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

August 8, 2023
IR, PR & Sustainability Advanced 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, 2024

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, 2024, released on August 2, 2023.

No	Question	Answer
1	**Revenue** What factors contributed to revenue achieving 29% of the full year forecast?	• Large-scale overseas projects are progressing and the Group made a robust start in Japan this fiscal year. • Revenue was carried over from the previous fiscal year by materials procurement optimization. The revenue will progress at the same ratio as the previous fiscal year after the second quarter, with a project to be completed.
2	**Gross profit margin** At 6.5%, why was the gross profit margin below the full year forecast of 7.8%?	In the course of improving our risk management structure, contingencies increased on some energy projects as we considered potential risks in the project life base. Increased contingencies were reflected in the financial results for the first quarter, however, projects last for a long period and the full year results illustrate a better perspective than the quarterly one.
	Please specify the contingencies.	Examples are risk allowances for price escalation of continuously procured bulk materials while construction progresses and volatile shipping costs.

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No	Question	Answer
3	**New orders forecast** At JPY 34.4 billion, new orders were low in comparison to the full year forecast of JPY 300.0 billion. Will the Group achieve the full year forecast? What projects are expected?	The Group is targeting a new order full year forecast of JPY 300.0 billion. • Facility investment appetite is increasing in the domestic market with government support. The Group receives many business inquiries, mainly in the fields of advanced technology, economic security, decarbonization, pharmaceutical and life sciences and energy management, such as energy storage. Most are single tender. We are confident of achieving domestic new orders of JPY 200.0 billion. The Group has continued to discuss orders with clients in the first quarter, despite prolonged inflation. • The integrated engineering company CHIYODA X-ONE Engineering Corporation was established in April 2023 from the merger of three group companies in Japan to reinforce group integration, and new orders of JPY 50.0 billion are expected. • The Group receives overseas inquires mainly in green/blue hydrogen, ammonia and CCUS projects which are not ultra large. This fiscal year, we will work mainly on miscellaneous activities leading to future orders. We also expect change orders from clients, contributing to ‘new orders’.
4	**Business environment** How do you see the LNG business environment developing?	LNG investment appetite is increasing from expanding LNG demand, caused by the geopolitical crisis in Ukraine and recognition of the importance of LNG as a transition energy source. The Group is accelerating operating resources in new businesses to transform its business portfolio and we select new orders which will leverage on our strengths, deliberately balancing risks and returns.

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No	Question	Answer
5	**Profitability** What have the Group achieved in profitability improvement initiatives?	Currently, large-scale overseas projects and others are progressing without serious issues. We acknowledge that this is the result of risk management improvement and project execution reinforcement because of the initiatives of the 2019 Revitalization Plan. The Group will continue accumulating profit by steadily executing projects.
6	**New business fields** Will the Group achieve the targeted fifty-fifty ratio between conventional business and new business fields?	The Group aims for ‘FY2030 fifty-fifty profit contribution ratio for existing businesses and new businesses’ advocated in the 2021 Revitalization Plan Update. New business profit contribution ratio has increased year by year from FY2021, and new orders being received in new businesses is increasing. The Group will steadily accumulate profits in new businesses to achieve the target.

-End-

Please submit inquiries to:
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