



Fiscal Year Ended March 2026 (FY2025)

Management Overview

May 14, 2026

Toyo Engineering Corporation

President & CEO Eiji Hosoi

Key Messages for Today

FY2025 Results

- ✓ Despite the final-year loss driven by the Brazil power project, secured **¥420.4 billion in orders including equity-method affiliates**
- ✓ Drawing on lessons from unprofitable projects, strengthen earnings power through stricter pre-award risk reviews, disciplined project selection, and expansion of co-creation-type EP/EPsCm projects

FY2026 Forecast

- ✓ Plan to return to profitability with **net sales of ¥190.0 billion and net profit of ¥6.0 billion**
- ✓ Full-scale shift toward a higher-margin earnings structure, with a projected **gross margin of 14.7%**

Previous Mid-Term Management Plan (2021-2025)

Strengthening Global Execution Capabilities

- ✓ Enhanced execution capabilities at key hubs such as **India and Indonesia**, delivering results in priority areas including **fertilizers and geothermal**. Also secured co-creation type EPC projects, building momentum for the new medium-term management plan
- ✓ Established **OFS** with MODEC, steadily executing FPSO projects and building a stable earnings platform

DXoT and EPC Productivity Improvement

- ✓ Completed the standardization of business processes based on **AWP** and the development of the digital platform. Established a foundation for more advanced project management execution

Commercialization of New Technologies and Businesses

- ✓ Selected technology domains with strong customer demand and earnings potential, and concentrated management resources accordingly. Developed business opportunities that will lead into the new med-term management plan

Comprehensive Risk Management Framework

- ✓ Established **an independent structure to review and monitor projects consistently** from pre-award through completion, including projects led by overseas hubs
- ✓ Strengthened company-wide risk control and governance

Next Mid-Term Management Plan (2026-2030)

- ✓ Position the next 5 years as the foundation for **Project-based x Recurring** dual-revenue model under **TOYO VISION 2040**
- ✓ Maintain the **FY2030 net profit target of ¥10.0 billion**, while accelerating the qualitative strengthening of EPC and the shift toward recurring revenue
- ✓ Designate **O&M, next-generation geothermal, critical minerals, pharmaceuticals, and advanced materials** as priority fields, and accelerate the development of a long-term, stable revenue base

- 1** Performance Overview for FY2025 and Outlook for FY2026
- 2 Status of Major Projects & Main Topics
- 3 Review of the Previous Medium-Term Management Plan
- 4 Outline of the New Medium-Term Management Plan
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FY2025 Performance Summary

Net loss attributable to owners of parent came in line with the Q3 forecast announced on February 12

Revenue and profit declined Year-over-Year due to the impact of unprofitable projects

Net Sales / Profit

- ✓ **Net sales:** ¥182.9 billion; **Gross profit:** ¥6.4 billion;
- ✓ **Gross margin:** 3.5%; **Net loss attributable to owners of parent:** ¥14.9 billion
- ✓ Losses were recognized as announced this February, mainly due to margin deterioration in certain projects, including the Brazil power project

Reasons for Loss

- ✓ Main factors were the materialization of collection risk and cost increases due to schedule delays in the Brazil power project
- ✓ The project is currently in the final commissioning stage; together with the client and partners, TOYO is working toward early completion, with the latest outlook for completion in **June 2026**

Orders / Order Backlog

- ✓ **Order intake including equity-method affiliates:** ¥420.4 billion, exceeding the full-year forecast
- ✓ Orders were driven mainly by **projects in Japan (high-performance chemicals), India (petrochemicals), Turkmenistan (petrochemical revamp), and two FPSO projects** through OFS, an equity-method affiliate

FY2025 Performance Summary

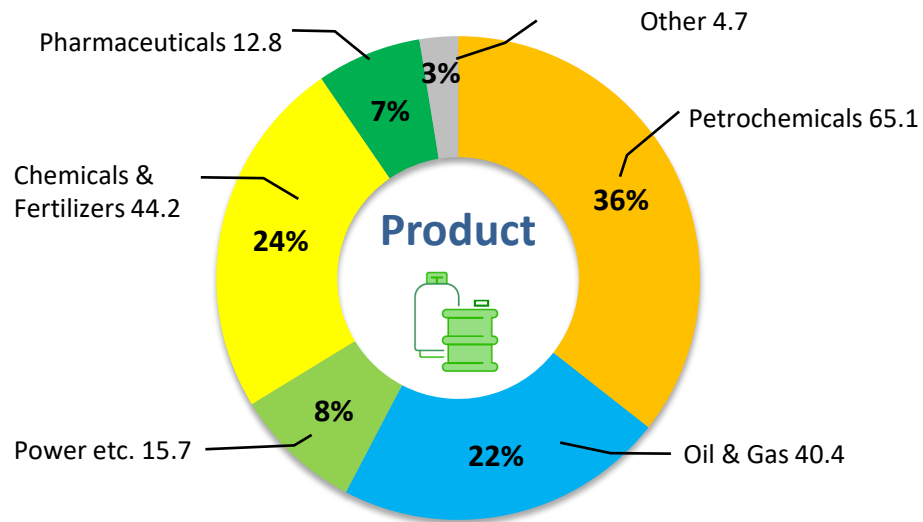
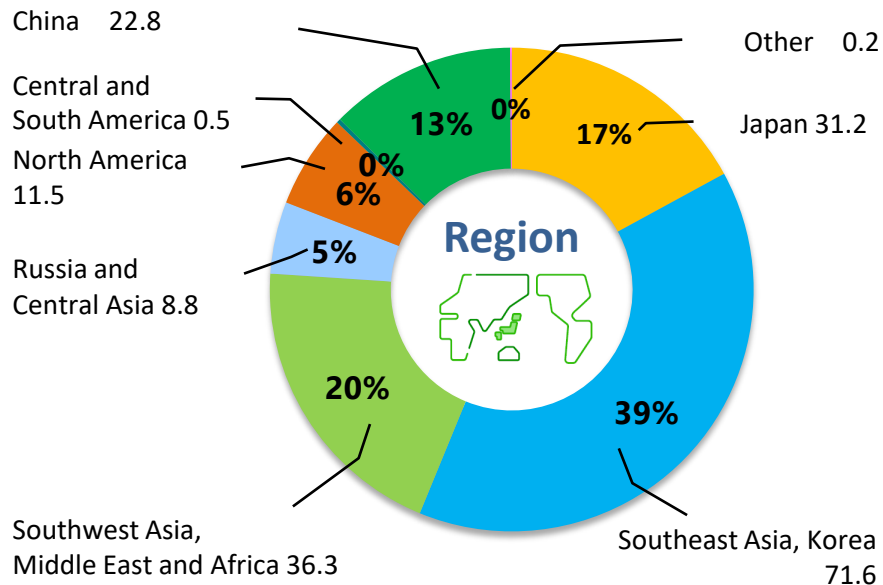
- Net sales of ¥182.9 billion and net loss of ¥14.9 billion, in line with the forecast announced at the Q3 financial results briefing
- Lower sales and profit Year-over-Year

Unit: Billions of yen	Forecast (A) As of 2026/2/12	Year-end results (B)	% Increase	Diff.(B-A)
Net sales	185.0	182.9	△1.1%	△2.1
Gross profit	4.5	6.4	+42%	+1.9
Gross profit margin	2.4%	3.5%		+1.1pp
SG&A expenses	24.5	25.4	△4%	△0.9
Operating income	△20.0	△19.0	+5%	+1.0
Non-operating income & expenses	7.0	7.6	+9%	+0.6
Ordinary income	△13.0	△11.3	+12%	+1.7
Profit attributable to owners of parent	△15.0	△14.9	+0.7%	+0.1
New orders	170.0	175.8	+3%	+5.8
New orders including equity method affiliates	400.0	420.4	+5%	+20.4
Dividends per share	0	0		

FY2025 Results: Net Sales by Region and Product

Balanced regional and product portfolio supports risk diversification and stable business operation

2026/3 Net Sales 182.9 Billion JPY



- Expect a return to profitability following the clean-up of unprofitable projects
- With a significant improvement in gross margin and a full-scale shift toward a higher-margin earnings structure

Net Sales/ Profit

- ✓ **Net sales: ¥190.0 billion; Net profit attributable to owners of parent: ¥6.0 billion**
- ✓ Expect a return to profitability, supported by the clean-up of unprofitable projects, earnings improvement measures, and steady project execution

Gross Margin

- ✓ Plan to achieve **gross profit of ¥28.0 billion and a gross margin of 14.7%**, a significant improvement from 3.5% in the previous year. Strengthen earnings power through selective order intake and expansion of co-creation type projects such as EP/EPsCm

Ordinary Income

- ✓ In addition to **operating profit of ¥3.0 billion**, expect **ordinary income of ¥7.5 billion**, supported by equity-method income from OFS as FPSO projects progress steadily

Order Target

- ✓ Plan **order intake of ¥200.0 billion**, focusing on growth markets such as **India, Africa, and Central Asia**
- ✓ Expand orders across **high-margin fertilizer licensing, O&M and other new fields, GX, geothermal, and conventional energy projects** in a balanced manner

Dividends

- ✓ Expect to resume dividends with **¥25 per share**
- ✓ Aim to restore shareholder returns while advancing earnings recovery and stabilizing the financial base

FY2026 Performance Outlook

Plan net sales of ¥190.0 billion, net profit of ¥6.0 billion, gross margin of 14.7%, and order intake of ¥200.0 billion, aiming to return to profitability and accelerate the shift toward a higher-margin earnings structure

Unit: Billions of yen	FY2025 (A)	FY2026 (B)	%Increase	Diff.(B-A)
Net sales	182.9	190.0	+3.9%	+7.1
Gross profit	6.4	28.0	+334.1%	+21.6
Gross profit margin	3.5%	14.7%		+11.2pp
SG&A expenses	25.4	25.0	+1.8%	+0.4
Operating income	△19.0	3.0		+22.0
Non-operating income & expenses	7.6	4.5	△40.8%	△3.1
Ordinary income	△11.3	7.5		+18.8
Profit attributable to owners of parent	△14.9	6.0		+20.9
New orders	175.8	200.0	+13.8%	+24.2
New orders including equity method affiliates	420.4	200.0	△52.4%	△220.4

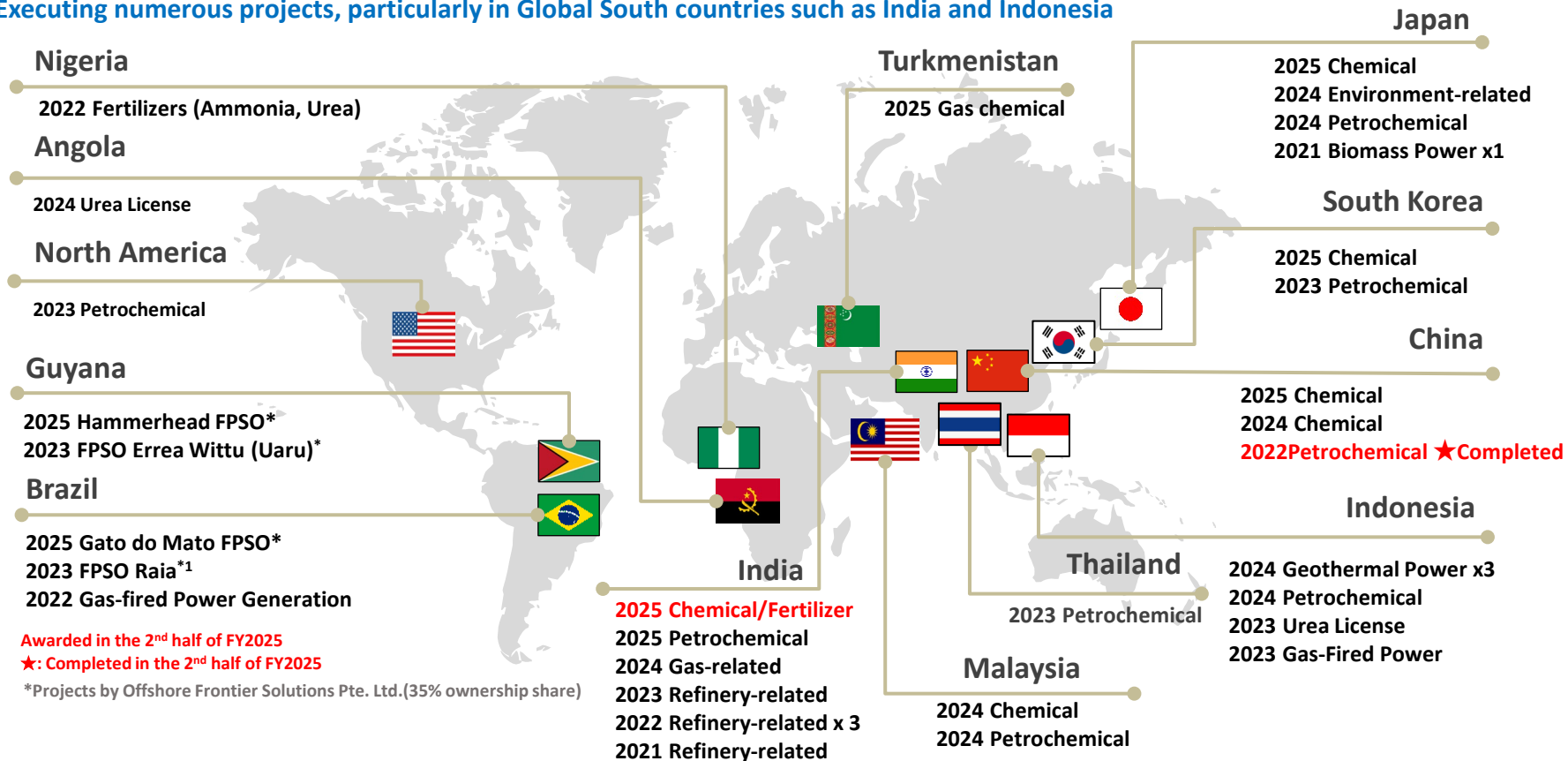
*Assumed exchange rate for FY2026 = 150 JPY/USD

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

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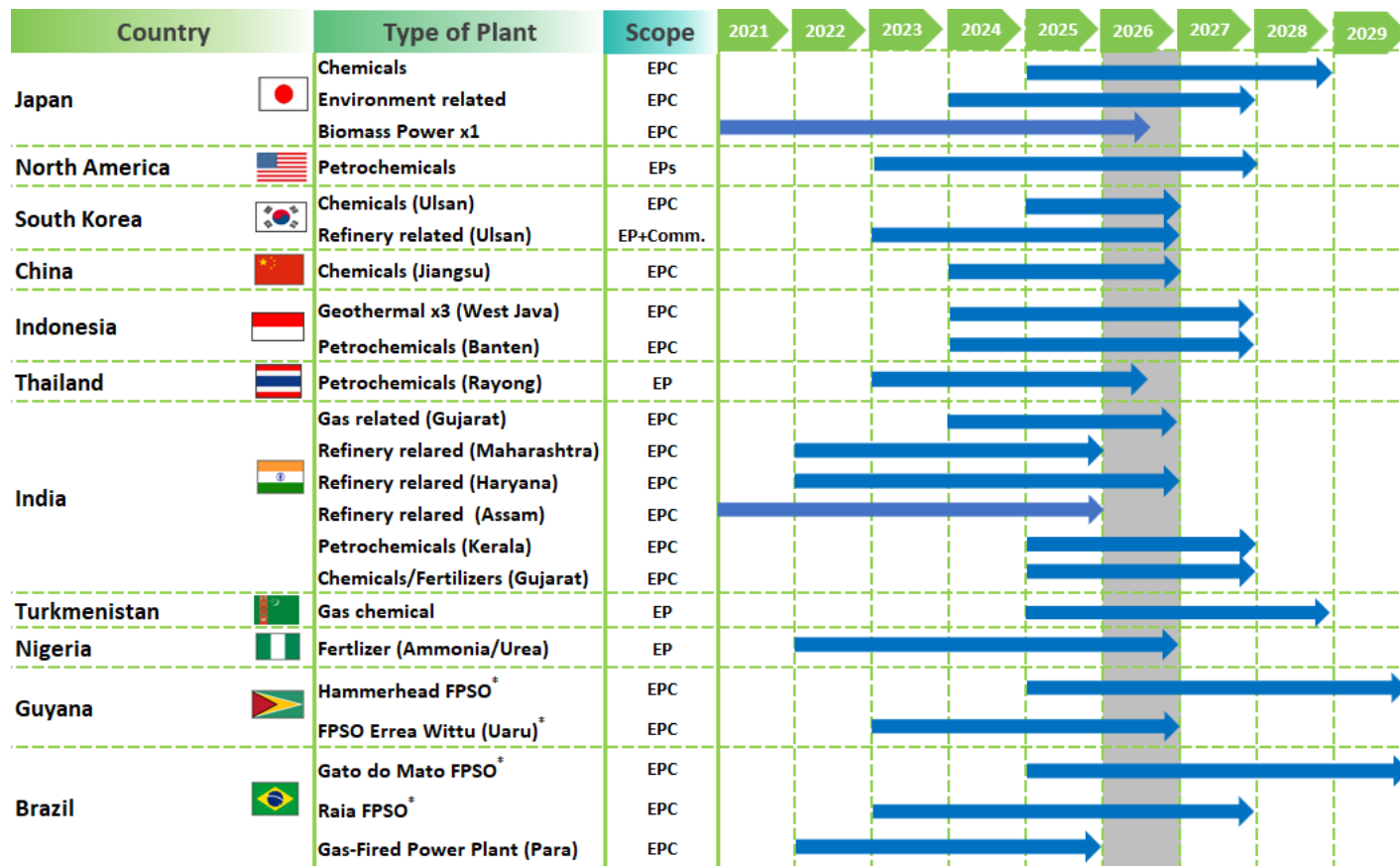
Status of Major Projects

- A well-balanced project portfolio spanning various regions and product categories
- Executing numerous projects, particularly in Global South countries such as India and Indonesia



Status of Major Projects

Projects across multiple countries are progressing in a balanced manner, with scheduled completions spanning 2025 to 2029



① Expanding Business Initiatives and Building Growth Platform in Central Asia

MOU signed for Phase 2 overhaul of a large-scale gas chemical complex in Turkmenistan

Project Overview



Strategic Significance



- **Client:** Turkmenhimiya, a state-owned company, Turkmenistan
- **Production Facilities:**
 - ✓ Gas separation unit: 5.0 billion m³/year
 - ✓ Ethylene production: 400,000 tons/year
 - ✓ Polypropylene production: 81,000 tons/year
 - ✓ High-density polyethylene production: 386,000 tons/year
- **Execution structure:** Joint execution by TOYO and Rönesans, a major Turkish construction company

- **Expanding presence in Central Asia:** MOU signed during the “Central Asia + Japan” Business Forum held in Tokyo in December 2025, in the presence of the President of Turkmenistan and Japanese business leaders
- **Deepening the project pipeline:** Following the Phase 1 award and execution, the MOU confirms a three-party cooperation framework for Phase 2 among Turkmenhimiya, TOYO, and Rönesans
- **A Foothold for Full Plant Lifecycle Involvement:** Through overhaul and stable operation support, TOYO aims to expand its role across the full plant lifecycle, including O&M. This project represents a milestone opportunity to build the stock-type recurring revenue base envisioned in TOYO VISION 2040 and to further diversify the business portfolio

② Building a Solid Earnings Base in the Indian Market

- Capturing EPC opportunities in Global South growth markets, while contributing to industrial development in each country
- Leveraging Toyo-India's execution capabilities and solid track record to drive earnings growth and strengthen the customer base



Large-Scale Polypropylene EPC Project for BPCL

- Important project supporting the petrochemical expansion of Bharat Petroleum Corporation Limited (BPCL), India's second-largest state-owned oil marketing company
- Award secured based on a long-standing relationship of trust with the customer
- Polypropylene production unit: 400,000 tons per year
- Full EPC scope, from engineering and procurement to construction and commissioning
- Scheduled for completion in FY2027

Ammonium Nitrate Plant EPC Project for GNFC

- Award from Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC), one of India's leading industrial chemicals manufacturers
- Capturing demand growth in India's fertilizer and chemicals market
- Ammonium nitrate melt plant: 480 tons per day
- Full EPC scope, from engineering and procurement to construction and commissioning
- Scheduled for completion in FY2027

③ Contribution to Food Security

■ Expanding urea licensing wins in high-growth markets across Africa and Central Asia

■ Strengthening future order pipelines and earnings opportunities as a leading urea technology licensor

Fertilizer Plants

Kazakhstan: 1,750 t/d / Nigeria: 4,000 t/d × 2 trains)

- TOYO's urea license adopted for Kazakhstan's first urea plant
- PDP* provided for one of the world's largest urea plants in Nigeria
- Leveraging over 100 references in proprietary urea technology licensing and plant construction to expand TOYO's presence in Central Asia and Africa

*PDP: Process Design Package, a set of basic plant design documents including process flow diagrams, P&IDs, and equipment data sheets.



TOYO Urea Licensee Meeting (November 2025)

- Approximately 190 users of TOYO's urea technology from 29 companies across 10 countries participated
- Shared latest technologies and operating know-how, including ACES-21™ and DX-PLANT™, reinforcing TOYO's position as a leading licensor
- Expanded relationships with companies in Indonesia, Angola, Vietnam, and other countries, strengthening TOYO's presence in growth markets



④ TOYO's Execution Capabilities Demonstrated in BASF's Global Mega Project

- Completed a core project of BASF's largest-ever investment on schedule
- Recognized by BASF as an "Outstanding Engineering Partner" for excellence in safety, quality, and start-up performance

Scope of Facilities & Services

- Acrylic Acid Cluster (Downstream):** EPsCm (Engineering, Procurement support, Construction management)
 - Ethylene & Polyethylene Plants (Upstream) :**
 - Central Tank Farm (Upstream):**
 - Overall Site: :** CPMT (Centralized Program Management Team) Services
- } PMS (Project Management Supports)
Services




BASF Zhanjiang Verbund Site, China

- Completion of BASF's Largest-Ever Investment Project:** Executing multiple projects and completing all as planned.
- High Recognition for Safety and Quality:** The Acrylic Acid Cluster achieved over 17.6 million work hours without a lost-time injury (Non-LTI) safe manhours
- Record-Breaking Start-up Performance:** The butyl acrylate plant within the Acrylic Acid Cluster achieved the shortest start-up period in BASF's history
- Recognition from BASF:** TOYO's project execution capabilities were highly evaluated, resulting in the "Outstanding Engineering Partner" award.
- Momentum for Future Business Expansion:** Further strengthened the long-standing relationship of trust with BASF and serves as a key reference for expanding global projects and securing repeat orders



Recognition from BASF
as an Outstanding Engineering Partner

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Previous Medium-Term Management Plan (2021–2025)

Strategic Framework

- Achieve sustainable growth through the twin pillars of Sustainable Technology & Business Development and EPC Resilience
- Reinvest the knowledge, experience, and profits generated through EPC into new businesses to transform the business portfolio and enhance profitability
- Maintain EPC as the core earnings pillar until new businesses reach the commercialization stage, ensuring management stability and predictability



Previous Medium-Term Management Plan: KGI and KPI assessment

- Profit targets were not achieved due to losses in some domestic and Brazil projects
- However, the expansion of non-EPC businesses and earnings contributions from overseas hubs made steady progress
- Going forward, we will strengthen EPC profitability through more rigorous risk reviews and resource allocation
- We will accelerate portfolio diversification, and shift toward a higher-margin earnings structure

KGI (Key Goal Indicator)

Target	Results	Assessment
Consolidated Net Income <ul style="list-style-type: none"> • More than ¥5 billion on average in FY2023-2025 • FY2030 ⇒ <u>¥10 billion</u> 	Not achieved	Challenges remain in EPC resilience, but the benefits of stricter risk reviews are beginning to emerge
Consolidated Net Sales <ul style="list-style-type: none"> • Focus on profit rather than sales • Target Net Sales <u>¥300 billion</u> 	Achieved	Orders including OFS reached the target
ROE <ul style="list-style-type: none"> • FY2025 → <u>10% or more</u> • Onward <u>stable 10% or more</u> 	Not achieved	In response to unprofitable projects, measures are being implemented to enhance recurrence prevention and upgrade risk management
Dividends <ul style="list-style-type: none"> • <u>Reinstatement of Dividends within mid-term period</u> 	Dividends paid in FY2023/ FY2024	Continued efforts to balance sustainable growth with shareholder returns

KPI (Key Performance Indicator)

Target	Results	Assessment
Non-EPC Gross Profit Composition <ul style="list-style-type: none"> • FY2025 : <u>25% or more</u> • FY2030 : <u>50%</u> 	Achieved	Non-EPC gross profit grew steadily, driven by urea licensing and EPCs-related projects
New Biz areas Gross Profit Composition <ul style="list-style-type: none"> • FY2025 : <u>25% or more</u> • FY2030 : <u>50%</u> 	Not achieved	Commercialization of new businesses slowed due to delays in investment decisions for CN projects
Main Gr. Comp. Gross Profit Composition <ul style="list-style-type: none"> • FY2025 : <u>45% or more</u> • FY2030 : <u>50%</u> 	Achieved	Major hubs continued to contribute earnings, esp. in India and China
Employee Engagement <ul style="list-style-type: none"> • Improvement from the previous period (FY2023) 	Achieved (3.8)	Improved from the previous score of 3.58
Number of Employees <ul style="list-style-type: none"> • Group-wide: adjust flexibly based on demand 	Approx. 120 employees	Headcount managed at an appropriate level
	Group-wide: approx. 6,000 employees	Headcount managed at an appropriate level

Previous Medium-Term Management Plan: Key Achievements 1

Current Priority Strategy



EPC Resilience

Key Achievements

- **Monetization of core strengths in urea licensing and EPC**
- **Created O&M opportunities from fertilizer and ethylene EPC projects in Turkmenistan and Angola (Pic.1)**
- **Secured high-performance chemical projects through customer co-creation**
- **Supported overseas investment projects from the early stage, for BASF and other European/Japanese customers (Pic.2)**
- **Established stable earnings from the FPSO business (Pic.3)**
- **Secured consecutive geothermal project awards (Pic.4)**



Previous Medium-Term Management Plan: Key Achievements 2

Current Priority Strategy

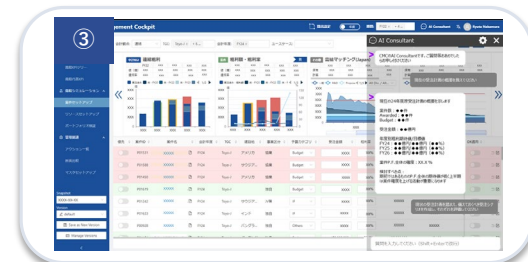
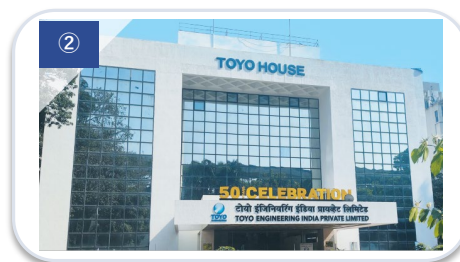
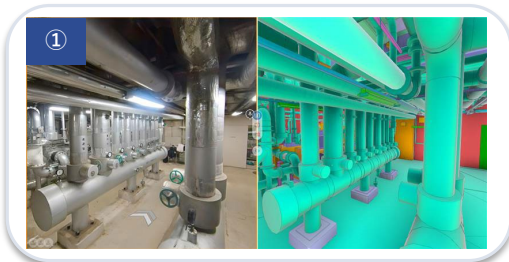


EPC Resilience (DXoT)

Key Achievements

- Established a foundation for efficient and high-precision project management through AWP***, completing business process standardization and digital platform development (Pic.1)

*Advanced Work Packaging, a project management methodology designed to improve construction productivity, reduce costs, and prioritize work execution
- Launched the Global Digital Operations Center in India**, consolidating and standardizing digital operation and maintenance functions across the Group to improve operational efficiency and cost structure (Pic.2)
- Optimized strategy and resource allocation through the Corporate Management Cockpit**, a management digital twin equipped with mathematical models for advanced decision-making (Pic.3)



Previous Medium-Term Management Plan: Key Achievements 3

Current Priority Strategy

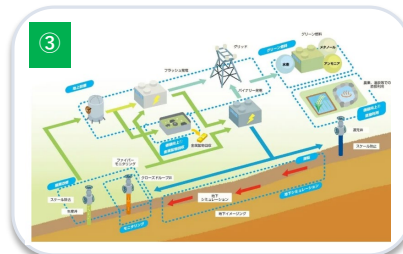


New Technology/
Business Development

Key Achievements

- Continued development of the green ammonia production business in Indonesia (Pic.1)
- Joint development of mixed waste plastic liquefaction technology, with commercial completion planned for FY2026 (Pic.2)
- Formulated a geothermal master plan in Indonesia to support next-generation geothermal development (Pic.3)
- Achieved the first drop of g-Methanol™ (Pic.4)
- Continued development of a small-scale ammonia cracking system
- Participated in SIP's* technology development project for recovering rare-earth mud from a depth of 6,000 meters below sea level

*SIP: Cross-ministerial Strategic Innovation Promotion Program



Previous Medium-Term Management Plan: Risk Management Enhancement

2020~2022
Multiple project awards

2023
Established the Business Portfolio Committee

January 2025
Established the Project Management Division

Quality-related loss costs increased across several projects, including the Brazil power project

1. Allocated resources promptly in line with business portfolio and strengthened project selection / take-up decisions
2. Tightened the pre-award review process, including projects led by overseas hubs

1. Created an independent organization directly under the President
2. Strengthened risk management throughout the full project lifecycle, from early pursuit to completion, including hub-led projects
3. Added a stronger check-and-balance function, including recommendations to decline bids or terminate contracts when necessary
4. Implemented initiatives to raise risk management awareness across the organization

Steadily advanced project management sophistication
All large-scale projects awarded since 2023 have achieved profitability

Previous Medium-Term Management Plan: Key Takeaways for the New Plan

- We take the losses incurred during the previous medium-term plan seriously and will stabilize earnings by thoroughly preventing recurrence through more advanced risk management
- We will further build on the key achievements of the previous plan under the new medium-term plan, aiming for both management stability and growth



Achieving Sustainable Growth and Earnings Stability through EPC Resilience

- ✓ Strengthen company-wide risk review and audit functions led by headquarters
- ✓ Visualize risks from the early concept stage together with customers and ensure safe, reliable EPC execution



Global Rollout and Embedded Use of AWP

- ✓ Accelerate the application and on-site adoption of AWP, integrating business processes and digital tools
- ✓ Deploy digital platforms optimized to each hub and project profile to improve productivity and profitability globally



Accelerating New Business Creation through O&M Monetization and Focused Investment

- ✓ Steadily monetize O&M opportunities created in the previous fiscal years
- ✓ Accelerate new business creation through strategic R&D investment in energy security-related areas, including next-generation geothermal and critical minerals

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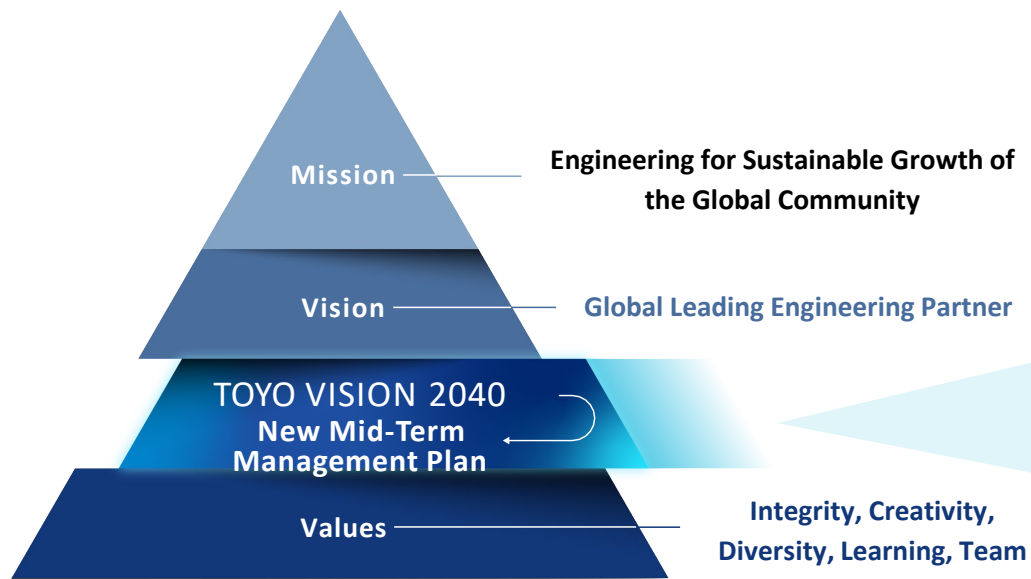


Toyo Engineering Corporation

Outline of the New Medium-Term Management Plan 2026 - 2030

Positioning of the New Mid-Term Management Plan

Our management framework is anchored in MVV, with TOYO VISION 2040 defining our long-term direction and the New Mid-Term Management Plan setting out specific action policies



TOYO VISION 2040

Aim to achieve sustainable growth through a dual-revenue model combining PROJECT-BASED business and RECURRING business

New Mid-Term Management Plan (2026-2030)

Toward Becoming a Partner that Goes Beyond EPC to Co-create and Implement Social Value



TOYO Management Plan
2026-2030

- Create and continuously enhance value across the entire plant lifecycle (PLC)
- Implement sustainable social infrastructure by building on TOYO's proven EPC execution capabilities

Long-Term Management Strategy: Dual-Revenue Model

- Announced the framework of **TOYO VISION 2040**, our long-term management strategy toward 2040
- Aim to build a dual-revenue model combining **PROJECT-BASED business**, driven by one-time earnings from EPC projects, and **RECURRING business**, driven by recurring customer support across the full plant lifecycle, including O&M services

A dual-revenue model to support stable management



PROJECT-BASED BUSINESS

(short-cycle)

Order-based & project-based revenue

- Revenue recorded for each completed EPC project
- Consulting revenue from FS^{*1}、PMC^{*2}

RECURRING BUSINESS

(long-cycle)

Recurring billing/Long-term contracts

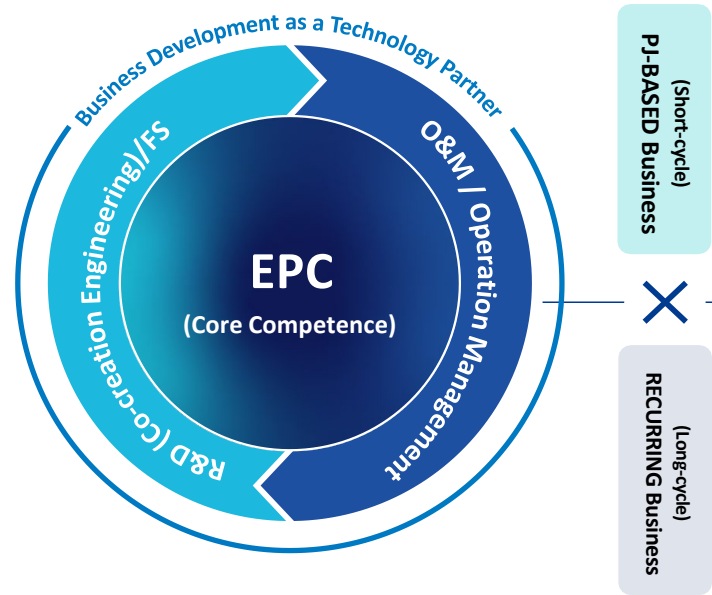
- O&M^{*3}, DX platform usage fees, licensing fees
- Recurring income from biz investment



*1 : Feasibility Study *2 : Project Management Consultant *3 : Operation & Maintenance

Outline of the New Medium-Term Management Plan (2026-2030)

Value Creation Cycle Across the Plant Lifecycle




1 | EPC Business: Evolution toward Co-Creation-Type EPC




- Co-create with customers and partners from the concept stage, visualizing and sharing risks from the earliest phase
- Secure stable profitability by reducing uncertainty through advanced project management and strong execution capabilities

2 | From EPC to PLC Business: Expanding the Revenue Model



- Expand from EPC into the full plant lifecycle (PLC), including operations, maintenance, and services
- Shift the earnings structure from one-time project revenues to recurring revenues, building a long-term stable revenue base

3 | Value Cycle: Value Creation Starting from Trustful Relationships



- Accumulate and leverage operating data and on-site insights through long-term trustful customer relationships
- Build a continuous value creation cycle by identifying issues and translating them into new value-added solutions

Priority Areas: Growth Drivers, Revenue Base and Focus Regions

Growth Drivers (5 Next-Generation Domains)

O&M

Develop recurring business from the EPC customer-centric approach

Fine Chemicals

Expand lifecycle business based on process design and account coverage built in petrochemicals

Biopharma

Leverage TPS track record and Toyo-India capabilities

Next-Generation Geothermal

Expand closed-loop technology into PLC business based on geothermal EPC track record

Critical Minerals

Develop business opportunities across both mineral resources and chemical processing

Revenue Base (Evolving Domains)

FPSO

Stable revenue centered on OFS

Fertilizers
(Ammonia & Urea)

Food security driving robust investment demand

GX

Accelerate monetization in e-Methanol, SAF, fuel ammonia, and waste plastics recycling

Focus Regions

India

Semiconductors/Pharmaceuticals/ Fertilizers/Supporting expansion of Japanese-affiliated customers

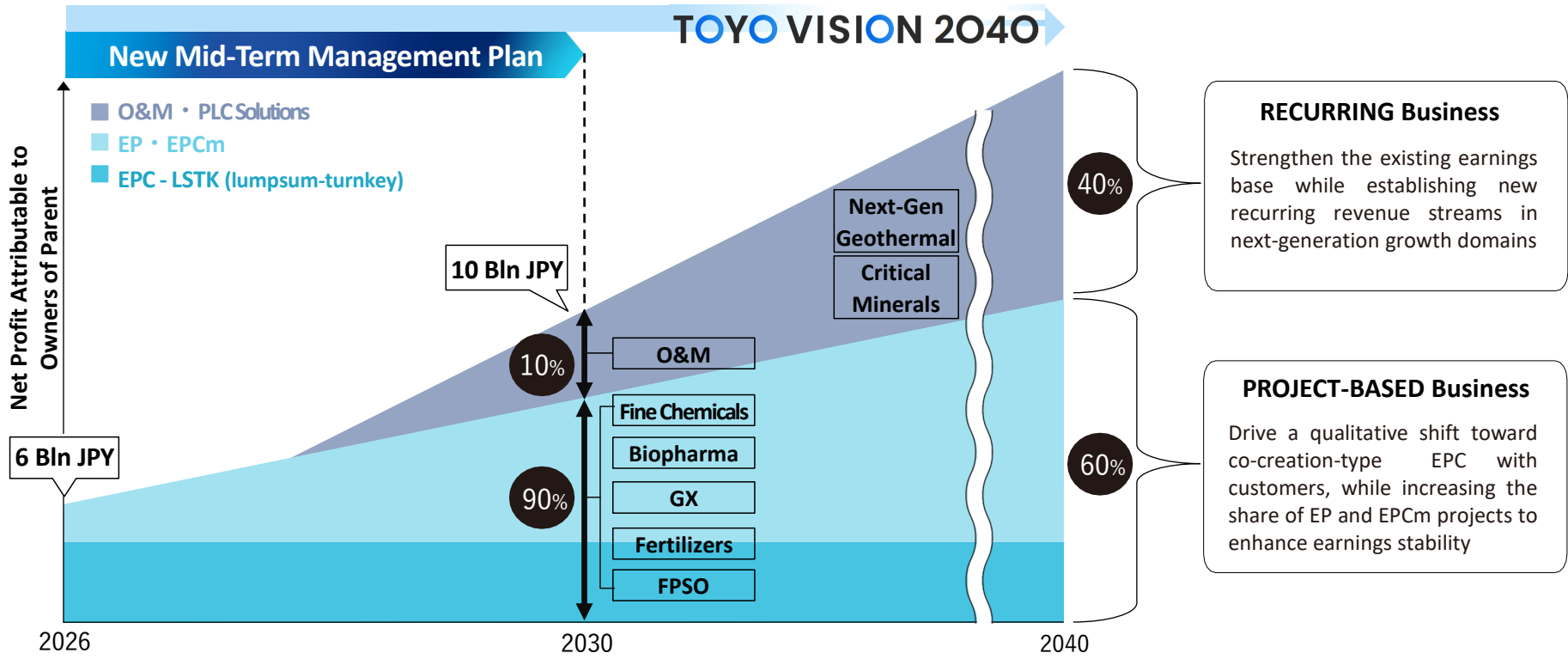
Central Asia/
Middle East

Gas monetization/Reconstruction-related support

Sub-Saharan Africa

Gas monetization/ Fertilizers/ Geothermal power

Priority Areas: Growth Drivers and Revenue Base

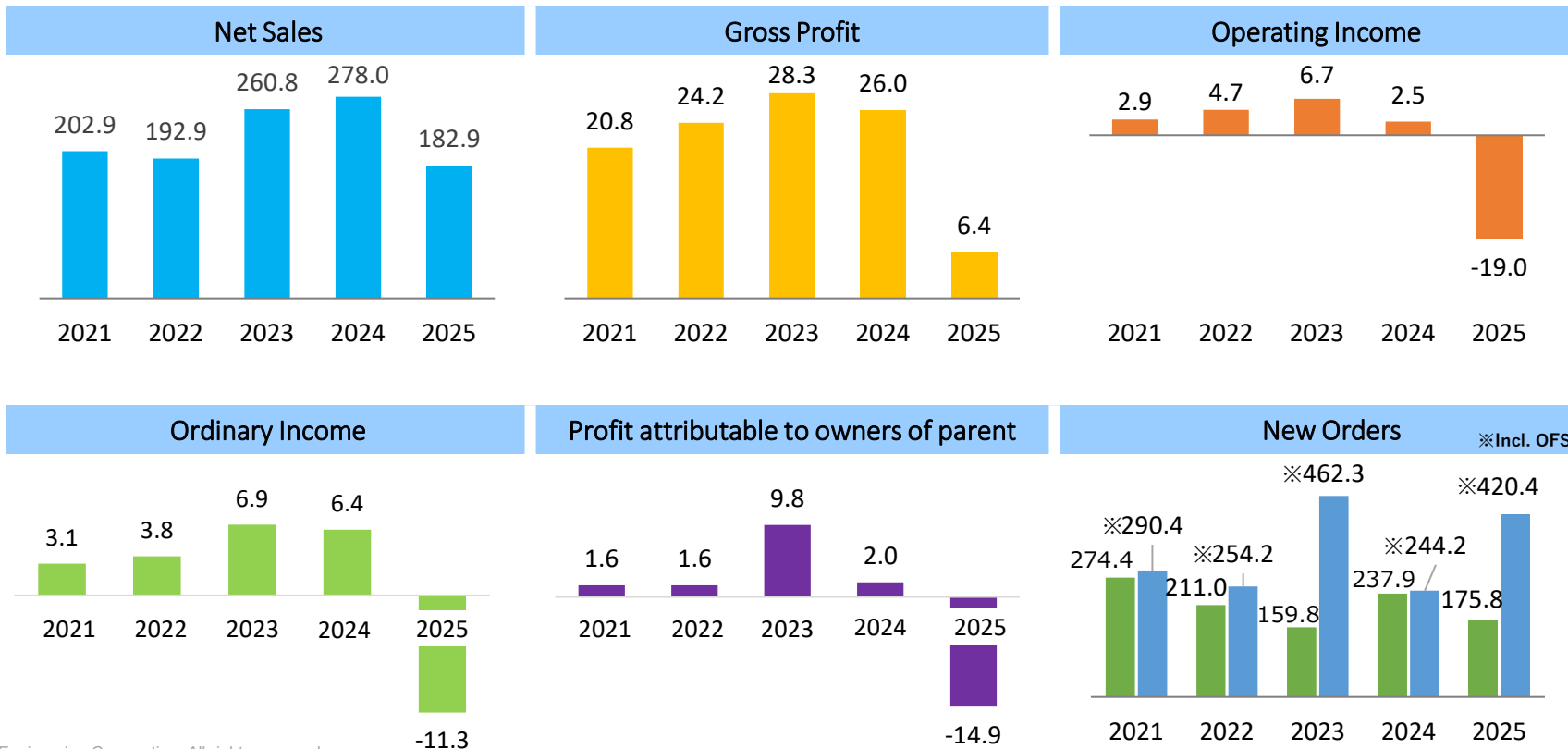


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Previous Medium-Term Management Plan: Performance Trends

Although the final year ended in a loss due to the Brazil project, earnings stability progressed steadily through expansion in non-EPC businesses, FPSO earnings contributions, and order growth in the Global South

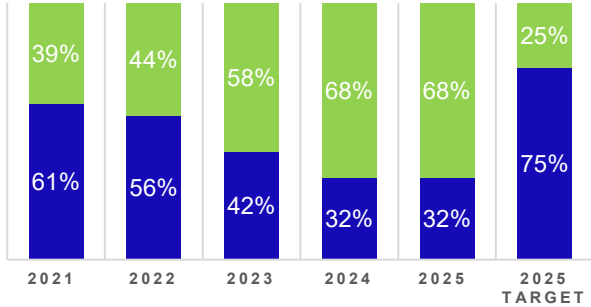
Unit: Billion JPY (FY)



Previous Medium-Term Management Plan: KPI Trends

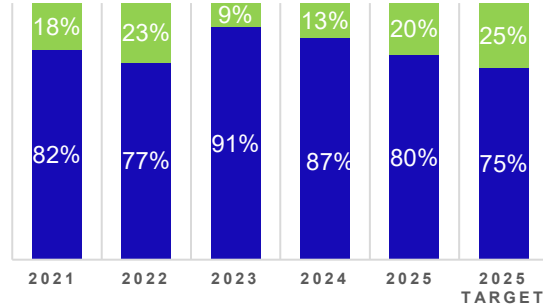
NON-EPC GROSS PROFIT COMPOSITION

Non-EPC
EPC



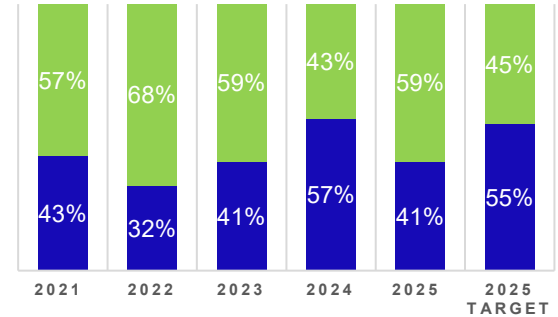
NEW BUSINESS GROSS PROFIT COMPOSITION

New Biz
Existing Biz



GROUP COMPANIES GROSS PROFIT COMPOSITION

Gr. Comp.
Toyo-Japan



- ✓ Energy-saving and GHG reduction services
- ✓ FS/FEED for fuel ammonia and SAF
- ✓ EPsCm, EPs, and PMS*2 for petrochemicals
- ✓ Urea technology licensing and basic design

- ✓ GHG reduction services
- ✓ FS/FEED for fuel ammonia and SAF
- ✓ High-performance chemicals
- ✓ Marine resource development

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

Note:

FY2025 KPIs exclude the impact of the Brazil power project, which is treated as an outlier due to its large one-off loss impact, to show the underlying earnings structure more accurately

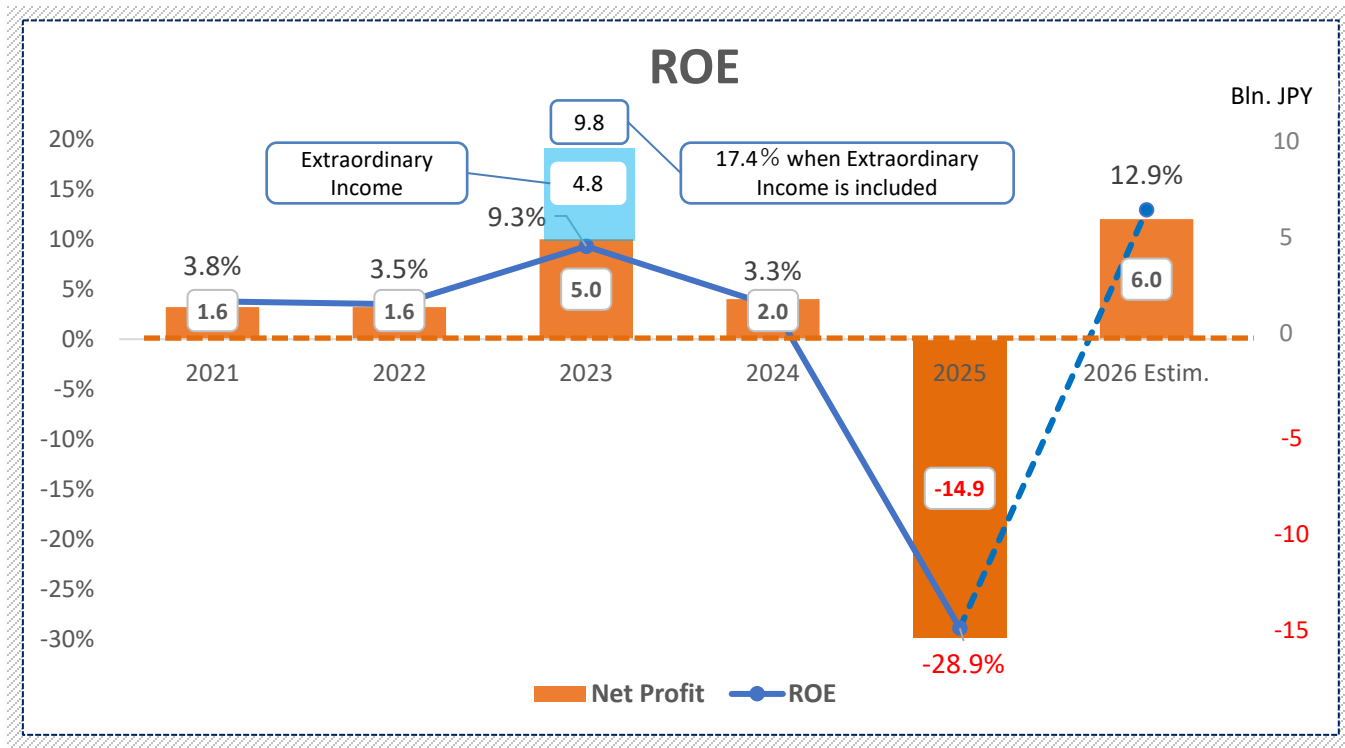
Materiality and KPI

Materiality	Corresponding SDGs	KPI Content	FY2025 (cumulative)	FY2021-2025 results	Description
Aim to realize an environment-friendly society*1		Cumulative number of orders and business investments from FY 2021	5 projects (47)		Project Examples: <ul style="list-style-type: none"> Ammonia Cracking Biopolymers Geothermal Power Generation GX projects such as SAF
Enrich people's lives*		Cumulative number of orders and business investments from FY 2021 <ul style="list-style-type: none"> Food supply Energy supply Foundation of life 	3 projects (21) 10 projects (59) 24 projects (122)		Project Examples: <ul style="list-style-type: none"> Fertilizer Plants Geothermal Power, Refineries Petrochemicals, pharmaceuticals Semiconductor-related plants
People of diverse backgrounds engage in active, meaningful work		1. Employees' engagement survey 1. LTIR (Lost Time Injury Rate = Number of fatalities and lost-time injuries × 1,000,000 / Total working hours)	3.8 (out of 5) 0.11		1. FY2025 result improved from the previous survey score of 3.58 2. Average 0.08 (below the KPI threshold of 0.1)
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 Management Plan in FY2021

*Actual figures include only TOYO Group orders with a contract value of ¥100 million or more

Previous Medium-Term Management Plan: Capital Efficiency (ROE)

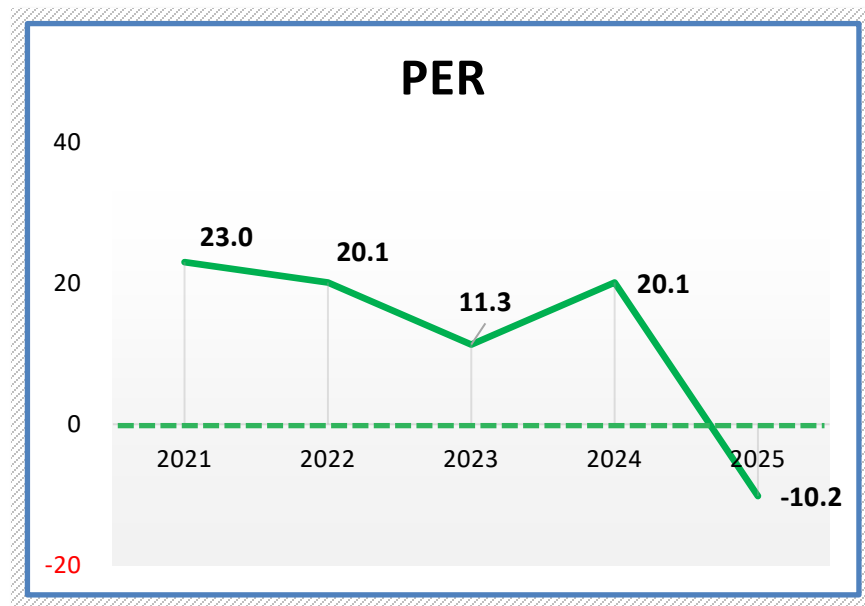
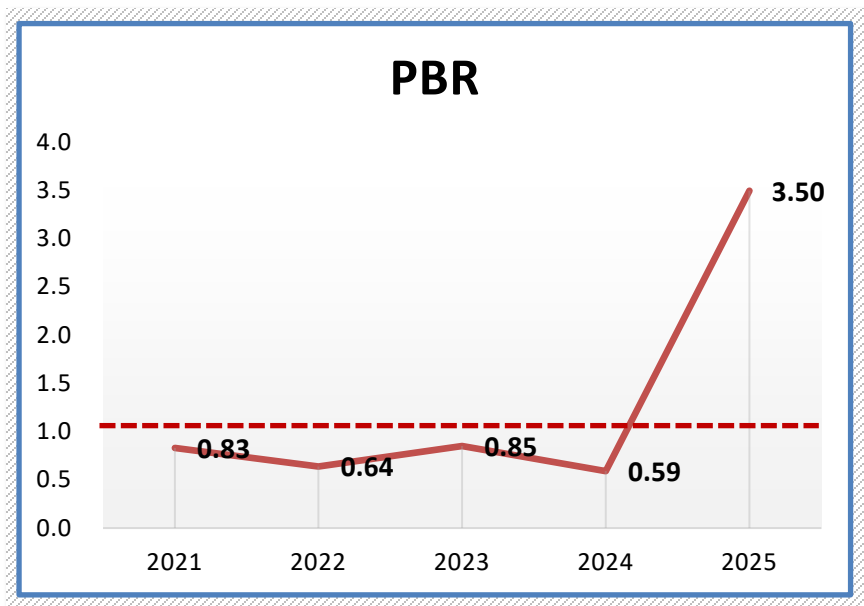
- ROE improved to 9.3% in FY2023, but deteriorated sharply to -28.9% in FY2025 due to losses in the Brazil project and other factors
- For FY2026, we expect a recovery to net profit of ¥6.0 billion and ROE of 12.9%, aiming to sustainably achieve ROE above the cost of equity through stronger risk management and expansion of stable earnings from O&M and FPSO



Previous Medium-Term Management Plan: PBR & PER Trends

- PBR rose significantly to 3.5x in FY2025, reflecting the market's medium- to long-term growth expectations despite near-term earnings volatility
- We will aim to further stabilize earnings to meet market expectations and support sustained valuation improvement

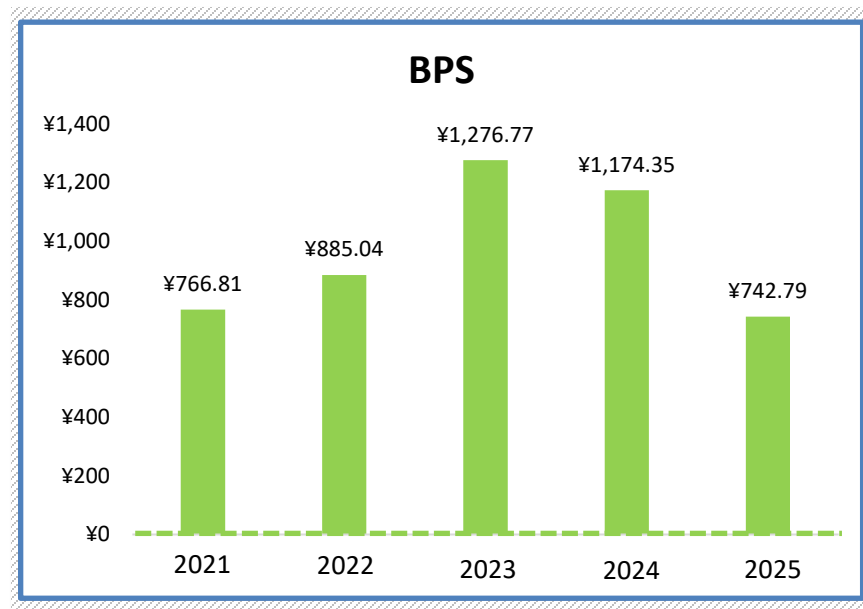
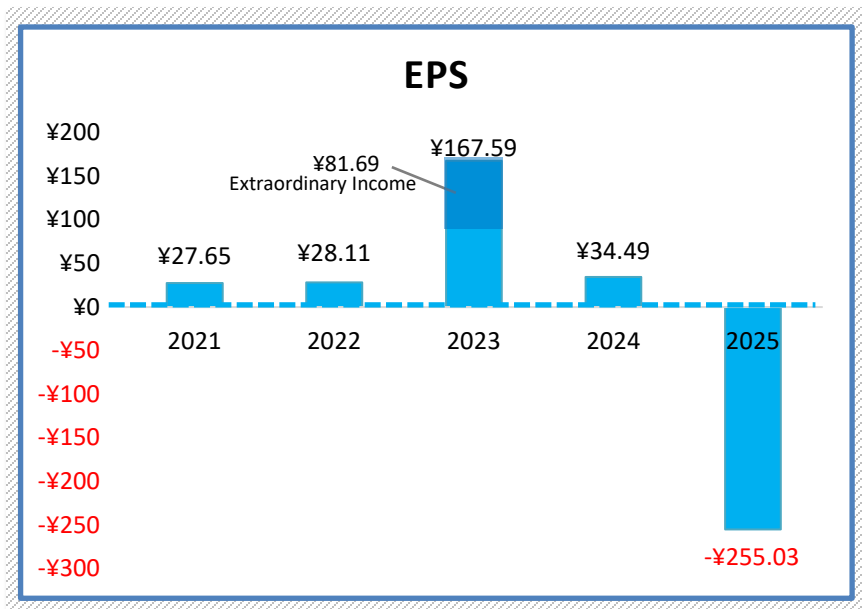
- PER turned negative in FY2025 due to the net loss
- Under the new plan, we aim to shift from expectation-driven valuation to performance-based valuation through stronger EPC risk management and expanded stable earnings from O&M, FPSO, and other businesses



Previous Medium-Term Management Plan: EPS & BPS Trends

- EPS increased significantly in FY2023, partly supported by one-off gains, but turned sharply negative in FY2025 due to losses in the Brazil project and other factors, highlighting the volatility of EPC earnings
- Under the new plan, we will strengthen selective order intake, risk reviews, and project execution management to transition toward an earnings structure capable of steadily generating net profit

- BPS declined from its FY2023 peak, but remained at a certain level at the end of FY2025, preserving a foundation for financial resilience
- Going forward, we aim to rebuild equity through earnings recovery and capital efficiency improvement, supporting sustained PBR maintenance and enhancement



Business Environment: Existing Business Domains

Petrochemicals / Chemicals ↗

- Fertilizer demand is expected to remain robust, driven by population growth, with demand projected to increase by 3.07% per year through 2033
- In response to the recent rise in food security concerns and higher fertilizer self-sufficiency needs, solid demand for fertilizer plants is expected
- Multiple newbuild and revamp opportunities are expected in gas-rich Central Asia, the Middle East, Africa, India and Southeast Asia

Petrochemicals / Chemicals →

- The global ethylene market is expected to grow at an annual rate of 5.7% with continued investment expected in India and the US
- Market conditions were expected to improve from this year as production adjustments progress in Europe, Japan and Korea; however, companies continue to monitor the impact of geopolitical risks, including the situations in Ukraine and the Middle East
- Investment is also expected in green chemical facilities using bioethanol and synthetic oil from waste plastic recycling as feedstocks

FPSO ↗

- The project pipeline remains abundant, with major oil fields being discovered mainly in ultra-deepwater and deepwater areas in Latin America and West Africa
- Despite the carbon-neutrality trend, conventional FPSO investment is expected to continue

Power ↗

- Demand is expected to be driven by energy transition and data centers
- In Asia, investment opportunities are expected in renewable power, including geothermal, as well as biomass and waste-to-energy projects

Pharmaceuticals ↗

- In the Japanese bio-pharmaceutical market, companies with strong track records are expected to remain active in investment, supported also by government subsidies
- Policy support and supply-chain localization are gaining momentum, and India's bio-pharmaceutical market is also growing at a CAGR of around 8%. TOYO aims to create EPC opportunities in India based on its track record

Oil & Gas →

- Crude oil prices rose from around US\$60/bbl to over US\$100/bbl following tensions around Iran but have since stabilized at around US\$90–96/bbl as talks resumed and the Strait of Hormuz was not closed. In Europe, Brent was around US\$15 higher than WTI around the time of the Iran conflict in April
- Future new development and production expansion will require low-carbon and high-efficiency solutions. However, a potential recovery in Middle East demand may follow as the region stabilizes
- LNG is expected to remain a key transition energy source until carbon neutrality is achieved, and oil and gas investment is expected to continue over the long term

Note: Long-term impacts from the recent conflict in the Middle East situation are not incorporated

Business Environment: New Business Domains

Fuel Ammonia / Hydrogen



- For Japan-bound ammonia and hydrogen projects, FEED opportunities are expected to be narrowed down through selection under price-gap support and hub development support programs
- Adoption of IMO's mid-term measures for GHG emission reduction has been postponed by one year

Geothermal - Carbon Neutral



- Under Japan's 7th Strategic Energy Plan, geothermal power capacity is planned to increase substantially, from around 0.2–0.3 GW in 2040 to approximately 7 GW in next-generation geothermal development by 2050
- Indonesia also targets an additional approximately 5 GW of geothermal capacity by 2034, with government support driving an upward trend in investment

SAF / Synthetic Fuels



- The estimated SAF volume to be supplied in Japan in 2030 is 1.71 million kL
- JAL and ANA both target 10% SAF usage by 2030 and net zero by 2050
- While monitoring support trends for low-CI products, multiple FEED projects are currently underway in Japan

Advanced Materials / Fine Chemicals



- Chemical manufacturers are increasingly shifting toward higher-value specialty products, such as advanced materials and fine chemicals
- Overseas plant investment is also expanding, with India becoming an important growth market in agriculture, batteries, and semiconductor materials

Plant Energy Saving / GHG Reduction



- Leveraging decarbonization opportunities in Central & Eastern Europe and the Americas, TOYO received its first order for the large-scale SUPERHIDIC® energy-saving distillation system, with multiple negotiations underway, particularly in Central and Eastern Europe
- Signed a GESA for HERO with PTTGC, Thailand's largest petrochemical company. Through this initiative, TOYO agreed to conduct evaluation work in FY2026–2027. The service scope has expanded from last year and now also covers oil refining, with study work underway for both domestic and overseas customers

Marine Resource Development / Critical Minerals



- Japan's 4th Basic Plan on Ocean Policy was approved by the Cabinet in Apr. 2023, followed by the announcement of the Marine Energy and Mineral Resources Development Plan in March 2024
- The Japanese government has also compiled a circular economy action plan to support resource circulation
- TOYO is strengthening initiatives in areas related to energy security, including technology development for recycling critical minerals.

Note: Long-term impacts from the recent conflict in the Middle East situation are not incorporated



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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.