

Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2025 (FY2024 1Q)

July 29, 2024

Chiyoda Corporation

(Stock code: 6366)

AGENDA:

1. Key Points
 2. Latest Status of the Golden Pass LNG project
 3. Income Statement
 4. Balance Sheet
 5. New Orders / Backlog
 6. FY2024 Forecast
 7. Major Topics
- [Att-1] Revenue / Backlog Breakdown
- [Att-2] Results History

Enriching Society through Engineering Value

Our SDGs Materiality



1. Key Points

Highlights

- Increased income and profit compared to the same period last year. Gross Profit steadily progressed due to ongoing projects and implementation of improved risk reassessment procedures.
- Continuing to transform the business portfolio by accelerating the development of businesses in new fields. Strategic partnership aiming for social implementation of decarbonization technology, awarded a large-scale battery energy storage system project and establishing the world's first supply chain for polyester fiber produced using non-fossil materials.

Latest Status of the Golden Pass LNG project

- The customer, Zachry, CB&I and CIC* agreed to Zachry's withdrawal from the project and the court provisionally approved the agreement. CB&I and CIC will assume responsibility for separate portions of Zachry's scope of work.
- Zachry's withdrawal from the project will be officially confirmed after final court approval, which is expected in August.
- CB&I and CIC have been in discussion with the customer regarding the two companies execution plan toward the completion of the project, with the goal of revising the EPC contract at an early date.

Forecast

- The current full-year consolidated forecast does not include the impact of Zachry's withdrawal from the Golden Pass LNG project or any new execution plans to be agreed with the customer.
- We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as is reasonably practicable following Zachry's withdrawal.

* Chiyoda International Corporation, a US-based wholly owned subsidiary of Chiyoda Corporation

2. Latest Status of the Golden Pass LNG Project

- 
- June 26 ✓ Announcement of the financial results of FY2023
(While the court proceedings concerning Zachry's Chapter 11 filing continued, the cost required to complete construction was forecasted and recalculated with the current contract amount based on considerable sufficient costs.)
 - July 25
(Local time) ✓ The customer, Zachry, CB&I and CIC agreed to Zachry's withdrawal from the project and the court provisionally approved the agreement. CB&I and CIC will assume responsibility for separate portions of Zachry's scope of work.
 - July 29
(Today) ✓ Announcement of the financial results of FY2024 1Q
 - In August ✓ Zachry's withdrawal from the project will be officially confirmed after final court approval.
 - 2nd Quarter
~
3rd Quarter ✓ CB&I and CIC have been in discussion with the customer regarding the two companies execution plan toward the completion of the project, with the goal of revising the EPC contract at an early date. Chiyoda will review the profitability, aiming to recover its own capital.

3. Income Statement

Billions of JPY

	FY2023 1Q	FY2024 1Q	Difference
Revenue	129.4	117.0	(12.4)
Gross Profit	8.4	10.8	2.4
Gross Profit Margin	6.5%	9.2%	+2.7pt
SG&A Expenses	(3.3)	(4.4)	(1.1)
Operating Income	5.1	6.4	1.3
Ordinary Income	6.5	5.5	(1.0)
Profit ^{*1}	4.9	4.0	(0.9)
Exchange Rate JPY/ USD	145	161	

1 Breakdown

✓ Gross Profit

	FY2023 1Q	FY2024 1Q
Energy	3.2	6.1
Global Environment	5.2	4.8
Total	8.4	10.8

*1 Profit attributable to owners of parent

4. Balance Sheet

Billions of JPY

	FY2023 4Q	FY2024 1Q	Difference		FY2023 4Q	FY2024 1Q	Difference
Current Assets	404.4	392.6	(11.7)	Current Liabilities	412.2	395.3	(16.8)
Cash and Deposits	102.1	108.0	5.9	Current portion of long-term borrowings	20.0	(Note) 20.0	-
Short-term loans receivable	66.2	70.0	3.8	Operating Liabilities*3	322.5	307.1	(15.4)
Operating Assets*1	46.5	34.0	(12.4)	Provision for Loss on Construction Contracts	36.5	35.2	(1.3)
Jointly Controlled Assets of JV *2	147.0	135.4	(11.7)	Non-Current Liabilities	8.7	9.6	0.8
Non-Current Assets	22.6	22.3	(0.3)	Net Assets	6.1	10.1	4.0
Total Assets	427.0	414.9	(12.0)	Total Liabilities and Net Assets	427.0	414.9	(12.0)
				Shareholders' Equity	4.9	8.6	3.8
				Shareholders' Equity Ratio	1.1%	2.1%	+0.9pt

*1 Operating Assets: Notes receivable, accounts receivable from completed construction contracts and contract assets + Costs on construction contracts in progress

*2 Jointly Controlled Assets of JV: Cash and deposits of joint venture proportional to Chiyoda's interest

*3 Operating Liabilities: Notes payable, accounts payable for construction contracts + Contract liabilities

(Note) Please refer to our disclosure ["Notice Regarding the Loan Agreement with MUFG Bank, Ltd."](#) dated July 24, 2024.

5. New Orders / Backlog

Billions of JPY

	FY2024 1Q New Orders	FY2024 1Q Backlog
Energy	5.7	716.4
Global Environment	18.4	234.2
Total	24.2	950.6

【Major Backlog Projects】

	More than JPY 100.0 billion	More than JPY 50.0 billion	More than JPY 5.0 billion
Energy	<ul style="list-style-type: none"> NFE LNG, Qatar 	<ul style="list-style-type: none"> Golden Pass LNG, USA 	---
Global Environment	<ul style="list-style-type: none"> Copper Smelting Plant, Indonesia 	---	<ul style="list-style-type: none"> CO₂ Methanation Facility, Japan Biopharmaceutical Manufacturing Plant, Japan Advanced Material Plant, Japan Battery Energy Storage Facility, Japan

6. FY2024 Forecast

Billions of JPY

	FY2024 Forecast
Revenue	450.0
Gross Profit	33.0
Gross Profit Margin	7.3%
SG&A Expenses	(16.0)
Operating Income	17.0
Ordinary Income	20.0
Profit* ¹	15.0
New Orders	250.0
Exchange Rate JPY/ USD	150

(Note)

The current full-year consolidated forecast does not include the impact of Zachry's withdrawal from the Golden Pass LNG project or any new execution plans to be agreed with the customer.

We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as is reasonably practicable following Zachry's withdrawal.

*1 Profit attributable to owners of parent

7. Major Topics – Decarbonization Field

◆ Partnering with Mitsubishi Heavy Industries to License CO₂ Capture Technologies

- ✓ Strategic collaboration with Mitsubishi Heavy Industries, Ltd (MHI)
- ✓ The agreement enables Chiyoda to license CO₂ capture technology, developed by MHI, on CO₂ capture projects in Japan, strengthening Chiyoda's position in the expanding domestic CCUS*¹ market, and increasing our ability to meet decarbonization demand in a wide range of industries.

[Photo]



Left: Tatsuo Nagayasu, Senior Vice President of MHI
Right: Naoki Kobayashi, Executive Vice President of Chiyoda

◆ World's first*² supply chain established for more sustainable use of polyester fiber products

- ✓ Polyester fibers are produced from non-fossil materials such as CCU*³ para-xylene, and renewable and bio-based materials.
- ✓ Contributing to a low carbon supply chain through a consortium of seven companies across five continents, including upstream material and downstream apparel companies.
- ✓ Polyester fiber produced from the project are practically used by Goldwin, an apparel company, for sports uniforms under 'THE NORTH FACE' brand.



*1 Carbon dioxide Capture, Utilization and Storage

*2 The first use of CCU para-xylene produced by synthesizing directly from CO₂ and the first collaboration between upstream raw material companies and a downstream apparel company in the production of non-fossil-derived polyester.

*3 Carbon dioxide Capture and Utilization

7. Major Topics – Energy Management

◆ EPC Contract with Nijio Co., Ltd.*1 for a Large-scale Battery Energy Storage System facility

- ✓ Battery Energy Storage System (BESS) facilities are required to expand the use of renewable energy in Japan and address electrical power output fluctuations that destabilize the supply and demand balance.
- ✓ Chiyoda's expertise and experience in previously constructing one of the world's largest BESS facilities was a key factor for the award of this contract.

[Details]

Location	Tsunokobaru, Oita-city, Oita Prefecture
Battery Output/Capacity	25MW / 50MWh
Start of Construction	May 2024
Start of Operation	FY2026 (planned)

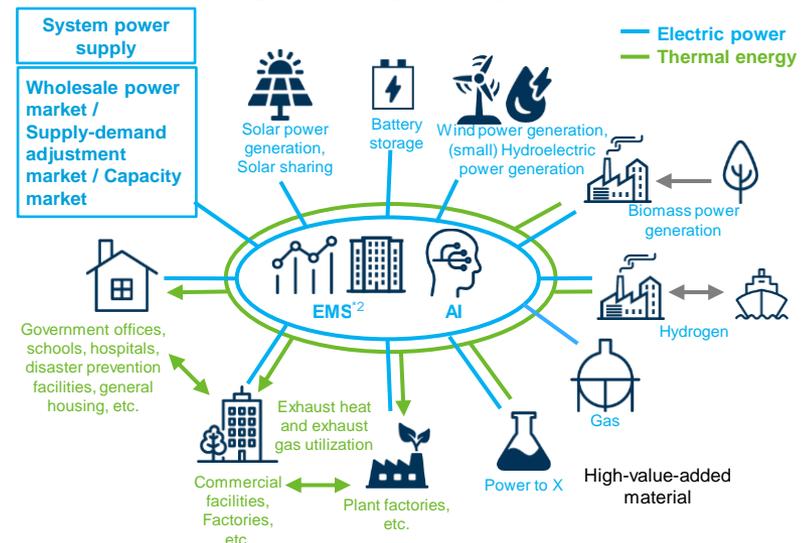
[Completion image] Prepared by Chiyoda based on Google Maps and GSI map data



◆ Successful Completion of a 'Regional Microgrid'

- ✓ Chiyoda completed and commenced operation of a 'Regional Microgrid' project for Tokyu Land Corporation.
- ✓ The project comprised disconnecting the existing power distribution network and switching to a stand-alone network that can be powered by renewable energy and energy storage batteries in case of blackouts.
- ✓ The system secures a stable power supply to the town hall, evacuation centers and households in Matsumae town.

[General image of 'Regional Energy Management']



*1 A wholly owned subsidiary of Tokyo Gas Co., Ltd.

*2 Energy Management System

7. Major Topics – Open Innovation / Metals Field

◆ Capital and Business Alliance with SENSYN ROBOTICS [Open Innovation]

- ✓ Collaborating to improve business efficiency and industry sophistication through robotics and AI.
- ✓ Generating added value through state-of-the-art technologies and combining the technological capabilities of two infrastructure maintenance companies.



◆ Investment into DNX Ventures Fund IV in the USA [Open Innovation]

- ✓ Collaborating with global startup companies and participating in DNX support programs to support new business development.
- ✓ Conquering social challenges through cutting-edge technologies in the sustainability and digital domains.



◆ Copper Smelting Plant, Indonesia [Metals Field]

- ✓ The world's largest simple manufacturing line plant.
- ✓ Construction is in the final phase and its completion is scheduled within 2024.
- ✓ Contributing to the expansion of copper supplies to support the realization of a decarbonized society.

[Construction site]



Courtesy of P.T. Freeport Indonesia

[Att-1] Revenue and Backlog Breakdown

Billions of JPY

FY2024 1Q Revenue

【Business】

ENERGY	71.4	61%
■ LNG Plant, Gas Related Work	67.3	58%
■ Refinery, Petrochemical	4.1	4%
ENVIRONMENT	45.6	39%
■ Pharmaceutical, Biochemistry, Chemical	3.8	3%
■ Environment, New Energy, Infrastructure, Others	41.8	36%
TOTAL	117.0	100%

【Region】

OVERSEAS	102.4	88%
■ Middle East & Africa	58.2	50%
■ Americas	5.6	5%
■ Asia & Oceania	38.4	33%
■ Others	0.2	0%
DOMESTIC	14.6	12%
TOTAL	117.0	100%

FY2024 1Q Backlog

【Business】

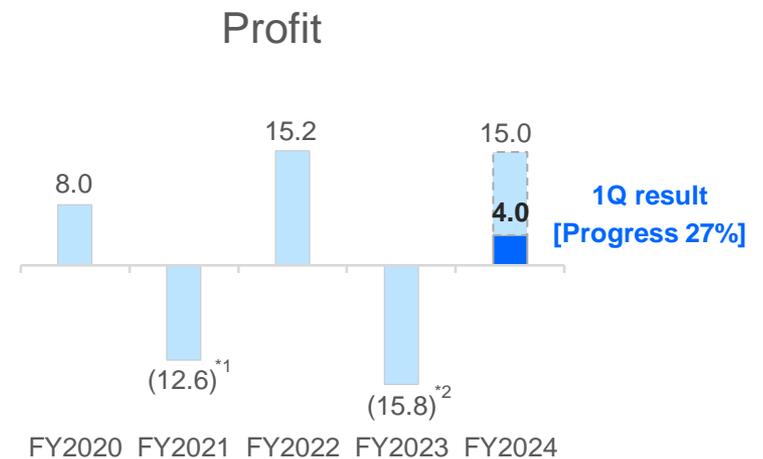
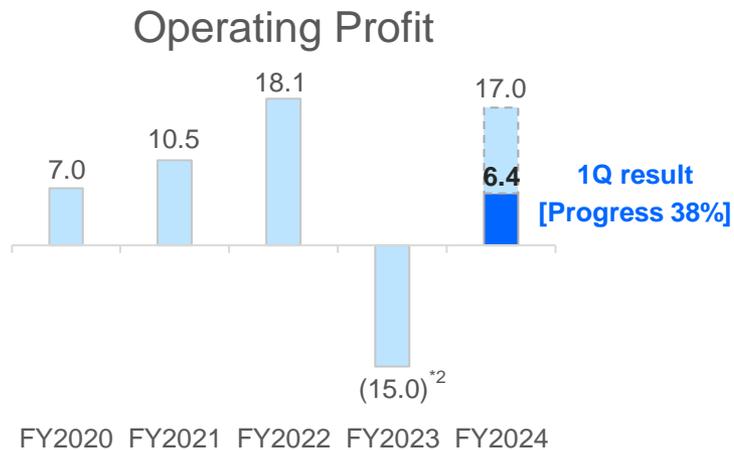
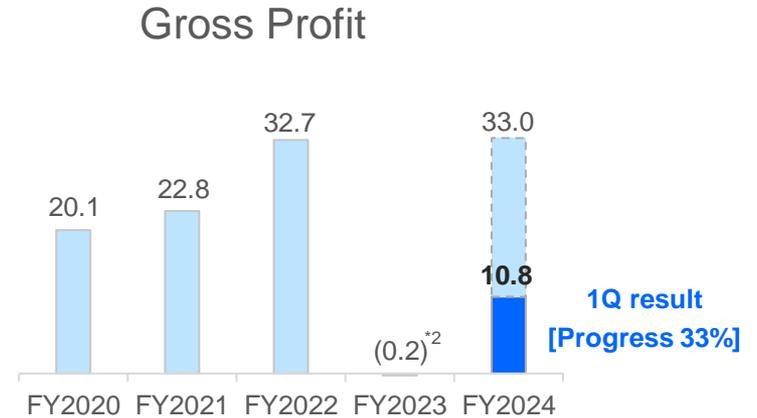
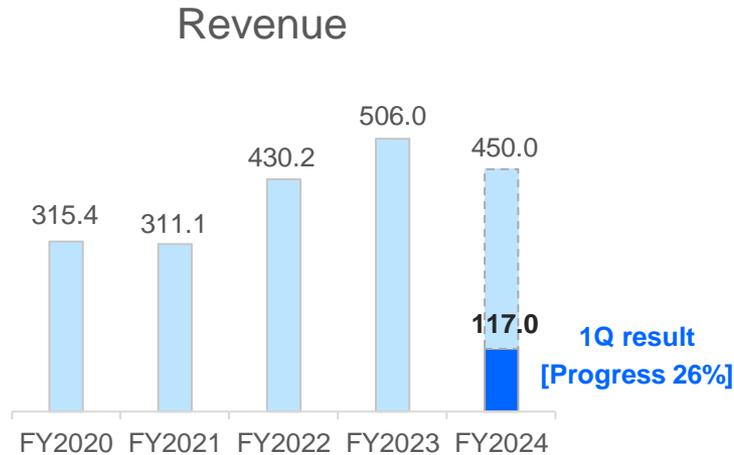
ENERGY	716.4	75%
■ LNG Plant, Gas Related Work	684.5	72%
■ Refinery, Petrochemical	32.0	3%
ENVIRONMENT	234.2	25%
■ Pharmaceutical, Biochemistry, Chemical	97.2	10%
■ Environment, New Energy, Infrastructure, Others	136.9	14%
TOTAL	950.6	100%

【Region】

OVERSEAS	789.9	83%
■ Middle East & Africa	564.3	59%
■ Americas	94.2	10%
■ Asia & Oceania	130.1	14%
■ Others	1.4	0%
DOMESTIC	160.7	17%
TOTAL	950.6	100%

[Att-2] Results History

Billions of JPY



*1 The figure includes Extraordinary Losses of JPY 20.4 billion related to the project losses by settlement of lawsuit with a customer.

*2 The figure includes the additional costs of JPY 37.0 billion related to the Golden Pass LNG project.

Forward-Looking Statements: 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. Investor are recommended not to depend solely on these projections for making investment decisions.

【Inquiries】

Chiyoda Corporation

Corporate Services Department IR, PR & Sustainability Advanced Section

E-Mail : ir@chiyodacorp.com



© Chiyoda Corporation 2024, All Rights Reserved.

