



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 FY 2010

Targeting on Business Enhancement in Emerging Market

May 13th , 2010

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President & CEO

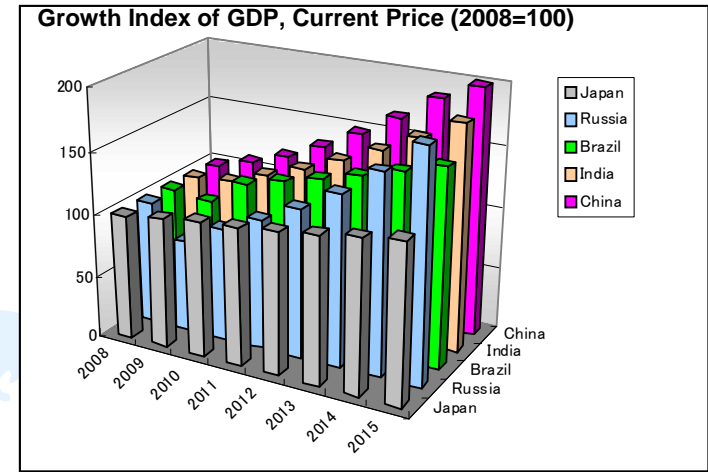
 **TOYO ENGINEERING CORPORATION**

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1. Management Policy for FY 2010

◆ Business enhancement responding to surging EPC demands in emerging economies

- BRICs: Scale & spread of growing market with about a half of the world population
- Going pari-passu with clients' investment plans



Estimated by TOYO based on IMF World Economic Outlook Database, April 2010

◆ Trace a growth path by accelerating “Global Toyo” program – optimal project operation by Toyo Group companies

- Improving “customer relationship” in operation, augmenting work force in affiliates/establishing new-affiliates, strengthening global administration management
- Responding to “localization policy” in emerging countries

◆ Reinforce business fundamentals by developing new business area and technology

- Infrastructure (water/power/transportation), small to medium GTL, mid-scale LNG

2. Current Projects in Progress

- ◆ Major projects on schedule & budget by tight risk control and project management
- ◆ Accumulated project execution capability by maturation of each global base and smooth inter-group collaboration



3. Focus 1: Markets in BRICs Countries

- ◆ Sales development in emerging economies, especially in BRICs
- ◆ Resource allocation for enhancing affiliates in BRICs

Brazil

- [Population]** 191 million (2009)*1
[Est. GDP growth] 4.3 % (nominal•2010-15 Av.)*1
- Oil field discovered ⇒ changed to net-exporter of oil, since 2006
 - Petrobras decided to invest USD 220 Billion for 2010-14
 - E&P: shifting to ultra-deep-sea area

Russia

- [Population]** 141 million (2009)*1
[Est. GDP growth] 4.1 % (nominal•2010-15 Av.)*1
- “Resource-based economy” continues
 - Recovery of oil price to revitalize economy & inward foreign investment
 - Gas development to be reactivated including “unconventional gas”

India

- [Population]** 1,199 million (2009)*1
[Est. GDP growth] 8.2 % (nominal•2010-15 Av.)*1
- GDP per capita: exceeding USD 1,000
 - Vast “mid-class” to boost long-lasting domestic demand expansion
 - Policy turnaround toward “clean-fuel”

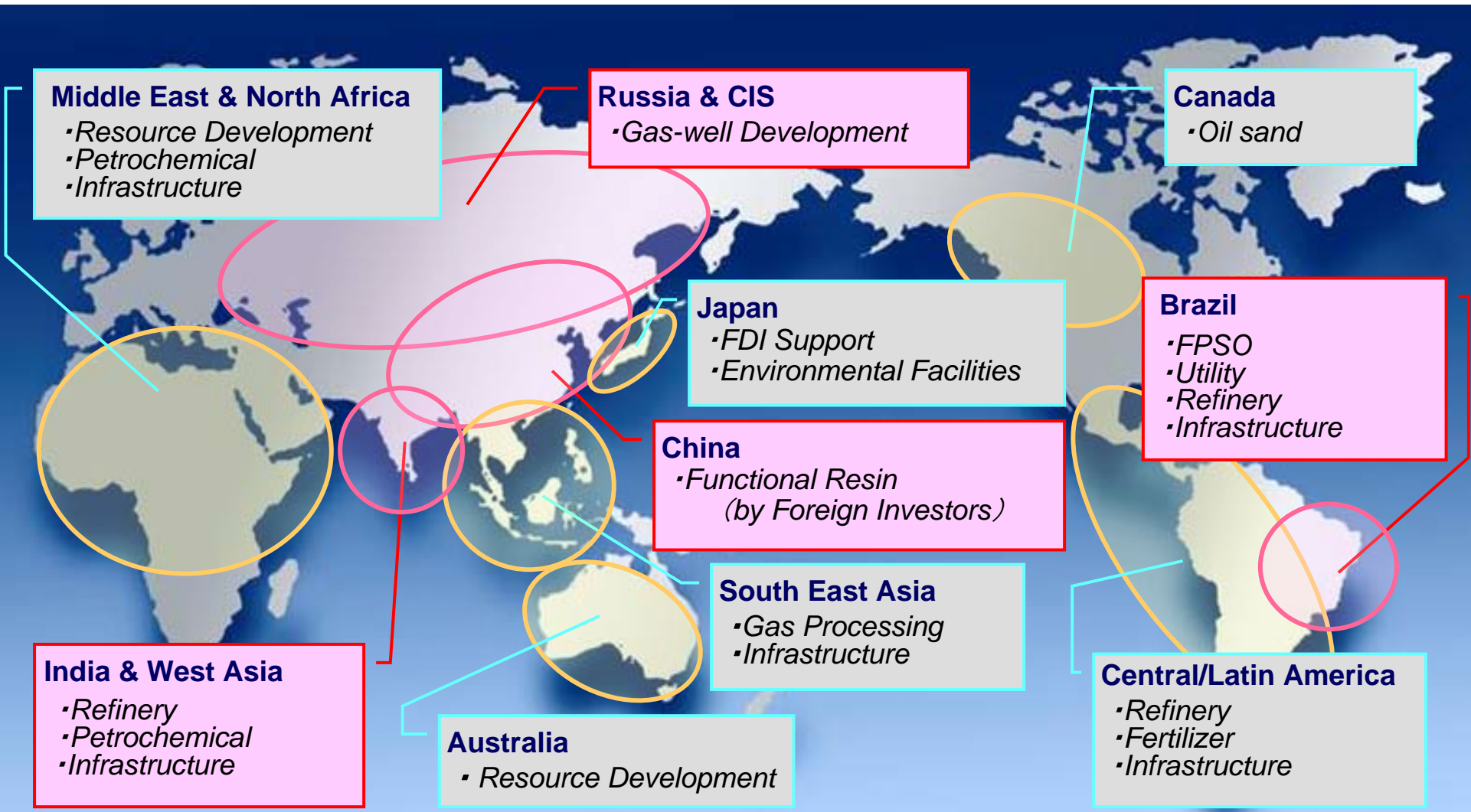
China

- [Population]** 1,335 million (2009)*1
[Est. GDP growth] 9.8 % (nominal•2010-15 Av.)*1
- long-lasting domestic demand expansion backed by the high-growth economy
 - Vital plant investment by foreign capital
 - New focused area: midcontinent China

Note1. Source: IMF World Economic Outlook Database, April 2010

4. Targeted Areas/Projects in Sales Activities

◆ Targeting on energy, hydro-carbon, infrastructure, environmental facilities, especially in BRICs



5. Focus 2: Acceleration for “Global Toyo”

◆ Improving “customer relationship” in operation

- Responsible full line-up project operation of sales, contract and executing activities by Global Toyo companies

◆ Augmenting work force in affiliates and establishing new-affiliates

- Responding to business expansion in India
- Strengthening of an affiliate in Brazil
- Study for new affiliates in uncovered areas

◆ Strengthening global administration management

- Introducing “global personnel system” and utilizing the common advanced project management system
- Pursuing better quality, HSSE and productivity

6. Focus 3: New Business Area and Technology

◆ Bringing tangible outcome from three focused themes

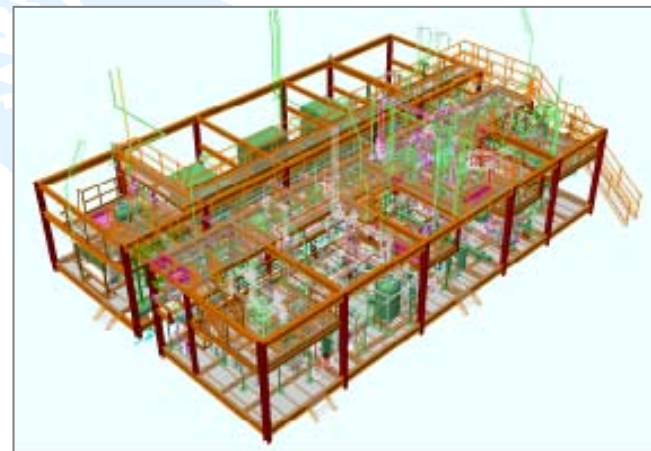
【Infrastructure: Water, Power and Transportation】

- Proposal works on going in emerging/developed countries in cooperation with Mitsui & Co.

【Small to medium GTL development】

- A pilot plant is under construction in Brazil with full-support from Petrobras (planned completion schedule: March 2011)
- Commercialization to be completed by the end of 2011 (Joint R&D activities by TOYO, Velocys and MODEC)
- Targeting on award from Petrobras in 2012, for No.1 commercial plant for Pre-Salt oil well

GTL pilot plant in Brazil (3D model)



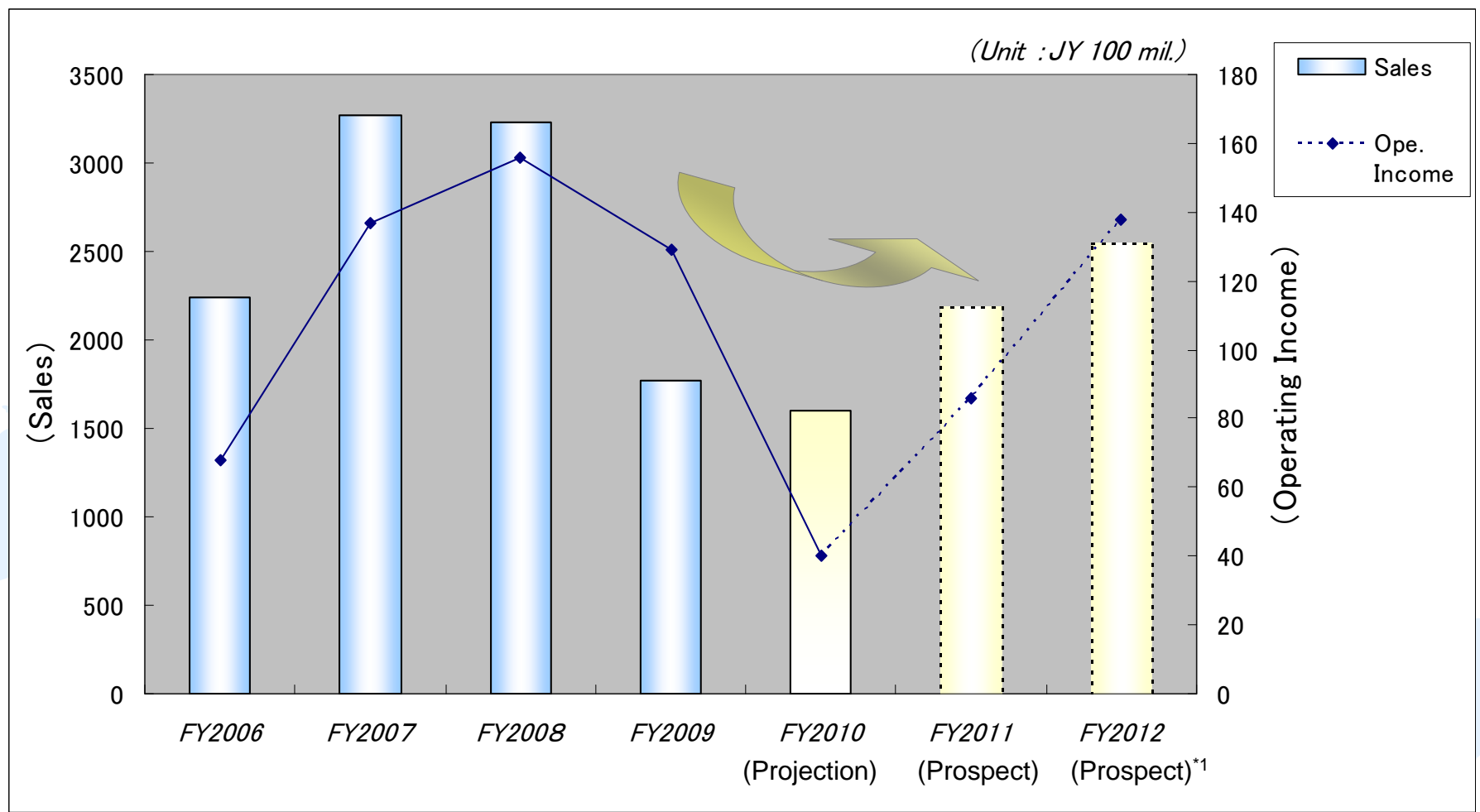
Mid-sized LNG plant by CHART/TOYO



【Mid-scale LNG development】

- Completed preliminary verification for its feature of low-cost, quick delivery and easy-to-operation
- Started marketing activity for mid/small-sized gas wells
- Business extension toward “Floating LNG”

7. Mid-term Business Perspective



Note*1.: Projection and prospects are only for reference

8. Projection for Financial Performance of FY 2010

(Unit: Billion JY)

<i>(Consolidated)</i>	<i>FY2009 Actual</i>		<i>FY2010 Projection</i>	
<i>Sales</i>	<i>173.9</i>	<i>100.0%</i>	<i>160.0</i>	<i>100.0%</i>
<i>Gross Profit</i>	<i>32.9</i>	<i>19.0%</i>	<i>24.0</i>	<i>15.0%</i>
<i>Operating Income</i>	<i>13.0</i>	<i>7.5%</i>	<i>4.0</i>	<i>2.5%</i>
<i>Ordinary Income</i>	<i>14.4</i>	<i>8.3%</i>	<i>3.5</i>	<i>2.2%</i>
<i>Net Income</i>	<i>7.1</i>	<i>4.1%</i>	<i>1.0</i>	<i>0.6%</i>
<i>Dividend per Share (Toyo-J)</i>	<i>JY 7</i>	<i>N.A.</i>	<i>JY 3</i>	<i>N.A.</i>
<i>New orders</i>	<i>132.4</i>	<i>N.A.</i>	<i>280.0</i>	<i>N.A.</i>



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