



*Corporate Performance Briefing
in first half of FY2007*

Global Toyo for Client Value Enhancement

November 13, 2007

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President & CEO

 **TOYO ENGINEERING CORPORATION**

The logo for Toyo Engineering Corporation, featuring a stylized white leaf or feather icon inside a circle, followed by the company name in a bold, white, sans-serif font.

- 1. Market Outlook*
- 2. Sales & Major Projects Update*
- 3. Areas of Corporate Management Focus*
- 4. Performance Projection FY2007*



1. Market Outlook



1.1 Market Outlook -Overseas-

Upstream Investment

Resource exploration activities on-going strategically both in mid- & long-term.

- Improved Recovery Rate of Exist. Reservoirs
- Innovation in Exploration Tech.

Energy Portfolio Investment

Enthusiasm for oil-substitute development for transportation fuel

- Non-conventional Oil: Oil Sand/ Tar
- Synthetic Oil: GTL/DME/CTL
- Bio-fuel: Bio-ethanol

Population/GDP/Energy

Global Warming

Sustainable Growth
Balanced with
Global Environment

Fund

International
Collaboration

Technology
Innovation

Downstream Investment

Investment mezzanine, now at the time of stage gate review for the next phase of CAPEX

- Value chain integration all through Upstream/ Downstream/Chemicals
- Mostly located either in oil & gas producing countries or in emerging economies & vicinities

Social Infrastructure Investment

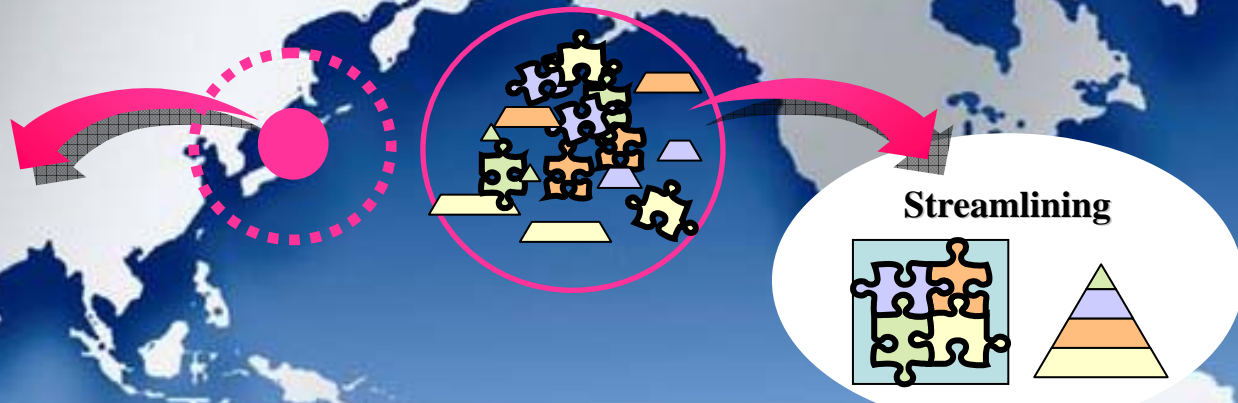
Waste Water Treatment /Power Generation etc.

- Great need in emerging economies
- Replacement demand of aged infrastructure in developed countries

1.2 Market Outlook -Domestic-

Commodity Products: Efficiency & Competitiveness To Boost-up

- Transfer manufacturing to emerging markets
- Streamline manufacturing assets and business processes across the entity border



Specialty Products: Differentiation & Agility to Market

- Focus in high value-added products & stay in the domestic “Mother Factory”
- Develop & manufacture functionality chemicals

Globalization

Global Warming

2 . Sales & Major Project Update



2.1 Sales & Major Project Update

◆ Sales

- As planned
- Successful Alliance with major clients & partners
 - Cabiunas Gas Processing Expansion for PETROBRAS, Brazil
 - Pequiven Moron Fertilizer Complex, Venezuela jointly awarded with Mann Ferrostaal, Germany
 - Oil Refinery Expansion & Petrochemical Revamping for Domestic Clients

◆ Major Project Status

- Existing mega-projects come near to the final stage, while others proceed as planned.
- All Projects awarded last year are in full-swing with detail engineering, procurement & lifting-off of construction activities at site.

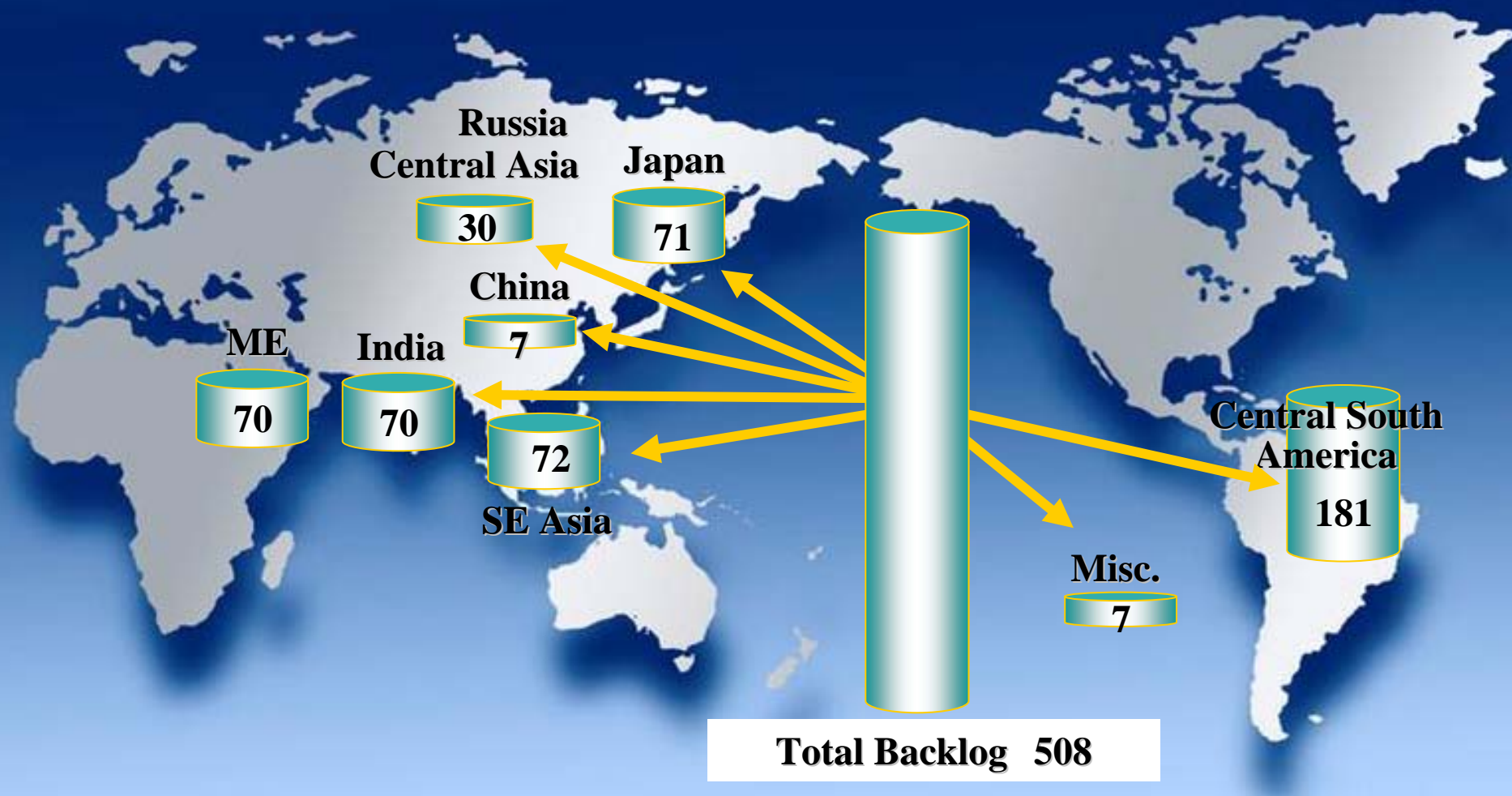
2.2 Status of Major Project

Client	Plant	Site Location
Sakhalin Energy Investment	LNG	Russia
Petropars	Gas Processing	Iran
PETROBRAS	Gas Pipeline	Brazil
SABIC	Ethylene Glycol	Saudi Arabia
Dow Corning (Zhangjiagang)	Chlorocilan	China
PETRONET LNG	LNG Terminal Expansion	India
ONGC	Gas Processing	India
Indian Oil Company Ltd.	Ethylene	India
Shell Eastern Petroleum	Ethylene	Singapore
Qatar Shell GTL	GTL/ Liquid Processing Unit	Qatar
PTT Polyethylene	Ethylene	Thailand
PETROBRAS	Delayed Coker Unit Coker Naphtha Hydrotreating Unit	Brazil

2.3 Regional Backlog

As of September, 2007

(Unit: Billion JY)



3 . Area of Corporate Management Focus



3.1 *Area of Corporate Management Focus*

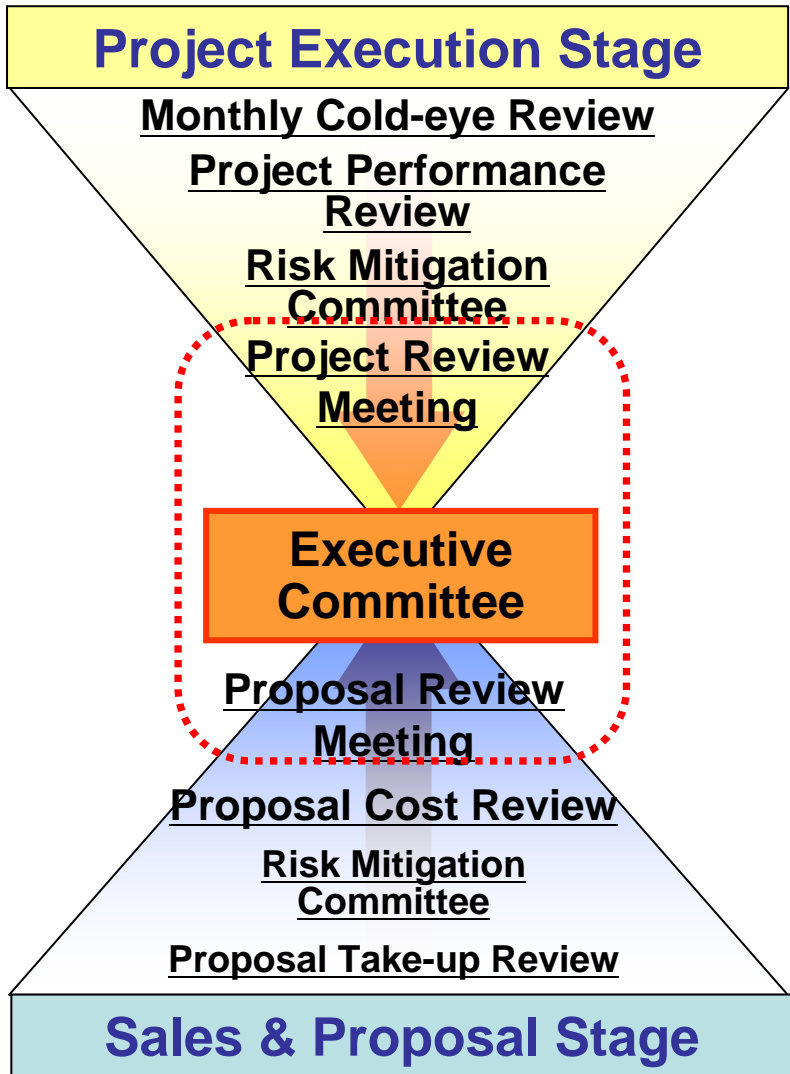
- ◆ **In-depth risk monitoring & control all through project management lifecycle**
- ◆ **Integration of multiple service line-ups for domestic business**
 - **Reorganized “Domestic Sales & Operation Unit”, October 1. 2007**
- ◆ **Continue the business development & promotion for social infrastructure; i.e. power generation, waste water treatment etc.**
- ◆ **Invest in the technology for sustainable growth**
 - **Technologies to suppress the atmospheric release of greenhouse gases such as carbon dioxide and methane**
- ◆ **Enrich the project execution capability and secure the governance system all through Global Toyo**

3.2 Project Risk Management Structure



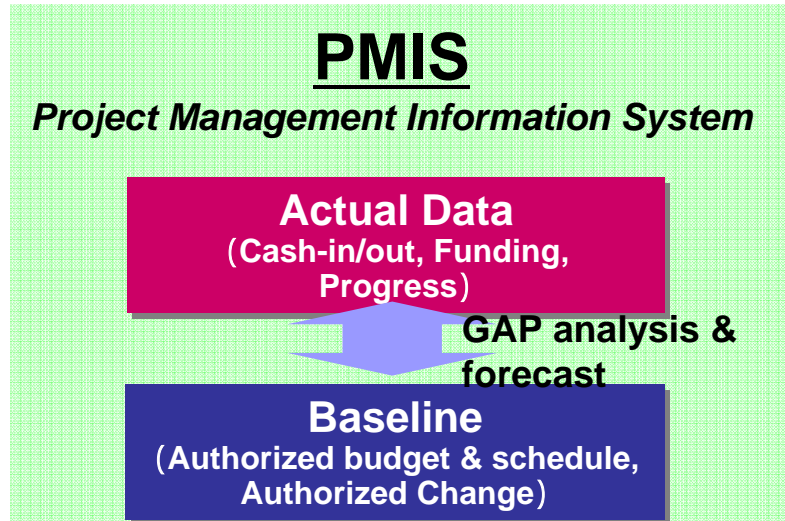
~Transparency / Accountability in Decision Making~

Governance Mechanism



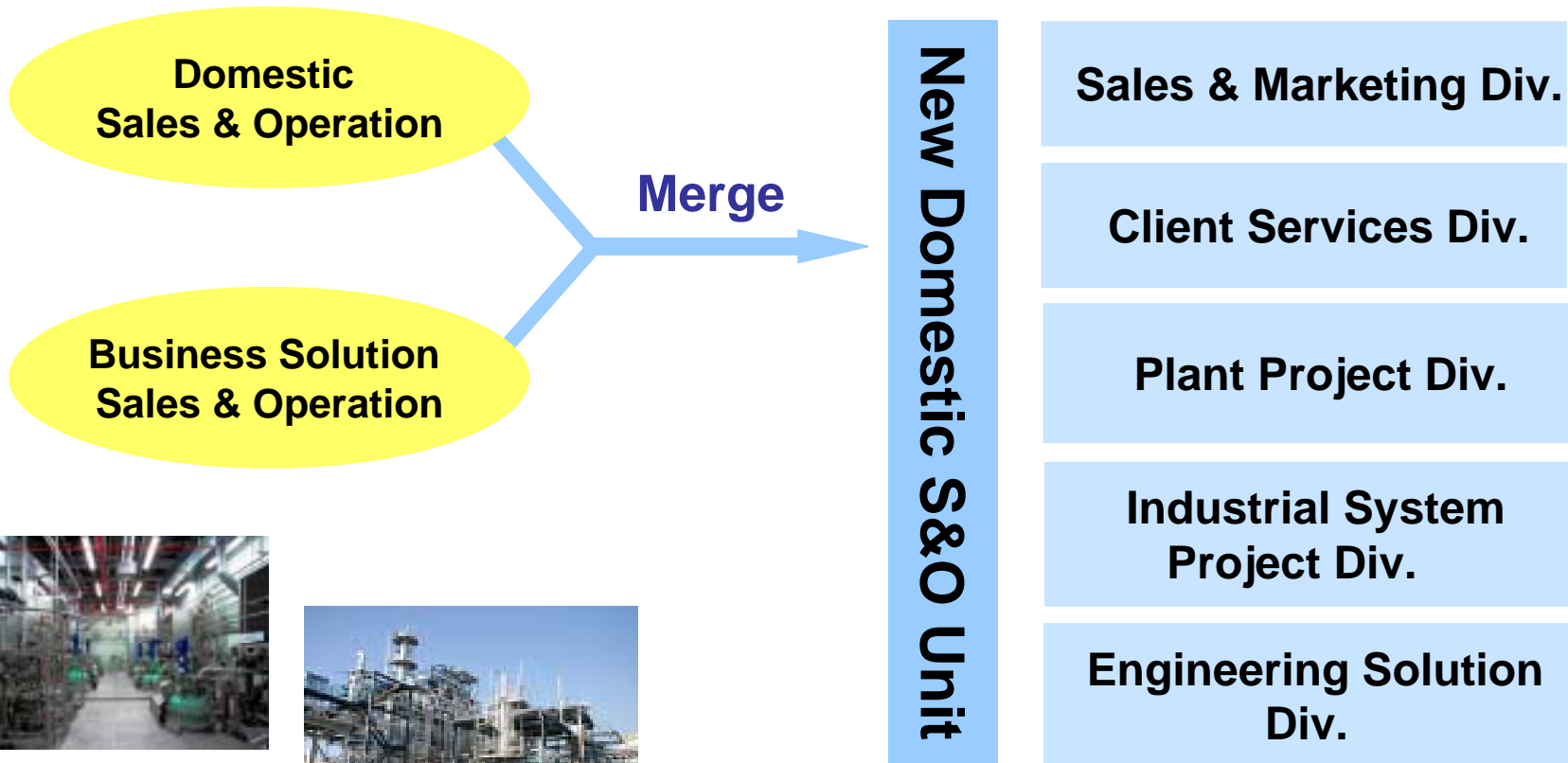
Management Information System

(A part of Organizational Process Assets/Enterprise Environmental Factors)



3.3 Integration of Domestic Business Wings

- **Unify client interface & establish consistent service delivery system**
- **Reinforce service-oriented business & cultivate non-hydrocarbon sectors**
- **Propose the integrated solutions to streamline both manufacturing assets & business processes**



4 . Performance Projection FY2007



4.1 Performance Projection FY2007 - Consolidated -



(Unit: Billion JY)

	<u>FY2006</u> <u>Actual</u>	<u>FY2007</u> <u>Target</u>	<u>FY2007</u> <u>Projection</u>
Net Sales	223.8	330.0	350.0
Gross Profit	22.2	28.0	32.0
Operating Profit	6.8	10.5	12.5
Ordinary Income	7.2	9.5	13.0
Net Income	5.2	6.0	7.5
Order	354.9	240.0	240.0



For further questions on this material, please contact ;

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