CHIYODA CORPORATION

Chiyoda Global Headquarters
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The presentation was held in Japanese.
This document is a translation/summary for reference only.

August 6, 2021
IR, PR & CSR Section
Corporate Services Department
Chiyoda Corporation

Summary of a Q&A session following the Presentation of the First Quarter Financial Results for Fiscal Year Ending March 31, 2022

The following is a summary of a Q&A session following the presentation (telephone conference) of Chiyoda Corporation's (Chiyoda) financial results for the first quarter of fiscal year ending March 31, 2022, released on August 2, 2021.

	Question	Answer
1	Why is gross profit margin lower than for the same period last year?	In the global environment field, revenue has been primarily derived from projects awarded following the Revitalization Plan and secured profits are as a result of comprehensive risk and profit management. In the energy field, gross profit margin has been affected by COVID-19, with some projects being awarded prior to the Revitalization Plan.
2	Why is a breakdown of gross profits from projects awarded before and after the Revitalization Plan not shown in the presentation material?	The breakdown of the 6.2 billion JPY gross profit is: 1. 1.0 billion JPY from projects awarded before the Revitalization Plan. 2. 5.2 billion JPY from projects awarded after the Revitalization Plan. The presentation material does not show the breakdown of gross profit from projects awarded before and after the Revitalization Plan because; 1. Chiyoda updated the Revitalization Plan in May 2021 and totaled the quantitative progress of the first two years of the Plan. 2. Showing the breakdown is less important after the

	Question	Answer
		contribution to profits from the NFE LNG project in Qatar following its award and profit from projects after the Revitalization Plan accounts for more than 80% of gross profit.
3	Please explain the difference between the first quarter balance sheet for this fiscal year and the fourth quarter balance sheet for the last one.	The first quarter balance sheet for this fiscal year shows ordinary status reflecting the progress of projects. Comparing amounts as of the end of March and the end of June, cash and deposits decreased 28.9 billion JPY and jointly controlled assets of the JV increased 16.6 billion JPY, a balance of negative 12.3 billion JPY. This corresponds to the 11.4 billion JPY decrease in operating liabilities. New accounting rules of 'Accounting Standards Regarding Revenue Recognition' have been applied for this fiscal year and some accounting titles have been changed but mean the same. For example, 'advances received on construction contracts in progress' are now described as 'contract liabilities'.
4	Why did accounts payable increase?	Accounts payable increased corresponding to extraordinary losses related to discussions and arbitration with the client on the Ichthys LNG project. Chiyoda recognized extraordinary losses by re-evaluating rights and obligations from disputes with the client and considering the current status of discussions. As a result, shareholders' equity decreased. Chiyoda posted unrealized cost as accounts payable in liabilities assuming that issues would be collectively resolved. Accounts payable will decrease according to realization or extinction of unrealized cost. There is no cash outflow; extraordinary losses are recognized as a valuation of cost.

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	Question	Answer
5	Why did provision for loss on construction contracts increase?	Provision for loss on construction contracts increased as a precaution against the possible impacts of COVID-19 on ongoing projects.
6	What is the current status of the Tangguh LNG project in Indonesia, considering the spread of COVID-19?	Chiyoda will always prioritize the health and safety of our stakeholders and, in collaboration with clients, will continue executing projects while taking all necessary precautions to mitigate the effects of the pandemic, including meticulous site worker management. Chiyoda is continuing 'force majeure' contract provision discussions with clients to minimize COVID-19 cost and schedule impacts and does not anticipate any unforeseen effects.

-End-

Please address inquiries to:
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Note: Some additions and corrections have been made to simplify the content for readers. Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investors are recommended not to depend solely on these projections for making investment decisions.