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November 5, 2024

Company name : CHIYODA CORPORATION Listing : Tokyo Stock Exchange
 Stock code : 6366 URL : <http://www.chiyodacorp.com/en/>
 Representative : Koji Ota, Representative Director, President & CEO
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 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Dividend payable date : -
 Supplementary Explanation Material : Yes
 Financial Results Presentation : Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

(April 1, 2024 to September 30, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For six months ended September 30, 2024	237,342	(12.6)	13,730	27.2	17,312	22.6	14,161	64.0
For six months ended September 30, 2023	271,695	47.4	10,797	76.7	14,122	113.4	8,634	62.2

Note: Comprehensive Income	six months ended September 30, 2024:	1,817 million yen / ((78.8)%
	six months ended September 30, 2023:	8,555 million yen / (215.3%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
For six months ended September 30, 2024	50.60	13.85
For six months ended September 30, 2023	29.28	8.62

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	438,539	7,915	1.5
As of March 31, 2024	426,967	6,077	1.1

Reference: Equity	as of September 30, 2024 : 6,425 million yen
	as of March 31, 2024 : 4,858 million yen

2. Cash dividends

	Cash dividends per share				
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	0.00	0.00
Fiscal year ending March 31, 2025	—	—			
Fiscal year ending March 31, 2025 (Forecast)			—	—	—

Note: Revision to the latest forecast announcement: None

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2025 at this time.

Note: The table shows dividends status of common stock. For dividends status of class A shares (unlisted), please refer to 'Dividend Status of Class A Shares' as referred to hereinafter.

3. Consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	450,000	(11.1)	17,000	-	20,000	-	15,000	-	49.79

Note: Revision to the latest forecast announcement: None

Note: The current forecasts do not include any new execution plans to be agreed with the client after Zachry's withdrawal from the Golden Pass LNG project. We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as reasonably practicable.

Notes

- (1) Changes in Significant Subsidiaries during the Period (Changes in specified subsidiaries accompanying changes in the scope of consolidation) : None
- (2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements : None
- (3) 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

(4) Number of issued shares (common stock)

a.Total number of issued shares at the end of the period (including treasury stock)	As of September 30, 2024	260,324,529 shares	Year ended March 31, 2024	260,324,529 shares
b.Number of treasury stock at the end of the period	As of September 30, 2024	1,204,464 shares	Year ended March 31, 2024	1,251,898 shares
c.Average number of shares during the period	For six months ended September 30, 2024	259,098,771 shares	For six months ended September 30, 2023	259,021,197 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
(Notes to forward-looking statements)

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) Consolidated Financial Forecasts of the Fiscal Year 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	0.00	0.00
Fiscal year ending March 31, 2025	—	—			
Fiscal year ending March 31, 2025 (Forecast)			—	—	—

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2025 at this time.

Table of Contents for the appendices

1. Qualitative Information Related to Consolidated Performance	2
(1) Qualitative Information on Business Performance	2
(2) Financial Information on Business Performance	6
(3) Consolidated Financial Forecasts of the Fiscal Year.....	6
(4) Important Events concerning Going Concern Assumption	6
2. Consolidated Quarterly Financial Statements and Notes	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated Statement of Income and Comprehensive Income	10
(3) Consolidated Statement of Cash Flows	12
(4) Notes to Quarterly Consolidated Financial Statements	13
(Notes to Going Concern Assumption).....	13
(Notes to Significant Changes in Shareholders' Equity)	13
(Additional Information).....	13
3. Production, Contracts and Sales	14

1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

While the global economy continues to show signs of recovery, the risk of volatility due to geopolitical destabilization remained in the second quarter of the fiscal year.

Under the circumstances and considering the business environment in which Chiyoda operates, the need for decarbonization and the realization of a sustainable environment and a prosperous future for our planet and its inhabitants in response to climate change continues, in tandem with the increasing demand for LNG as a stable supply of energy.

On consolidated basis, for the second quarter of the fiscal year ending March 31, 2025, New Orders amounted to JPY 69,160 million (down 48.7% YoY), Revenues amounted to JPY 237,342 million (down 12.6% YoY) and the Order Backlog amounted to JPY 799,621 million (down 19.5% from the end of the last FY). Operating Profit is JPY 13,730 million (up 27.2% YoY) and Ordinary Profit is JPY 17,312 million (up 22.6% YoY). A recording of Income Taxes resulted in a Profit Attributable to the Owners of the Parent of JPY 14,161 million (up 64.0% YoY).

Further information regarding reportable engineering business segments is presented below.

- Energy

LNG / Gas

【Overseas】

The Group continues executing Engineering, Procurement and Construction (EPC) projects for LNG plants in the USA and Qatar, where the North Field East (NFE) project, an expansion of four LNG trains with capacities of 8 mtpa each, is ongoing.

We confirmed our commitment to working collaboratively with the client, Golden Pass LNG Terminal LLC (GPX), and a joint venture partner, CB&I LLC (CB&I), to complete construction of the Golden Pass LNG project and are actively engaged in constructive dialogue to achieve this aim.

In the gas sector, the Group continues the engineering design for renovation of LNG/gas processing plants in Qatar.

【Japan】

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

Refinery/Petrochemical

In Japan, we are upgrading oil refinery facilities and examining energy saving measures and strategies for oil companies to realize carbon neutrality. 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 advance 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.

The Chiyoda Group, Microwave Chemical Co., Ltd, and Mitsui Chemicals, Inc. are engaged in a joint development project for innovative naphtha cracking technology using microwave heating, decreasing CO₂ emissions from pyrolysis of naphtha. The project has been adopted by the New Energy and Industrial Technology Development Organization (NEDO) under a Program for 'Promotion of Research & Development and Social Implementation of Energy-saving Technologies towards Realization of a Decarbonized Society: Priority Issues Promotion Scheme'. The technology will significantly reduce CO₂ emissions from the thermal decomposition of naphtha, a major challenge in the chemical industry.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

The Group is executing the EPC phase for pharmaceutical product manufacturing plants for multiple clients, including a new biopharmaceutical API manufacturing plant for AGC Corporation. We have been awarded a feasibility study (FS) to construct bio-pharmaceutical production facilities.

Other than EPC-related projects, following selection by NEDO after 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 a collaborative project with the University of Tsukuba and the University of Tsukuba Hospital, we completed construction of a new cell processing facility. We will expand our 'Technical Consulting' services for clients by providing strategic and technical solutions in research and development and manufacturing process development based on the three facilities of the cell processing facility, the Tsukuba Stem Cell Lab (an already established research institute within the university), and Chiyoda's Koyasu Research Park.

The Group is participating in Phase 2 of an iPS cell platform demonstration experiment conducted by iD4: iPSC Delivery on Demand for Drug Discovery, a general incorporated association, for provision of disease-specific iPS cells. We will collaborate with member companies to build a database of iPS cells, optimize distribution channels and commercialize the platform aiming at expanding cell-related businesses.

In the general chemistry field, we are engaged in an EPC project, awarded by Kureha Corporation, to increase the capacity of their monomer process for producing polyvinylidene fluoride (PVDF).

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. The Group's thoroughbred 121 (CT-121) FGD process has been installed in a number of plants.

【New Energy】

We are reinforcing the utilization of stored energy for efficient use of renewable energy, while working on a territorially distributed energy procurement system. Miscellaneous activities, including support for fixed offshore power plants in Japan and feasibility studies for floating power plants, are ongoing.

【Infrastructure】

The Group is in the final phase of an EPC contract for a copper smelting plant in Indonesia, the world's largest single manufacturing line plant. A production launching event was held in September 2024.

【Advanced Materials】

In Japan, the Group is executing an inorganic battery material demonstration plant project to increase safety, extend cruising distances and shorten recharge durations of next-generation batteries. In July 2024, we signed a 'Comprehensive Collaboration Agreement' promoting the revitalization and regional decarbonization vision of Kikaki Town, on Kikai Island, Kagoshima prefecture. Under the agreement, Kikai Town and we will aim to realize a 'Zero Carbon Island'. We successfully completed restoration work for plants damaged by the 2024 Noto Peninsula Earthquake.

(Note)

Please refer to '3. Production, Contracts and Sales' for further details of new contracts, net sales and backlog of contracts, by segment.

<<Decarbonization Business >>

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

Hydrogen/Ammonia

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

In collaboration with Nanyang Technological University, Singapore (NTU Singapore), PSA Singapore (PSA) and Mitsubishi Corporation, we commenced a dehydrogenation project in June 2024 at Pasir Panjang Terminal Port in Singapore, operated by PSA, to expand the use of hydrogen in Singapore. Chiyoda's compacted dehydrogenation skids extract the hydrogen for purification and utilization as a clean energy source for heavy-duty fuel cell container transportation vehicles.

Chiyoda is a managing board member of the Japan Hydrogen Association and is engaged in creating social implementation projects in Japan while providing government policy support.

Chiyoda signed a basic cooperation agreement with Toyota Motor Corporation in February 2024 to jointly develop a large-scale electrolysis system and construct a strategic partnership. Both signatories will develop 20 MW-class equipment as the basic unit for the introduction of the system at Hydrogen Park in the Toyota Honsha Plant in FY2025.

Kawasaki Heavy Industries, Ltd. (Kawasaki), Toyo Engineering Corporation, JGC Corporation and the Group have signed a JV agreement to enhance the Front End Engineering Design (FEED) under Kawasaki's leadership for a liquified hydrogen supply chain in Australia, being developed by Japan Suiso Energy, Ltd., aimed at realizing carbon neutrality by 2050 as specified by the Japanese government.

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. Together with JERA Co., Inc. and NIPPON SHOKUBAI CO., LTD., the Group is developing ammonia cracking technology that is more competitive than existing technologies, under NEDO's technologies development program.

The Group is also conducting studies on ammonia receiving and hydrogen fuel supply facilities in Japan.

CCS/CCU

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, and we will deliver CCS projects from initial feasibility studies and conceptual design through FEED and EPC.

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.

In Southeast Asia, the Group entered into a joint study agreement in March 2023 with PT Pertamina (Persero), a state-owned oil company in Indonesia, to develop carbon recycling technology. The Group is conducting research for efficient transition to carbon neutrality in this area.

In 2023, Chiyoda, Nippon Yusen Kabushiki Kaisha and its affiliate Knutsen NYK Carbon Carriers AS, conducted a joint study to quantitatively evaluate and verify the feasibility of a CCUS value chain, including liquefaction and temporary storage and marine transportation of carbon dioxide covering Low Pressure (LP), Middle Pressure (MP) and Elevated Pressure (EP) CCUS value chain methodologies. We will continue the joint study including technological matters to propose EP methods to clients.

Chiyoda signed a comprehensive license agreement with Mitsubishi Heavy Industries, Ltd. for their CO₂ capture technologies, developed with The Kansai Electric Power Co., Inc., named the 'KM CDR Process™' and the 'Advanced KM CDR Process™', promoting strategic business cooperation. The Group has been awarded multiple contracts for FS for the 'Engineering Design Work for Advanced CCS Projects' promoted by Japan Organization for Metals and Energy Security (JOGMEC). We are also committed to the entire CCUS value chain field for the standardization of the liquefied CO₂ value chain.

In the CCU field, the Group is realizing carbon recycling as part of a collaboration project with industry, government and academia, researching and developing CCU technology using CO₂ as a raw material to produce para-xylene. The CO₂-derived para-xylene has been successfully produced during the operation process of a pilot plant installed in Chiyoda's Koyasu Research Park for this project. The para-xylene produced via CCU (CCU para-xylene) will be used in the manufacturing of polyester fibers under the project supported by Goldwin, Mitsubishi Corporation, SK geo centric Co., Ltd., Indorama Venture PCL, India Glycols Ltd., Neste and the Group. The polyester fibers will be used for sports clothes of THE NORTH FACE brand in Japan.

In June 2024, we completed construction of a 1 Barrel per Day (1B/D) synthetic fuel production test plant project for ENEOS Corporation (ENEOS). We are also executing a 400Nm³- CO₂/h methanation test plant project for INPEX CORPORATION.

Energy Management

The Group is executing a twenty (20) year maintenance contract for the world's largest Battery Energy Storage System (BESS) for North Hokkaido Wind Energy Transmission Corporation, completed in March 2023 by the Group. New BESS projects for ENEOS are also progressing.

We are currently in the construction phase of an EPC contract for a large-scale BESS project for Nijio Co., Ltd., a wholly owned subsidiary of Tokyo Gas Co., Ltd. BESS is required in Japan to address electrical power output fluctuations destabilizing the supply and demand balance and expand the use of renewable energy towards the realization of a decarbonized society. Chiyoda's 'Safety in Design' expertise and

optimization experience in previously constructing BESS and our project management capabilities were key factors for the award of the contract.

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

<<Digital Transformation (DX) Business>>

Chiyoda is accelerating company-wide digital transformation (DX) in three areas: Corporate DX, Project DX and Human Resources DX, supporting our purpose of 'Enriching Society through Engineering Value' and enabling employees to work more efficiently through common information sharing digital platforms. As part of our business portfolio transformation, we combine digital and physical technologies to provide hybrid operation and maintenance (O&M) solutions through our O&M-X businesses.

(a) Corporate Management DX

Chiyoda is accelerating Corporate DX, linking core accounting activities to accelerate the dissemination of information to management while simplifying structures and reducing costs, aiming to be fully digital in planning and managing human resources for more efficient resource allocation. We initiated a resource management system to coordinate resource management with order management to facilitate the rapid examination of business plan scenarios, and commenced a talent management system, sharing employee career aspirations and progress with supervisors and Human Resource Officers. We use this digital infrastructure to support employees progress and gain experience while clarifying their career plans, enabling us to foster the key talent essential for our business.

Corporate-wide initiatives to improve work style include the introduction of Robotic Process Automation (RPA), AI services and community sites to share information and initiate constructive discussion.

(b) Project Execution DX

The Group utilizes Advanced Work Packaging (AWP) to align engineering and procurement deliverables with construction schedules to improve construction efficiency, increase productivity and reduce costs. We have commenced Chiyoda AWP on overseas projects to enhance our EPC execution management capabilities and improve project outcomes. An innovative space design system that improves construction planning and preliminary and detailed engineering efficiency has been developed by PlantStream Inc, a joint venture with Arent Inc, and has been introduced to plant owners and EPC contractors worldwide.

(c) DX Business

The Group has reorganized its plant O&M solution and digital transformation business organizational functions, deploying solution businesses to support the transformation of client operation and maintenance activities. By combining Chiyoda X-ONE Engineering Corporation with our inherent digital technologies, such as advanced diagnosis and analysis, IoT and AI, we provide O&M total solution services through plantOS™, a field-centered physical maintenance support service for industrial plants.

We have signed an MOU with Japan Business Systems, Inc. to collaborate in the development and provision of cloud services to optimize the O&M of industrial facilities, and NSXe Co.LTD. to develop a rotating equipment diagnosis business. We have joined The Digital Twin Consortium, an organization of leading international digital twin technology companies, universities, governments and research institutes, to utilize the plantOS™ digital twin solution in plant O&M and have signed an MOU with Visionaize Inc. to utilize their V-Suite™ digital twin platform.

We have also established a capital and business alliance with SENSYN ROBOTICS, Inc. to engineer solutions based on their technologies and expertise in the infrastructure maintenance field, and collect data in real time using robots, drones, AR/VR technologies etc for integration into Chiyoda's 3D digital twin platform.

Chiyoda has entered into a business alliance with Kobata Gauge MFG. Co., Ltd., (Kobata Gauge) a specialist gauge manufacturer, to utilize their Salfa™ IoT sensor as a partner product for Chiyoda's plantOS.

Introducing Kobata Gauge's Salfa into Chiyoda's plantOS will overcome the challenges of remotely monitoring analog gauges and use AI to realize smarter maintenance, linking with Chiyoda's digital twin to promptly visualize plant conditions.

The Group has been awarded a Technical Service Agreement by PT. Donggi-Senoro LNG (DSLNG) as part of plantOS, covering engineering, technology and process safety support for their LNG plant, and we will use our consulting and engineering capabilities to provide optimal solutions for its safe and stable operation.

(2) Financial Information on Business Performance

[Consolidated Balance Sheet]

(Assets)

Total Assets increased by JPY 11,571 million from the end of the last fiscal year, with an increase of Cash and Deposits of JPY 11,051 million and Jointly Controlled Assets of Joint Venture of JPY 2,847 million. Costs on Construction Contracts in Progress decreased by JPY 3,267 million.

(Liabilities)

Total Liabilities increased by JPY 9,734 million from the end of the last fiscal year, with an increase of Contract Liabilities of JPY 15,462 million. Notes Payable, Accounts Payable for Construction Contracts decreased by JPY 1,944 million and Provision for Loss on Construction Contracts decreased by JPY 1,729 million.

(Net Assets)

Total Net Assets is JPY 7,915 million, with an increase in Retained Earnings by increasing a Profit Attribute to Owners of Parent. Accumulated Other Comprehensive Income decreased with a decrease of Deferred Gains or Losses on Hedges and Foreign Currency Translation Adjustment.

[Consolidated Statement of Cash Flows]

Cash and Cash Equivalents in the consolidated cumulative second quarter is JPY 192,729 million, an increase of JPY 26,520 million from the end of the last fiscal year, as detailed below:

(Cash flows from operating activities)

Net cash provided by operating activities was JPY 19,651 million, mainly due to recognition of Profit Before Income Taxes and an increase of Contract Liabilities.

(Cash flows from investing activities)

Net cash used in investing activities was JPY 1,722 million, mainly due to acquisition of Property, Plant and Equipment and Intangible Assets.

(Cash flows from financing activities)

Net cash used in financing activities was JPY 133 million, mainly due to Repayments of Lease Liabilities.

(3) Consolidated Financial Forecasts of the Fiscal Year

There is no change in the consolidated financial forecasts of the fiscal year announced on July 29, 2024. The exchange rate used in the forecasts is JPY150/USD. The current forecasts do not include any new execution plans to be agreed with the client after Zachry's withdrawal from the Golden Pass LNG project. We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as reasonably practicable.

(4) Important Events concerning Going Concern Assumption

Zachry, a joint venture (JV) partner of Chiyoda International Corporation (CIC), a wholly owned subsidiary of Chiyoda to execute the Golden Pass LNG project in Texas, U.S. (the "Project"), filed for Chapter 11 relief under the United States Bankruptcy Code in May, 2024. Considering the potential impacts related to the possibility of Zachry's withdrawal from the Project, based on the generally accepted accounting principles, we recorded Operating Loss and Loss Attributable to the Owners of the Parent on a consolidated basis for the fiscal year ended March 31, 2024.

Although we have recorded Operating Profit and Profit Attributable to the Owners of the Parent for the second quarter of the fiscal year ending March 31, 2025, discussions with the client, Golden Pass LNG Terminal LLC (GPX), toward amendment of the EPC contract have been ongoing. We recognize that these conditions still indicate the existence of events or conditions, which may cast significant doubt on our ability to continue as a going concern.

Zachry's withdrawal from the Project was officially confirmed with the court's approval in August, 2024.

In the same month, a short-term plan to resume Zachry's portion of the construction work was agreed between CIC, GPX and the other JV partner CB&I LLC (CB&I), and GPX placed an official order to continue the construction work. With the order placement, we have been reviewing the estimation. CB&I and CIC will accelerate the discussion with GPX for a long-term construction completion plan for GPX's approval and amendment of the EPC contract to resume the Project at full scale.

In terms of finance, considering that we have sufficient funds as of September 30, 2024, there is not a significant impact on our future cash flow, and there are no major concerns regarding the continuity of our business activities. In addition, we have maintained close communication and relationship with financial institutions, such as MUFJ Bank, Ltd., with whom we signed a loan agreement on July 24, 2024, and executed the borrowings on July 31, 2024.

Based on the above, we have concluded that no material uncertainty exists regarding the going concern.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	102,072	113,123
Notes receivable, accounts receivable from completed construction contracts, and contract assets	27,588	25,685
Costs on construction contracts in progress	18,874	15,607
Jointly controlled assets of joint venture	147,017	149,864
Short-term loans receivable	66,200	81,008
Other	44,628	32,253
Allowance for doubtful accounts	(2,021)	(1,877)
Total current assets	404,359	415,664
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,252	4,573
Land	4,552	4,487
Other, net	2,080	1,953
Total property, plant and equipment	10,886	11,015
Intangible assets	5,493	5,286
Investments and other assets		
Investment securities	4,272	4,342
Retirement benefit asset	483	505
Deferred tax assets	94	383
Other	1,396	1,341
Allowance for doubtful accounts	(18)	(0)
Total investments and other assets	6,228	6,572
Total non-current assets	22,608	22,874
Total assets	426,967	438,539

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	133,775	131,831
Current portion of long-term borrowings	20,000	601
Income taxes payable	987	826
Contract liabilities	188,701	204,164
Provision for warranties for completed construction	1,601	2,932
Provision for loss on construction contracts	36,508	34,779
Provision for bonuses	3,715	3,692
Other	26,865	25,288
Total current liabilities	412,156	404,117
Non-current liabilities		
Long-term borrowings	3,600	22,998
Deferred tax liabilities	1,471	-
Retirement benefit liability	727	726
Other	2,933	2,780
Total non-current liabilities	8,732	26,506
Total liabilities	420,889	430,623
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	(1,962)	12,198
Treasury shares	(805)	(786)
Total shareholders' equity	12,389	26,570
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(18)	(73)
Deferred gains or losses on hedges	4,176	(1,343)
Foreign currency translation adjustment	(11,851)	(18,559)
Remeasurements of defined benefit plans	163	(168)
Total accumulated other comprehensive income	(7,530)	(20,144)
Non-controlling interests	1,218	1,490
Total net assets	6,077	7,915
Total liabilities and net assets	426,967	438,539

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales of completed construction contracts	271,695	237,342
Cost of sales of completed construction contracts	253,978	214,975
Gross profit on completed construction contracts	17,717	22,366
Selling, general and administrative expenses	6,919	8,636
Operating profit	10,797	13,730
Non-operating income		
Interest income	4,411	5,437
Dividend income	756	59
Other	112	159
Total non-operating income	5,280	5,656
Non-operating expenses		
Interest expenses	350	347
Share of loss of entities accounted for using equity method	139	1
Foreign exchange losses	1,409	1,664
Other	56	60
Total non-operating expenses	1,956	2,073
Ordinary profit	14,122	17,312
Extraordinary income		
Gain on termination of retirement benefit plan	—	207
Gain on liquidation of subsidiaries and associates	45	—
Total extraordinary income	45	207
Extraordinary losses		
Loss on valuation of investment securities	69	17
Loss on liquidation of subsidiaries and associates	6	—
Loss on liquidation of investment securities	2	—
Total extraordinary losses	77	17
Profit before income taxes	14,089	17,502
Income taxes - current	5,111	2,894
Income taxes - deferred	167	103
Total income taxes	5,278	2,998
Profit	8,811	14,504
Profit attributable to non-controlling interests	176	343
Profit attributable to owners of parent	8,634	14,161

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	8,811	14,504
Other comprehensive income		
Valuation difference on available-for-sale securities	(39)	(55)
Deferred gains or losses on hedges	4,950	(5,519)
Foreign currency translation adjustment	(5,153)	(6,798)
Remeasurements of defined benefit plans, net of tax	(26)	(331)
Share of other comprehensive income of entities accounted for using equity method	13	19
Total other comprehensive income	(255)	(12,686)
Comprehensive income	8,555	1,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,365	1,546
Comprehensive income attributable to non-controlling interests	190	271

(3) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	14,089	17,502
Depreciation	1,549	1,841
Amortization of goodwill	16	16
Increase (decrease) in provision for warranties for completed construction	894	1,239
Increase (decrease) in provision for loss on construction contracts	(4,808)	(5,422)
Interest and dividend income	(5,168)	(5,496)
Share of loss (profit) of entities accounted for using equity method	139	1
Loss (gain) on valuation of investment securities	69	17
Loss (gain) on liquidation of investment securities	2	—
Loss (gain) on liquidation of subsidiaries and associates	(39)	—
Decrease (increase) in trade receivables	4,921	2,386
Decrease (increase) in costs on construction contracts in progress	1,021	3,720
Increase (decrease) in trade payables	(905)	(12,003)
Increase (decrease) in contract liabilities	(24,764)	7,972
Decrease (increase) in jointly controlled asset of joint venture	17,952	(2,244)
Other, net	20,587	(1,814)
Subtotal	25,559	7,717
Interest and dividends received	1,625	3,125
Interest paid	(346)	(340)
Income taxes refund (paid)	(3,991)	9,150
Net cash provided by (used in) operating activities	22,847	19,651
Cash flows from investing activities		
Net decrease (increase) in time deposits	(360)	551
Purchase of property, plant and equipment	(837)	(778)
Proceeds from sale of property, plant and equipment	1	30
Purchase of intangible assets	(1,015)	(1,286)
Purchase of investment securities	—	(236)
Proceeds from the liquidation of subsidiaries and associates	37	—
Payments for asset retirement obligations	—	(3)
Loan advances	(1)	(1)
Proceeds from collection of loans receivable	618	—
Other, net	7	1
Net cash provided by (used in) investing activities	(1,549)	(1,722)
Cash flows from financing activities		

Proceeds from long-term borrowings	—	20,000
Repayments of long-term borrowings	(5,052)	(20,000)
Repayments of lease liabilities	(102)	(76)
Other, net	(0)	(57)
Net cash provided by (used in) financing activities	(5,154)	(133)
Effect of exchange rate change on cash and cash equivalents	4,963	8,724
Net increase (decrease) in cash and cash equivalents	21,106	26,520
Cash and cash equivalents at beginning of period	106,682	166,208
Cash and cash equivalents at end of period	127,788	192,729

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Additional Information)

[Estimation on the Golden Pass LNG project]

Zachry filed for Chapter 11 relief under the United States Bankruptcy Code in May, 2024. Zachry's withdrawal from the Project was officially confirmed with the court's approval in August, 2024. In the same month, a short-term plan to resume Zachry's portion of the construction work was agreed between CIC, GPX and CB&I, and GPX placed an official order to continue the construction work.

For the second quarter of the fiscal year, considering Zachry's withdrawal from the project, we estimated the total costs to be incurred to complete construction and the contract amount based on the signed documents as of September 30, 2024, based on the generally accepted accounting principles.

CB&I and CIC have been in discussion with the client regarding the two companies long-term execution plan toward the completion of the project, with the goal of revising the EPC contract at an early date, and we will review the estimation upon its revision.

3. Production, Contracts and Sales

(Millions of yen)

Segments		Apr. 1, 2023—Sep. 30, 2023			Apr. 1, 2024—Sep. 30, 2024		
		New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio	New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio
1. Engineering		134,555 99.8%	271,431 99.9%	1,117,299 100.0%	68,854 99.6%	237,036 99.9%	799,621 100.0%
Energy	(1) LNG Plant	21,061 15.6%	137,803 50.7%	770,876 69.0%	15,217 22.0%	130,560 55.0%	567,354 70.9%
	(2) Gas Related Work	1,214 0.9%	1,703 0.6%	4,642 0.4%	4,817 7.0%	1,631 0.7%	7,313 0.9%
	(3) Refinery/ Petrochemical	12,842 9.5%	13,553 5.0%	25,126 2.2%	10,662 15.4%	17,219 7.3%	25,464 3.2%
Global Environment	(4) Pharmaceutical/ Biochemistry/ Chemical	59,931 44.5%	16,324 6.0%	83,592 7.5%	4,544 6.6%	10,738 4.5%	91,555 11.5%
	(5) Environment/New Energy/Infrastructure	36,887 27.4%	100,251 36.9%	228,619 20.5%	31,056 44.9%	74,288 31.3%	102,689 12.8%
	(6) Others	2,616 1.9%	1,795 0.7%	4,443 0.4%	2,555 3.7%	2,598 1.1%	5,243 0.7%
2. Other Business		263 0.2%	263 0.1%	— —	306 0.4%	306 0.1%	— —
Total		134,819 100.0%	271,695 100.0%	1,117,299 100.0%	69,160 100.0%	237,342 100.0%	799,621 100.0%
Domestic		101,406 75.2%	36,143 13.3%	155,318 13.9%	28,974 41.9%	42,204 17.8%	150,604 18.8%
Overseas		33,412 24.8%	235,552 86.7%	961,981 86.1%	40,186 58.1%	195,137 82.2%	649,016 81.2%

Note: The backlog of contracts 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.