

Mid-term Management Plan
TOYO Great Global Plan 2020
(FY2018 – FY2020)



June 4, 2018

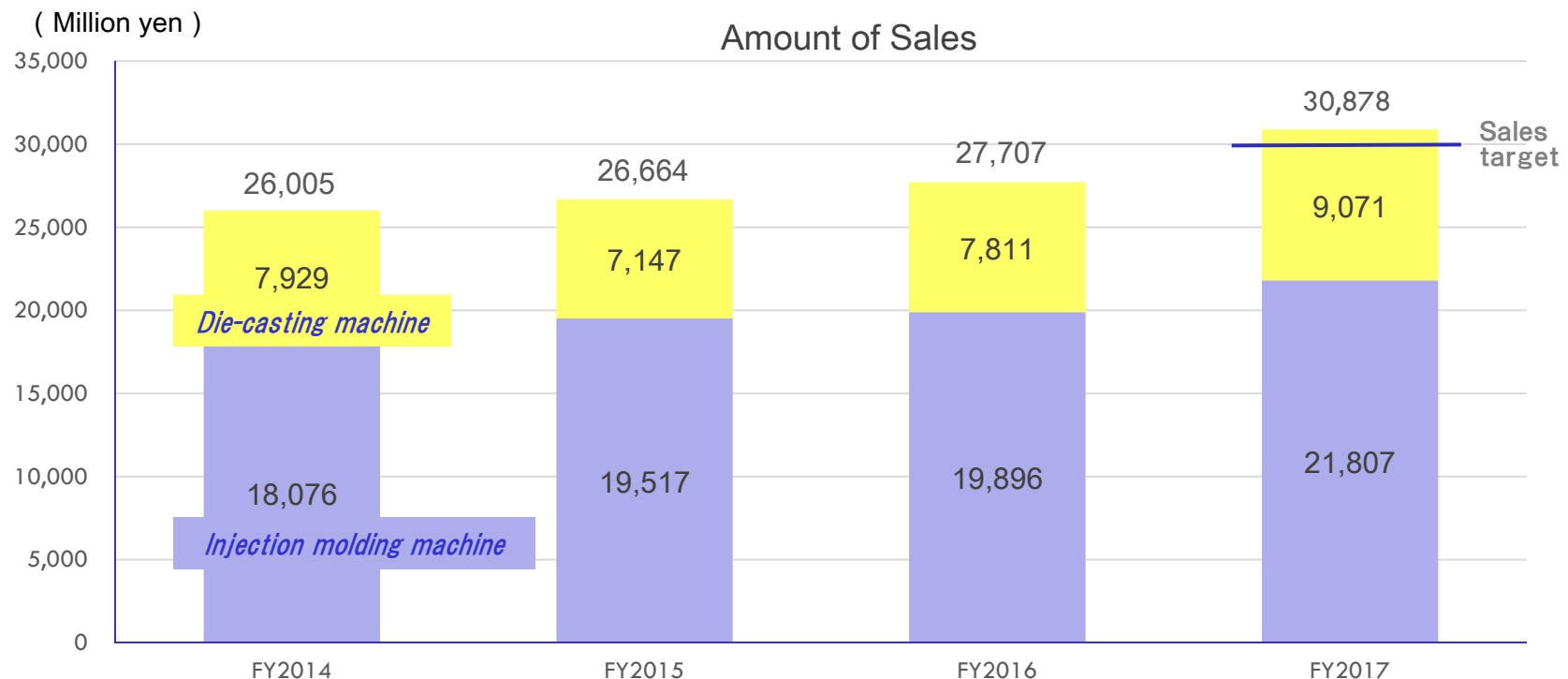
Toyo Machinery & Metal Co., Ltd.

While sales target was over-achieved backed by improved environment of China and other markets, operating profit fell short of target.

1. Review of over-achieved sales (B¥30.88 over B¥30.0 as planned)

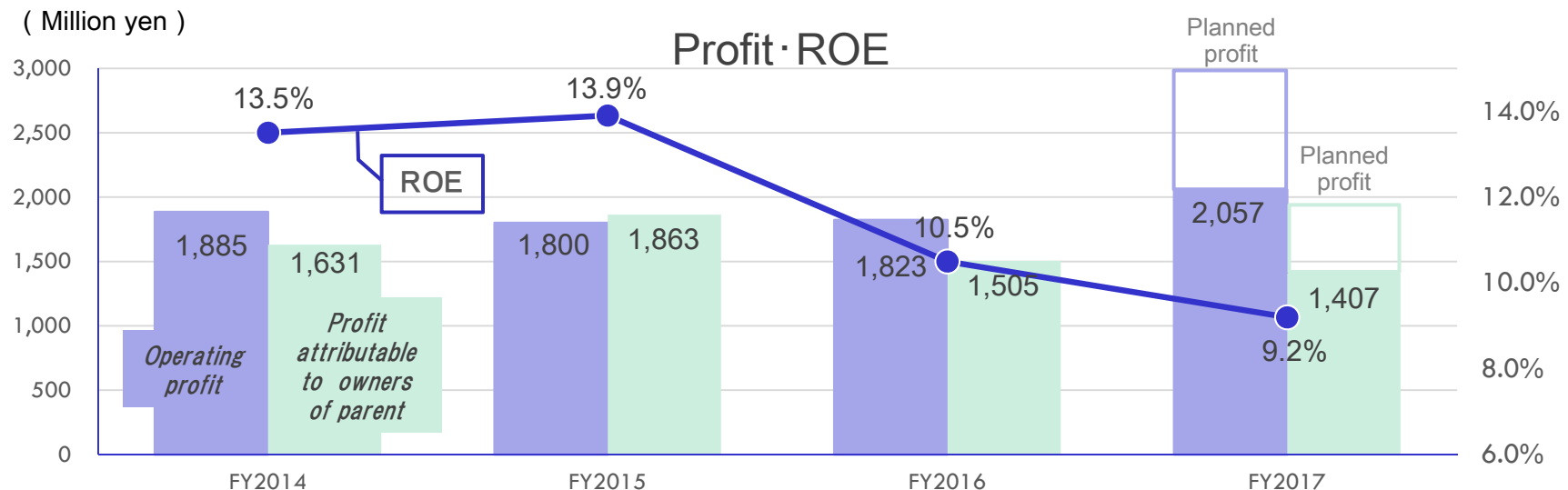
Number of order for mid- to large-sized machines was increased due to strengthened sales power all over the world.

- Euro-America: Number of mid- to large-sized machines was increased as planned.
- Japan: Sales was increased due to solid demands from auto, housing equipment, and livingware industries.
- China: Number of small-sized machines was increased for IT and electronics equipment.



While sales target was over-achieved backed by improved environment of China and other markets, operating profit fell short of target.

2. Review of under-achieved operating profit (B¥2.06 against B¥3.0 as planned)
 Profit was improved from 2016 to 2017, but the mid-term plan's target was under achieved.
 - Sales prices were negatively affected due to unexpectedly appreciated yen: ¥120/US\$ in Dec. 2014 ⇒ ¥106/US\$ in Mar. 2018
 - Profit rate was dropped due to harsh price competition among the industry in China, particularly.
 - Cost reduction was not successful as planned due to unexpectedly increased purchasing costs of key parts caused by strong demands for such parts.
3. Review of under-achieved ROE (9.2% against “10% or more” as planned)
 ROE was under-achieved as a result of under-achieved operating profit.



Corporate vision

- Contributing to the development of the society through producing products useful to customers.
- Be a reliable and dependable company, having great presence in the industry as well as the community Toyo belongs to.

Position of 'TOYO Great Global Plan 2020'

- Measures and plans for immediate three-year period toward 100th foundation anniversary
- Investment and strengthening of foundation for mid- to long-term development
- Measures to address the changes of business environment and imminent business task

What TOYO is supposed to be in FY2020

Basic principle and management policy toward FY2020

Basic principle

- (1) Business expansion and implementation of structural reforms based on our global growth strategy
- (2) Strengthening of our management bases to cope with global risks

Management policy

- (1) Business expansion by strengthening global business
- (2) Business growth by strengthening technological competence, cost power and production capability
- (3) Reform of business structure by utilizing strong relationship with our alliances

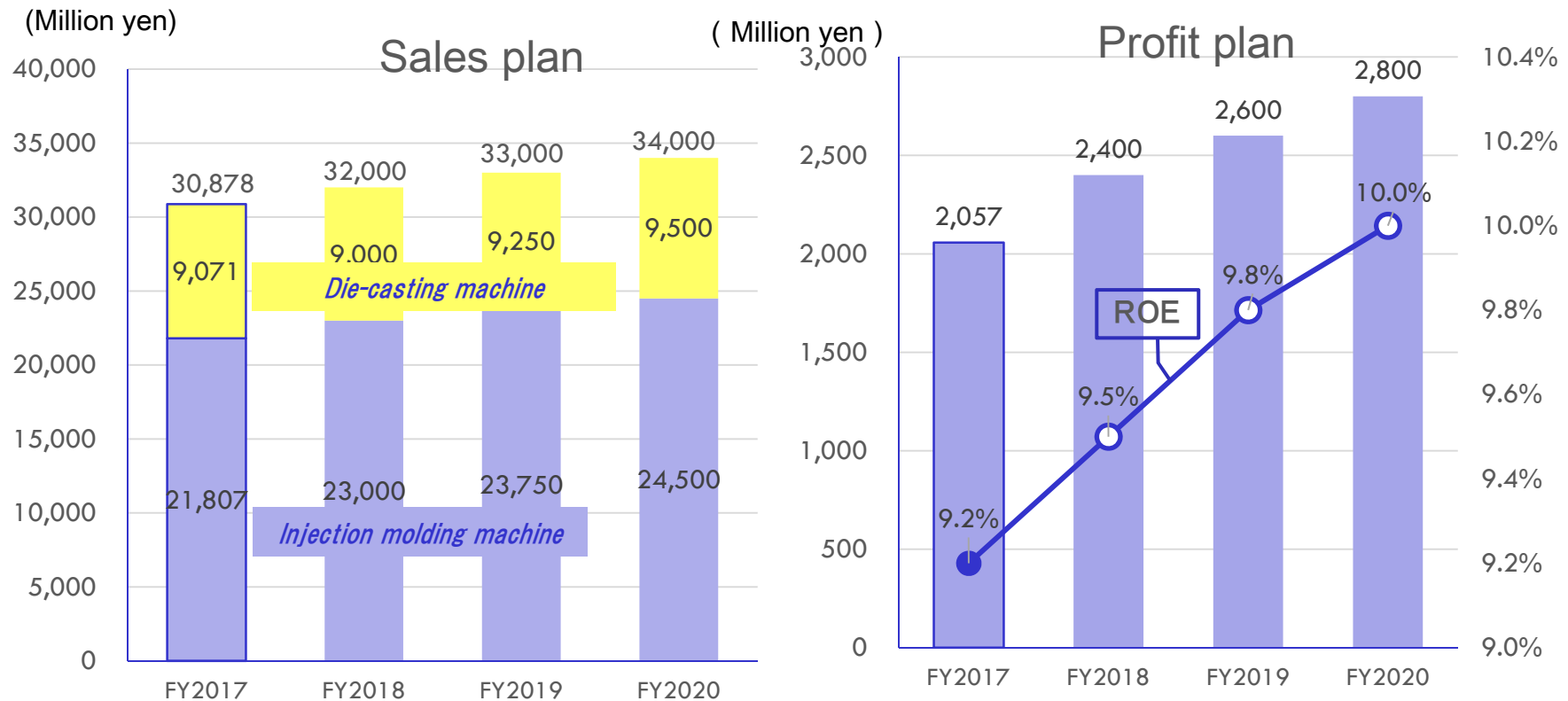
Planned target values

Sales: 34 billion yen, Operating profit: 2.8 billion yen

Target values of mid-term management plan

1. Establishment of stable revenue base by strengthening management foundation
2. Quick response to market changes with management drawing on its high mobility

Major mid-term target values



On the assumption that markets will grow steadily at large.

Business expansion concentrating on globally growing areas and markets

Japan, U.S.A., Europe: stable

China, Asian developing nations: largely variable

1. Target markets

- (1) Euro-America: Sales promotion of mid- to large-sized machines for livingware and auto, and development of new market sectors
- (2) Asia: Newly developing areas in Southeast Asia and South Asia (growing markets)
- (3) Japan: New products making in automotive industry heading toward 'light weight', 'EV', 'connected' and 'automated driving'

2. TOYO's technologies to customer needs

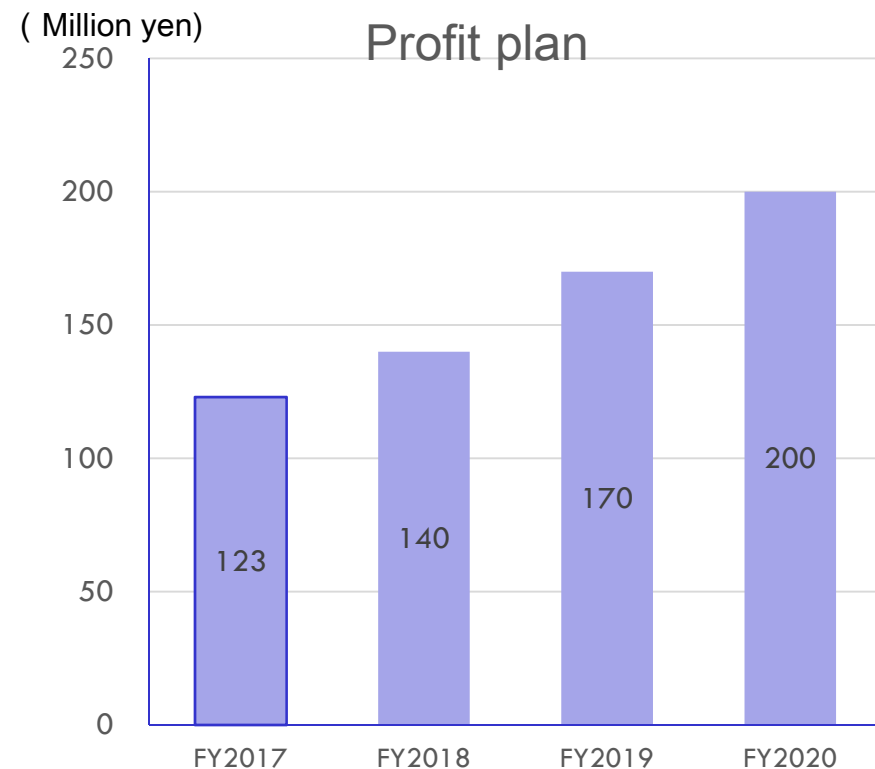
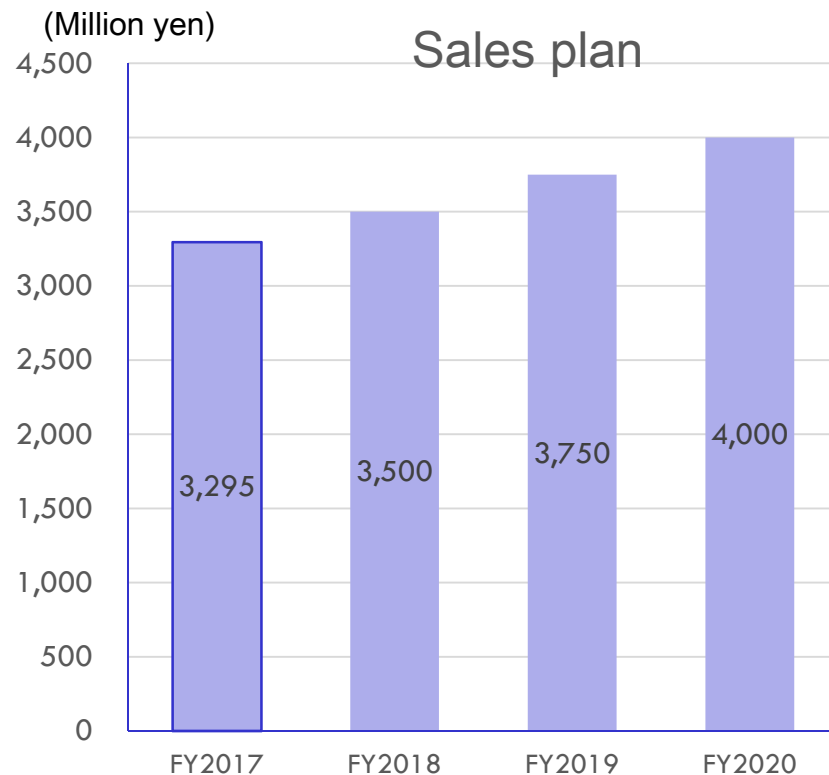
Target	Customer needs	TOYO's Technologies
Information terminal	High precision, high speed molding	Wide variation of high speed injection mechanism
Automotive	Parts for EV such as battery, sensor and camera	Customization proposal for respective customers' needs
	Lighter weight (Interior parts)	CFRTP insert molding, physical foam molding
	Environment, energy saving, high productivity	Electrically-driven die-casting machine
Food, medical	Clean production site	Electrically-driven machinery
Total market	Low defect rate in molding	SAG + all gas generation suppressing screw
	IoT	T-Station LITE Ver.2, T-Remote

Stable and increased delivery of locally-produced machines to China market

1. Expansion of model variation produced in China

From production of only small-sized machines to that of small- and medium-sized machines

2. Mid-term target values for China factory



TOYO

Customer's Value Up

Note

Prospects in the future in this material have been described based on the currently available information obtained by us at this moment. Therefore, actual results in the future will be varied from the prospects described in the material.