



Second Quarter of Fiscal Year Ending March 2026
(FY2025-2Q)

Management Overview

November 13, 2025

Toyo Engineering Corporation

President & CEO Eiji Hosoi

- 1 Performance Overview for the 1st Half of FY2025 and Outlook**
- 2 Status of Major Projects**
- 3 Main Topics**
- 4 Mid-Term Management Plan: Progress & Next Steps**
- 5 Toward Capital-Efficient Management**
- 6 Appendix**

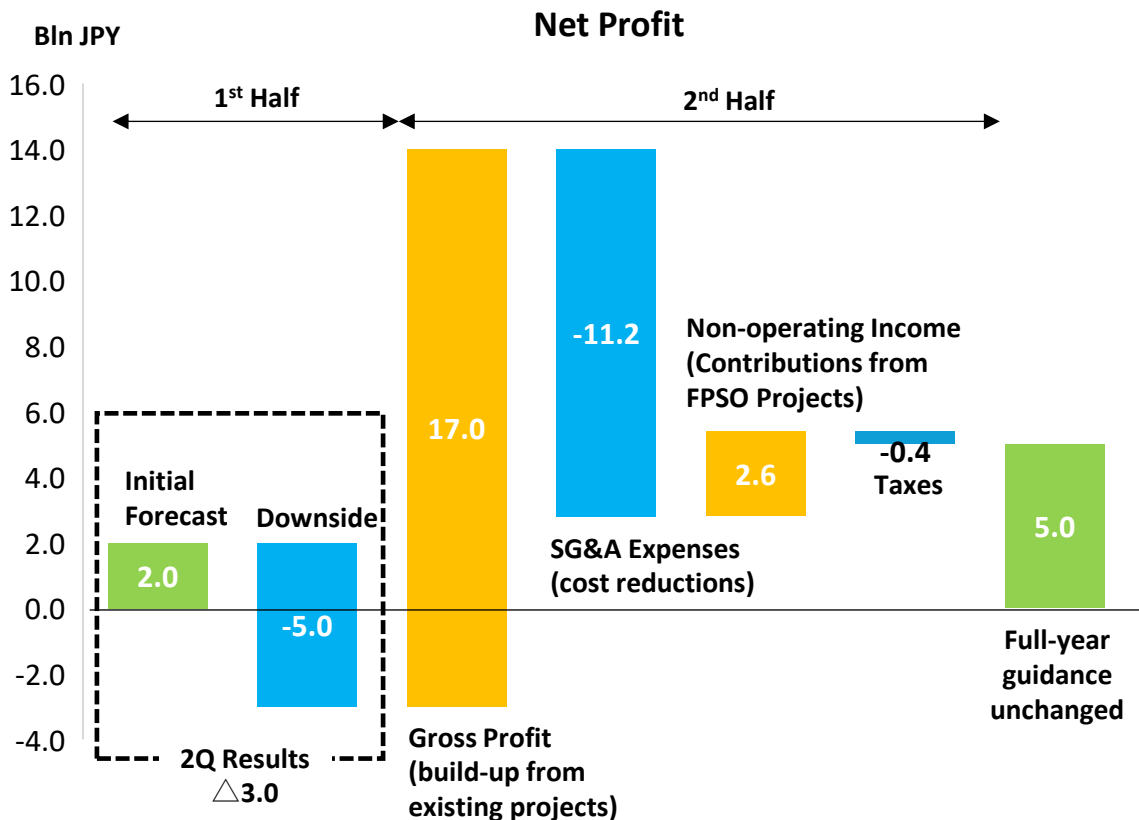
Performance Overview for the 1st Half of FY2025 and Outlook

- Operating loss recorded in 2Q due to margin deterioration on certain projects. Order intake remains solid at 91% progress.
- Full-year forecast maintained as earnings are expected to recover from 3Q. Year-end dividend payout forecast unchanged.

Unit: Billions of yen	FY2024 1st Half	(A) FY2025 1st Half Results	(B) FY2025 Initial Forecast	(C) FY2025 Rev. Forecast	(C)-(B) Variance	(A)/(C) Progress Rate
Net sales	121.8	94.0	200.0	200.0	0	47%
Gross profit	12.8	8.0	26.5	25.0	△1.5	32%
Gross profit margin	10.6%	8.5%	13.3%	12.5%	△0.8%	-
SG&A expenses	10.8	12.2	25.0	23.5	1.5	52%
Operating income	2.0	△4.2	1.5	1.5	0	△280%
Non-operating income	1.2	2.3	5.0	5.0	0	46%
Ordinary income	3.2	△1.9	6.5	6.5	0	△29%
Profit attributable to owners of parent	1.7	△3.0	5.0	5.0	0	△60%
New orders	51.6	127.7	170.0	170.0	0	75%
New orders including equity method affiliates	55.0	364.1	400.0	400.0	0	91%
Dividend per share	-	-	25円	25円	0	-

FY2025 2Q Summary and Full-Year Outlook (1/2)

Contributions from newly awarded projects and cost reductions offset first-half deterioration. Full-year guidance unchanged.



Key Downside Factors in 2Q

1) Brazil Gas-fired Power Project

- Cost increases occurred in the final phase of construction
 - Loss recovery planned via arbitration
 - Currently in the commissioning phase, with completion expected within this FY

2) Japan Biomass Power Projects

- Delays/cost overruns due to issues during commissioning
 - Out of 4 projects 3 have been completed; 1 is in the final stage of commissioning

Current Status

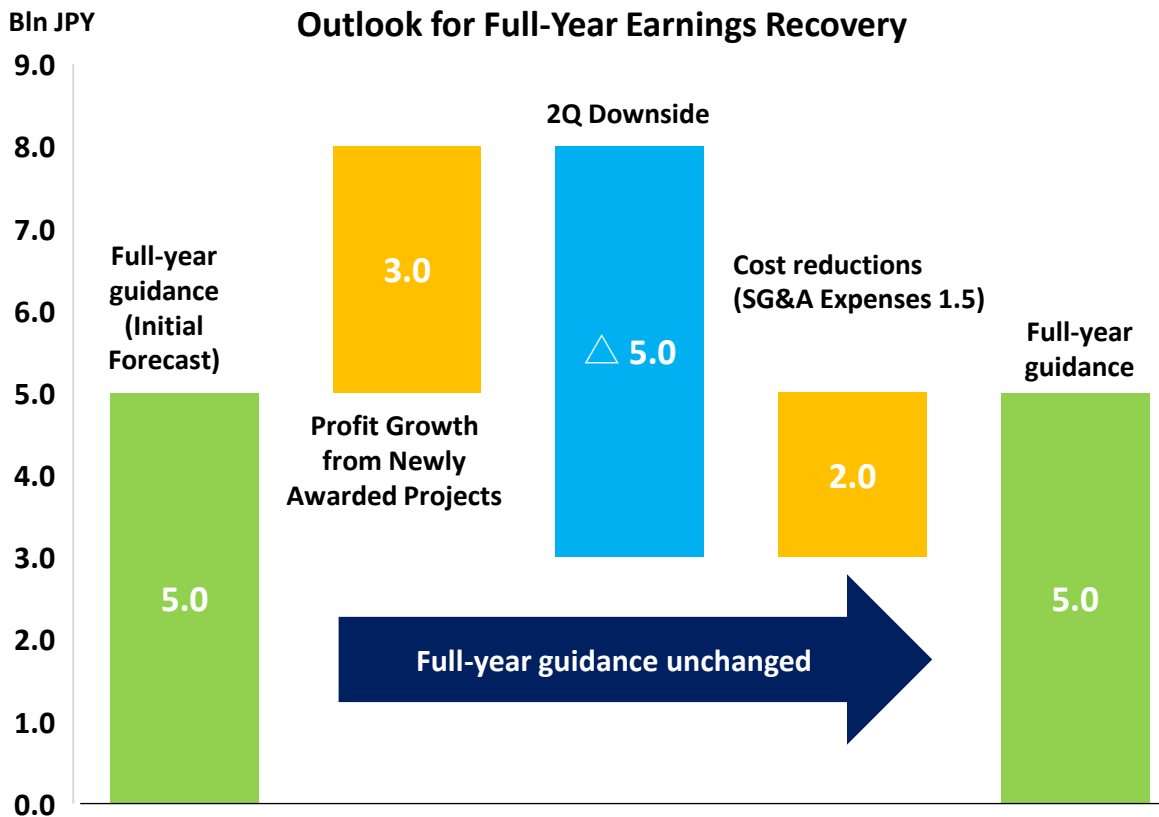
- All projects other than the 2 noted are progressing well.
- 1H orders: ¥364.1bn - 91% progress toward the ¥400.0 bn full-year target (including equity-method affiliates)

FY2025 2nd Half Action Plan

- Enforcing rigorous quality, schedule, and cost control on EPC projects in execution
- Driving expense reviews and efficiency across the group
- Ensuring reliable execution of FPSO projects by OFS
- Since FY2023 prioritizing high-margin, low-risk projects

FY2025 2Q Summary and Full-Year Outlook (2/2)

Downside risks currently identified are already reflected. No change to FY2025 guidance.

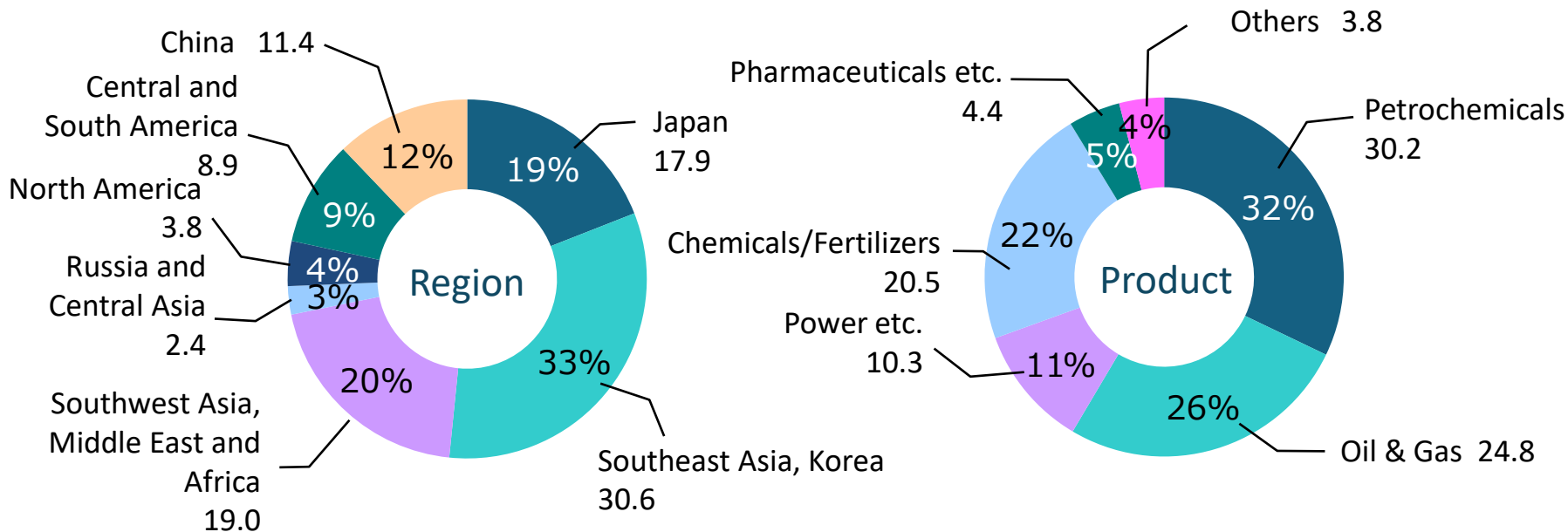


FY2025 2Q Summary: Net Sales by Region and Product

■ Maintaining diversified portfolio across regions and products enables appropriate risk diversification to support stable business operations

Unit: Bln JPY

Sept.2025 Net sales : JPY 94.0 billions

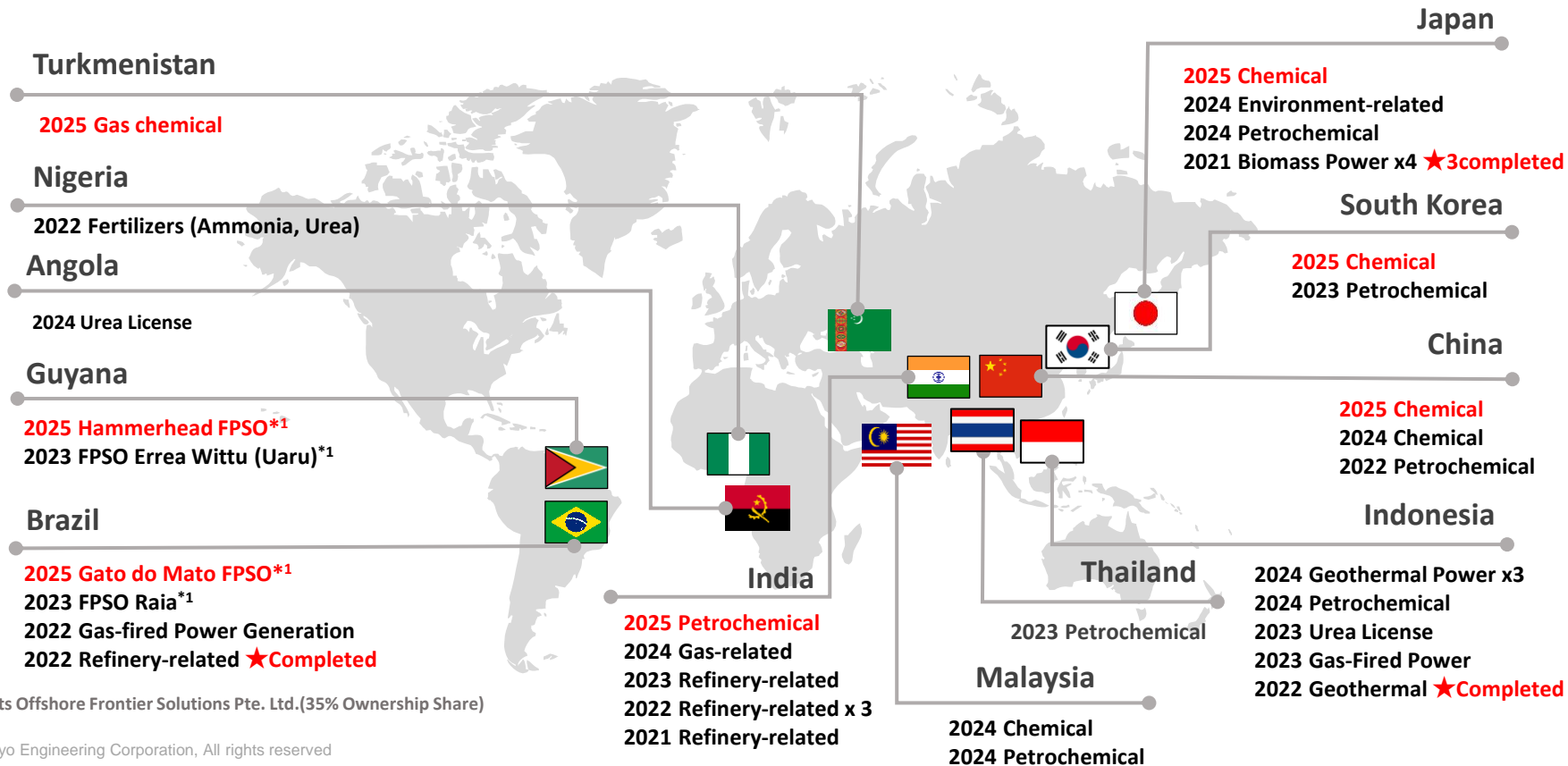


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Status of Major Projects

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

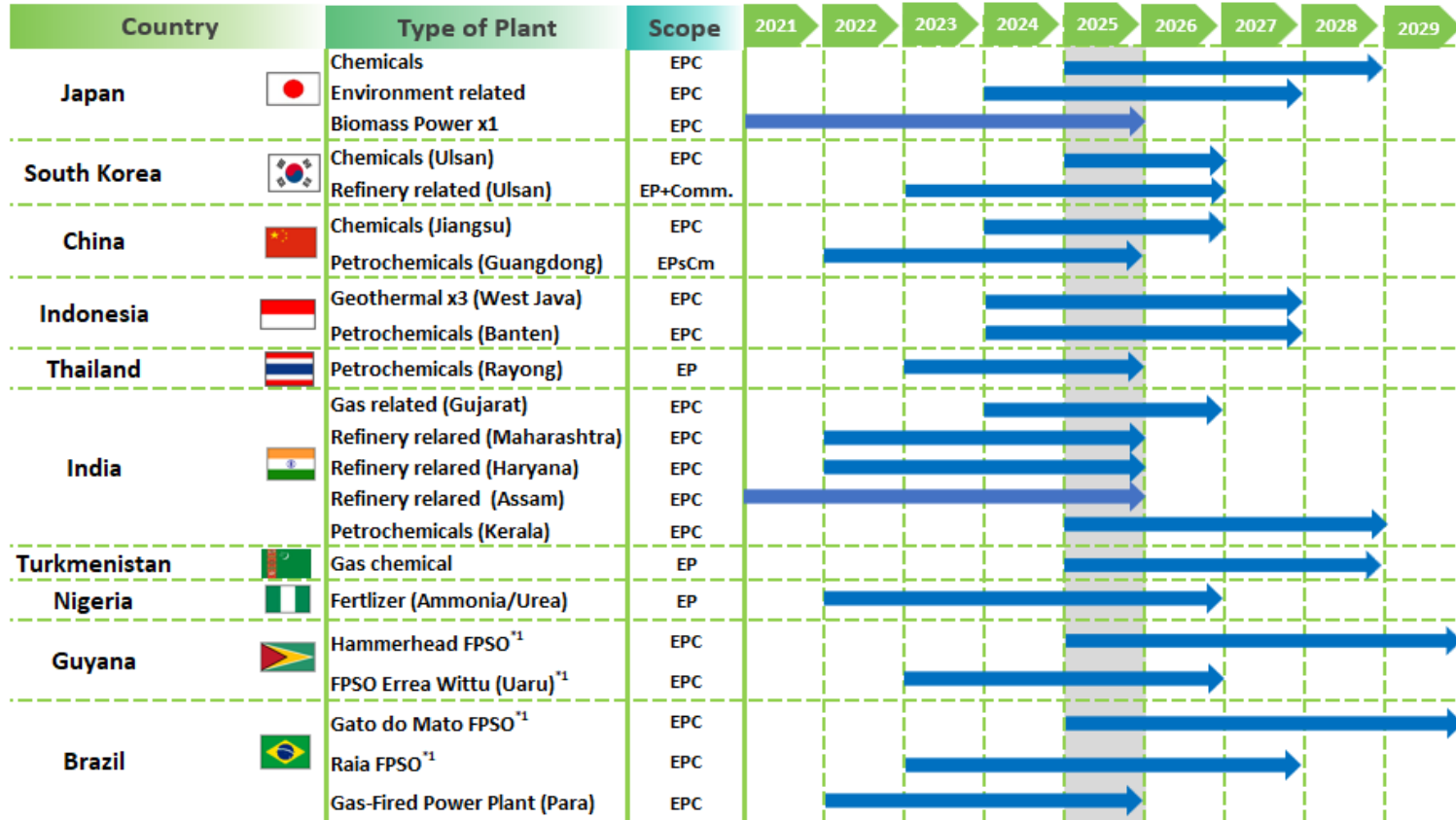
Awarded in the 1st half of FY2025;
★: Completed in the 1st half of FY2025



*1 Projects Offshore Frontier Solutions Pte. Ltd.(35% Ownership Share)

Status of Major Projects

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



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1) Phase 1 Overhaul Project for a Large-Scale Gas Chemical Complex in Turkmenistan

■ A strategic project marking a foothold for both regional and business expansion into Central Asia, with long-term significance

Project Overview



- **Client:** Turkmenhimiya (state-owned company, Turkmenistan)
- **Facilities:** Gas Separation (5 billion m³/y), Ethylene Production (400,000 t/y), Polypropylene Production (81,000 t/y), HDPE Production (386,000 t/y)
- **Execution Scheme:** Joint award to TOYO and Rönesans (a major Turkish construction company) as a consortium
- **TOYO's Scope:** Large-scale revamp of gas separation, ethylene, and polypropylene facilities, including detailed planning, engineering and partial procurement of equipment
- **Rönesans's Scope:** Large-scale revamp of HDPE and utility facilities
- **Scheduled Completion:** 2028

Strategic significance



- **Central Asia Market Expansion & Long-Term Client Support:**
Agreement signed with the client to collaborate on potential future investment projects. This is the first project covered under the newly concluded framework agreement.
- **Engagement Across the Plant Lifecycle:**
 - As part of TOYO VISION 2040, the strategy is to expand recurring revenue by shifting from one-off project execution to full-lifecycle participation.
 - Following plant revamps, the aim is to undertake operations and maintenance (O&M) and broaden involvement across the entire plant lifecycle.

2) India's First g-Methanol™ Demo Plant Completed – From Technology to Business

Step forward toward building a value chain leveraging low-cost renewable energy in India

Demonstration Success of TOYO's Methanol Synthesis Technology



- **India's First:** Completed demonstration of 10 tons/day methanol production plant using recovered CO₂ and hydrogen derived from electrolysis, leveraging India's renewable energy potential.
- **Harnessing TOYO's Group-Wide Engineering Strength:** TOYO-Japan's g-Methanol™ technology was adapted and implemented by TOYO-India, which handled basic design and partial procurement of equipment.
- **Toward Commercialization:** Selected under Japan's Global South Future-Oriented Co-Creation Subsidy program. Feasibility Study for a commercial-scale plant completed.

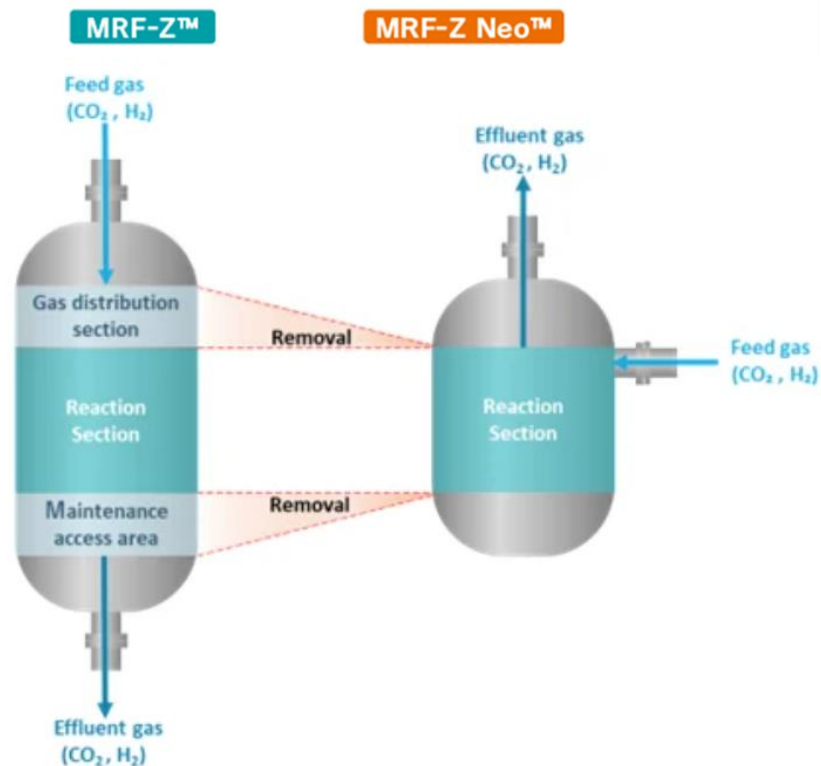


View of the Methanol Synthesis Demo Plant

3) MRF-Z Neo™ Reactor Launched

- MRF-Z Neo™ compact reactor developed: Lightweight × Low-Cost
- Accelerating early social implementation of green methanol

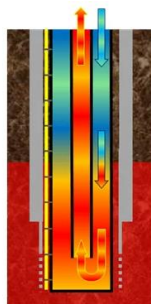
- **What is MRF-Z Neo™?** : A compact methanol synthesis reactor optimized for small-scale green methanol production facilities.
- **Advantages:**
 - Tailored for distributed energy sources (biomass, renewables, etc.) - expected to meet growing demand as the methanol market is set to grow fivefold with 80% shifting to green methanol
 - Lightweight and compact design achieves up to **40% cost reduction** vs. traditional MRF-Z™ reactor.



4) Progress in Geothermal Development as a Clean Energy Solution

Steady progress toward domestic implementation of geothermal projects in Japan

Closed-Loop Geothermal Technology



Technology Overview

A coaxial double-pipe structure where a heat-transfer fluid (e.g., water) is circulated underground to extract geothermal heat and generate electricity—without directly contacting underground water or reservoirs.

Key Advantage

Unlike conventional geothermal systems that require all three: groundwater, a geothermal reservoir, and a heat source, this technology only requires a heat source, enabling **broad applicability across diverse geological conditions.**

Toward Commercial Implementation



Strategic Collaboration - Partnering with GreenFire Energy (U.S.):

TOYO signed a partnership agreement with leading U.S. geothermal developer GreenFire Energy Inc. to jointly deploy its advanced coaxial closed-loop geothermal technology across the Asia-Pacific region.

Domestic Feasibility Study Underway:

- Feasibility study commissioned by JOGMEC: TOYO's proposal was selected for Japan's "Next-Generation Geothermal Technology" program.
- The study will assess the technical viability of GreenFire's closed-loop technology for domestic implementation.

5) FPSO (Floating Production, Storage and Offloading) Project Orders and Execution

- Steadily executing four FPSO projects under JV with MODEC (OFS), one of the global Top two contractors
- Establishing multiple regional hubs to optimize regional roles and workforce allocation to ensure stable execution and drive continued order growth.

OFS Employees

India

approx. **300** employees



Malaysia

approx. **450** employees

Singapore

approx. **650** employees

Global Offices

Global execution system for FPSO projects



Projects



Guyana

FPSO Errea Wittu (Uaru)

250,000 barrels of crude oil per day

Hammerhead FPSO (order received: 2025)

150,000 barrels of crude oil per day

Brazil

FPSO Raia

125,000 barrels of crude oil per day

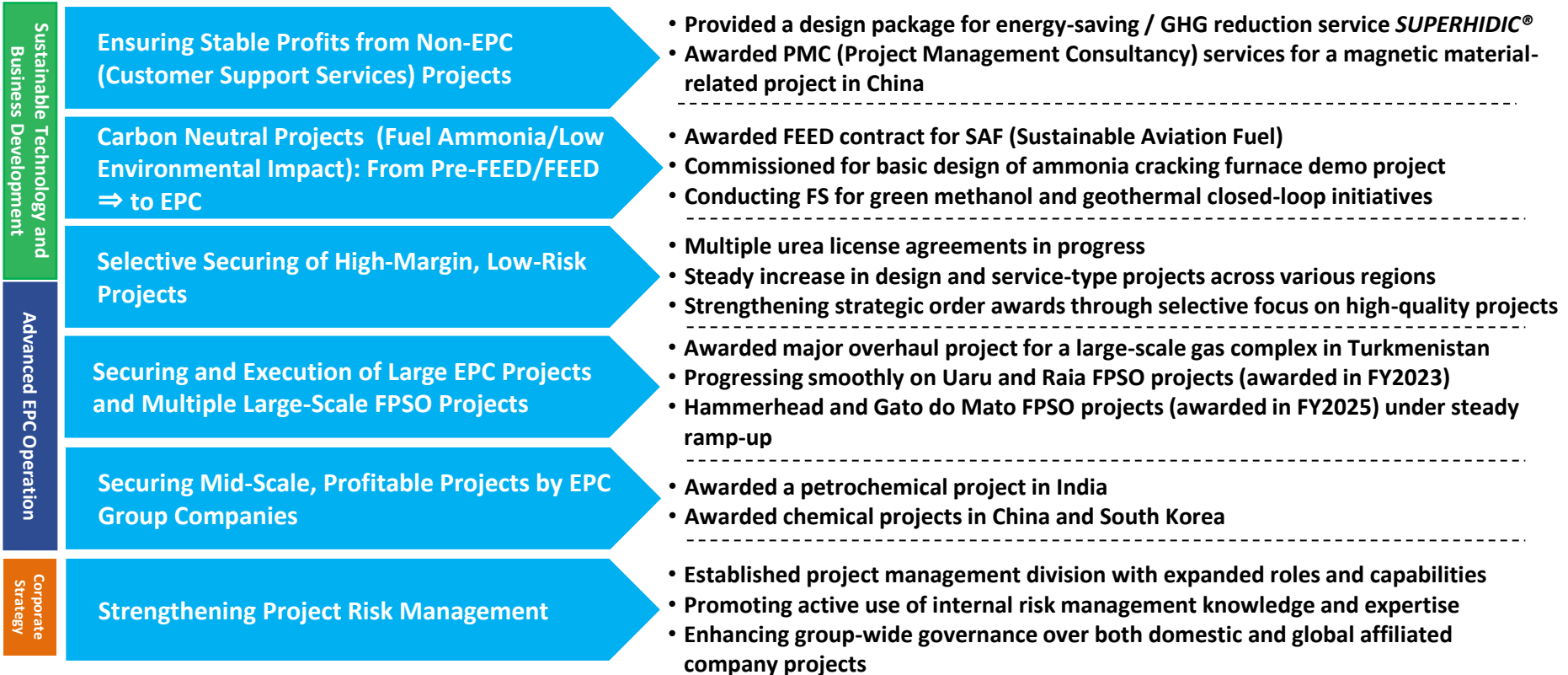
Gato do Mato FPSO (order received: 2025)

120,000 barrels of crude oil per day

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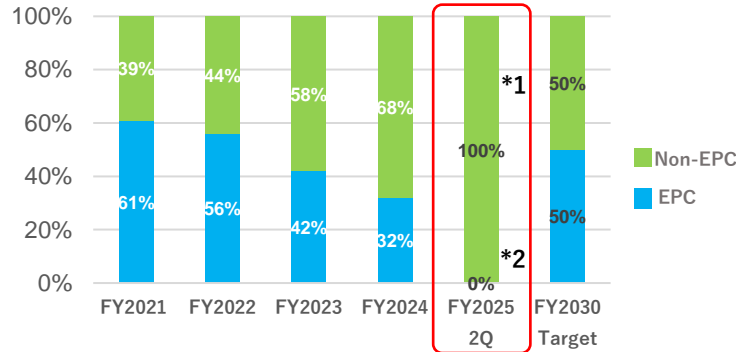
Progress on the Medium-Term Management Plan

- Stabilizing earnings through parallel initiatives in existing and new domains to expand our business portfolio
- Focusing on profitability by 1) securing high-quality orders through a customer-centric sales approach, and 2) strengthening execution via DX-driven project management



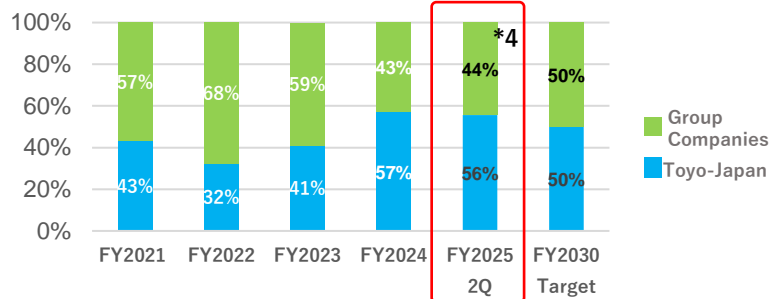
Mid-Term Management Plan (2021-2025) : KPI

Non-EPC Gross Profit Composition



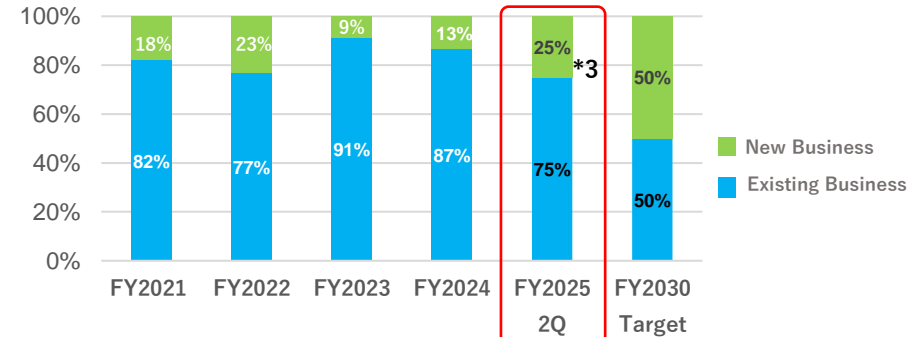
Non-EPC: Refers to projects other than EPC/EP Lump-Sum projects

Group Companies' Gross Profit Composition



Note: OFS (Singapore) is an equity-method affiliate and therefore not included.

New Business Gross Profit Composition



*1 Major Non-ECP projects




- ✓ FS, Pre-FEED for Ammonia Cracking /SAF
 - ✓ EPsCm for Petrochemicals, PMC for Magnetic material-related project
 - ✓ Licensing/Basic Engineering for Urea
- EPC segment with a negative gross margin in Q2, shown as 0%

*2 ECP projects

*3 Major New Business Projects

- ✓ Energy Efficiency and GHG Reduction
- ✓ High-Performance Chemicals
- ✓ Marine Resource Development

*4 Major Projects by Group Companies

-  Toyo-India: Petrochemicals
-  Toyo-China: Chemicals/Fertilizers
-  Toyo-Korea: Chemicals/Fertilizers
-  TPS: Oil/Gas

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 ✓ :1H Project Award

	Main Areas	Regions	L	FS/ FEED	E/ EP	EPC	Biz. Invest.
New Business	Hydrogen/Fuel Ammonia	Japan, SE Asia		● ✓		●	●
	Synthetic Fuels, g-Methanol™	Japan		● ✓			
	Low Environmental Impact Solutions	Japan, SE Asia		●		●	
	Integration, Energy Transition, and Advanced Functionality in Chemical & Energy Companies	Japan		●		● ✓	
	Marine Resource Development	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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Toward Capital-Efficient Management

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 FY2024
PBR:	1.57 as of the end of September 2025
PER:	Within the range of 10-20x for listed companies on average

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 sustain/raise PBR

- Strengthening the EPC business through selective intake of high-quality projects
- Recording FPSO business earnings on a stable basis
- Stabilizing earnings via a well-balanced business portfolio
- Reinforcing risk management via and the establishment of the Project Management Division
- Improving profitability by expanding non-EPC businesses (lower volatility, higher margins).
- Accelerating next-generation technology development and new business creation

2) Policies and Initiatives to improve market valuation

- Clarifying mid- to long-term vision and enhancing transparency about strategy → the core of TOYO Vision 2040 disclosed
- Maintaining stable dividends - commitment to a minimum payout ratio of 25% .
- Dividend forecast: ¥25 per share at FY2025 year-end

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Mid-Term Management Plan (2021-2025): KGI & KPI

KGI (Key Goal Indicator)

Target	Results FY2025 1 st Half
Consolidated Net income <ul style="list-style-type: none"> ● <u>More than ¥5 billion</u> on average in FY2023-2025 ● FY2030 ⇒ <u>¥ 10 billion</u> 	▲ ¥3 billion (¥5 Billion forecast for FY2025)
Consolidated Net sales <ul style="list-style-type: none"> ● Focus on profit rather than sales ● Target Net Sales of <u>¥300 billion</u> 	¥94 billion
ROE <ul style="list-style-type: none"> ● FY2025 ⇒ <u>10% or more</u> ● Onward <u>stably</u> 10% or more 	-
Dividends <ul style="list-style-type: none"> ● <u>The Reinstatement of Dividends</u> within mid-term period*³ 	FY2025 Year-End Dividend: 25 JPY (Planned)

KPI (Key Performance Indicator)

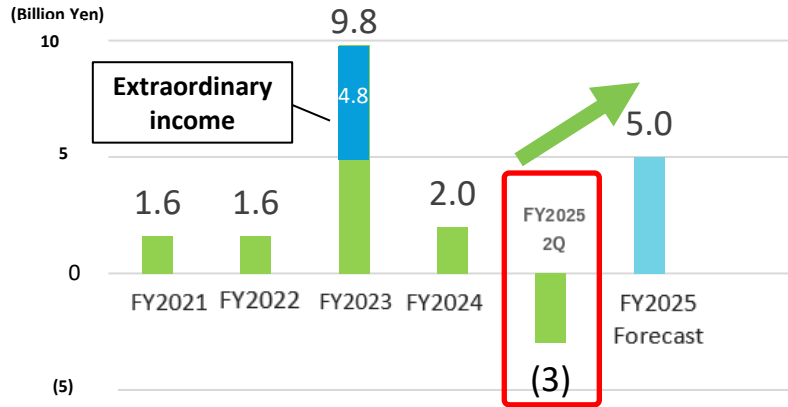
Target	Results FY2025 1 st Half
Non-EPC*¹ Gross Profit Composition <ul style="list-style-type: none"> ● FY2025: <u>25% or more</u> ● FY2030: <u>50%</u> 	100%
New Biz areas Gross Profit Composition <ul style="list-style-type: none"> ● FY2025: <u>25% or more</u> ● FY2030: <u>50%</u> 	25%
Main Gr. Comp. Gross Profit Composition*² <ul style="list-style-type: none"> ● FY2025: <u>45% or more</u> ● FY2030: <u>50%</u> 	44%
Employee Satisfaction <ul style="list-style-type: none"> ● Improvement over the previous year (FY2023) 	Assessment is underway now, FY2025 FY2023: 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. 120 employees Total number approx. 6,000

*1 Non-EPC: Refers to projects other than EPC/EP Lump-Sum projects

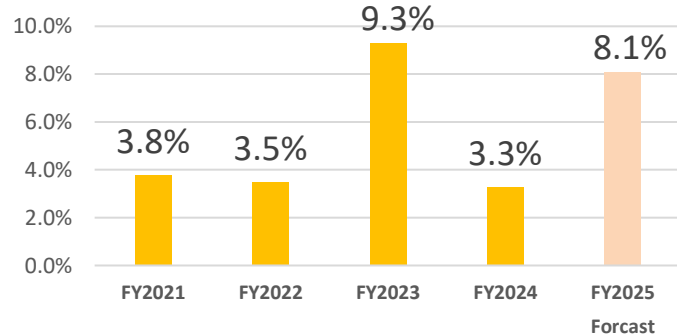
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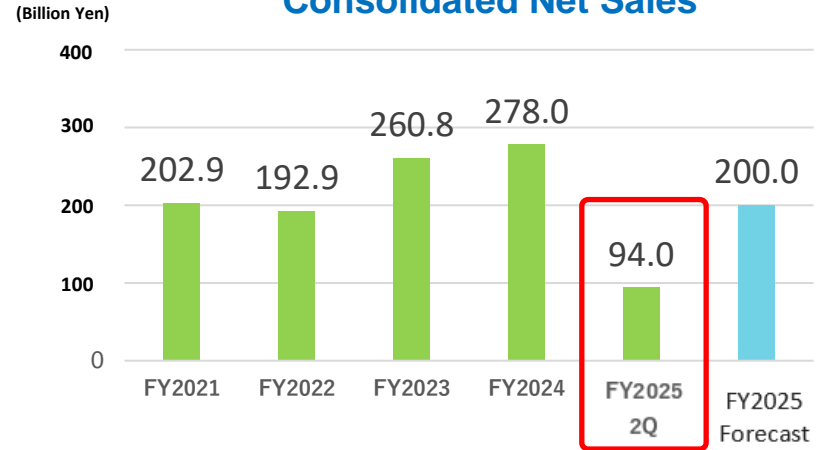
Consolidated Net Profit



ROE



Consolidated Net Sales



- **Consolidated Net Income and Net Sales**

Targeting full-year net profit of ¥5.0 billion, backed by solid order intake and steady project execution.

- **ROE**

Aiming to exceed 8% by achieving initial earnings forecasts.

- **Dividends Payout**

FY2025 (ending March 2026): Planned dividend of ¥25/share (payout ratio of 25% or higher).



Fertilizers (Urea)

- **Fertilizer demand is expected to remain strong**, rising at an estimated 3.55% annually through 2030, driven by population growth and increasing global concern over food security.
- **New and revamp fertilizer plant projects are anticipated, particularly in gas-rich Central Asia, the Middle East, Africa, and India, where population expansion continues to fuel demand.**



Petrochemicals and Chemicals

- **The global ethylene market is projected to grow at a CAGR of 5.6%.**
- China: production cuts underway; recovery expected year-end.
- Market outlook remains cautious amid geopolitical risks.
- **Growth expected in green chemicals using bioethanol and recycled plastics.**



FPSO

- **Project pipeline remains strong, especially in Latin America, Africa, and Southeast Asia.**
- Major oilfield discoveries continue in deepwater and ultra-deepwater regions of Latin America and West Africa.
- **Despite the carbon-neutral trend, investment in conventional FPSOs is expected to continue.**



Power Generation

- **Energy transition and data center expansion are expected to drive demand.**
- In Asia, capital investment is anticipated in renewable power generation—especially geothermal, biomass, and waste-to-energy sectors.



Oil & Gas

- Crude prices remained resilient due to geopolitical risks—around \$70 at end-2024, dipped into the \$60s in Feb–Mar, surged to nearly \$80 in June amid Iran tensions, **then declined to \$62 by late October.**
- Gas prices remained stable: \$3 in the U.S., around \$10 in Europe.
- Future upstream developments will require “low-carbon, high-efficiency” profiles. **Potential U.S. policy reversals under the Trump administration may introduce uncertainty.**
- As a key transition energy, **LNG, alongside oil and gas, is expected to attract sustained mid- to long-term investment.**

Fuel Ammonia & Hydrogen

- Japan-bound ammonia and hydrogen **FEED projects are increasingly being narrowed down**, driven by government programs supporting price gap compensation and infrastructure development.
- **The IMO's*1 mid-term measures for GHG reduction have been postponed by one year.**
- Early commercial use of ammonia as a hydrogen carrier is anticipated, and interest in ammonia cracking technologies remains high.

Geothermal (CN)

- **Indonesia**, the world's second-largest geothermal market, currently has 2.4 GW of installed capacity and **is targeting an increase to 5.5 GW by 2030.**
- Japan aims to grow its geothermal capacity **from 0.6 GW to 1.5 GW by 2030**, with rising expectations for next-generation geothermal development.

SAF & Synthetic Fuels

- Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) projects **1.71 million kL of SAF to be supplied domestically by 2030.**
- Both JAL and ANA target 10% SAF usage by 2030 and net-zero emissions by 2050.
- **SAF production projects in Japan are expected to concentrate toward 2030**, aligning with the timeframe of the Green Innovation Fund.
- Globally, **multiple SAF projects are planned, mainly using HEFA*2 and ATJ*3 production pathways.**

High-Performance Chemicals

- Customers continue to invest in R&D and facilities for high-performance chemicals.
- **Strong investment is expected in semiconductors and EV-related materials**, not only in Japan, but also **across Southeast Asia and the United States.**

Plant Energy Efficiency & GHG Reduction

- Secured **major SUPERHIDIC® project in Central/Eastern Europe; multiple deals underway.**
- Signed **GESA*4 with Thailand's PTTGC for HERO consulting, expanding into refinery sector evaluations.**

Marine Resource Development

- Japan's 4th Basic Plan on Ocean Policy was approved in April 2023, followed by the **Marine Energy and Mineral Resource Development Plan in March 2024.**
- As part of this national strategy, methane hydrate technology development is being actively promoted.

1. IMO: International Maritime Organization
2. HEFA: Hydroprocessed Esters and Fatty Acids
3. ATJ: Alcohol-to-Jet – a technology using bioethanol as feedstock
4. GESA: General Engineering Service Agreement



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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.