



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

*Vision: Global Leading Engineering Partner*

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

# **Management Policy Update for FY2014**

**May 14, 2014**

**Katsumoto Ishibashi**

**President & CEO**

**Toyo Engineering Corporation**

***NEXT TOYO 2015***

- 1. Review of Medium-Term Business Plan (FY2012-FY2015)**
- 2. Business Environments**
- 3. Business Activity Update**
- 4. Marketing Initiatives on Focus**
- 5. New Project Portfolio for FY2014**

# 1. Review of Medium-Term Business Plan (1/2)



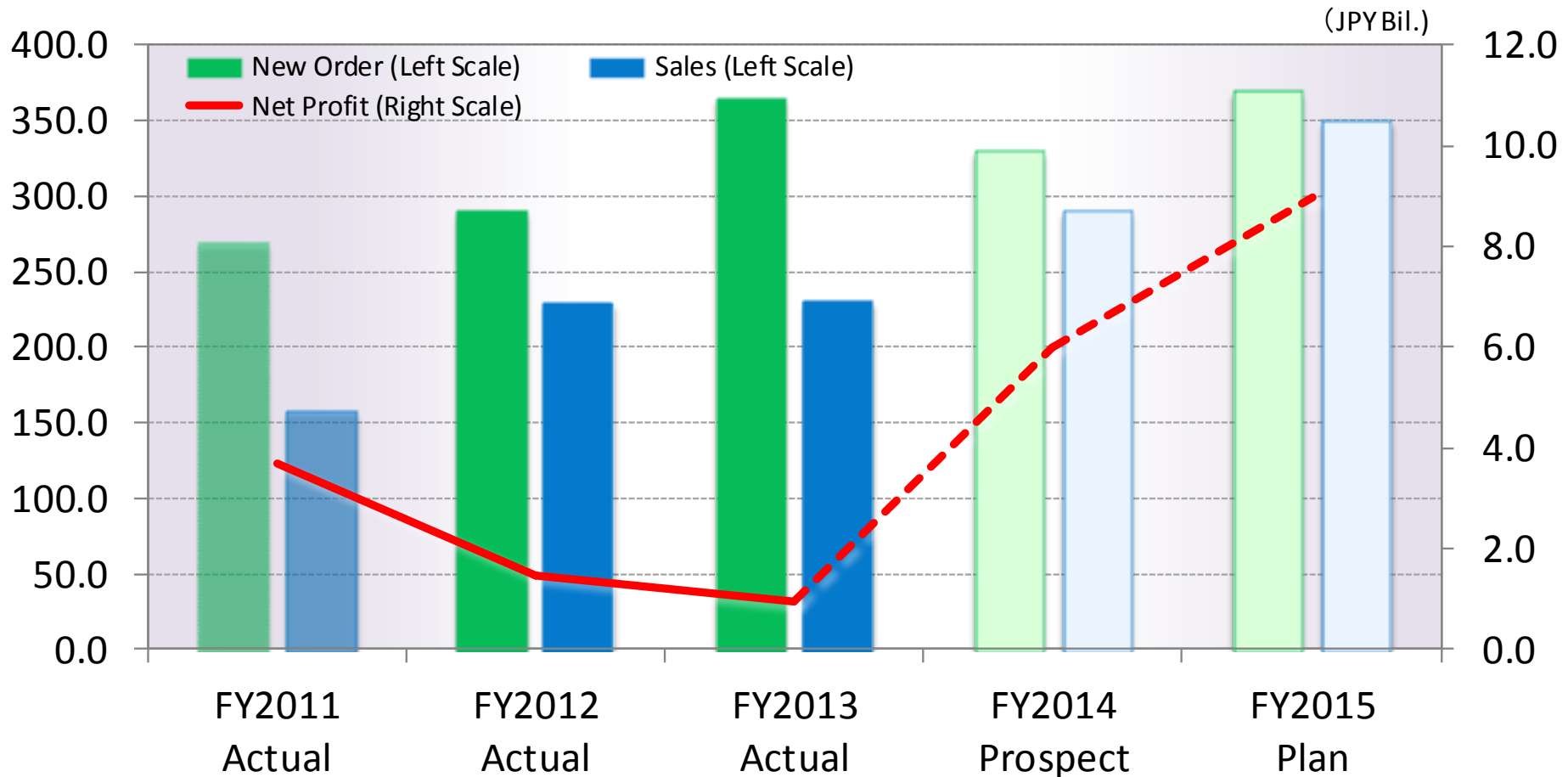
■ FY 2012

□ FY2013

\* 50% Share Equity Method Affiliates

	Prioritized Markets 【Asia, S. America, India, Middle East】	Frontier Markets 【Russia&CIS, N. America, Iraq, Sub Sahara】
<b>Core Business Area</b> - Fertilizer - Petrochemicals - Refinery/Gas	<ul style="list-style-type: none"> <li>■ Indonesia Fertilizer</li> <li>■ Indonesia Ammonia</li> <li>■ Bolivia Fertilizer (Licensing)</li> <li>■ Korea Petrochemical</li> <li>■ India Petrochemical</li> <li>■ Malaysia Gas Separation</li> <li>■ Venezuela Refinery Modernization</li> <li>□ Egypt PE</li> <li>□ Indonesia Ethylene Expansion</li> <li>□ Brazil Hydrogen*</li> <li>□ India LNG regasification (2 project)</li> <li>□ Brazil Ammonia *</li> </ul>	<ul style="list-style-type: none"> <li>■ Nigeria Fertilizer</li> <li>■ USA Petrochemical</li> <li>■ Russia Refinery Modernization</li> <li>□ USA PE (FEED)</li> <li>□ USA Petrochemical (E)</li> <li>□ Turkmenistan Petrochemical</li> </ul>
<b>Enhancing Business Area</b> - Energy Develop - Infrastructure	<ul style="list-style-type: none"> <li>■ Brazil FPSO Topside*</li> <li>□ Brazil FPSO Topside (2 project)*</li> </ul>	<ul style="list-style-type: none"> <li>■ Iraq GESA</li> <li>□ Canada Oil Sand</li> <li>□ Iraq GESA</li> </ul> <p>(GESA: General Engineering Service Agreement)</p>
<b>Fostering Business Area</b>	<ul style="list-style-type: none"> <li>□ Water Treatment (FS)</li> <li>□ Mega Solar (FS)</li> </ul>	

# 1. Review of Medium-Term Business Plan (2/2)



**Order Backlog (End of FY 2013)**

**538 Billions of Yen**

**Order Backlog of 50% Share Equity Method Affiliate (End of FY 2013)**

**175 Billions of Yen (Share Equivalent )**

# 2. Business Environments

- ◆ **Generally Positive Market Environment**
  - **Shale-Gas Related Investments**
  - **Offshore Oil & Gas Development in Brazil**  
**Increased Demand on Energy, Petrochemical, Fertilizer in India, Russia & CIS and Indonesia**
  - **Massive Oil & Gas Development in Iraq**
  
- ◆ **Deliberate Approaches for the Following Risks**
  - **Unstable Ukrainian Situation,**  
**Scale Down of Monetary Easing Policy in USA**
  - **Increased Competition in large Petrochemical Projects by New Entries such as Chinese Contractors**

# 3. Business Activity Update

## ◆ Focus on Booming “Frontier Market”

- North America: Petrochemical, Fertilizer, Power Plants (Based on Shale-Gas/Oil)
- Russia & CIS: Energy, Petrochemical, Fertilizer, Power Plants
- Iraq: Oil & Gas Development

## ◆ Improvement in Project Profitability

- Seamless Project Operation System between Toyo-Japan, Overseas Group Companies (OGC) and Construction Site
- Enhancement in Project Governance by Toyo-Japan’s Initiative
- Development of OGC’s Project Staffs

# 4. Marketing Initiatives on Focus

## ◆ Fertilizer, Petrochemical

- North America: Global Engineering Operation, Collaboration with U.S. Contractor, Module Fabrication Method
- Indonesia, India: Utilization of Local Affiliates



## ◆ Power

- Utilization of Thai 7 SPP Project's Experience
- Large-Scale Solar Plant from Development Stage

## ◆ FPSO

- Module Fabrication Yard Business in Brazil

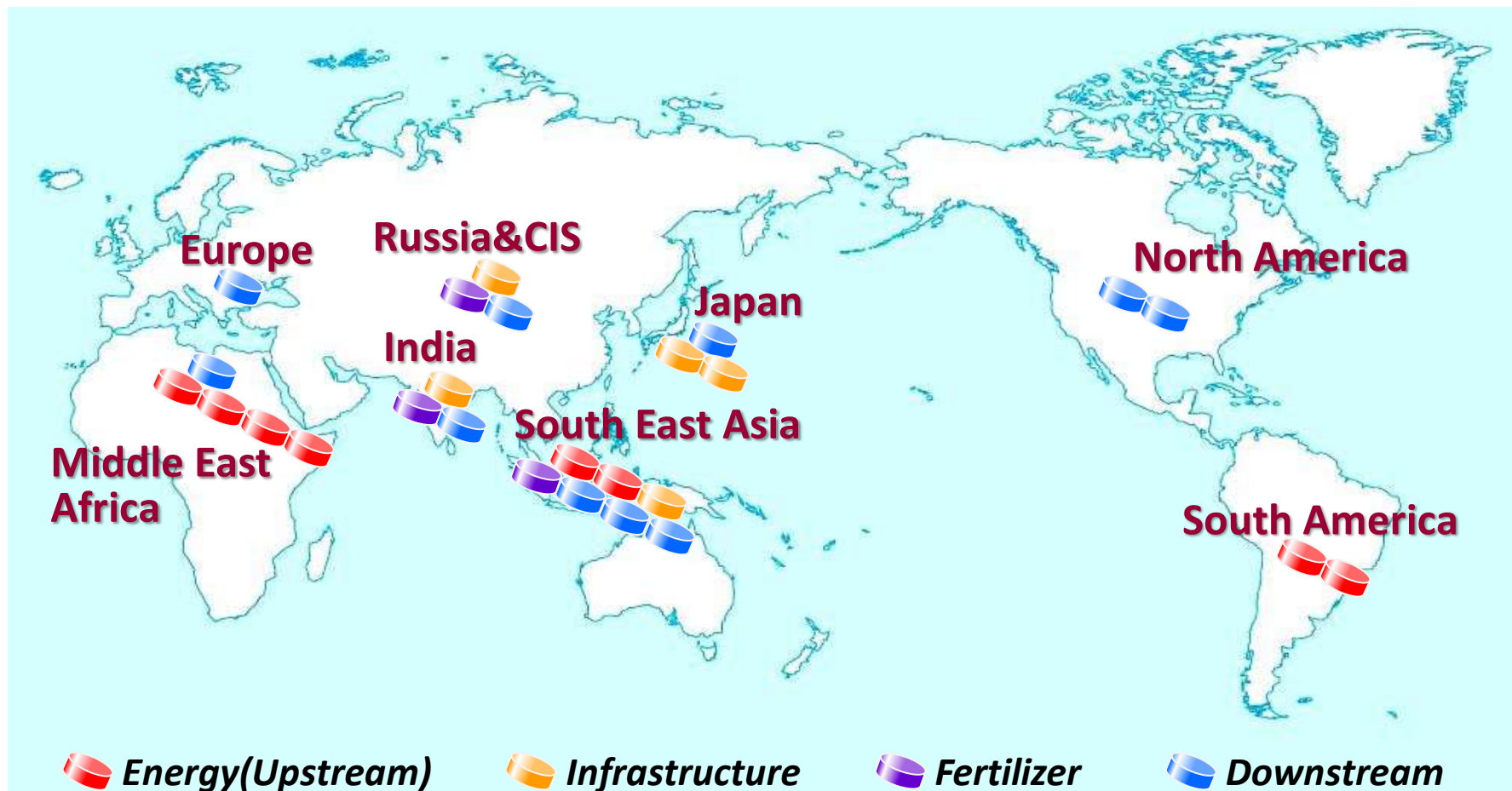


## ◆ Energy Service Business

(Note) FPSO: Floating Production, Storage & Offloading

# 5. New Project Portfolio for FY2014

◆ **New Order Target: 330 Billions of Yen**







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

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