

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	450,000	4.6	20,000	10.4	20,000	(1.6)	15,000	(1.2)	49.81

Note: Revision to the latest forecast announcement 2023: None

4. Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries causing changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates / restatements

- a. Changes in accounting policies due to revisions of accounting standards, etc. : None
- b. Changes in accounting policies other than a. above : None
- c. Changes in accounting estimates : None
- d. Restatements : None

(3) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)	As of June 30, 2023	260,324,529 shares	Year ended March 31, 2023	260,324,529 shares
(b) Number of treasury stock at the end of the period	As of June 30, 2023	1,328,073 shares	Year ended March 31, 2023	1,353,124 shares
(c) Average number of shares during the period	For three months ended June 30, 2023	258,979,702 shares	For three months ended June 30, 2022	258,966,613 shares

This earnings release is not subject to audit procedures by certified public accountant nor audit corporation.

Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to a number of factors. Please refer to '(3) Outlook in 1. Qualitative Information Related to Consolidated Performance' for earnings forecasts conditions and notes on the use of earnings forecasts.

Dividend Status of Class A Shares

Class A Share Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2023	Yen —	Yen —	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	—	—

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2024 at this time.

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1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

While the global economic recovery continues, the risk of volatility remains in the first quarter of the fiscal year due to the prolonged geopolitical crisis in Ukraine.

Under these conditions and considering the business environment in which we operate, balancing the accelerating global transition to carbon neutrality and decarbonization in response to climate change, while ensuring a stable supply of energy has become a new challenge.

Based on the Chiyoda group's five (5) year medium-term management plan 'Revitalization for the Future', our risk management structure and engineering, procurement and construction (EPC) project management has strengthened to expand our stable profit-making base.

We continue to transform our business portfolio by advancing our existing businesses, based mainly on liquefied natural gas (LNG) due to its increasing importance as a resource for a stable supply of energy during the global energy transition, and strengthening new businesses in growth fields such as renewable energy, hydrogen, carbon cycling, energy management and life sciences.

This is the final year of the plan and by advancing our existing businesses while strengthening new ones, we aim to achieve sustainable growth and further enhance enterprise value by rejuvenating our business portfolio, transforming our income base and creating 'new engineering value'.

On a consolidated basis, for the first quarter of the fiscal year ending March 31, 2024, New Orders amounted to JPY 34,448 million (up 67.2% YoY), Revenue amounted to JPY 129,392 million (up 70.8% YoY) and the Order Backlog amounted to JPY 1,128,585 million (down 1.8% from last FY). Operating Profit is JPY 5,099 million (up 35.3% YoY) and Ordinary Profit is JPY 6,464 million (up 83.3% YoY). A recording of Income Taxes resulted in a Profit Attributable to the Owners of the Parent of JPY 4,884 million (up 123.0% YoY).

Further deterioration or a prolonging of the geopolitical crisis in the Ukraine could adversely affect the Group's business performance and we will continue to monitor and address any effects on current projects. The figures provided for ongoing projects in the first quarter of this fiscal year have been estimated following reasonable assessments of applicable impacts. Revenue and Cost of Completed Work reflect total construction cost and assessments in the calculation of construction progress.

Further information regarding reportable engineering business segments is presented below.

- Energy

LNG / Gas

【Overseas】

The Group is executing the EPC of LNG plants in Qatar, the USA and Indonesia. In Qatar, the EPC phase for the North Field East (NFE) project, an expansion of four LNG trains with capacities of eight million metric tons per annum each is ongoing, and construction is progressing. In the USA, the Golden Pass LNG project is also in the EPC phase and construction is progressing. In Indonesia, construction of the third train of the Tangghu LNG Expansion project is progressing towards completion. In the gas field, the Group has been engaged in engineering design for renovation work of LNG/gas processing plants in Qatar.

【Japan】

We are in the EPC phase of projects to reinforce, modify and repair existing LNG terminals, previously constructed by the Group.

Refinery/Petrochemical

In Japan, we are working on upgrading oil refinery facilities and examining measures for energy saving and carbon neutrality for oil companies. The Group deploys operation and maintenance (O&M) business for operation optimization, efficient facility maintenance and O&M digital transformation (DX) promotion by

combining our expertise of advanced analysis technologies such as 3D fluid analysis, dynamic simulation, structure analysis and earthquake resistance technology, and the latest digital technology for oil refineries and petrochemical compounds. In addition, in the petrochemical field, we are executing the EPC phase of a new functional materials project.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

EPC is ongoing on pharmaceutical substance manufacturing plants, including a biopharmaceutical substance manufacturing plant for a pharmaceutical company.

The Group invested in Pharmira Co. Ltd, a joint venture led by Shionogi Pharma Co. Ltd, and is applying its innovative Continuous Manufacturing Technology in manufacturing active pharmaceutical ingredients and intermediates. After being selected by the New Energy and Industrial Technology Development Organization (NEDO) following an open call for proposals, we are collaborating with industry and academia on a 'Technology Development for Large-scale Production of Highly Modified Recombinant Proteins in Plants' research and development project.

In general chemistry field, the Group works for order intake of high functional products manufacturing plants.

Environment/New Energy/Infrastructure/Advanced Materials

【Environment】

We are installing flue gas desulfurization (FGD) equipment in coal-fired power plants in India in response to tightening environmental regulations, and the Group's thoroughbred 121 (CT-121) FGD process has been installed in a number of plants.

【New Energy】

The Group is executing the EPC phase for Japan's largest biomass power plant using wood pellets as fuel. Miscellaneous offshore wind power generation activities are ongoing and we are reinforcing the utilization of stored energy for efficient use of renewable energy while working on a territorially distributed energy procurement system.

【Infrastructure】

The Group is in the construction phase of the EPC of a copper smelting plant in Indonesia, the world's largest single manufacturing line plant, and construction is progressing.

【Advanced Materials】

In the field of next-generation batteries, increasing safety, extending cruising distances and shortening recharge durations are being realized and the Group is executing a recently awarded inorganic battery material demonstration plant project. We are also executing the precedent work of EPC for a new advanced materials plant in Japan.

Please refer to 3. 'Contracts and Sales' for further details of New Contracts, Net Sales and Contract Backlog, by segment.

<<Decarbonization Business>>

The Group's hydrogen business (hydrogen/ammonia), Carbon Capture and Storage (CCS)/ Carbon Capture and Utilization (CCU) business and energy management business are presented below.

Hydrogen/Ammonia

In the hydrogen field, the Group is participating in projects in Singapore and Europe to construct hydrogen supply chains using our unique SPERA Hydrogen™ technology.

In Singapore, conceptual design is ongoing with Sembcorp Industries, a leading integrated utilities firm and government-affiliated conglomerate and Mitsubishi Corporation to realize a commercial scale clean hydrogen supply chain in the city-state. The three parties have set a goal to start commercial hydrogen

supply in 2026.

In Europe, the Group is participating in a hydrogen marine transportation project (LHyTS project) to export hydrogen from Scotland to Rotterdam and is currently conducting feasibility studies.

In Japan, Chiyoda is a managing board member of the Japan Hydrogen Association and is engaged in creating social implementation projects while providing government policy support. In April 2023, the Group concluded a Memorandum of Understanding (MOU) with Chubu Electric Power Company and Hazer Group Limited, an Australian technology development company, to produce hydrogen using the HAZER Process. Detailed discussions regarding plans to develop carbon-free hydrogen and carbon-graphite production facilities in the Chubu region have commenced.

In the ammonia field, the Group is leading a NEDO Green Innovation Fund initiative in a collaboration project with industry, government and academia to develop independent ammonia synthesis technologies to reduce ammonia production costs. Also, the Group, jointly with JERA Co., Inc. and NIPPON SHOKUBAI CO., LTD., develops an ammonia cracking technology that is competitive compared to existing technologies under NEDO's technologies development program. The Group is conducting studies on ammonia receiving and hydrogen fuel supply facilities in Japan.

CCS/CCU

Carbon dioxide separation and recovery technology development for large-scale natural gas fired power plant turbines using domestic solid sorbent material is ongoing, under a NEDO Green Innovation fund program. The Group signed an MOU with Pace CCS Limited, a global leader in the field of CO₂ capturing technology and CCS system design, to collaborate in the field of CCS. We will deliver CCS projects from initial feasibility studies and conceptual design through FEED and EPC.

In Southeast Asia, the Group has entered into a Joint Study Agreement with PT Pertamina (Persero), a state-owned oil company in Indonesia, to develop carbon recycling technology. We signed an MOU with the Electricity Generation Authority of Thailand to jointly study the development of a clean hydrogen and ammonia value chain in Thailand. The Group is therefore contributing to the transition to carbon neutrality in both countries.

In the CCU field, the Group is realizing carbon recycling as part of a collaboration project with industry, government and academia, researching and developing CO₂ capture and utilization technology using CO₂ as a raw material to produce para-xylene. We are collaborating with an American company, Blue Planet Systems Corporation, and Mitsubishi Corporation to develop technology using the CO₂ in exhaust gas in the manufacture of aggregates as a raw material for concrete.

In the e-fuel field, the Group signed an MOU with a German company, INERATEC GmbH (INERATEC), to strategically collaborate on e-fuel projects to accelerate decarbonization using their innovative Power-to-X technology. We are also executing a newly awarded demonstration plant project for synthetic fuel production from CO₂ and hydrogen.

Energy Management

The Group commenced a twenty (20) year maintenance work for the world's largest Battery Energy Storage System (BESS) for North Hokkaido Wind Energy Transmission Corporation, completed construction in March 2023 by the Group. Several new BESS projects are also progressing.

The Group is reinforcing its domestic virtual power plant (VPP) business in collaboration with a start-up company.

<<Digital Transformation (DX) Business>>

The Group is accelerating company-wide digital transformation (DX) and, by pursuing the following three initiatives, cultivating digital expertise as a DX foundation in the development of a digital culture:

(a) **Project Execution DX**

The Group is implementing Advanced Work Packaging (AWP) on ongoing large-scale projects to enhance

our EPC execution management capabilities. As part of PlantStream Inc, a joint venture with Arent Inc, we are developing and introducing an innovative space design system for plant owners and EPC contractors around the world, enhancing the Group's engineering capabilities.

(b) Corporate Management DX

The Group is leveraging digital technologies to develop the remote working environment, improving resource planning and management and deploying robotic process automation to improve administrative efficiency.

(c) DX Business

The Group reorganized its plant operation and maintenance solution and digital transformation business organizational functions. We are deploying solution businesses to support the transformation of client operation and maintenance activities. To strengthen the development and implementation solutions provided to clients, the Group commenced collaboration with Japan Business Systems Inc. to build and provide cloud services, targeting industrial facilities/plant industries. The Group also commenced collaboration with Nakayama Hydrothermal Industry Co. Ltd. to develop a solution for the diagnosis of rotating machinery by combining the Group-owned wireless vibration sensor with our solutions.

<<Others>>

Chiyoda X-ONE Engineering Corporation was established on 1 April 2023 and commenced business operation this fiscal year.

(2) Financial Information on Business Performance

(Assets)

Total Assets decreased by JPY 3,845 million from the end of the last fiscal year, with a decrease of Costs on Construction Contracts in Progress of JPY 306 million, Current Assets – Other of JPY 22,028 million and others. Cash and Deposits increased by JPY 9,294 million, Notes Receivable, Accounts Receivable from Completed Construction Contracts, and Contract Assets by JPY 6,554 million, and Jointly Controlled Assets of Joint Venture by JPY 2,842 million.

(Liabilities)

Total liabilities decreased by JPY 13,213 million from the end of the last fiscal year, with a decrease of Contract Liabilities of JPY 7,900 million, Current Portion of Long-term Borrowings of JPY 5,033 million and others.

(Net Assets)

Total Net Assets is JPY 31,678 million, with an increase of Retained Earnings by recording a Profit Attributable to Owners of Parent and Accumulated Other Comprehensive Income by recording Deferred Gains or Losses on Hedges.

(3) Consolidated Financial Forecasts of the Fiscal Year

There is no change from the consolidated financial forecasts for the fiscal year announced on May 9, 2023.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	61,241	70,536
Notes receivable, accounts receivable from completed construction contracts, and contract assets	35,034	41,588
Costs on construction contracts in progress	23,570	23,264
Jointly controlled assets of joint venture	161,643	164,485
Other	103,108	81,080
Allowance for doubtful accounts	(1,639)	(1,604)
Total current assets	382,958	379,349
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,575	4,442
Land	5,041	5,017
Other, net	1,126	1,332
Total property, plant and equipment	10,743	10,792
Intangible assets	4,748	4,522
Investments and other assets		
Investment securities	6,442	6,368
Retirement benefit asset	167	139
Deferred tax assets	139	153
Other	1,405	1,435
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	8,137	8,078
Total non-current assets	23,629	23,393
Total assets	406,588	402,742

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	129,370	130,075
Current portion of long-term borrowings	5,490	456
Income taxes payable	2,046	1,235
Contract liabilities	163,347	155,446
Provision for warranties for completed construction	1,388	1,931
Provision for loss on construction contracts	27,894	24,767
Provision for bonuses	5,120	1,516
Other	21,597	25,595
Total current liabilities	356,256	341,025
Non-current liabilities		
Long-term borrowings	23,600	23,600
Deferred tax liabilities	323	2,509
Provisions	236	—
Retirement benefit liability	804	902
Other	3,056	3,027
Total non-current liabilities	28,021	30,039
Total liabilities	384,278	371,064
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	13,797	18,682
Treasury shares	(847)	(837)
Total shareholders' equity	28,107	33,002
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69	53
Deferred gains or losses on hedges	1,707	6,563
Foreign currency translation adjustment	(7,587)	(7,930)
Remeasurements of defined benefit plans	(115)	(131)
Total accumulated other comprehensive income	(5,926)	(1,444)
Non-controlling interests	129	119
Total net assets	22,310	31,678
Total liabilities and net assets	406,588	402,742

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income) (Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales of completed construction contracts	75,741	129,392
Cost of sales of completed construction contracts	69,214	120,963
Gross profit on completed construction contracts	6,526	8,428
Selling, general and administrative expenses	2,756	3,329
Operating profit	3,769	5,099
Non-operating income		
Interest income	153	2,127
Dividend income	10	756
Other	36	49
Total non-operating income	201	2,933
Non-operating expenses		
Interest expenses	215	173
Share of loss of entities accounted for using equity method	142	61
Foreign exchange losses	34	1,300
Other	52	33
Total non-operating expenses	444	1,568
Ordinary profit	3,526	6,464
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	45
Gain on sale of investment securities	72	—
Total extraordinary income	72	45
Extraordinary losses		
Loss on valuation of investment securities	18	—
Total extraordinary losses	18	—
Profit before income taxes	3,580	6,510
Income taxes - current	1,297	1,538
Income taxes - deferred	87	49
Total income taxes	1,384	1,587
Profit	2,195	4,922
Profit attributable to non-controlling interests	5	37
Profit attributable to owners of parent	2,190	4,884

(Consolidated Statement of Comprehensive
Income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,195	4,922
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(15)
Deferred gains or losses on hedges	5,040	4,855
Foreign currency translation adjustment	(3,236)	(332)
Remeasurements of defined benefit plans, net of tax	(33)	(16)
Share of other comprehensive income of entities accounted for using equity method	62	1
Total other comprehensive income	1,819	4,493
Comprehensive income	4,015	9,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,997	9,367
Comprehensive income attributable to non-controlling interests	18	48

(3) Notes

(Merger of Consolidated Subsidiary Companies)

At the Board of Directors meeting on December 27, 2022, it was decided that Chiyoda's three consolidated subsidiary companies, Chiyoda Kosho Co. Ltd, Chiyoda System Technologies Corporation and Chiyoda TechnoAce Co. Ltd, would merge in an absorption-type merger. On April 1, 2023, three companies were merged.

1. Summary of Absorption-Type Merger

(1) Name of the merged companies and their business

Surviving company	Chiyoda Kosho Co. Ltd.
Business	Energy, environment and maintenance

Merged company	Chiyoda System Technologies Corporation
Business	Electrical and instrumentation solutions

Merged company	Chiyoda TechnoAce Co. Ltd.
Business	Life science

(2) Date of merger

April 1, 2023

(3) Name of the Surviving Company

CHIYODA X-ONE Engineering Corporation (Former Chiyoda Kosho Co. Ltd.)

(4) Other information regarding the summary of merger

The merger took place to increase business efficiency by merging the three companies' business resources and commence business as a leading integrated engineering contractor, possessing the comprehensive technologies required for the engineering, procurement and construction of industrial plants and facilities and develop its maintenance engineering business, optimizing the technological capabilities, experience and track record accumulated by the three companies.

3. Contracts and Sales

(Millions of yen)

	Apr. 1, 2022 — Jun. 30, 2022			Apr. 1, 2023 — Jun. 30, 2023		
	New contracts, ratio	Net sales, ratio	Backlog of contracts, ratio	New contracts, ratio	Net sales, ratio	Backlog of contracts, ratio
1. Engineering	20,446 99.3%	75,585 99.8%	1,367,674 100.0%	34,320 99.6%	129,264 99.9%	1,128,585 100.0%
ENERGY						
(1) LNG Plant	2,468 12.0%	42,444 56.1%	951,202 69.6%	1,107 3.2%	71,518 55.3%	795,173 70.5%
(2) Gas Development/Processing/Receiving	127 0.6%	1,053 1.4%	2,081 0.2%	863 2.5%	287 0.2%	5,743 0.5%
(3) Refinery/Petrochemical/Metal	6,773 32.9%	5,765 7.6%	29,168 2.1%	7,109 20.6%	6,496 5.0%	26,368 2.3%
ENVIRONMENT						
(4) Pharmaceutical/Biochemistry/Chemical	4,501 21.8%	6,747 8.9%	48,017 3.5%	3,603 10.5%	7,590 5.9%	36,062 3.2%
(5) Environment/New Energy/Infrastructure	5,266 25.6%	18,645 24.6%	334,215 24.4%	20,664 60.0%	42,347 32.7%	261,674 23.2%
(6) Others	1,309 6.4%	928 1.2%	2,989 0.2%	972 2.8%	1,024 0.8%	3,562 0.3%
2. Other Business	155 0.7%	155 0.2%	- -	128 0.4%	128 0.1%	- -
Total	20,602 100.0%	75,741 100.0%	1,367,674 100.0%	34,448 100.0%	129,392 100.0%	1,128,585 100.0%
Domestic	16,968 82.4%	16,186 21.4%	100,700 7.4%	29,721 86.3%	16,367 12.6%	102,912 9.1%
Overseas	3,633 17.6%	59,554 78.6%	1,266,974 92.6%	4,726 13.7%	113,025 87.4%	1,025,673 90.9%

Note: The backlog of contracts for the three months includes an increase / decrease due to changes in construction contracts acquired in prior fiscal years, and an increase / decrease due to foreign exchange translation adjustments.