

## Investment in Engineering Company in Indonesia

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Toyo Engineering Corporation

Toyo Engineering Corporation (TOYO, President and CEO Yutaka Yamada) has acquired 47% of shares of a major engineering company, PT. Inti Karya Persada Teknik (IKPT), in Indonesia.

IKPT, an engineering company founded in 1982, has a lot of experience in EPC (engineering, procurement and construction) projects in the industrial sectors of oil and gas, petrochemical and chemical such as fertilizer, and infrastructure, including offshore development, LNG, and geothermal power generation. Having maintained a good relationship for over 20 years since the first collaboration in EPC of fertilizer plant, TOYO and IKPT are now jointly undertaking construction of the large-scale fertilizer plant in Indonesia.

Indonesia, ranked the fourth most populated country in the world with 240 million of its population, has achieved more than 6% of economic growth in year 2010 and 2011. The recent slowdown of global economy has affected the country less than other emerging countries. To keep and boost this economic growth, the country needs to accelerate development of infrastructure facilities such as power plants and transportation systems. The development of infrastructure in Indonesia is a target of Japan's public-private joint promotion to export a package of Japanese products, technologies and know-how. As such potential and positive outlook of Indonesian economy is widely acknowledged in the world, the country is now attracting more foreign investments of not only oil & gas companies but manufacturers planning to establish overseas production facilities in Indonesia.

TOYO has decided to invest in IKPT in accordance with its group strategy of expanding and reinforcing the regional EPC network among emerging countries and in consideration of the potential of Indonesia. TOYO's investment in and enhancement of collaboration with IKPT will expand business in Indonesia of both of TOYO and IKPT with their technologies, know-how and human resources shared by each other. TOYO expects IKPT to be a partner in its project operation out of Indonesia.

### Profile of investee

Company	PT. Inti Karya Persada Teknik (IKPT)
Location	Jakarta, Republic of Indonesia
Outline of business	Engineering, procurement and construction in the industrial sectors of oil and gas, petrochemicals and chemicals, and infrastructure
Capital	5.5 billion Rupiah (approximately USD 600 thousand)
Share ownership ratio of TOYO	47%
New orders awarded in 2011	Approximately USD 430 million
Number of employees	Approximately 820

< Contact > Kenji Sato, Corporate Communications Division, Phone: +81-47-454-1113