

Toyo Engineering Corporation

Medium-Term Management Plan (2026-2030)

June 19, 2026

Supporting Social Infrastructure, Creating the Next Stage of Growth

The world is at a major turning point, shaped by geopolitical risk, energy security, decarbonization, supply chain realignment, workforce shortages, and rapid technological innovation, including AI. In this environment, the role expected of engineering companies is expanding beyond conventional EPC execution. Clients increasingly need partners who can work with them from the concept stage to identify challenges and deliver solutions that create tangible value for society.

TOYO has delivered numerous projects around the world that support the stable supply of food, materials, and energy, including fertilizers, petrochemicals, FPSOs, and GX-related projects. In particular in the Global South - where we have built local operating bases and long-standing business foundations - investment demand is expected to grow further, driven by economic growth and population increase. These forms of social infrastructure are also becoming increasingly important from the perspective of economic security. By further strengthening our competitiveness and execution capabilities in our core fields, and by supporting the foundations of society and industry, we will further strengthen our earnings base.

At the same time, we will not allow the lessons learned from past loss-making projects to fade. We will rigorously strengthen project selection, contracting, quality, schedule management, risk management, and coordination between headquarters and overseas group companies, thereby building an operating model capable of consistently generating profit.

TOYO VISION 2040 - ***Beyond EPC, a Partner in Co-Creating and Delivering Social Value*** - represents our long-term vision. To achieve this vision, our new Medium-Term Management Plan for FY2026-FY2030 is guided by the message: ***Supporting Social Infrastructure, Creating the Next Stage of Growth***. We will enhance the earning power of businesses that are essential to society, and steadily allocate the technologies, human resources, and capital developed through these businesses to future growth areas, including biopharmaceuticals, advanced materials and fine chemicals, O&M, and next-generation geothermal energy. Over the next five years, we will turn the strength gained from supporting social infrastructure into future growth, advancing our transformation toward 2040 with a robust earnings base and new growth potential as our two driving forces.

Going beyond EPC does not mean moving away from EPC. Rather, it means leveraging the engineering, procurement, construction, and on-site execution capabilities we have built over decades to provide value across the entire lifecycle of our clients' businesses and assets - from project conception through operation and maintenance. As a company that turns technology into reality on the ground, we will continue to deliver social value together with our colleagues around the world.

President and CEO

細井 栄治

Contents

01. Positioning of the New Medium-Term Management Plan	P4
02. Review of the Previous Medium-Term Management Plan	P6
03. Business Environment and Current Assessment	P10
04. Medium-Term Management Plan (2026-2030)	P17
05. Business Strategy	P25
06. Management Foundation Strategy	P38



TOYO Management Plan
2026-2030

Symbol Mark Concept

The symbol represents a continuous cycle of value creation across the entire plant lifecycle, beginning with EPC

Contents

01

Positioning of the New Medium-Term Management Plan

Positioning of the New Medium-Term Management Plan

- Strengthen our earnings base by capturing demand for the development and renewal of social infrastructure that supports the stable supply of energy, food and materials
- Build next-generation growth drivers through new technologies and businesses toward the realization of TOYO VISION 2040



TOYO VISION 2040
Beyond EPC,
A Partner in Co-Creating and Delivering Social Value

**Medium-Term
Management Plan**
Supporting Social Infrastructure
and Creating the Next Stage of Growth



TOYO Management Plan
2026-2030

Contents

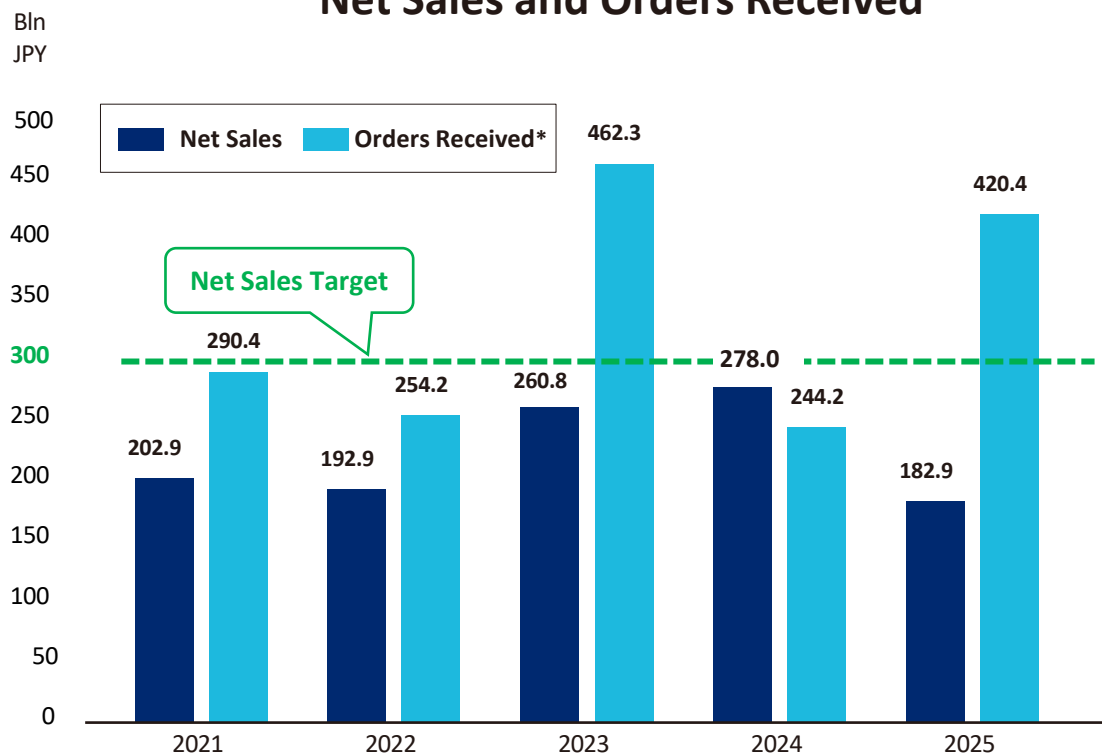
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Review of the Previous Medium-Term Management Plan

Performance Summary

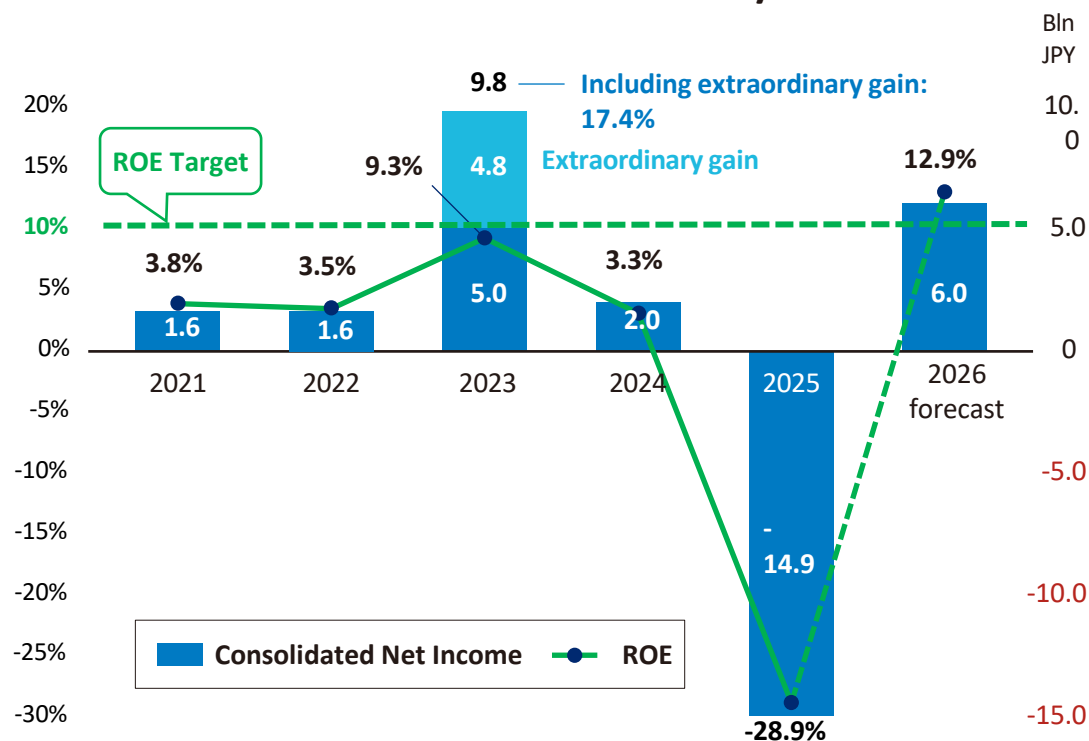
- A one-time loss was recorded in FY2025; FY2026 is expected to mark a return to profitability, with net income of ¥6.0 billion and ROE of 12.9%
- The new Medium-Term Management Plan aims to achieve stable profit growth and higher ROE by improving the predictability of project earnings and expanding recurring earnings streams

Net Sales and Orders Received



* Including equity method affiliate's

Consolidated net income/ROE



KGI/KPI Achievement Status

- Although profit targets were not achieved due to losses on certain domestic projects and the Brazil project, steady progress was made in expanding non-EPC businesses and increasing earnings contributions from overseas operating companies
- The new Medium-Term Management Plan will further strengthen EPC profitability and accelerate portfolio diversification through more rigorous project risk screening and disciplined resource allocation

KGI (Key Goal Indicator)

Target	Result	Assessment
Consolidated Net Income - More than ¥5 billion on average in FY2023-2025 - FY2030 ⇒ ¥10 billion	Not achieved	Challenges remain in EPC resilience, but the benefits of stricter risk reviews are beginning to emerge
Consolidated Net Sales - Focus on profit rather than sales - Target Net Sales ¥300 billion	Achieved	Orders including OFS* reached the target
ROE - FY2025 →10% or more - Onward stable 10% or more	Not achieved	In response to unprofitable projects, measures are being implemented to enhance recurrence prevention and upgrade risk management
Dividends Reinstatement of Dividends within mid-term period	Dividends paid in FY2023/ FY2024	Continued efforts to balance sustainable growth with shareholder returns

KPI (Key Performance Indicator)

Target	Result	Assessment
Non-EPC Gross Profit Composition - FY2025 : 25% or more - FY2030 : 50%	Achieved	Non-EPC gross profit grew steadily, driven by urea licensing and EPs-related projects
New Biz areas Gross Profit Composition - FY2025 : 25% or more - FY2030 : 50%	Not achieved	Commercialization of new businesses slowed due to delays in investment decisions for CN projects
Main Gr. Companies' Gross Profit Composition - FY2025 : 45% or more - FY2030 : 50%	Achieved	Major hubs continued to contribute earnings, esp. in India and China
Employee Engagement Improvement from the previous period (FY2023)	Achieved (3.8)	Improved from the previous score of 3.58
Number of Employees Group-wide: adjust flexibly based on demand	Toyo-J: Double human resources for New Technology and Biz Develop. from 110	Approx. 120 employees
		Group-wide: approx. 6,000 employees

*OFS (Offshore Frontier Solutions Pte. Ltd.): A joint venture with MODEC, Inc., one of the world's leading FPSO companies

Transition to the New Medium-Term Management Plan

- Under the previous Medium-Term Management Plan, we strengthened EPC risk management, built a digital execution platform through AWP*¹, and expanded into GX and new business areas
- The new Medium-Term Management Plan will build on these foundations to stabilize EPC earnings, enhance execution capabilities through DX/AX, and accelerate monetization in PLC and new business areas

Foundation Built under the Previous Medium-Term Management Plan

EPC Execution Platform

- Established a company-wide risk review framework
- Shifted toward co-creation EPC
- Established a stable earnings base through the FPSO EPC business

DX/AX Execution Platform

- Developed a DX foundation and built an AWP execution platform
- Consolidated IT operations and maintenance infrastructure into GDOC*²

GX and New Business Platform

- Commercialized GX technologies
- Expanded new businesses, including green ammonia
- Developed opportunities in resource and energy security

Initiatives under the New Medium-Term Management Plan

- Strengthen project selection through co-creation EPC
- Strengthen EPC profitability and cash generation capabilities

- Advance AX by leveraging the DX platform
- Expand AWP adoption across projects and embed it at project sites
- Deploy digital infrastructure for small and medium-sized projects

- Monetize O&M and GX-related businesses
- Make strategic investments in economic security-related areas
- Expand into high value-added fields

*1 Advanced Work Packaging: A project management method designed to improve construction productivity and reduce costs.

*2 Global Digital Operation Center: Established within Toyo-India in April 2026 to consolidate Group-wide back-office functions related to IT operations and maintenance.

Contents

03

Business Environment and Current Assessment

Existing Business Domains

Fertilizer ↗

- Investment in the fertilizer sector remains strong, supported by food security needs and policies aimed at strengthening agriculture
- Demand for new plants and revamps is expected, mainly in India, Sub-Saharan Africa, Central and South America, and Central Asia, driven by population growth

Petrochemicals/Chemicals ↗

- Demand for supply source diversification is increasing from the perspective of securing stable materials supply
- Capital investment, particularly in ethylene production facilities, continues mainly in India and the United States
- Against the backdrop of oversupply from China, investment is becoming more selective in commodity chemical sectors

FPSO ↗

- Demand for supply source diversification is increasing from the perspective of energy security
- Demand for FPSOs for deepwater oilfield development continues, mainly in Central and South America and Africa
- Investment in conventional FPSOs is expected to continue over the medium to long term, supported by energy demand

Power generation ↗

- Capital investment is expanding, driven by the energy transition and demand from data centers
- Project development is progressing in Asia in renewable energy fields such as geothermal, biomass, and waste-to-energy power generation

Pharmaceuticals ↗

- In Japan's biopharmaceutical market, capital investment remains strong, supported by government subsidies
- Further project expansion is expected in the biopharmaceutical sector, backed by growth in the Indian market

Oil and gas ↗

- Investment continues in optimizing existing infrastructure and improving operational efficiency, supported by energy security needs
- Demand for the renewal and reconstruction of oil and gas-related facilities is also expected to expand

New Business Domains

Fuel Ammonia and Hydrogen →

- In Japan, FEED-stage opportunities for fuel ammonia and hydrogen projects are expected to become more selective, supported by government schemes
- Investment decisions in the maritime sector are becoming more cautious following the postponement of IMO*¹ mid-term measures.

Next-Generation Geothermal ↗

- Investment in geothermal power generation is expanding, mainly in Japan and Indonesia
- Supported by policy measures, project development is progressing, including next-generation geothermal projects, and investment momentum is increasing

SAF and Synthetic Fuels →

- Capital investment is expanding to meet Japan's projected SAF supply requirement of 1.71 million kL by 2030
- Various FEED projects are underway in Japan, while companies continue to monitor trends in support schemes for fuels with low CI*² values

Advanced Materials and Fine Chemicals ↗

- Chemical manufacturers are increasingly shifting toward advanced materials and fine chemicals
- Investment in agricultural chemicals, batteries, and semiconductor materials is expanding, particularly in India

Plant Energy Efficiency and GHG Reduction ↗

- Investment in energy efficiency and GHG reduction is expanding, driven by decarbonization needs
- Specific energy-saving retrofit projects are progressing, mainly in Europe, the Americas, and Asia

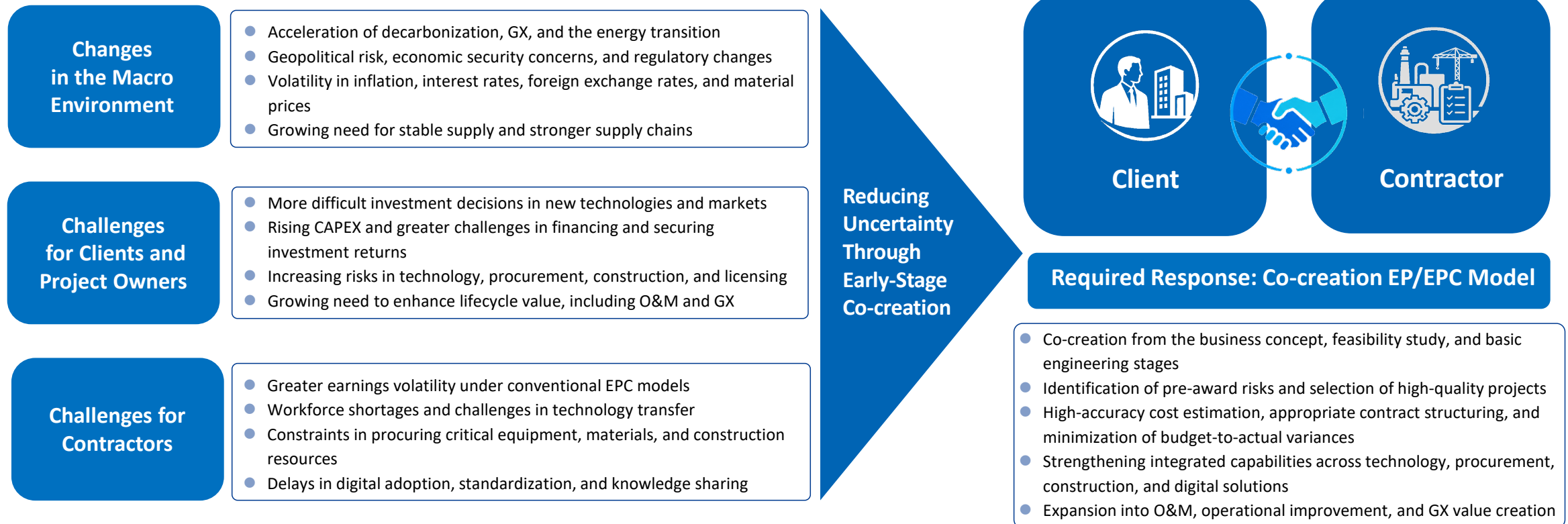
Marine Resource Development and Critical Minerals ↗

- Policies on critical minerals are being strengthened in many countries, driven by resource security concerns
- Investment is expected to expand in circular resources and mineral recycling

*¹International Maritime Organization *²Carbon Intensity

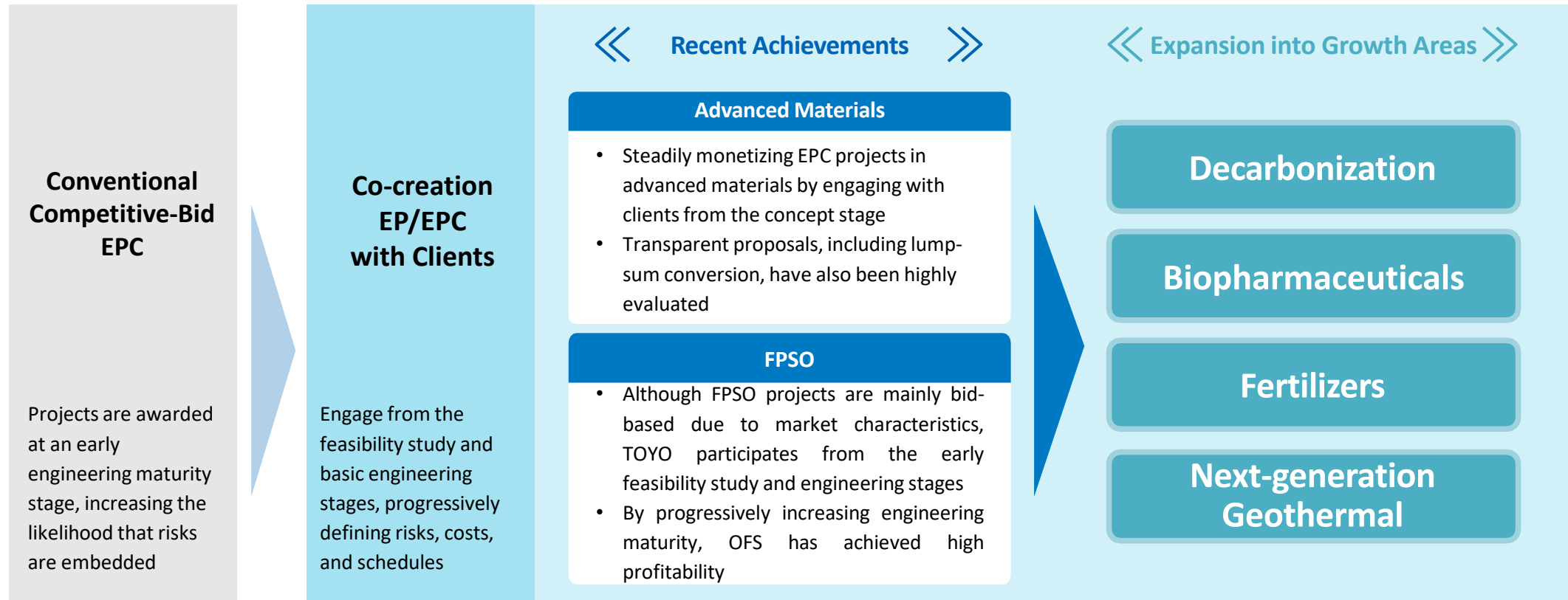
Evolution toward Co-creation EP/EPC required by Environmental Changes

- For clients, investment decisions and commercialization risks have become increasingly challenging; for contractors, earnings volatility and human resource constraints have become key issues
- Under conventional competitive-bid EPC models, it has become difficult to fully reflect uncertainties at the early stage
- Both parties need to visualize risks, costs, and schedules from the concept stage and shift toward a co-creation EP/EPC model that reduces uncertainty



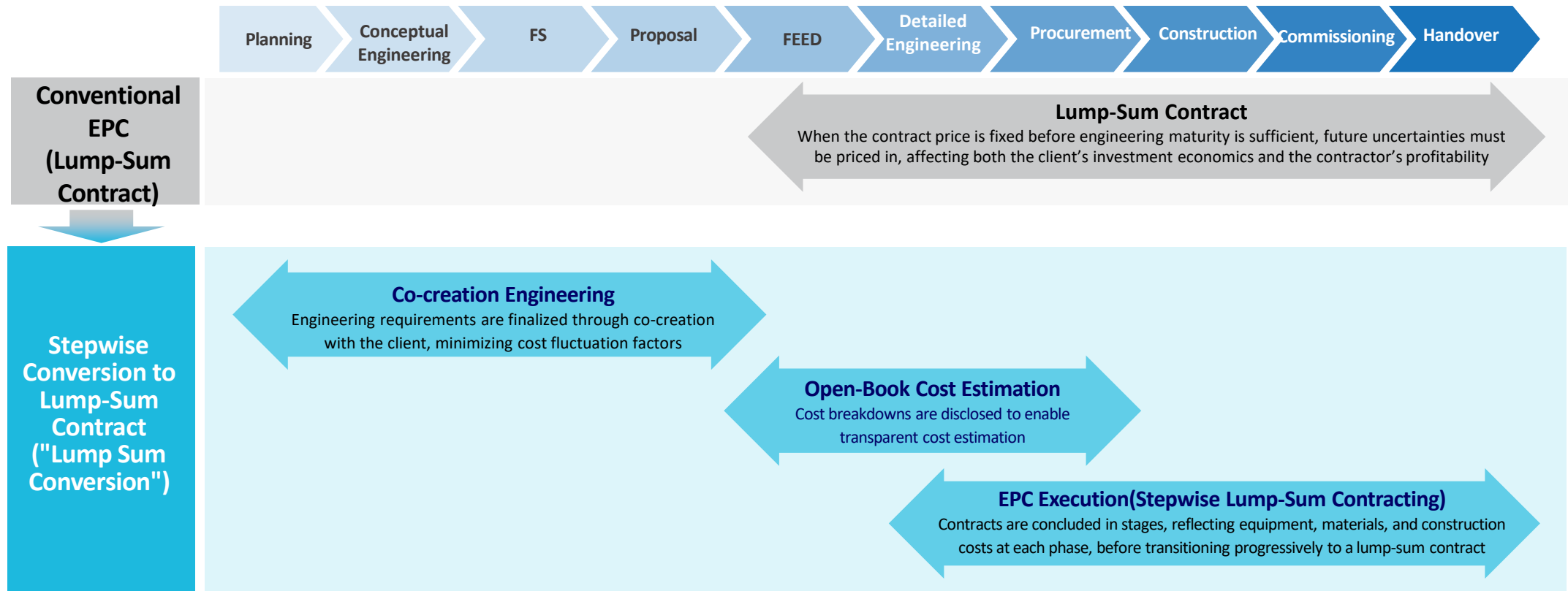
Achievements in Co-Creation EP/EPC and Expansion into Growth Areas

- As uncertainty increases in large-scale investment projects, clients have a growing need to improve investment decision accuracy and reduce commercialization risk
- TOYO has demonstrated the effectiveness of co-creation EP/EPC in advanced materials & FPSO, and is now expanding this model into growth areas



A Co-Creation EP/EPC Model that Reduces Investment Risk(Case Study)

- This case study illustrates how early collaboration with clients helps define engineering requirements from the concept stage, reducing uncertainty from investment decision through project completion
- The open-book approach shares cost structures transparently, enabling clients to make more informed investment decisions
- As engineering maturity increases, the project gradually transitions to a lump-sum contract structure, helping control future cost and schedule risks



Measures to Enhance Risk Management



**Steady progress in strengthening project management capabilities
Large-scale projects awarded since 2023 have maintained solid profitability**

Contents

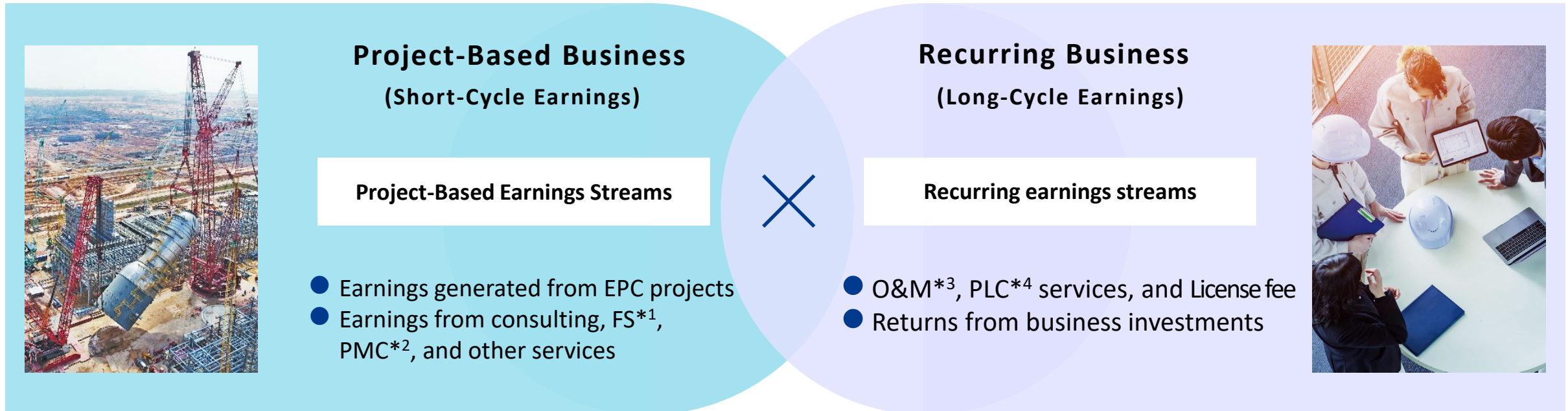
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Medium-Term Management Plan 2026-2030

TOYO VISION 2040: Beyond EPC, a Partner in Co-Creating and Delivering Social Value

- TOYO VISION 2040 sets the direction for transforming TOYO into a partner that goes beyond EPC to co-create and deliver social value
- In addition to EPC-centered project-based earnings, TOYO will expand recurring earnings streams such as O&M, licensing, and returns from business investments
- Enhance earnings stability and capital efficiency through a dual business model combining project-based and recurring businesses

Dual Business Model Combining Project-Based and Recurring Businesses to Improve Earnings Stability



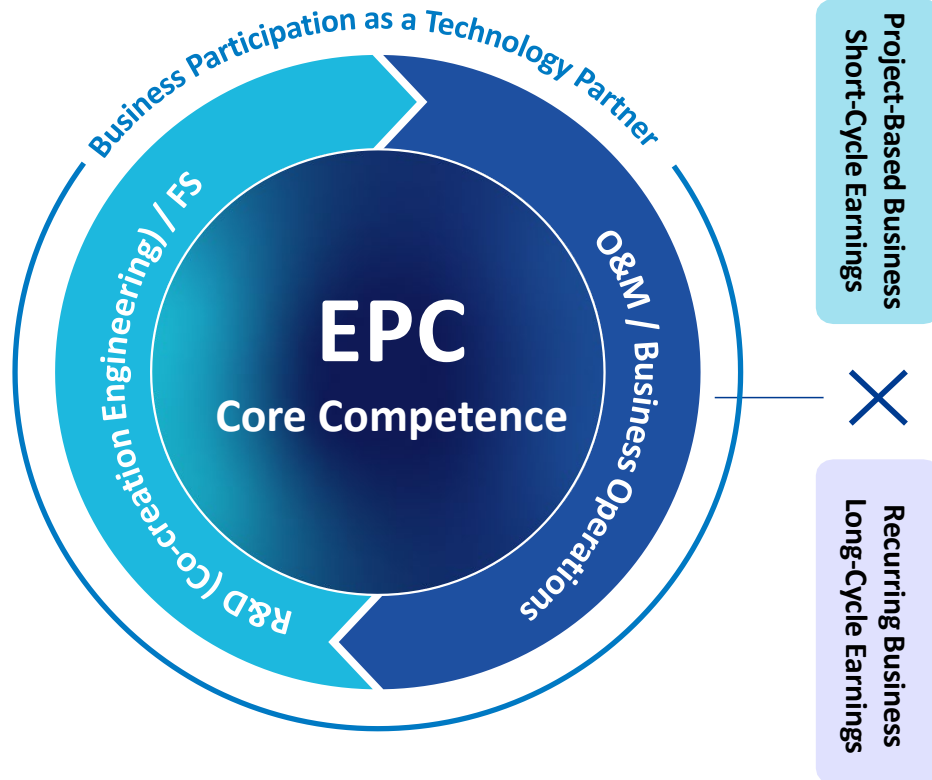
*1 FS: Feasibility Study *2 PMC: Project Management Consultant *3 O&M: Operation & Maintenance

*4 PLC Plant Lifecycle, a business area covering the full plant lifecycle, from conception, design, and construction to operation, maintenance, modification, and renewal

Medium-Term Management Plan: Supporting Social Infrastructure, Creating the Next Stage of Growth

Evolving the Business Model from EPC

Value Creation Cycle



1 | Evolution toward Co-creation EPC



- Co-create with clients and partners from the concept stage, visualizing and sharing risks from the early phases of projects
- Contribute to stable project execution and completion for both clients and contractors in an era of high uncertainty

2 | From EPC to PLC : Expanding the Earnings Model



- Expand the business domain from EPC to the full plant lifecycle, including operations, maintenance, and services
- Build a long-term, stable earnings base by expanding recurring profit streams alongside project-based businesses

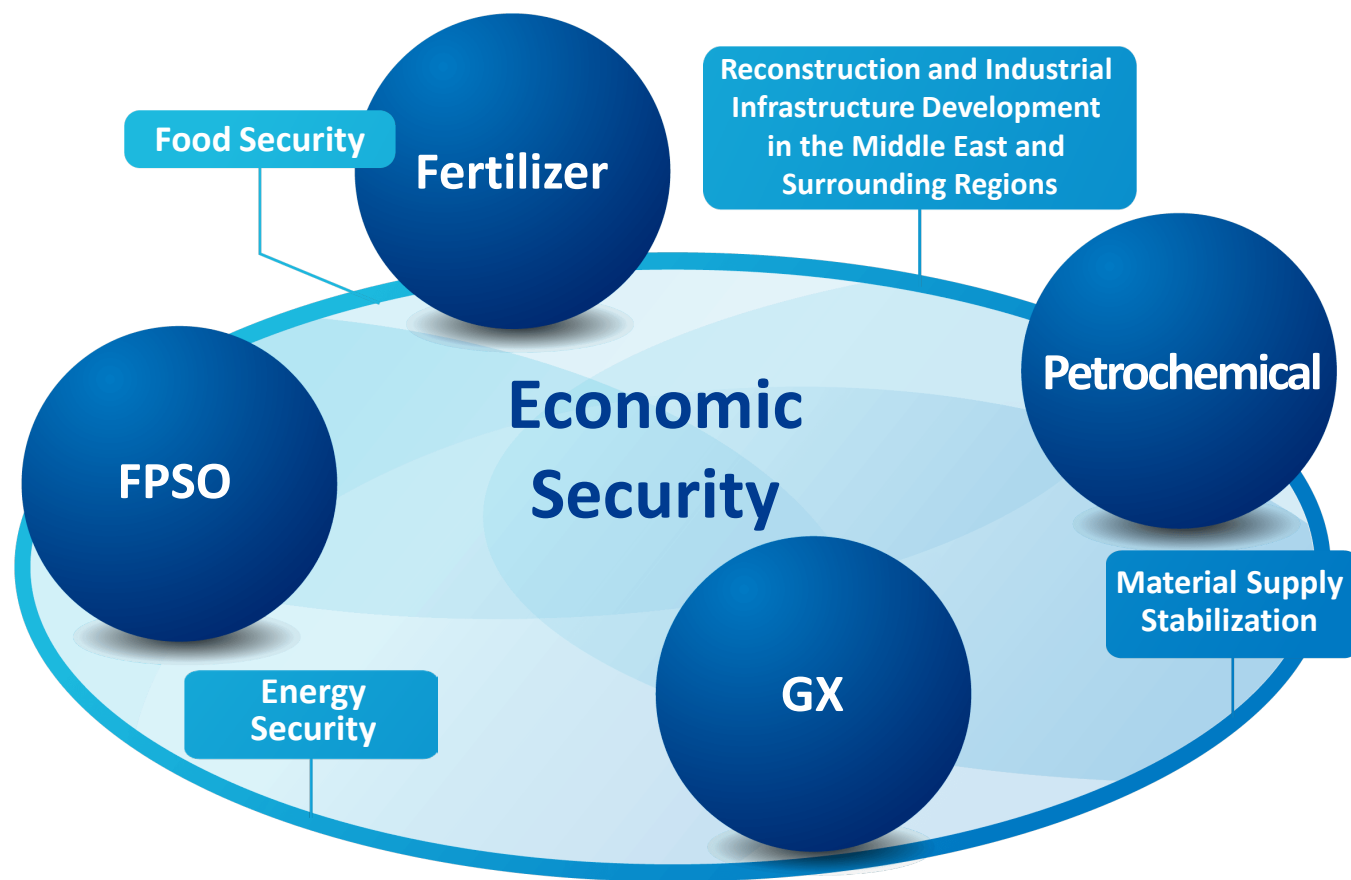
3 | Building a Value Creation Cycle



- Accumulate and utilize operational data and on-site knowledge through long-term client relationships
- Build a value creation cycle that continuously identifies operational challenges and translates them into new value

TOYO's Core Businesses that Support Economic Security

- Global investment is expanding to secure stable supplies of food, energy, and materials as economic security becomes increasingly important
- TOYO will capture this investment demand through its core businesses: fertilizers, petrochemicals, FPSO, and GX



TOYO's Core Businesses Contribute to Economic Security

Fertilizers

Contributing to increased food production and stable supply

Petrochemicals

Supporting industrial foundations and strengthening supply chains

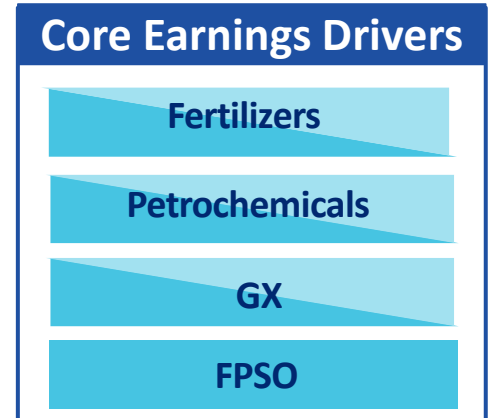
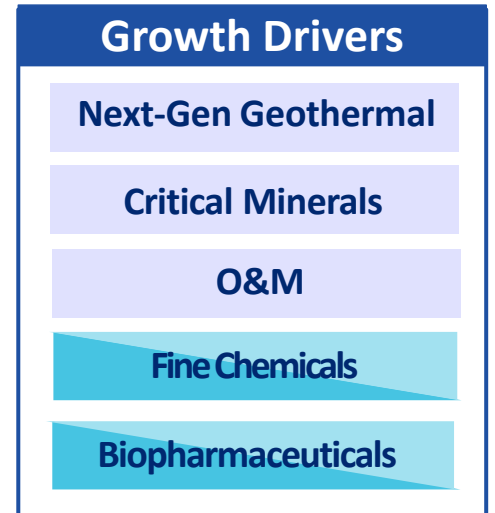
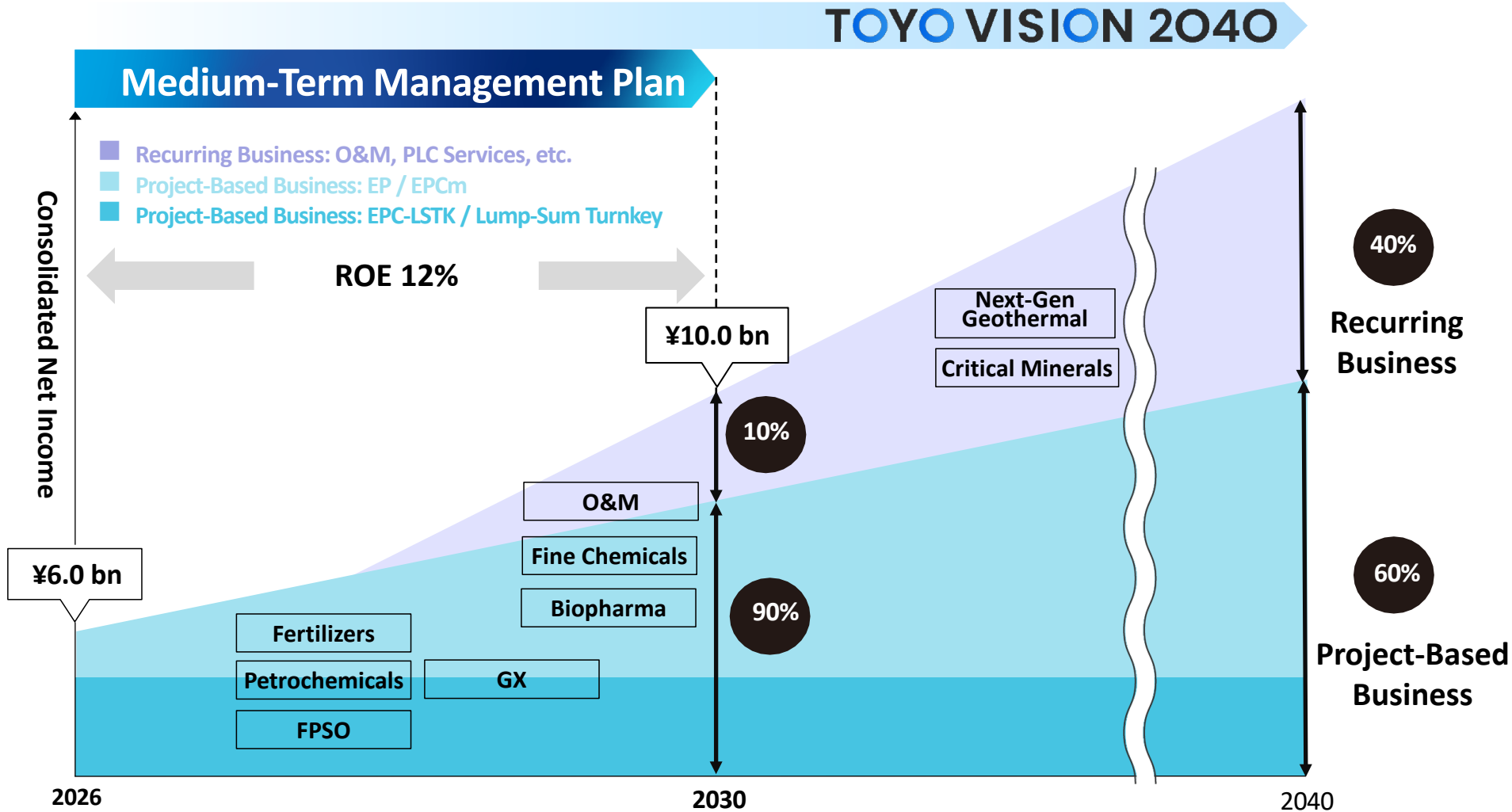
FPSO

Contributing to stable energy supply and diversification of supply sources

GX

Commercializing next-generation fuels and feedstocks, including e-methanol, e-fuels, ammonia, hydrogen, and waste-plastic recycling technologies

Growth Strategy and Business Portfolio



Core Earnings Drivers, Growth Drivers, and Key Focus Regions

■ Recurring Business: O&M, PLC Services, etc.

■ Project-Based Business: EP / EPCm

■ Project-Based Business: EPC-LSTK / Lump-Sum Turnkey

Core Earnings Drivers

Expanding Stable Profitability

Fertilizers

- Demand for stable food supply is expanding
- World-class urea technology and established customer base

Petrochemicals

- Demand for stable materials supply is expanding
- World-class track record and EPC execution capabilities

FPSO

- Demand related to energy security is expanding
- OFS business platform and proven track record

Building a New Earnings Base

GX

- Demand for next-generation fuels and feedstocks is expanding
- Commercializing proprietary technologies, including e-methanol, fuel ammonia, and waste-plastic oil conversion

Growth Drivers

Creation of New Business Domains

Fine Chemicals

- Demand for high-value-added products is expanding
- Process engineering capabilities developed in petrochemicals

Biopharmaceuticals

- Demand for pharmaceuticals is expected to expand over the medium to long term
- Leveraging TPS's track record and Toyo-India's capabilities

Next-Generation Geothermal

- Demand for decarbonized power sources is expanding
- Deploying closed-loop technology in the Plant Lifecycle domain, based on TOYO's geothermal track record

Critical Minerals

- Demand related to resource security is expanding
- Leveraging resource development and chemical process technologies

O&M

- Demand for outsourced operations and maintenance is expanding
- Leveraging EPC client base and operational expertise

Key Focus Regions

India

- A comprehensive market where diverse growth areas overlap
- Leveraging Toyo-India's execution capabilities and client base

Central Asia / Middle East

- Demand for gas utilization and reconstruction is expanding
- Leveraging TOYO's track record in gas and petrochemicals

Africa - Sub-Saharan Africa

- Demand for fertilizers and resource development is expanding
- Developing business opportunities starting with fertilizers and geothermal energy

Sources of Competitive Advantage

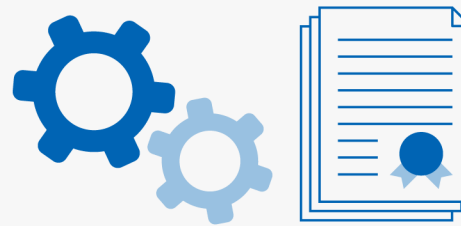
- TOYO's competitive advantage comes from the integration of global EPC execution capabilities, technology development and implementation capabilities, and operating capabilities in growth markets
- By organically linking these three strengths, TOYO consistently delivers value from project creation through commercial and social implementation

Global EPC Execution Capabilities



Based on TOYO Standard*, TOYO has global EPC execution capabilities to integrate engineering, procurement, construction, and commissioning

Technology Development and Implementation



With technology licenses for urea, methanol, and other fields, TOYO turns technologies into practical solutions through technology development, EPC, and modular engineering

Operating Capabilities in Growth Markets



In key focus regions such as India, Central Asia, the Middle East, and Sub-Saharan Africa, TOYO combines the execution capabilities of its Group companies with regional collaboration to deliver integrated support from opportunity creation through project execution

*TOYO Standard: A standard and knowledge base that systematizes TOYO's business standards, technical standards, and project execution expertise

KGI/KPI

KGI (Key Goal Indicator)	1 Consolidated Net Income	FY2030	¥10.0 bn
	2 ROE	Every FY	12% or more
	3 Share of Gross Profit from Recurring Business	FY2030	10%
KPI (Key Performance Indicator)	1 Share of Co-Creation EP/EPC Orders	FY2030	Over 50%
	2 Share of Gross Profit from Advanced Materials/ Fine Chemicals, Biopharmaceuticals, and O&M	FY2030	30% or more

Contents

05

Business Strategy

Business Strategy to Transform the Profit Structure

■ Building on the stabilization of earnings through co-creation EPC, TOYO will expand into PLC, GX, and high value-added areas across priority business domains and regions

(1) Co-Creation EPC Strategy

Stabilizing EPC Earnings

- Strengthen project selection by participating from the client's concept stage
- Enhance EPC earnings and cash generation
- Strengthen earnings bases in FPSO, fertilizers, and petrochemicals

(2) Regional Strategy

Global Expansion

- Develop priority regions centered on India
- Expand business development in Central Asia, the Middle East, and Sub-Saharan Africa
- Strengthen project creation and execution via collaboration across Group companies and regional networks

(3) High Value-Added Area Strategy

Fine Chemicals and Biopharmaceuticals

- Leverage technologies and implementation capabilities developed in petrochemicals
- Expand fine chemicals and biopharmaceutical businesses
- Strengthen capabilities for small-scale, high-performance projects

(4) New Technology and Business Development Strategy

Growth Driver

- Expand GX domains, including methanol and ammonia
- Develop next-generation geothermal and critical minerals businesses
- Promote commercialization and implementation of technologies

(5) O&M Strategy

PLC/O&M Development

- Expand PLC and O&M from EPC client needs
- Expand into maintenance, modification, and operational support
- Strengthen the recurring earnings base

Management Foundation Strategies Supporting These Initiatives

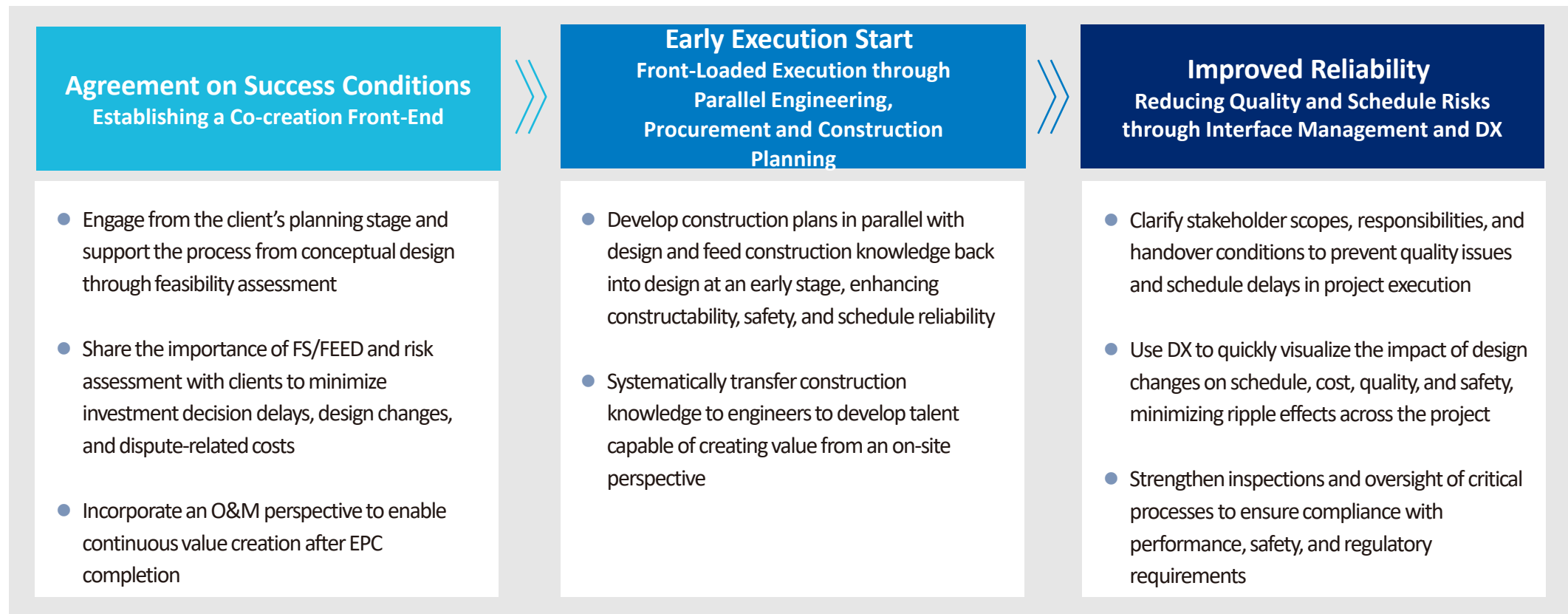
Human Capital and
Organizational Strategy

DX/AX Strategy

Financial Strategy

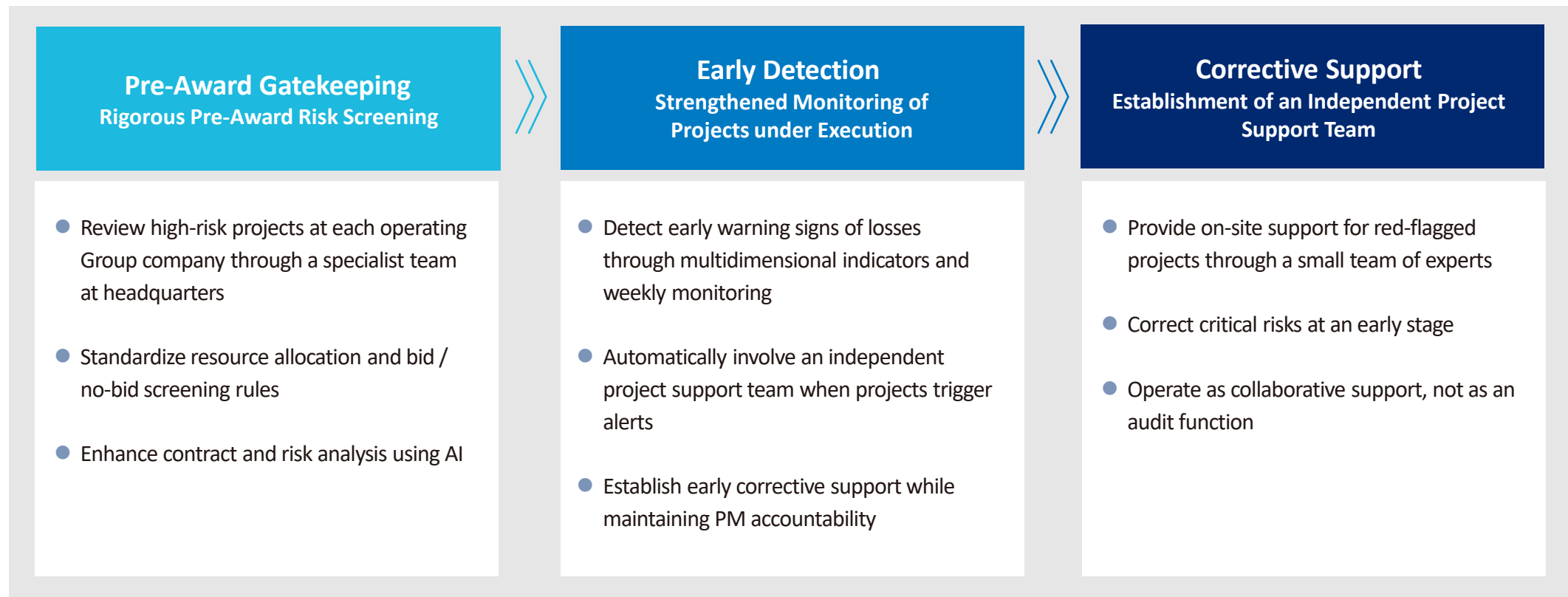
(1) Co-Creation EPC Strategy: Transforming the EPC Model

- Shift to a new EPC model: co-creation EPC with clients
- Visualize risks at the pre-award stage and align success conditions with stakeholders - proactive co-creation as a source of competitiveness



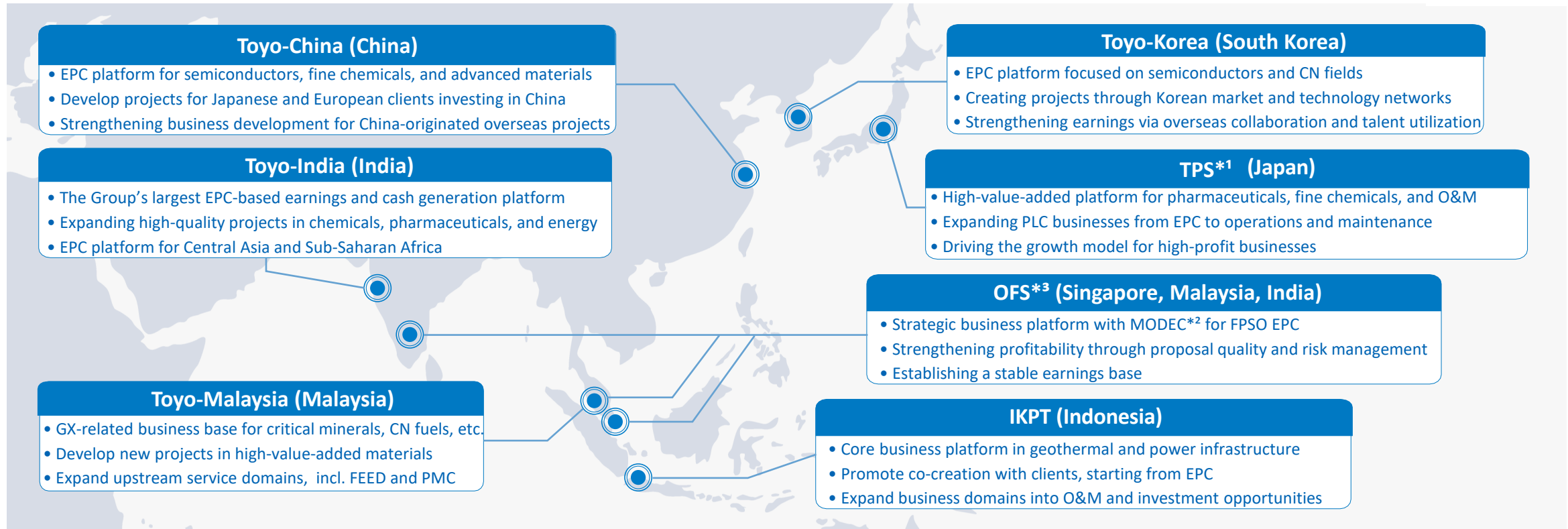
(1) Co-Creation EPC Strategy: Building an Execution Framework Resilient to Uncertainty

- Conduct rigorous pre-award risk reviews by a headquarters specialist team and strengthen cross-project monitoring of ongoing projects
- Concentrate management resources in proven business fields and Group companies, while promoting partner collaboration and modularization
- Standardize accumulated knowledge into templates and make it readily searchable using internal AI



(2) Regional Strategy: Growth Strategy Leveraging Regional Strengths

- Promote locally rooted business development by leveraging the expertise and customer bases of each Group company and regional affiliate
- Generate earnings through Toyo-India, OFS, and other business platforms, while advancing higher value-added businesses in pharmaceuticals, geothermal power, and advanced materials
- Create new Group-wide growth opportunities by mutually leveraging regional, technological, and customer platforms



*1 Tech Project Services Co., Ltd. *2 Mitsui Ocean Development Co., Ltd. (MODEC): a global leader in FPSO services *3 OFS (Offshore Frontier Solutions Pte. Ltd.): A joint venture with MODEC

(2) Regional Strategy: Market Development Anchored by Toyo-India

- Focus on markets where demand for fertilizer and petrochemicals is expected to grow, driven by population growth and industrial development
- Expanding business in priority markets by leveraging TOYO-India's strong track record in fertilizer and petrochemical projects, local partner network, and cost competitiveness

Starting with EPC projects aligned with each country's industrial policies and growth needs, TOYO will expand into decarbonization, circular economy, critical minerals, and PLC services

01

Strengthen Business Development in Priority Countries and Fields

- **Sub-Saharan Africa:** Capture fertilizer demand driven by population growth and the need to improve agricultural productivity
- **Central Asia:** Capture demand for high value-added polymers based on abundant, low-cost natural gas

02

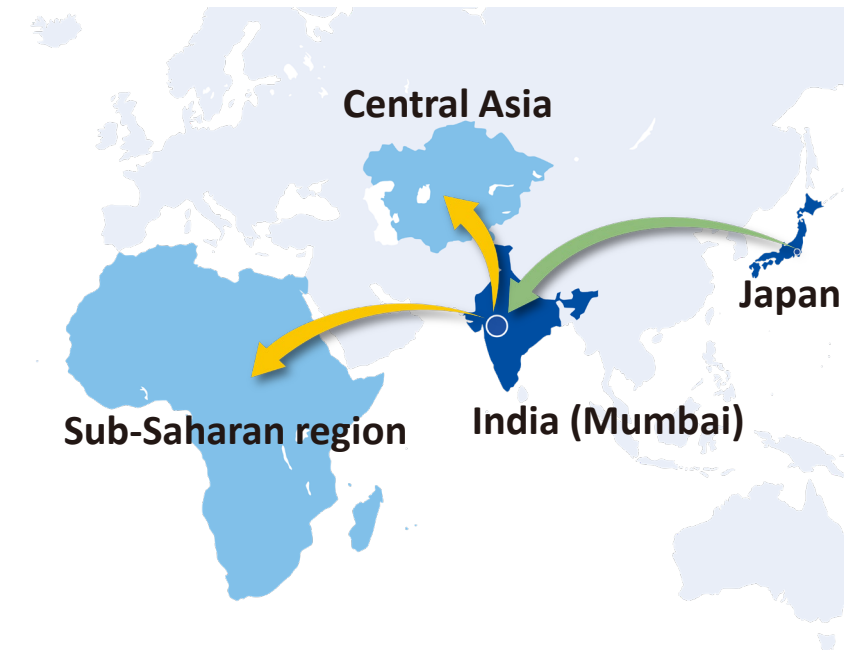
Deepen Collaboration with Group Companies and Partners

- Deepen strategic alliances with global partners and strengthen local sales functions in priority countries
- Build a sustainable earnings base by expanding local customer touchpoints, strengthening project origination capabilities

03

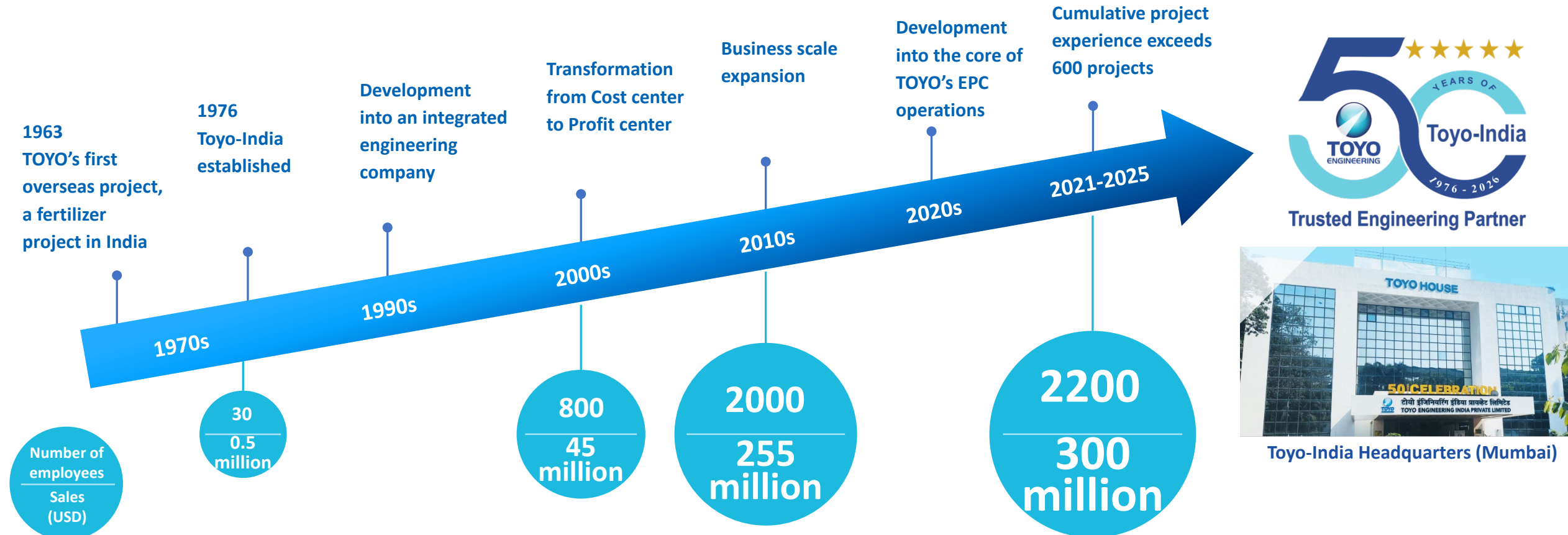
Monitor Potential Re-Entry Markets

- For regions where involvement is currently limited due to sanctions, political instability, or security concerns, define re-entry conditions, monitor developments continuously, and prepare for future business opportunities



(2) Regional Strategy: Toyo-India as a Business Platform Driving Competitive Advantage

- Driving TOYO's competitive advantage – built on 50 years of operations, 600+ projects executed, and 2,200 engineers
- Supporting global projects with engineering capabilities across diverse sectors, including oil and gas , petrochemicals, fertilizers, and FPSO
- Leveraging client and business networks cultivated in India to drive project creation in the Middle East, Africa, and Central Asia



(3) High-value-added Area Strategy: Advanced Materials and Fine Chemicals

- Leveraging our strong relationships with Japanese chemical manufacturers and our expertise in overseas expansion support, providing end-to-end services tailored to client needs from initial planning stage to plant construction
- Expanding order intake in the Global South, particularly in India, by leveraging the local network centered around Toyo-India

Basic Chemicals

Ethylene, Polyethylene, Polypropylene, etc.



- Scalable Business
- Manufacturing efficiency as a key success factor
- Market downturn driven by large-scale investments in China

Advanced Materials, Fine Chemicals

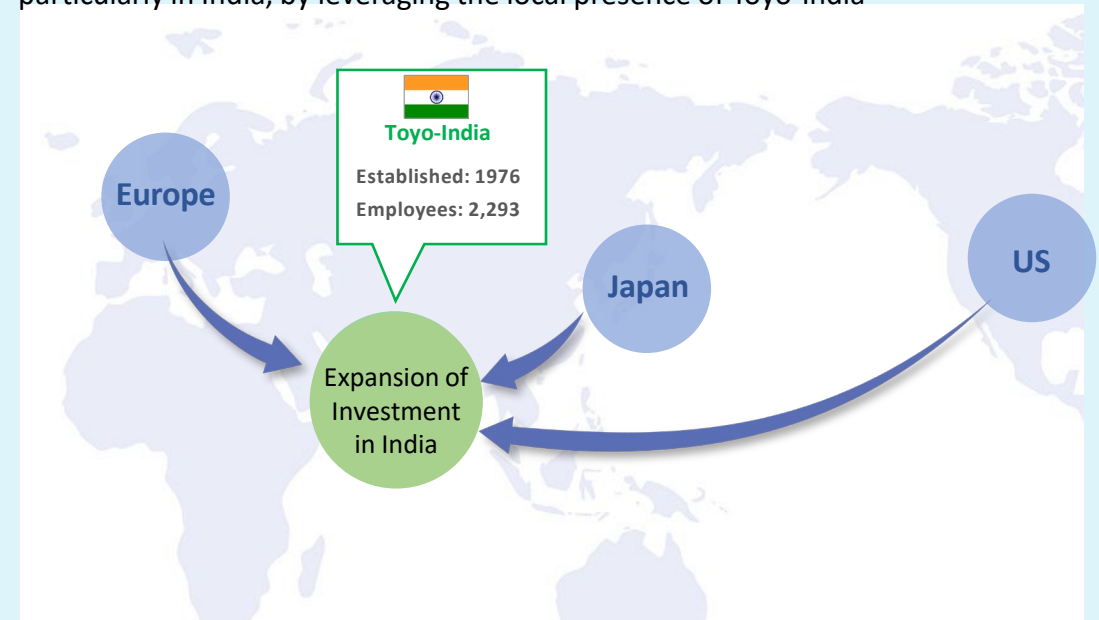
Semiconductor materials, Battery materials, Additives, etc.



- Value-added business
- Technology as a key success factor
- A massive growth market

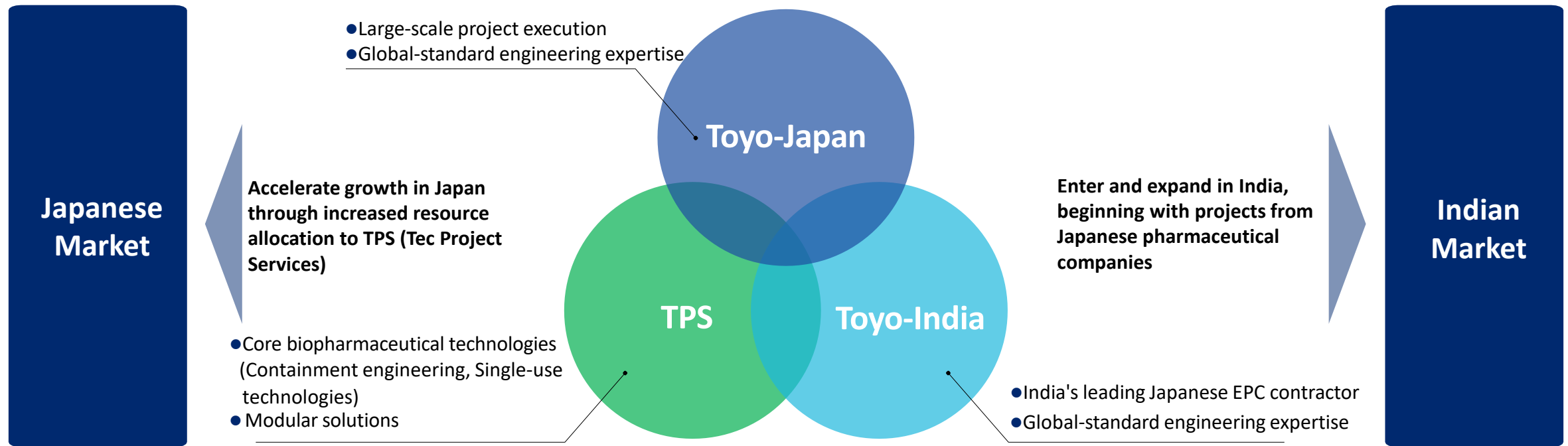
■ Early-stage support for investments in India through Toyo-India

Leveraging strong relationships with Japanese chemical manufacturers and expertise in supporting overseas expansion, providing end-to-end services from initial planning stage through plant construction. Expanding EPC order intake across Asia, particularly in India, by leveraging the local presence of Toyo-India



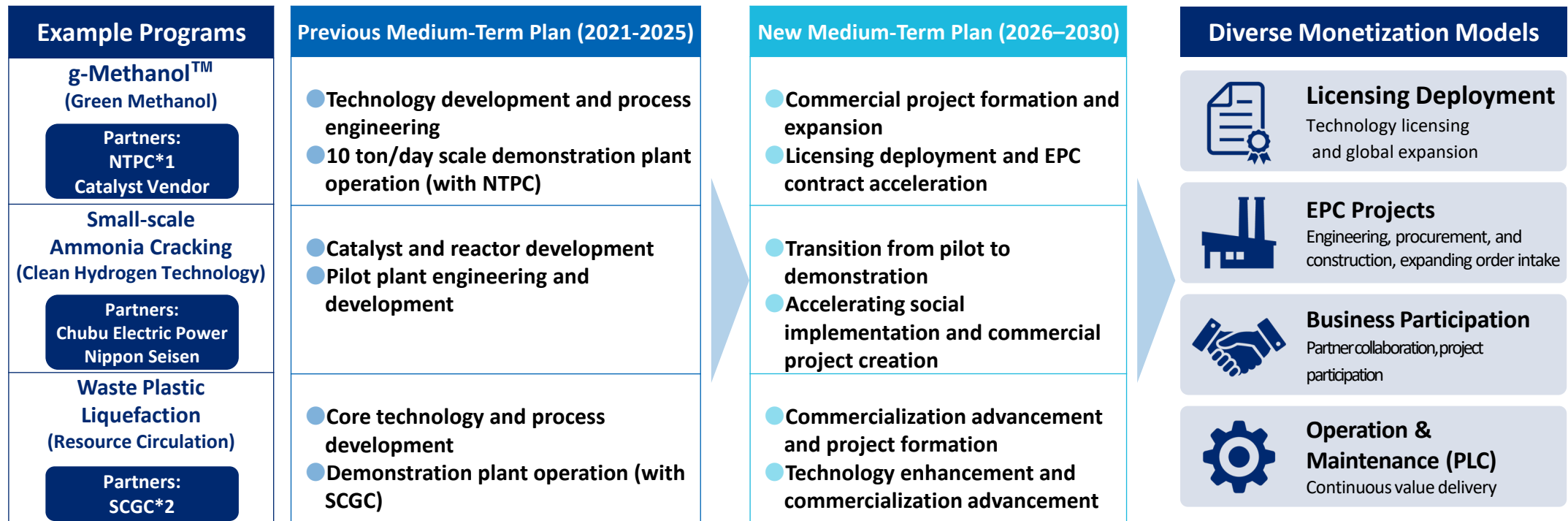
(3) High-value-added Area Strategy: Biopharmaceuticals

- Strong growth in biopharmaceutical investments in Japan and India through 2030.
- TPS has established a leading position in Japan through proprietary biopharma engineering capabilities.
- Expand in Japan and scale into India by leveraging the TOYO Group platform



(4) New Technology and Business Development Strategy: Expansion in the GX Domain

- Leveraging GX technologies and co-creation partner base established in the previous medium-term plan, accelerating transition from technology development to social implementation and earnings creation
- Accelerating creation of commercial projects in GX domains including green fuels and resource circulation, building a new earnings base



Driving GX technology implementation, realizing a decarbonized circular economy and new earnings creation

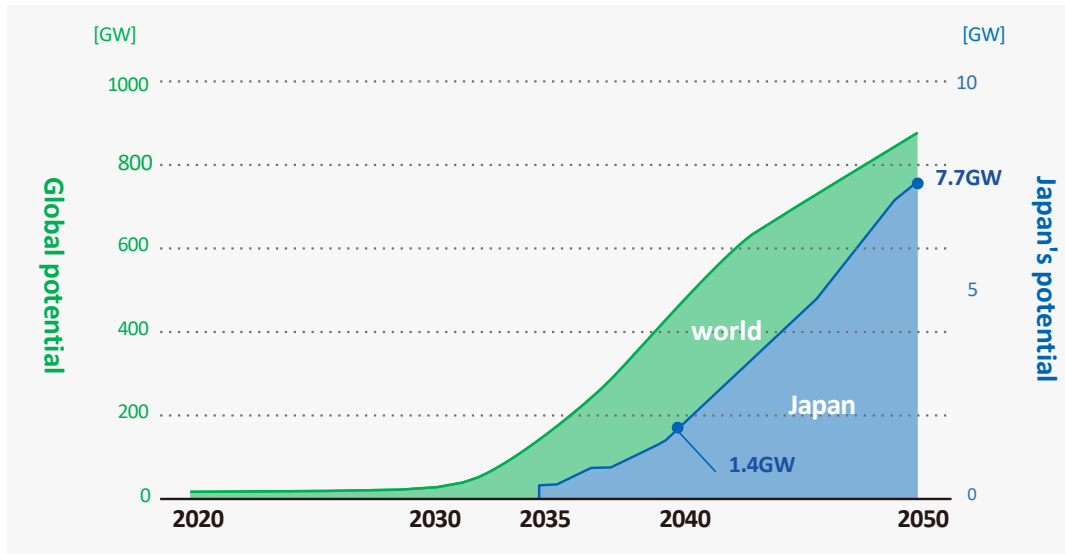
*1National Thermal Power Corporation (Indian government-owned integrated power company) *2 SCG Chemicals Public Company Limited (Petrochemical company of the Thai SCG Group)

(4) New Technology and Business Development Strategy: Next-Generation Geothermal Energy

- TOYO has signed a collaboration agreement with GreenFire Energy Inc. of the US. Its coaxial closed-loop geothermal technology can be applied in a wide range of locations, even where groundwater or conventional geothermal reservoirs are absent, provided that a heat source is available
- TOYO completed a geothermal master plan for Indonesia during the previous medium-term management plan period. Going forward, TOYO will pursue business development and project participation using this technology, starting with Japan and Indonesia

The potential of next-generation geothermal power generation

- Globally, the development potential is 800 GW in 2050 (left)
- Japan's deployment targets are 1.4 GW by 2040 and 7.7 GW by 2050 (right)



Sources: Japan Energy Economics Institute (96th IEEJ Energy Webinar "Toward the Promotion of Next-Generation Geothermal Power Generation in Japan - Insights from Overseas Trends"), Agency for Natural Resources and Energy (Interim Report of the Public-Private Council for the Promotion of Next-Generation Geothermal Power Generation, Document 4)

Joint Deployment of Next-Gen Geothermal Systems via Group Collaboration

Established an alliance with GreenFire Energy, Inc. of the United States, leveraging IKPT*'s expertise and capabilities in the geothermal field to expand into Japan, Indonesia, the Philippines, Kenya, and other regions.



*PT INTI KARYA PERSADA TEHNIK: consolidated subsidiary of TOYO

(4) New Technology and Business Development Strategy: Critical Minerals

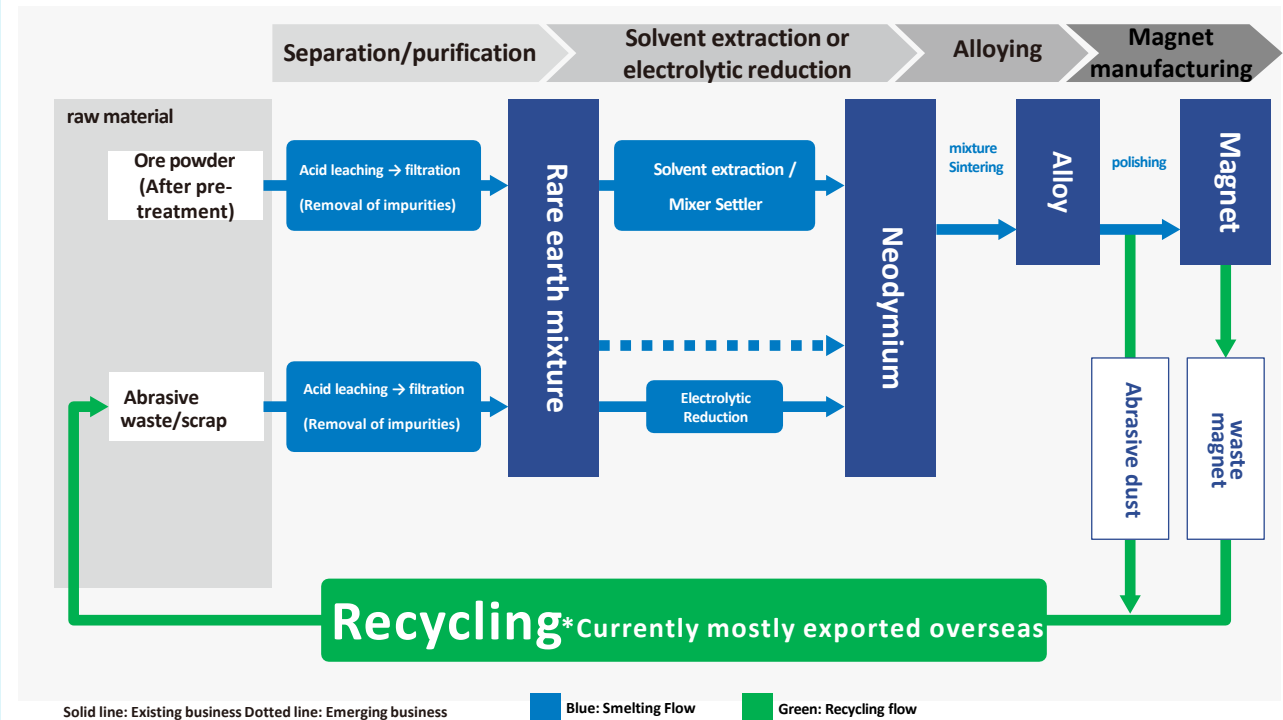
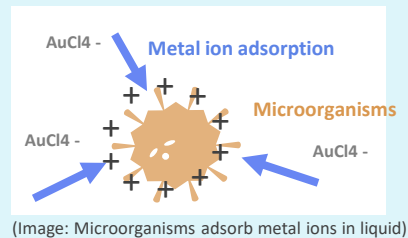
- Leveraging technologies and know-how developed through rare earth processing projects, TOYO will focus on rare earths—particularly neodymium, a key material for high-performance permanent magnets—and promote business creation in critical minerals recycling and refining
- TOYO will work with partners, including mining companies and magnet manufacturers, to build a resource-recycling supply chain in line with Japan's circular economy policy

Track Records related to rare earths

year	client	country	Technical Process			Scope of work
			Mining and ore dressing	Separation/purification	extraction Commercialization	
2010	Japanese companies	Vietnam		○		TOYO-J: FS, FEED
2010 2011-2012	Japanese companies	India			○	TOYO-J&I: EPsCm
2011-2012	Lynas	Malaysia		○	○	TOYO-Thai: EPC
2018-2022	Japanese government	Japan	○			TOYO-J: FS, FEED, EP+SV Subsea Mining & Lifting
2023-2025	Confidential	Japan		○		TOYO-J: FS, FEED & LLI Procurement

Biomining Technology R&D

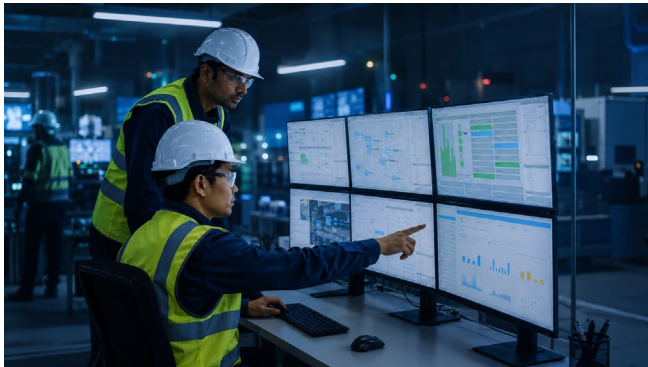
Currently developing a technology that utilizes microorganisms to recover low concentrations of rare earths at low cost



(5) O&M Strategy

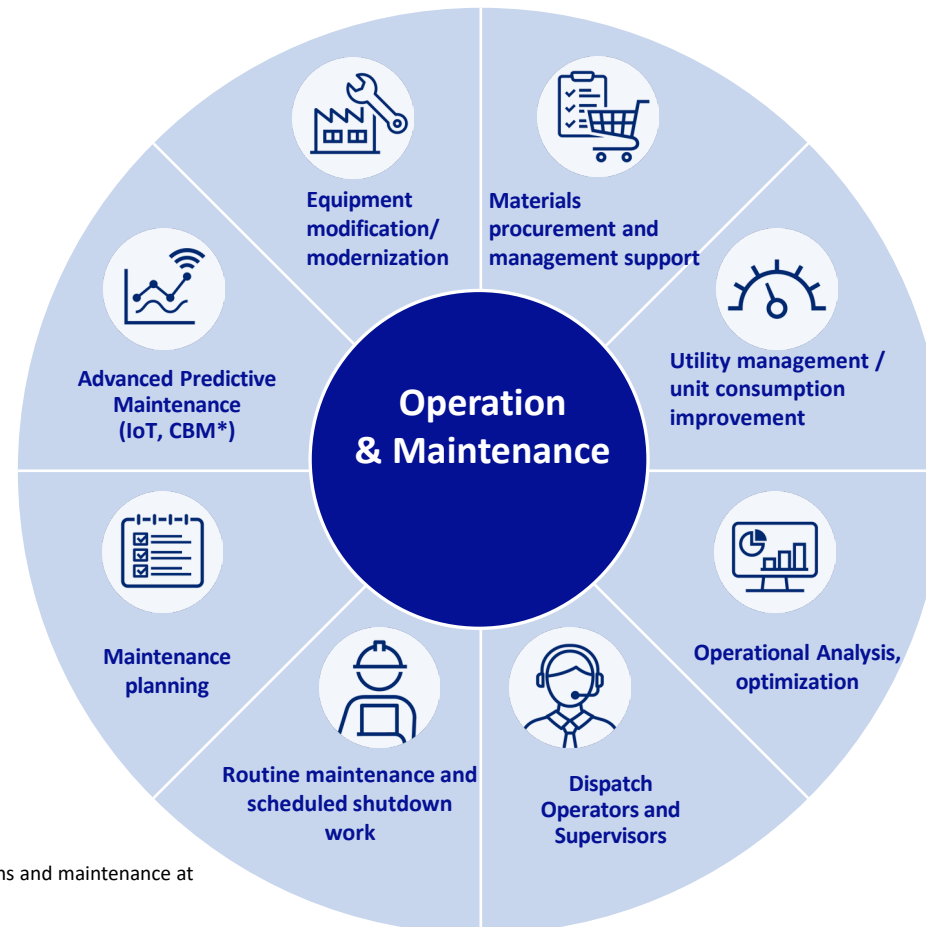
- Capture O&M demand related to stable operations, advanced maintenance, and securing skilled personnel, in Africa, Central Asia, and other priority regions
- Leverage more than 60 years of experience in plant construction & commissioning to provide integrated long-term services from construction through O&M
- Develop O&M talent, centered on India, and expand services to key clients and regions through collaboration with specialized O&M companies

- EPC client base
- Extensive track record in commissioning and operational support
- Utilization of group companies resources



* Condition-Based Maintenance : A maintenance method that performs inspections and maintenance at the optimal timing based on equipment condition monitoring data

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- Knowledge as a technology licensor, including operation simulation, inspection, and repair
- Digital Solutions
- Collaboration with O&M specialized companies

Contents

06

Management Foundation Strategy

Management Foundation Strategy: 3 Key Strategies



**(1) Human Capital and
Organizational Strategy**

(2) DX/AX Strategy

(3) Financial Strategy

(1) Human Capital and Organizational Strategy

Base and Beyond



Expanding capabilities from Base (EPC) to Beyond (PLC)

Moving between Base and Beyond to develop human capital and organizations that balance "exploitation" and "exploration."

Human Capital Development Initiatives	Reforming systems to recognize "Beyond" talent Creating mechanisms and systems to evaluate value creation and co-creation activities	Organizational Development Initiatives	Inheriting and evolving organizational capabilities Implementing a dual OS that balances deepening and exploration, based on EPC execution capability
	Practical development for Co-creation and Cross-border collaboration Expanding capabilities through on-the-job training (OJT), off-the-job training (Off-JT), and external assignments		Visualizing organizational health and promoting dialogue Improving organizational issues through health surveys and dialogue
	Company-wide promotion structure Building a company-wide cross-functional system to promote Human Capital and organizational development		Designing an environment that encourages cross-boundary collaboration Institutionalizing ABW* and learning / cross-boundary activities

*ABW: Activity-Based Working, a work style in which employees choose the place, time, and people they work with according to the activity, enabling them to work most productively.

(1) Human Capital and Organizational Strategy

(Organizational Restructuring implemented in April 2026)

Organizational Restructuring linked to Business Strategy

- Organizational restructuring was implemented in April 2026 with a view to expanding into key focus areas and new business areas
- In line with the business strategy, the organization, human capital, and resource allocation were comprehensively reviewed to strengthen EPC execution capabilities while creating new value

Organizational reorganization	Item	Organizational reorganization summary	Purpose of the reorganization
	Establishment of “Technology to Business Development Division”	Merger of the Technology Development Division and the Business Development Division	Accelerate the social implementation and commercialization of technologies, and serve as a core function for creating recurring earnings businesses
	Establishment of “Advanced Industries Sales Department”	Establishment of a new structure to support investments by Japanese and foreign companies from the conceptual stage	Through account management approach building long-term relationships with clients in the fine chemicals and biopharmaceutical fields and accelerate our PLC (Product Lifecycle) expansion
	Establishment of “O&M Solutions Sales Department”	Establishment of a new structure to ensure the monetization of O&M demand	Develop ongoing services combining O&M and digital technologies to expand recurring earnings, based on track records in maintenance, modifications, and upkeep
	Integration of Engineering and Construction divisions	Functional coordination between Engineering and construction	Establishing a consistent execution system from Engineering to construction, improving project execution capabilities and profitability
	Reorganization of Corporate Functions	Reorganization of strategic and operational functions within the corporate divisions.	Comprehensively handling the all from strategy formulation to implementation support, thereby strengthening our management foundation and improving the driving force of our company-wide strategy

(2) DX/AX Strategy

- Leveraging EPC knowledge, existing data, and operational platforms to drive business transformation and advanced decision-making in the AI era
- Enhancing EPC execution, expanding O&M services, and supporting management decision-making through the AX Initiative
- Accelerating high-value-added service creation through AI-human collaboration and domain knowledge circulation

01

Evolving EPC execution

Promote stable project execution, risk reduction, and stronger

02

Creating PLC Value

Create value across the entire plant lifecycle by combining site knowledge cultivated through EPC with digital technologies

03

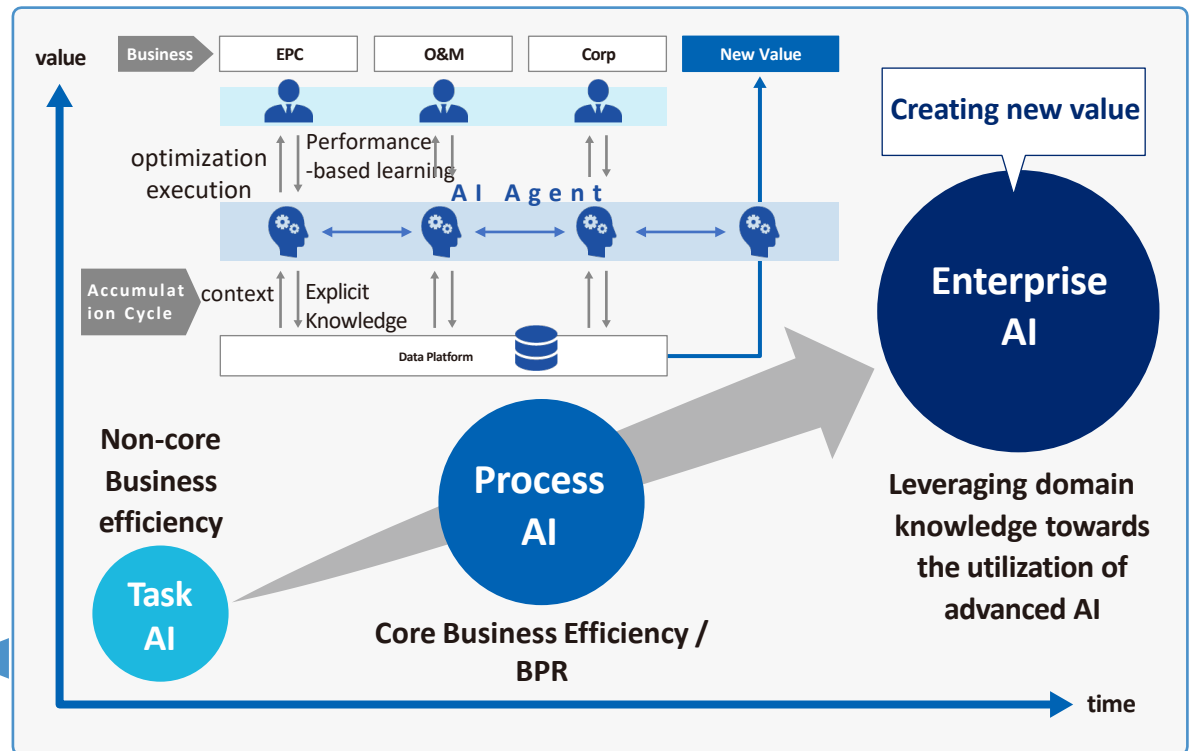
Supporting Management Decision-Making

Build a management platform that supports fast, advanced decision-making by visualizing and linking management, project, and human capital data

04

Business Transformation through AI x Human (AX Initiative)

Transform business processes through AI-human collaboration and accelerate the shift to high-value-added work by accumulating and utilizing knowledge



*GDOC: Global Digital Operations Center, established within Toyo-India in April 2026 to consolidate back-office functions related to IT operations and maintenance across the TOYO Group.

(3) Financial Strategy

Improving ROE and Corporate Value through Sustainable Profit Growth and Cash Generation

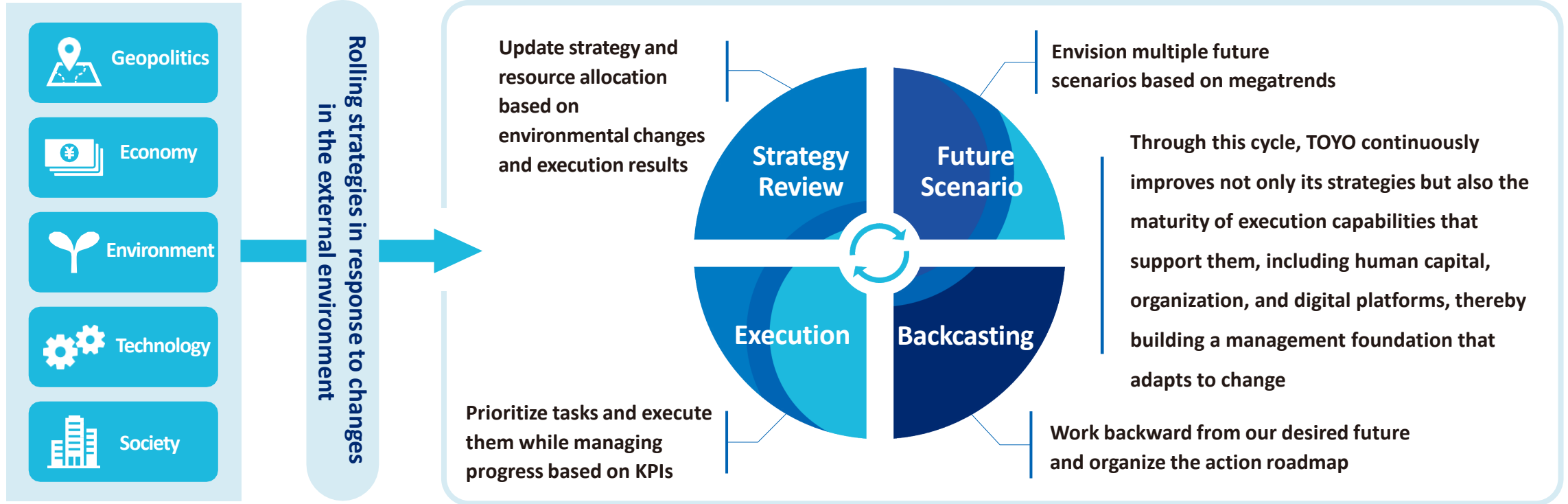
- Stabilize EPC earnings by strengthening risk management and reducing profit volatility
- Generate stable earnings through expansion of recurring businesses
- Achieve and maintain ROE of 12%, exceeding the cost of capital, during the Plan period

Image of Cash Flow Allocation



Rolling Management

- Moving away from management plans based on fixed assumptions and implementing regular plan reviews centered on TOYO VISION 2040, taking into account changes in the external environment
- Continuous cycling through future scenarios, back casting, execution, and strategy review to update priority areas, resource allocation, and strategic priorities.





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