

June 9, 2023

Listed Company Name: TOYO CONSTRUCTION CO., LTD.
Representative: Representative Director, Senior Managing Executive Officer Takahiro Yabushita
(Code No. 1890, Prime Market of TSE)

Announcement of Establishment of a Joint Venture Company for Offshore Wind Power Generation Business

The Company concluded an agreement (hereinafter, the “Agreement”) to establish a joint venture focusing on offshore wind power generation with Mitsui O.S.K. Lines, Ltd. (hereinafter, “MOL”) on June 9, 2023.

The Company and MOL have discussed collaboration on offshore wind power generation business for more than a year based on the press release on February 21, 2022, “A Memorandum Of Discussion with Mitsui O.S.K. Lines Regarding Consideration of Collaboration of Work Vessels for Offshore Wind Power Generation”. As a result, we reached the conclusion that through establishing a joint venture, the companies will create stronger synergies in a wide range of areas related to offshore wind power, including survey planning, procurement of work vessels, and offshore construction, and will be able to aim to establish the business in a concrete and speedy manner.

The Company already announced the new five-year mid-term business plan (hereinafter, the "New Mid-Term Business Plan) on March 23, 2023, and our commitment to the offshore wind power generation business by the JV based on this Agreement will be the first shot of measures for promotion of the “offensive” Management Transformation (MX) to enhance the feasibility of our offshore wind power business that has been set as a growth driver in the New Mid-Term Business Plan.

Since the New Mid-Term Business Plan assumes this Agreement, there is no change in the numerical goals and roadmap released in the New Mid-Term Business Plan.

By combining the Company’s extensive knowledge and human resources in offshore construction, as well as its technological development capabilities in offshore wind power generation with MOL’s decades of experience in ship construction, ownership, and operation, the JV will meet the demand for work vessels expected to increase at home and abroad, and will make significant contributions to the value chain as an engineering and solutions company that will meet demands in a wide range of businesses related to offshore wind power, which is expected to become a critical element of the world’s future renewable energy supply.

Approach based on the Agreement will allow us to participate in a wide range of business domains in a faster and more certain manner than solo participation in wind power generation business, with the background of strong financial foundation and technical basis as well as enhancement of access capabilities to overseas including Asia. We strongly believe that this will further encourage the Company group’s contributions to lowering environmental-load and will increase the Company group’s corporate value.

For the outline of the Agreement and the JV, please refer to the joint press release, “MOL and Toyo Conclude Agreement to establish a Joint Venture Company for Offshore Wind Power Generation Business”, released on the same day.