



Group Mission: *Engineering for Sustainable Growth of the Global Community*

Group Vision : *Global Leading Engineering Partner*

Group Values: *Integrity, Creativity, Diversity, Learning, Team*

Management Policy Update for the Second-Half of FY 2010

November 11th , 2010

Yutaka Yamada

President & CEO

 **TOYO ENGINEERING CORPORATION**

- 1. Management Policy for the 2nd Half of FY 2010***
- 2. Sales Activities Update***
- 3. Target & Proposals in Progress***
- 4. Market Prospects & Our Focus***
- 5. Expanding Opportunities for Awards***
- 6. Future Growth & Development***

◎ Achieving the target amount of new project awards

◎ Propelling further “globalization”

2. Sales Activities Update

◎ New award in the first half: JPY 62 Billion

◎ Major projects awarded:

- **FPSO /Refinery in Brazil**
- **Fertilizer in Cuba**
- **Pharmaceutical /N-Power facilities in Japan**

◎ Some major projects most likely to conclude by this fiscal year end in Asia and Latin America, including the “delayed projects”

3. Target & Proposals in Progress

◎ Target New Award (Consolidated) : JPY280 Billion



4. Market Prospects & Our Focus (1)

◎ China, South-East Asia, India:

[Market view]

- Now, driving force of the global economy
- High growth of population

[Opportunity]

- Incoming FDI in petrochemical, for domestic demand
- Social infrastructure development

[Our focus]

- China: Petrochemical (Performance chemicals)
- SE Asia: Refinery, Petrochemical, Fertilizer
- India: Refinery, Petrochemical, Fertilizer, Social infrastructure

4. Market Prospects & Our Focus (2)

◎ Americas:

[Market view]

- Oil price - underpinned around USD 80/bl.

[Opportunity]

- Unconventional oil & gas development
- gaining momentum

[Our focus]

- Brazil: FPSO, Refinery, Social infrastructure
- Canada: Resource development ^{cf.}

^{cf.} If oil sands are counted in, Canada has the second largest proved oil reserves in the world, next only to Saudi-Arabia.

4. Market Prospects & Our Focus (3)

◎ Middle East, Africa:

[Market view]

- **MENA (Middle East and North Africa) is an up-and-coming market,**
- **But, locked in fierce competition among Korean, Chinese & European competitors**

[Opportunity]

- **Strategic focus in proposal activities in the light of clients & service categories we offer**

[Our focus]

- **Petrochemical, Oil/Gas well development**

4. Market Prospects & Our Focus (4)

◎ Russia/CIS:

[Market view]

- High-potential in economy, while slower recovery

[Opportunity]

- Positive outlook for resource development investment in Eastern Siberia & Far East areas

[Our focus]

- Resource development
- Social infrastructure, especially in the power sector

4. Market Prospects & Our Focus (5)

◎ Japan:

[Market view]

- **Drastic change in the traditional economic structure due to “globalization”**

[Opportunity]

- **Negative outlook for large-sized project investment in refinery/petrochemical industry**

[Our focus]

- **Outgoing FDI projects by Japanese manufacturer**
- **Pharmaceutical, N-Power related facilities**

5. Expanding Opportunities for Awards

◎ Aggressive pricing in EPC:

- **Global-best-mix in engineering resources**
- **Global-procurement, including Chinese vendors**
- **More in-league with local construction partners**

◎ Advancing localization:

- **Strengthening EPC capability in an affiliate in Brazil**
- **Acquisition of a Canadian engineering firm for market penetration in Canada**

6. Future Growth & Development

◎ More focus on soft-service type projects:

- **Respond to changes of clients' needs**

◎ Stretch “up-stream” capability:

- **Got ready for strategic deployment**

◎ Leverage experiences in “social infrastructure”:

- **Take advantage of our actual project achievement**



For further questions on this material, please contact:



URL <http://www.toyo-eng.co.jp>

2-8-1 Akanehama, Narashino, Chiba, Japan 275-0024

Kazuhiro SAKUMA

IR Manager

Corporate Communication Division

Tel +81-47-454-1681

Forward-looking Statements

This presentation may contain forward-looking statements about the Toyo Engineering Corporation identified by the fact that they do not relate strictly to historical or current facts. These statements are based on currently available to the management of the Toyo Engineering Corporation, and subject to risks and uncertainties that could cause the Toyo Engineering Corporation's actual results, performance, achievement or financial condition to differ from those described or implied in the forward-looking statements.

The Toyo Engineering Corporation undertakes no obligation to publicly update any forward-looking statements after the date of presentation.

These potential risks and uncertainties include, but are not limited to: competition within the financial services industries in Japan and overseas, our ability to adjust our business focus and to maintain profitable strategic alliances, volatile and sudden movements in the international securities markets, foreign exchange and global economic situations affecting the Toyo Engineering Corporation.