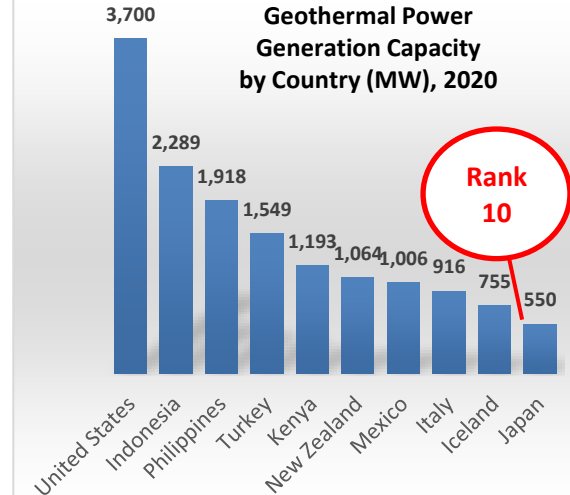
The development potential for geothermal power generation in Japan is significant

Geothermal Resources by Country (MW), 2016



Source: Compiled based on data from the Agency for Natural Resources and Energy (General Energy Investigation Report, June 2016)

Geothermal Power Generation Capacity by Country (MW), 2020



Source: Compiled based on the WGC 2020 Update Report

4 Biomass Power Generation Plants

1) Saga

Awarded in FY2021



E: Completed

P: Completed

C: Final Stage

(Under Commissioning)

Scheduled for
Completion in FY2025

2) Hokkaido

Awarded in FY2021



E: Completed

P: Completed

C: Final Stage

(Under Commissioning)

Scheduled for
Completion in FY2025

3) Aichi

Awarded in FY2021



E: Completed

P: Completed

C: Final Stage

(Under Commissioning)

Scheduled for
Completion in FY2025

4) Wakayama

Awarded in FY2021



E: Completed

P: Completed

C: Final Stage

(Under Commissioning)

Scheduled for
Completion in FY2025

※ E: Engineering, P: Procurement, C: Construction

Overview of Key Projects (Overseas)

India

Refinery related (Maharashtra)

Awarded in FY2022



E: Completed

P: **Final Stage**

C: **Final Stage**

Scheduled for
Completion in FY2025

India

Refinery related (Haryana)

Awarded in FY2022



E: Completed

P: Completed

C: **Final Stage**

Scheduled for
Completion in FY2025

India

Refinery related (Assam)

Awarded in FY2021



E: Completed

P: Completed

C: **Final Stage**

Scheduled for
Completion in FY2025

Overview of Key Projects (Overseas)

China

Petrochemicals (Guangdong)

Awarded in FY2022

2020受注



1) EPsCm^{*1} Operations

E/P: Completed C: Final Stage

2) PMS^{*2} Services

E/P: Completed C: Final Stage

3) Overall PMS: Scheduled for Completion in FY2025

*1 Engineering, Procurement Support, Construction Management *2 Project Management Support

South Korea

Refinery related (Ulsan)

Awarded in FY2023



E: Completed

P: Completed

+ Commissioning

(starting in early 2026)

Scheduled for

Completion in FY2026

Nigeria

Fertilizer (Rivers)

Awarded in FY2022



E: Final Stage

P: Final Stage

Scheduled for

Completion in FY2026

Overview of Key Projects (Overseas)

Brazil

Gas-Fired Power Plant (Pará)

Awarded in FY2022



E: Completed

P: **Completed**

C: **Final Stage**

Scheduled for
Completion in FY2025

Brazil

Refinery related (São Paulo)

Awarded in FY2022



E: Completed

P: **Completed**

C: **Completed**

(Under Commissioning)

Scheduled for
Completion in FY2025

Overview of Key Projects (OFS*1)

Guyana

FPSO Hammerhead
Awarded in FY 2025



E/P/C: Initial Phase

Scheduled for
Completion in FY2029

Brazil

FPSO Gato do Mato
Awarded in FY2025



E/P/C: Initial Phase

Scheduled for
Completion in FY2029

Guyana

FPSO Errea Witty (Uaru)
Awarded in FY2023



E: Completed

P: Completed

C: Final Stage

Scheduled for
Completion in FY2026

Brazil

FPSO Raia
Awarded in FY2023



E: Completed

P: Peak Phase

C: Peak Phase

Scheduled for
Completion in FY2027

*1 Projects by Offshore Frontier Solutions Pte. Ltd., an equity-method affiliate (35% ownership share)



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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.