

Global Toyo for Client Value Enhancement

Mid-term Corporate Strategic Plan
(FY2006 - FY2008)

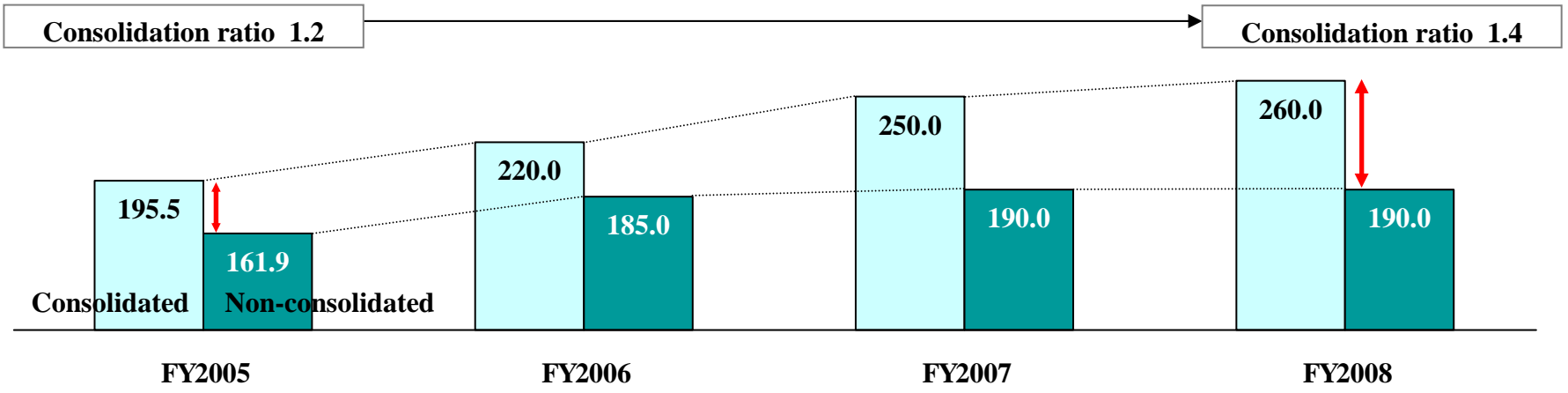
May 12, 2006

Yutaka Yamada
President & CEO

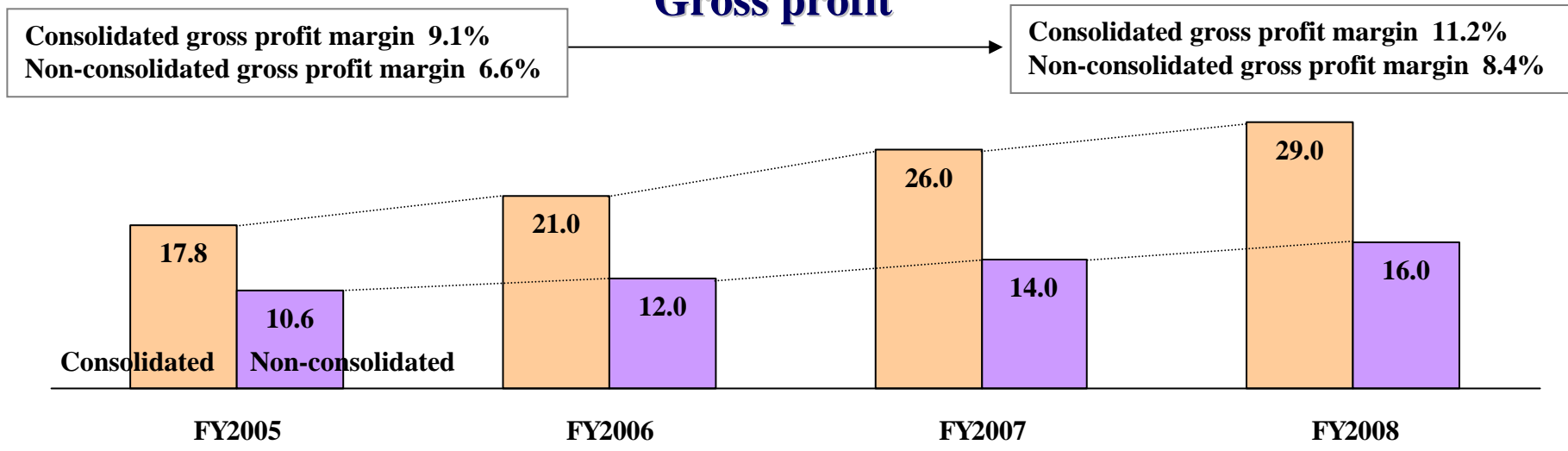
Financial target in three year time horizon

< Billion yen >

Net sales



Gross profit



Financial target in three-year time horizon

➤ Consolidated net sales

- 195.5 billion yen / FY2005 → 260.0 billion yen / FY2008
- Sales growth in EPC business at overseas subsidiaries.

➤ Consolidated gross profit

- 17.8 billion yen / FY2005 → 29.0 billion yen / FY2008
- Gross profit margin enhancement due to balanced project portfolio at Toyo Japan.
- Gross profit growth in proportion to net sales growth at overseas subsidiaries.

Financial target in three year time horizon

< Billion yen >

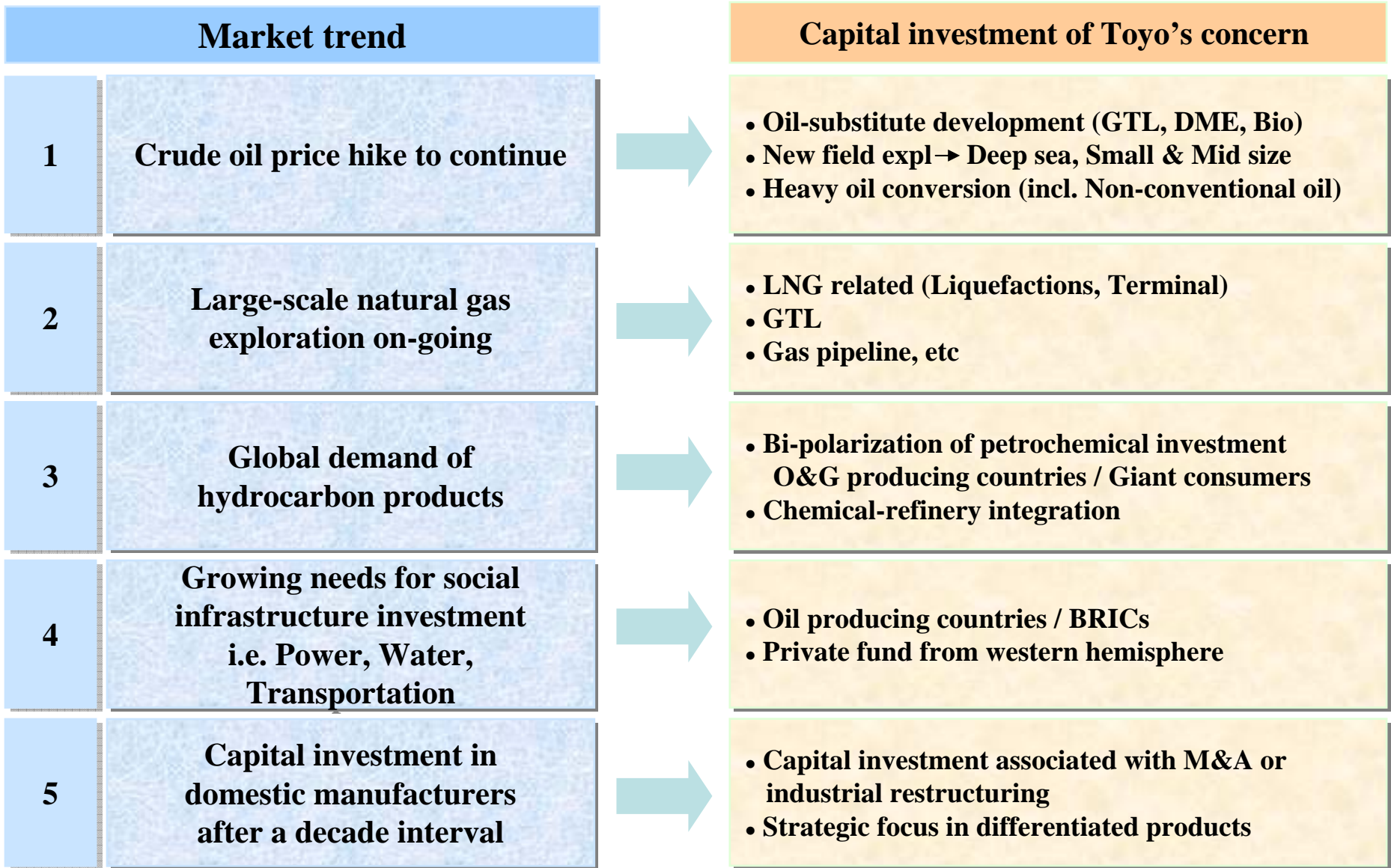
Consolidated

	FY2005	FY2006	FY2007	FY2008
Net sales	195.5	220.0	250.0	260.0
Gross profit	17.8	21.0	26.0	29.0
Gross profit margin	9.1%	9.5%	10.4%	11.2%
Operating income	4.1	6.0	9.0	11.5
Ordinary income	4.2	5.0	8.0	10.0
Net income	3.3	4.0	5.0	6.5

Non-consolidated

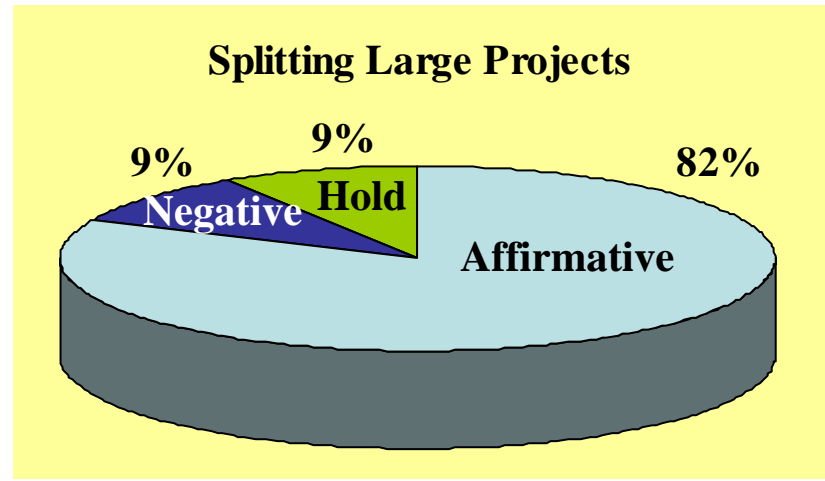
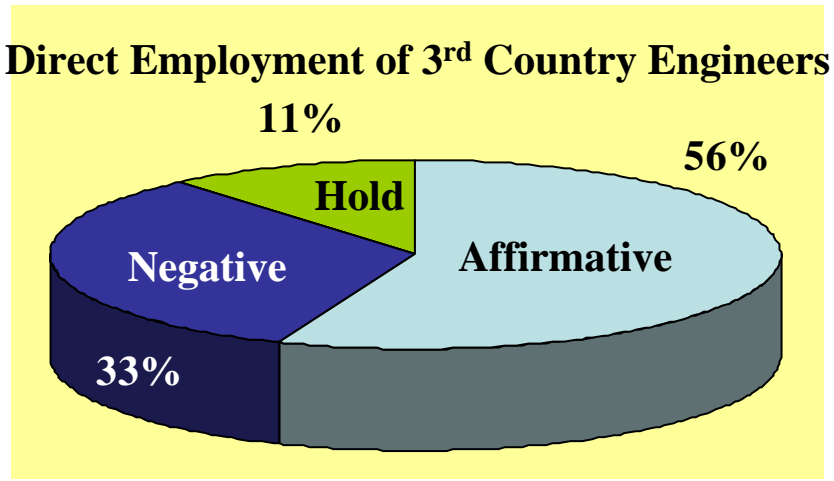
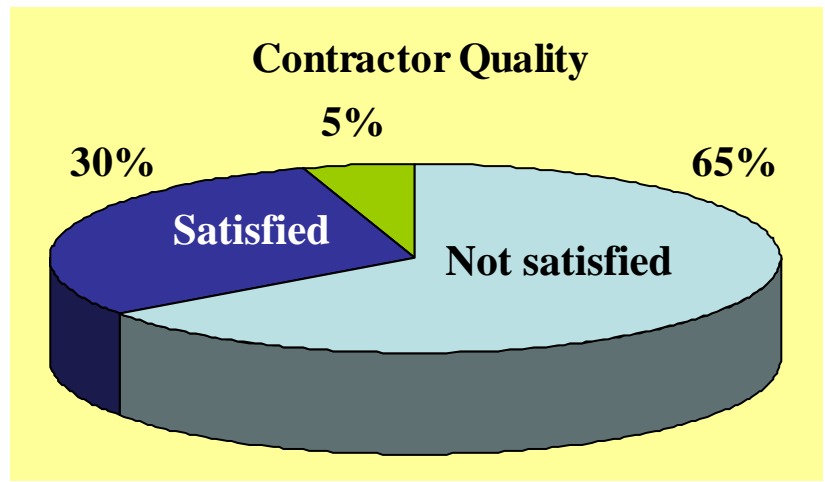
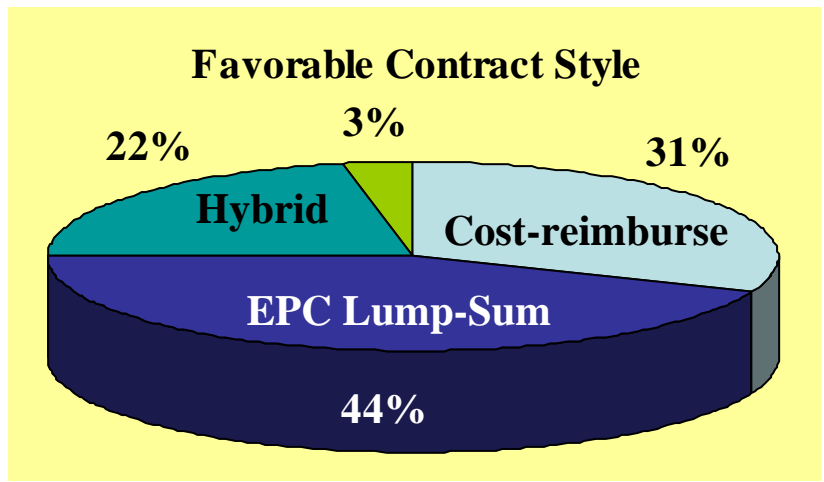
	FY2005	FY2006	FY2007	FY2008
Net sales	161.9	185.0	190.0	190.0
Gross profit	10.6	12.0	14.0	16.0
Gross profit margin	6.6%	6.5%	7.4%	8.4%
Operating income	2.0	3.5	5.0	7.0
Ordinary income	2.4	3.0	4.5	6.5
Net income	2.5	3.0	4.0	5.0

Market trend



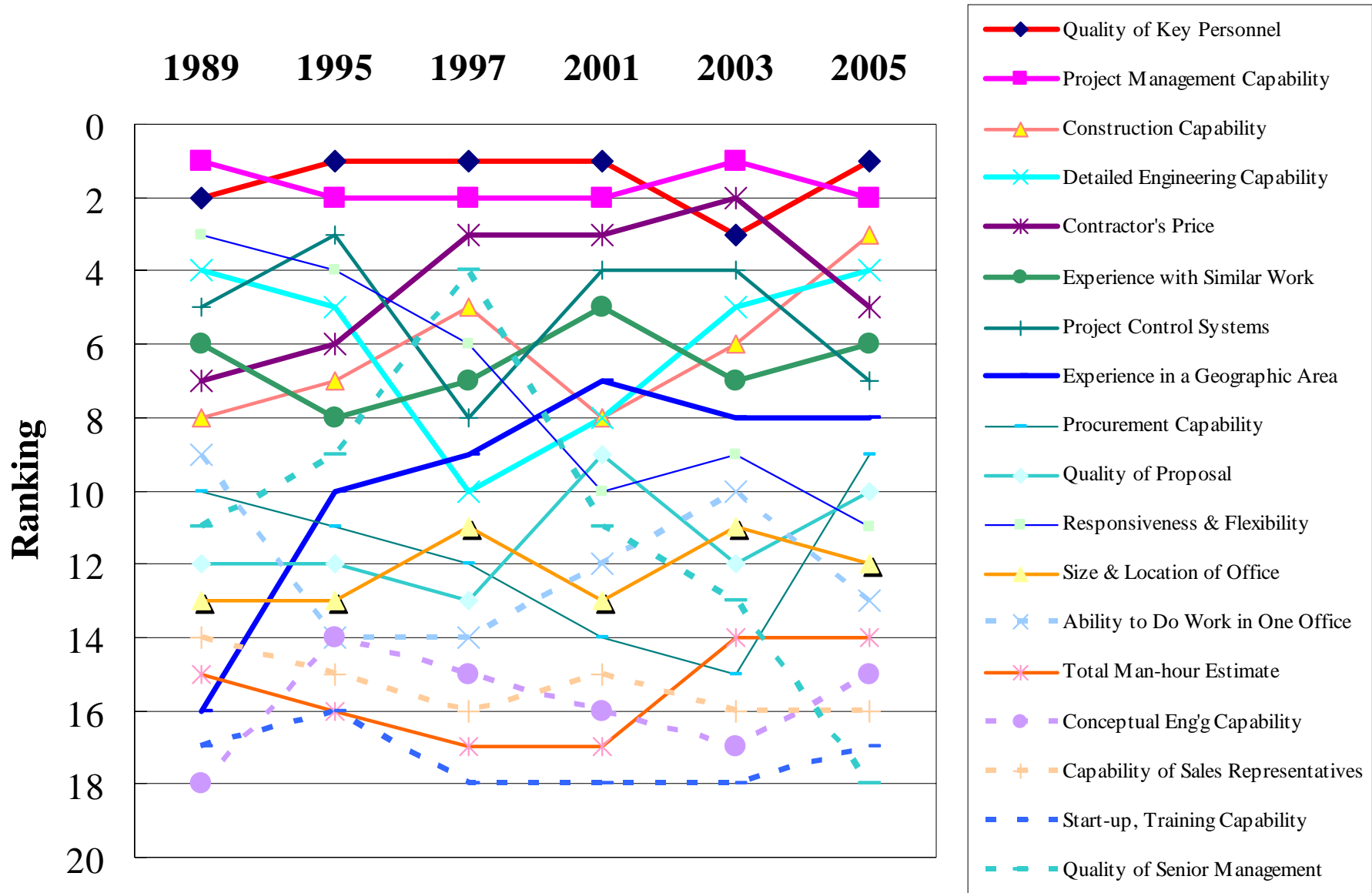
Voice of Clients

< Transmar Consult Inc., Houston - Oil&Gas journal April 10,2006 >



Note: Transmar Consult Inc., conducted interview with 120 decision makers in 60 downstream companies such as refineries/petrochemical during August to November 2005, under the sponsorship of major EPC contractors.

Comparison for buying factors

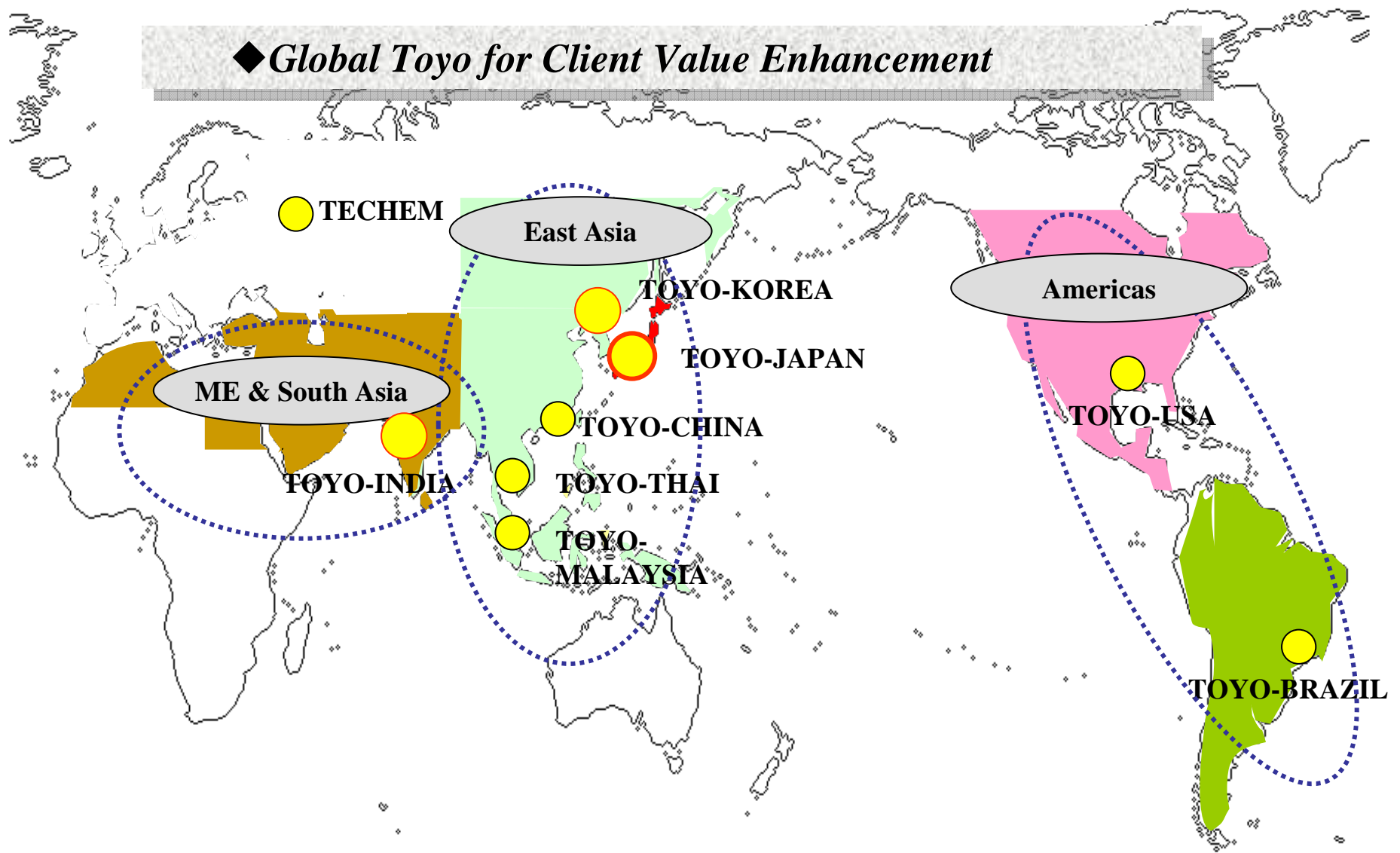


Maximize consolidated profit & group value

- Reinforce global sales network to improve contract with focused clients & regions.
- Establish “Global Toyo” operation for overseas subsidiaries to lead conventional mid-size EPC project execution.
- Toyo-Japan’s focus in
 - Retained capability for large-scale & complex projects.
 - Extended business in social infrastructure projects.
 - Active deployment for Japanese manufacturers’ investment.
- Project monitoring & control over cost / delivery / quality / HSSE
- Human capital development & global IT infrastructure.

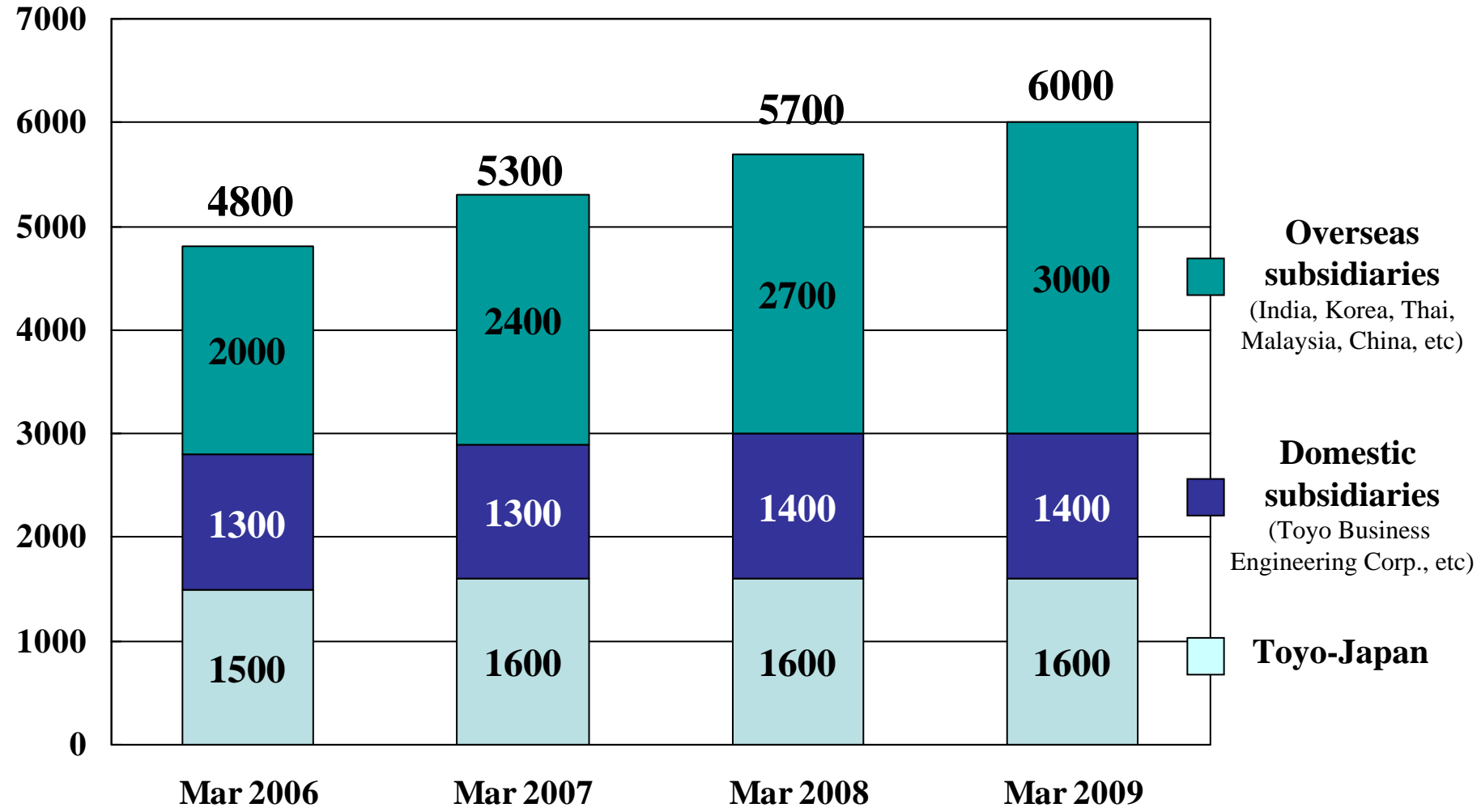
Global Toyo EPC services delivery network

◆ *Global Toyo for Client Value Enhancement*

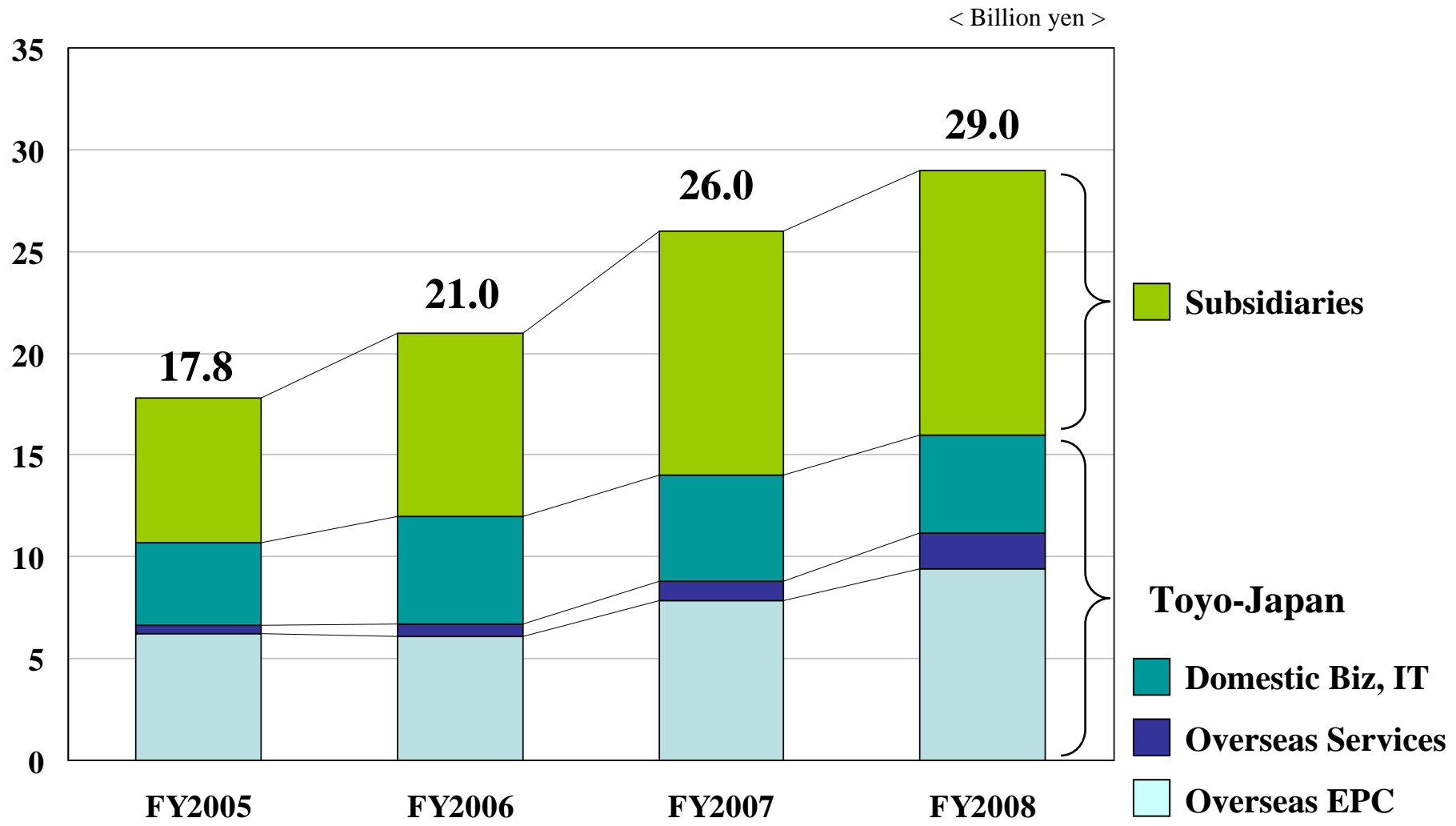


Resource augmentation

(Personnel)



Consolidated gross profit structure



For further questions on this material, please contact ;



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