



*Corporate Performance Briefing
in first half of FY2008*

Global Toyo for Client Value Enhancement

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 **TOYO ENGINEERING CORPORATION**

The logo for Toyo Engineering Corporation, featuring a stylized white 'T' inside a circle, followed by the company name in a bold, serif font.

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1. *Market Outlook*

- ◆ Financial crisis/global recession & its impact on capital investment
 - Shrinking financial sources due to the credit crunch among financial institutions
 - Setback in end-product demands
 - Plummeting oil price
 - Alleviating cost & delivery of equipment/materials
- ⇒ Wait & See Policy for Capital Investment
- ⇒ Selective Project Launching
- ◆ Impact of Yen's appreciation on cost competitiveness
 - ⇒ Marginal due to Toyo's global project execution practices

2. Corporate Performance Update

《Profit》

- Contributions of current projects in progress
- Continual management initiatives and commitment to early risk mitigation
- Robustness of foreign exchange risk mitigation
⇒ Full-hedging policy



Profit for 1st Half of FY2008 as planned

《Orders》

Very Low Visibility ⇒ Project scrutiny & selection

3. Major Projects in Progress



— Appropriate Work Load to Continue —

Client	Plant	Site Location
* Dow Corning (Zhangjiagang)	Chlorocilan	China
* Shell Eastern Petroleum	Ethylene	Singapore
PTT Polyethylene	Ethylene	Thailand
PT Pertamina	Oil Refinery/Petrochem Integration	Indonesia
Qatar Shell GTL	GTL/ Liquid Processing Unit	Qatar
Indian Oil Company	Ethylene	India
PETROBRAS	Delayed Coker Unit Naphtha Hydrotreating Unit	Brazil
* Methanol Holdings Trinidad	Urea Technology & Related Services for Fertilizer Complex	Trinidad & Tobago
PEQUIVEN	Ammonia/Urea Fertilizer Complex	Venezuela
* Petroleos de Venezuela	Modernization for El Parito Refinery	Venezuela
Taiyo Oil	Desulfurization for Pyrolysis Gasoline etc.	Japan
Maruzen Petrochemical	3EP Crackers Expansion	Japan

(Remark) Marked as * are Cost-reimburse contracts (Project Definition, Licensing, FS, FEED, EPsCm, Consulting)

4. *New Business Development*

◆ **Upstream / New Energy**

- **Moeco Thai Oil Development Co. Ltd.**
Share increased from 10% to 20%
- **FPSO order: Detail design work of crude oil processing unit for Angola BP**
- **Micro-GTL Joint development program in progress**

◆ **Social Infrastructure**

- **Earth Tech Mexican Holdings (Atlatech) : Equity participation**

◆ **New Overseas Affiliate Company**

- **Toyo de Venezuela, Caracas**

5. Sales & Marketing Strategies

- ◆ First priority given to sales profit
 - Scrutinize risk mitigation plan at project take-up decision
 - Targeted sales profit within achievable reach
- ◆ Balanced focus on Cost-reimburse type projects
 - Increasing demands for Cost-reimburse type projects of large-scale at project definition stages
- ◆ Diversity
 - Project portfolio management over regions, clients and products

6. Performance Projection FY2008 - Consolidated-



(Unit: Billion JY)

	<u>FY2007</u> <u>Actual</u>	<u>FY2008</u> <u>Target</u>	<u>FY2008</u> <u>Projection</u>
Net Sales	327.4	320.0	330.0
Gross Profit	34.4	34.0	35.0
Operating Income	13.7	15.5	15.0
Ordinary Income	16.0	16.0	16.5
Net Income	8.0	8.5	8.5
Dividends	J¥ 6	J¥ 7	J¥ 7
New Orders	268.6	270.0	220.0

7. Summary of Current Mid-term Corporate Plan



- ◆ Revenue & profit targets achieved in FY2007, one year ahead of schedule
- ◆ Other action plans in progress
 - i.e. Global Toyo Program
 - Sales & marketing network
 - Large-scale/complex project execution



Major managerial issues carried-over to next mid-term strategic plan

**“Business Transformation” &
“Human Capital Development”**



For further questions on this material, please contact ;

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