



November 12, 2025

Timely disclosure

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Notice Concerning Action to Realize Management Conscious of Cost of Capital and Stock Price (Update)

We hereby announce that we have analyzed and evaluated our current status and updated the progress of initiatives aimed at realizing management focused on cost of capital and stock price, in order to achieve sustainable growth and enhance medium- to long-term corporate value. For details, please refer to the attached document “Action to Realize Management Conscious of Cost of Capital and Stock Price (Update).”

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Action to Realize Management Conscious of Cost of Capital and Stock Price (Update)

November 12, 2025



TOYO Corporation

Quest for Precision

Analysis of current situation

FY9/25 review

- ROE declined to 4.3% due to a decrease in net profit
- Although we revised our earnings forecast in August 2025, our share price at the end of FY9/25 was down slightly vs. the previous year-end and **PBR was 1.23x**
- Current **cost of equity is estimated at 6.1%-6.5%** (calculated from CAPM*1 and earnings yield*2)

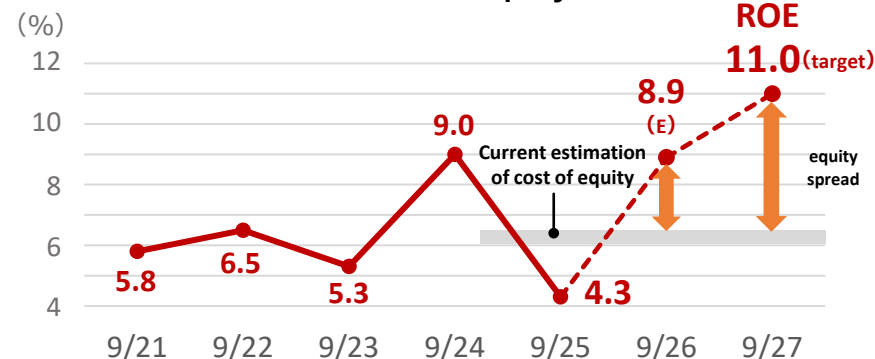
We target an improved ROE and larger equity spread to **raise our share price and PBR**

KPI for FY9/27: **ROE 11%**

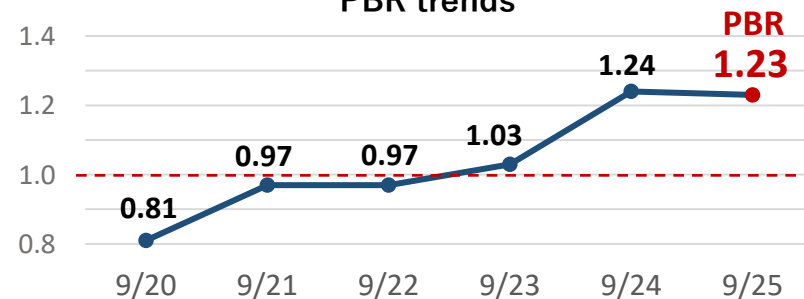
*1 CAPM is calculated using a risk-free rate (10-year government bond yield) of 1.67%, risk premium (average of historical and implied methods) of 5.92%, and β (60 months of historical data) of 0.81

*2 Earnings yield is calculated using the average end-of-year P/E of 16.3x for the years FY9/21-FY9/24. End of FY9/25 is excluded due to extremely high P/E

ROE and cost of equity trends

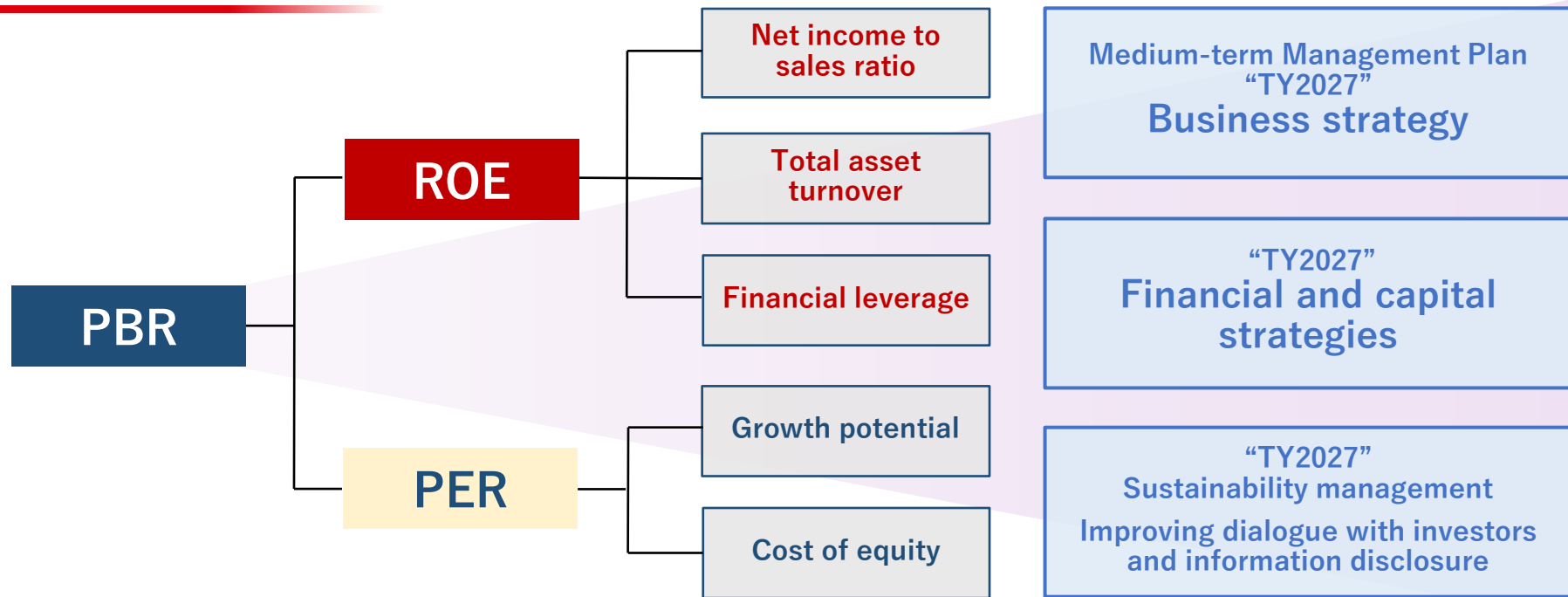


PBR trends



Initiatives to further raise PBR

While the PBR is above 1x, we are aiming for further improvement and advancing various measures to improve ROE and PER



Medium-term Management Plan “TY2027”

Medium-term management plan “TY2027” (FY9/25-FY9/27) management KPIs and strategies

■ Management targets

Sales ¥45.0bn + α (¥50.0bn+ incl. new M&A) **OP ¥4.5bn** **ROE 11%**

■ Business strategies

1. Focused Business Areas

- Defense & Security
- Sustainable Energy
- Advanced Mobility

2. Differentiation by offering high value-added products

- Further expand recurring business
- Expand business with in-house development

3. Expansion of overseas businesses

- Establish offices to boost overseas sales

4. M&A and new businesses to accelerate growth strategy

■ Financial & capital strategies

■ Sustainability management

Business strategy

1. Focus business areas (Defense & Security)

**Multiple large-scale defense-related orders secured in FY9/25.
We expect to continue to win large contracts going forward**

“TY2027” Sales plan : Ocean/Defense & Security

FY9/25 **¥2.7bn** → FY9/27 **¥6.3bn**

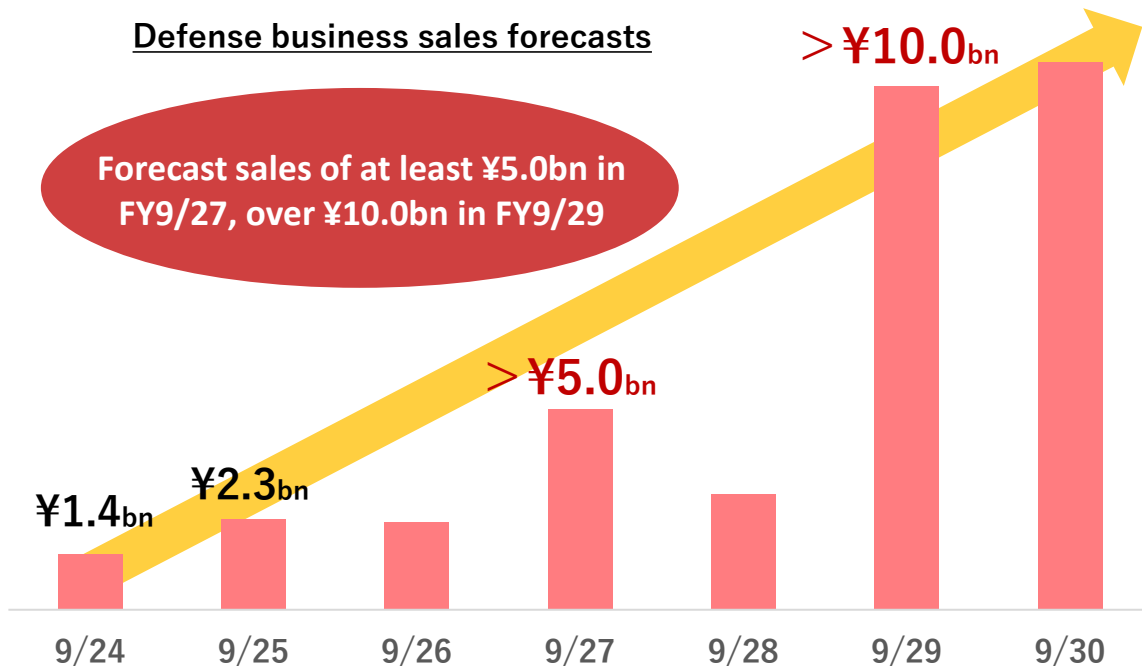
- Multiple large orders including for a surveillance ROV* amounting to ¥2.7bn were secured in FY9/25 amid expanding defense budgets. Some projects are expected to lead to **ongoing large contracts** as standard equipment, and are projected to **contribute significantly to future revenue growth**
- Other business segments besides the Ocean / Defense & Security segment also handle defense-related products, and **we aim to capture projects in the order of several billion yen**

Image of an ROV
(Remotely Operated
Vehicle), an unmanned
vehicle that carries out
tasks and surveys
underwater by remote
operation



Defense business sales forecasts

Forecast sales of at least ¥5.0bn in
FY9/27, over ¥10.0bn in FY9/29



Business strategy

1. Focus business areas (Sustainable Energy)

3. Expansion of overseas businesses

OEM supply of fuel cell and electrolyzer evaluation systems to BioLogic France

- In July 2025, we began OEM supply of proprietary fuel cell and electrolyzer evaluation systems to **BioLogic*** in France, a global leader in electrochemical measurement and charge-discharge systems
- We bolstered our mass production capabilities at subsidiary L.Tail Co., Ltd, which we turned into a subsidiary last year. We plan for sales to Europe from July 2025 and in North America in 2026, **targeting sales of ¥1bn from OEM supply of these systems by FY9/30**

*BioLogic Science Instruments SAS



Our fuel cell evaluation system

“TY2027” Sales plan : Sustainable Energy

FY9/25 **¥5.8bn** → FY9/27 **¥7.8bn**

China-wide distributor rights for BioLogic's battery cycler test systems category

- We have **acquired China-wide distributor rights from July 2025** for BioLogic's battery cycler test systems category
- This is a result of recognition of our track record in the South China market, for which we secured distributor rights in January 2024, and where many development facilities of global battery and EV makers are based. We aim to **expand share in the China market** through increased sales for automotive battery development



Example of a modular charge-discharge measurement system

Business strategy

1. Focus business areas (Advanced Mobility)

3. Expansion of overseas businesses

Established new sales base in Germany

- The sales arm of our Sweden-based subsidiary Rototest International AB, which manufactures AD/ADAS evaluation systems, has been established in Germany
- The new base handles **sales and contract testing services in the German market**, providing comprehensive solutions to customers
- We are **strengthening the company's structure of its solution offerings to expand business in Europe's most important market** where the development bases of major automobile manufacturers and suppliers are concentrated.



The building housing Rototest Germany

“TY2027” Sales plan : Advanced Mobility

FY9/25 **¥7.6bn** → FY9/27 **¥10.8bn**

Supporting Evaluation Testing of eVTOL, “SKYDRIVE”

- We are supporting SkyDrive Inc., a company developing eVTOL, with equipment construction and **testing for aircraft safety and durability**. SkyDrive Inc. held a demo flight at the Expo 2025 Osaka, Kansai, Japan, and is currently developing its aircraft to obtain type certification.
- Not only are we offering our **electric propulsion system testing bench** and **durability wind tunnel facility**, but we are building a testing alliance with U.S. partner and working to develop proprietary test management tools to **advance the commercialization of test support services**



SKYDRIVE model SD-05
test flight ©SkyDrive

Business strategy

4. M&A and new businesses to accelerate growth strategy

Distribution agreement with Finland-based IQM Quantum Computers, launching a quantum computing business

- Toyo Corporation **launched its quantum computer business**, becoming the domestic distributor of quantum computers for IQM, a global leader in the field of superconducting quantum computers*
- IQM offers currently popular cloud services, and also an on-premises lineup, **from the most state-of-the-art, cutting-edge models found globally to entry-level models priced at ¥200 million per unit**
- Help promote development of education and research environments in Japan through the sale of entry-level models. On-premises quantum computers, which offer superior security, are expected to see rising demand in the domestic market and **contribute to the implementation of quantum technology in society**.
- With IQM's support, we plan to develop talent and accumulate know-how to **secure a competitive edge and expand the business in Japan**. Further, by **expanding into the quantum sensing field**, which utilizes quantum effects to measure physical quantities with high precision, we aim to quickly build a track record and strengthen our existing business.

*Quantum computer: A next-gen computer using quantum mechanics for advanced computation, with materials development, autonomous driving, quantum cryptography, defense, drug discovery, and environmental engineering applications, handling complex and large calculations beyond conventional computer capabilities



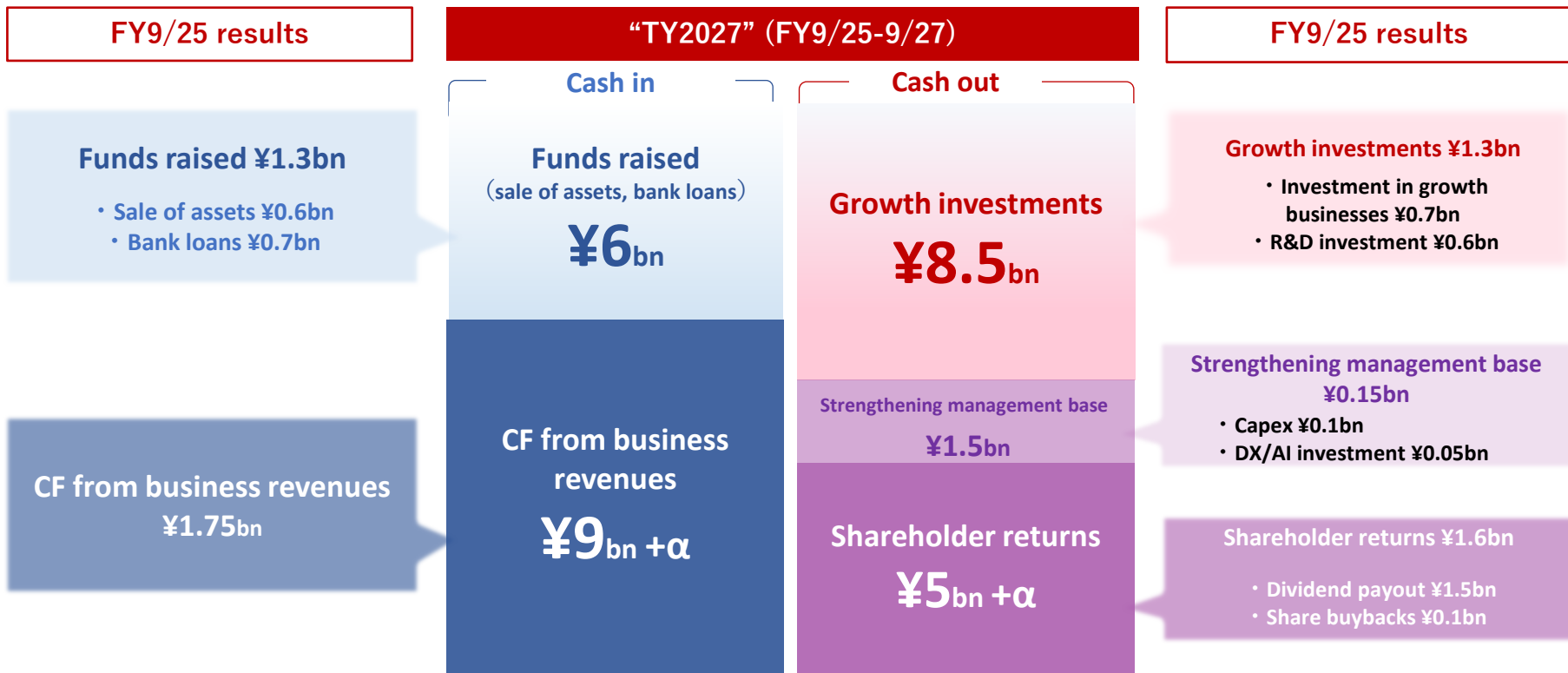
Large-scale, advanced quantum computer model with scalability



Low-priced model of quantum computer ideal for education and research applications

Financial and capital strategies: Cash allocation

Regarding M&A, **several projects are currently in progress. We target high levels of investment from year two.**



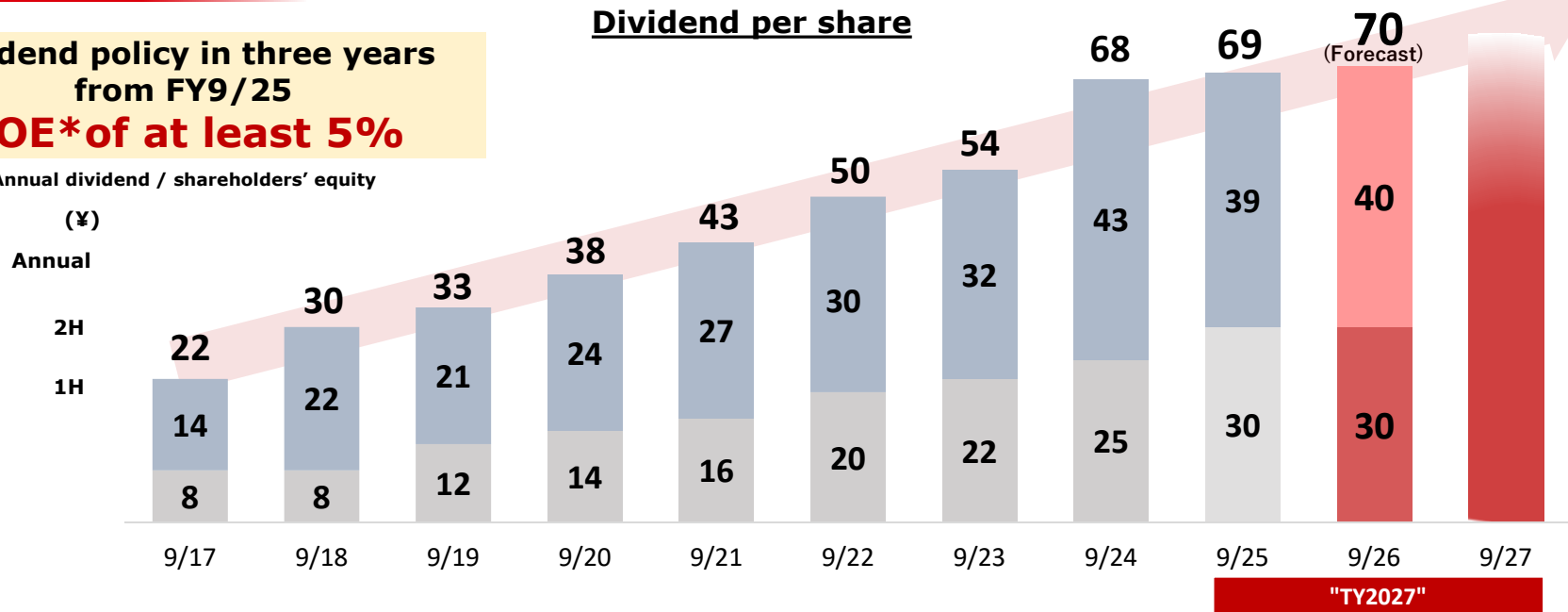
Shareholder Returns

FY9/25 dividend plan is a record high of ¥69 per share (DOE 5.3%);
Expected to rise further to ¥70 per share in FY9/26.
Targeting 10 consecutive years of dividend hikes as part of "TY2027"

Dividend policy in three years
from FY9/25

DOE* of at least 5%

*DOE = Annual dividend / shareholders' equity



Share buybacks: Will continue to consider the balance with growth investments as appropriate

Sustainability Management

Advancing sustainability initiatives to enhance corporate value

● Separating management and business operations

- We aim to clarify responsibility and authority, and enhance corporate governance by separating management decision-making functions and auditing functions from those of executive business functions

● Formulating a Human Rights Policy

- We formulated the Toyo Corporation Group Human Rights Policy in October 2025 to further clarify our approach on upholding respect for human rights and to further strengthen our efforts

● Developing a Procurement Policy

- To enhance supply chain management, we developed a procurement policy to promote fair transactions that are ethical and legally compliant, and environmentally and socially responsible procurement activities

● Promoting Employee Wellbeing and Diversity

- Under the banner of “Health and Productivity” management, we are promoting a work environment where diverse employees can thrive in their work and in good health. In FY9/25 we achieved a ratio of 9.3% of female employees in management roles (compared with 8.9% in FY9/24), while the male paternity leave rate reached 100% (81.8% in FY9/24).

External recognition and initiatives

- **Newly-selected constituent of the FTSE Blossom Japan Index**
- **Received “B” score in CDP’s 2024 Climate Change assessment consecutive year**
- **Signed the United Nations Global Compact**



FTSE Blossom
Japan



Improving dialogue with investors and information disclosure

●Primary IR activities

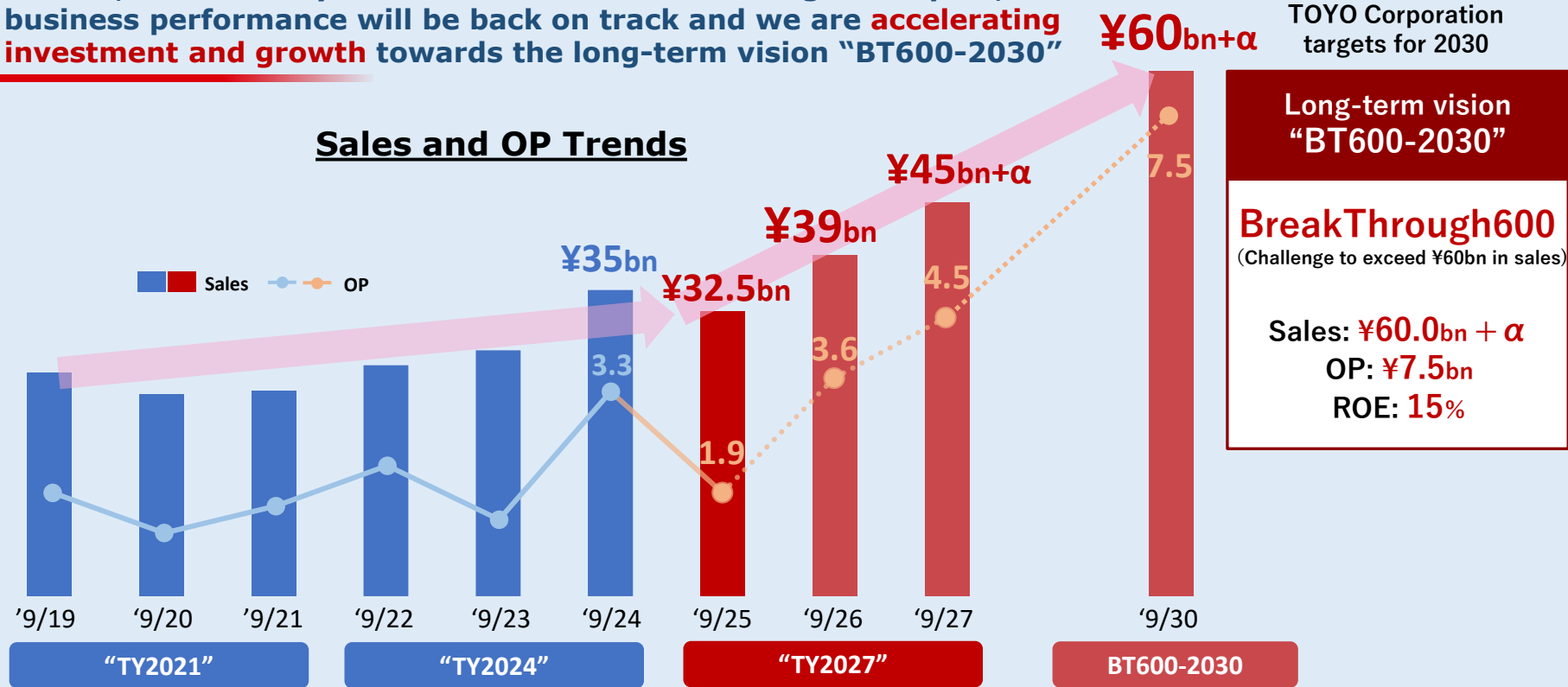
FY9/25 results	Times conducted	Participating from the company	Target audience and notes
Private IR meetings	39x	CEO, CFO, Head of IR	International and domestic institutional investors, analysts
Results briefings	2x	CEO, CFO, Executive Officers	International and domestic institutional investors, analysts, press organisations
Small-scale meetings	1x	Head of IR	Domestic institutional investors, analysts
Briefing for individual investors	2x	CEO, CFO	Individual investors
IR site	—	—	International and domestic institutional investors, analysts, individual investors; E-mails with timely disclosure and other information
Shareholder communications	2x	—	Shareholders; Conduct an online shareholder Questionnaire once a year
Sponsored research	4x	CEO, Head of IR take interviews	International and domestic institutional investors, analysts, individual investors

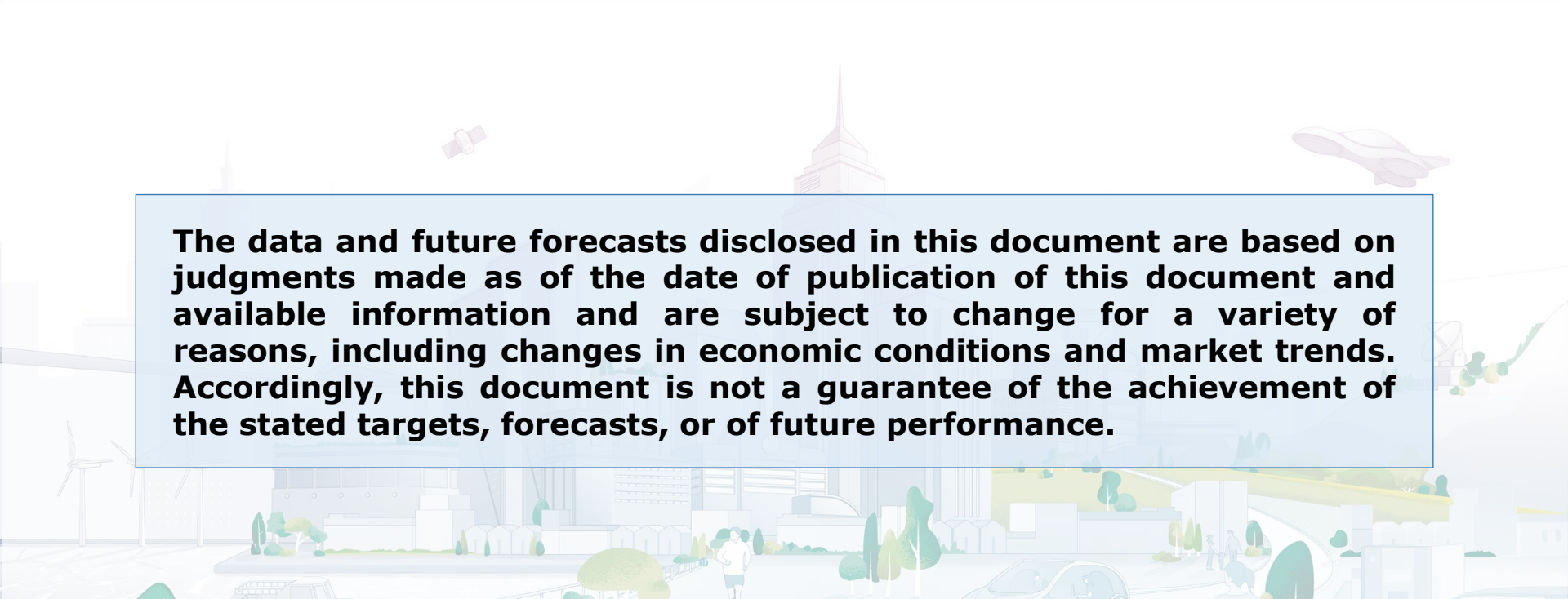
Investor feedback gathered through IR activities, along with IR activity results and stock market topics, are shared every quarter and considered for reflection in management.

Progress with “TY2027” performance and long-term vision

This FY, the second year of the medium-term management plan, business performance will be back on track and we are **accelerating investment and growth** towards the long-term vision “BT600-2030”

Sales and OP Trends





The data and future forecasts disclosed in this document are based on judgments made as of the date of publication of this document and available information and are subject to change for a variety of reasons, including changes in economic conditions and market trends. Accordingly, this document is not a guarantee of the achievement of the stated targets, forecasts, or of future performance.

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