

Abridged Translation:

The report is not audited and this translation is an abridged version prepared based on the statutory format in Japan for reference purpose only. If there is any discrepancy between this translation and the original Japanese version, the Japanese shall prevail.

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2026**

May 11, 2026

Company name : CHIYODA CORPORATION	Listing : Tokyo Stock Exchange
Stock code : 6366	URL : http://www.chiyodacorp.com/en/
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Date of general shareholders' meeting : June 24, 2026	Dividend payable date : -
Annual securities report filing date : June 18, 2026	
Supplementary explanation material : Yes	
Financial results presentation : Yes	

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

1. Consolidated performance for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (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	%
Fiscal year ended March 31, 2026	493,942	8.1	82,102	236.2	92,474	187.2	84,663	213.7
Fiscal year ended March 31, 2025	456,969	(9.7)	24,421	—	32,196	—	26,987	—

Note: Comprehensive income : Fiscal year ended March 31, 2026: 90,823 million yen / (366.9%)
: Fiscal year ended March 31, 2025: 19,451 million yen / (—%)

	Net income per share	Fully diluted net income per share	Return on equity(ROE)	Ratio of ordinary income to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	318.61	81.13	123.1	19.0	16.6
Fiscal year ended March 31, 2025	96.05	26.39	189.0	7.3	5.3

Reference: Equity gains (losses) of affiliated companies : Fiscal year ended March 31, 2026: 249million yen
: Fiscal year ended March 31, 2025: (181) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	513,817	115,860	22.2	128.56
As of March 31, 2025	461,034	25,456	5.1	(211.23)

Reference: Equity : Fiscal year ended March 31, 2026 : 113,855million yen
: Fiscal year ended March 31, 2025 : 23,705 million yen

(3) Consolidated cash flows

Net cash provided by	Operating activities	Investing activities	Financing activities	Cash and equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	26,132	(3,279)	(1,652)	242,376
Fiscal year ended March 31, 2025	51,175	(4,181)	(298)	221,238

2. Dividends

Record date	Cash dividends per share					Cash dividends (annual)	Payout ratio (consolidate)	Dividend on equity ratio (consolidate)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	—	—	0.00	0.00	0	0.0	—
Fiscal year ended March 31, 2026	—	—	—	0.00	0.00	0	0.0	—
Fiscal year ending March 31, 2027 (Forecast)	—	—	—	—	—		—	

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2027 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, 2027 (April 1, 2026 to March 31, 2027)

(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, 2027	340,000	(31.2)	10,000	(87.8)	14,000	(84.9)	12,000	(85.8)	26.70

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 year-end (including treasury stock)	Year ended March 31, 2026	260,324,529 shares	Year ended March 31, 2025	260,324,529 shares
(b) Number of treasury stock at year-end	Year ended March 31, 2026	1,161,330 shares	Year ended March 31, 2025	1,204,535 shares
(c) Average number of shares during the period	Year ended March 31, 2026	259,139,825 shares	Year ended March 31, 2025	259,109,394 shares

Note: Number of treasury stock at year-end includes the shares held by the officer compensation Board Incentive Plan Trust (Year ended March 31, 2026: 712,195 shares, Year ended March 31, 2025: 755,695 shares). The shares held by the trust are also included treasury stock which is deducted when calculating the average number of shares during the period (Year ended March 31, 2026: 735,670 shares, Year ended March 31, 2025: 766,342 shares).

(Reference) Overview of the Unconsolidated Financial Results

Unconsolidated performance for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Unconsolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	240,476	(10.6)	2,173	(39.8)	26,097	86.2	67,749	355.1
Fiscal year ended March 31, 2025	268,883	10.3	3,609	(22.9)	14,015	(5.7)	14,886	—

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2026	253.34	64.92
Fiscal year ended March 31, 2025	49.35	14.56

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	383,283	74,341	19.4	(23.91)
As of March 31, 2025	328,947	3,168	1.0	(290.48)

Reference: Equity : Fiscal year ended March 31, 2026 : 74,341 million yen
: Fiscal year ended March 31, 2025 : 3,168 million yen

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) 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	Cash dividends per share					
	Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	—	0.00	0.00
Fiscal year ended March 31, 2026	—	—	—	—	0.00	0.00
Fiscal year ending March 31, 2027 (Forecast)	—	—	—	—	—	—

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2027 at this time.

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1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

The Chiyoda Group continues to execute Engineering, Procurement and Construction (EPC) projects in fields such as Liquefied Natural Gas (LNG)/Refinery/Petrochemical worldwide. After the withdrawal of Zachry Industrial, Inc. from the joint venture (JV) executing the Golden Pass LNG Project (GPX Project) in the USA, McDermott, LLC (MDR) and Chiyoda International Corporation (CIC) formed a new JV. Construction is ongoing following agreement with the client, Golden Pass Terminal LLC (GPX), on amending the EPC contract for Train 1 in November 2024. MDR, CIC and GPX signed binding terms addressing the key components of an agreement to complete Trains 2 and 3 in June 2025, including payment terms based on reassessment of the allocation of responsibilities regarding future cost burdens. Train 1 reached construction completion and commissioning in March 2026 and successfully produced LNG.

Construction of the North Field East (NFE) LNG project in Qatar, an expansion of four LNG trains with capacities of 8 mtpa each, has been suspended in the fourth quarter of this fiscal year, due to the geopolitical upheaval in the Middle East. EPC projects in the Metal and Advanced Materials field and Life Sciences field are ongoing in Japan.

Capital investment plans are progressing globally in the LNG/Refinery/Petrochemical fields. The Group has continued its endeavors to secure new orders, while implementing comprehensive stringent risk management, in line with our revised overseas project order policy, a key initiative in our medium-term management plan 'Business Plan 2025'. As a result, the Group secured an EPC project related to oil and petrochemicals in the Middle East during this consolidated fiscal year.

We continue to actively pursue domestic orders, focusing on the decarbonization and life sciences fields. The Group was awarded an EPC contract by Idemitsu Kosan Co., Ltd. (Idemitsu) for a large solid electrolyte pilot plant this consolidated fiscal year, aimed at the practical application of All-Solid-State lithium-ion batteries, primarily for electric vehicles.

On a consolidated basis, for the fiscal year ended March 31, 2026, New Orders amounted to JPY 298,024 million (up 41.1% YoY), due to refinery/petrochemical-related facilities in the Middle East and an EPC project awarded by Idemitsu Kosan Co.,Ltd. for a large solid electrolyte pilot plant. Following execution of the amended EPC contract for the GPX project and steady progress in major projects both in Japan and overseas, Net Sales amounted to JPY 493,942 million (up 8.1% YoY) and the Order Backlog was JPY 613,056 million (down 17.1% from the end of the last FY). Operating Profit is JPY 82,102 million (up 236.2% from the end of the last FY) and Ordinary Profit is JPY 92,474 million (up 187.2% from the end of the last FY). A recording of Income Taxes resulted in a Profit Attribute to the Owners of the Parent of JPY 84,663 million (up 213.7% from the end of the last FY), due to the revision of GPX project profitability and the smooth progress of other major projects.

※The initial stage of operation before the commencement of stable commercial production and shipment.

(Note)

Please refer to '4. Contracts and Sales' for further details of new contracts, net sales and contract backlog by segment.

(2) Financial Information on Business Performance

(a) Information on Assets, Liabilities and Net Assets

(Assets)

Total Assets increased by JPY 52,782 million from the end of the last fiscal year, with an decrease of Cash and deposits by JPY 8,137 million while a increase Notes receivable, accounts receivable from completed construction contracts, and contract assets of JPY 24,741 million and Jointly controlled assets of joint venture of JPY 140,51 million.

(Liabilities)

Total Liabilities increased by JPY 37,621 million from the end of the last fiscal year, with an increase of a Income tax payable by JPY 4,979 million while a decrease of Contract liabilities by JPY 26,574 million and a decrease of Provision for loss on construction contracts of JPY 22,799 million.

(Net Assets)

Total Net assets is JPY 115,860 million, with an increase in Retained earnings by increasing Profit attribute to owners of parent.

(b) Information on Cash Flow

Cash and cash equivalents as of March 31, 2026 was JPY 242,376 million, an increase of JPY 21,138 million from the end of the last fiscal year, as detailed below:

(Operating Activities)

Net cash flow from operating activities resulted in an increase in cash by JPY 26,132 million, mainly attributed to the recognition of Profit before income taxes and a decrease in Accounts Receivable.

(Investing Activities)

Net cash flows from investing activities resulted in a decrease in cash by JPY 3,279 million, mainly attributed to Purchase of property, plant, equipment and intangible assets.

(Financing Activities)

Net cash flows from financing activities resulted in a decrease in cash by JPY 1,652 million, mainly attributed to Repayments of Long-term borrowings.

(3) Outlook

1) Forecast for Fiscal Year Ending March 31, 2027

Client investment appetite in the current business environment surrounding plant engineering in the energy sector is expected to remain steady, particularly in LNG, the demand for which is expected to grow as a transition energy consistent with the shift to renewables. The business environment remains uncertain with elevated risk however, due to factors such as geopolitical destabilization, fluctuations in material and equipment prices and diverse country energy policy trends. While investment decisions in the decarbonization sector remain cautious due to changes in policy trends and economic conditions, domestic and international medium to long-term demand growth is expected for projects related to hydrogen, Carbon Capture and Storage (CCS), Sustainable Aviation Fuel (SAF) and ammonia production.

The Group will therefore continue to focus on specific fields and projects, prioritizing profitability and certainty in our business operations while stabilizing internal management, strengthening our business foundations and ensuring appropriate risk management.

Current major projects include the construction of LNG plants in Qatar (aiming for completion as planned in 2027) and the USA. We agreed with the client to amend the EPC contract for Train 1 of the Golden Pass LNG project in the USA under a new joint venture structure, and are committed to working collaboratively towards its successful completion. We also finalized amended EPC contracts for Trains 2 and 3 and are working steadily on their execution.

The Group is currently in the period of the new mid-term management plan, 'Business Plan 2025' and we will prioritize stabilizing and diversifying earnings over the next three years to realize our 10-year vision. Key initiatives include: 1) Steady execution of existing large overseas projects, 2) Overseas project approach reform (order policy), 3) Increasing domestic project revenue, 4) Expanding business co-creation and, 5) Developing a robust human resources pool. Please refer to Section 2) 'Management Policy, Business Environment and Issues Requiring Attention' below for further details.

2) Management Policy, Business Environment, and Issues Requiring Attention

(1) Business Environment

① Overall Business Environment

The Group's business environment continues to undergo significant changes, driven by megatrends such as global multipolarity, heightened geopolitical risks, responses to climate change, shifts in population dynamics and advancements in technological innovation. Uncertainty remains elevated and the economic outlook is unpredictable. We aim to capture business opportunities and have positioned 'Energy and Materials' and 'Life Sciences' as our primary business domains, leveraging our core competencies of technology development capabilities, the ability to evaluate and discern technologies, our problem solving engineering expertise and our project management skills. Demand for our business in the 'Energy and Materials' domain is anticipated to remain robust despite the change in pace of energy transition, driven by opportunities such as ensuring a stable supply of energy and advanced materials, medium to long-term decarbonization and the establishment of a circular society. We also anticipate that opportunities to provide O&M-X solutions across both physical and digital fields will continue to expand, leveraging the Group's expertise in maintaining and updating cross-sector industrial infrastructure.

② Energy and Materials

We have an extensive and successful track record as an EPC contractor, particularly in the fields of LNG, petroleum and petrochemicals, having completed over 300 projects across 60 countries and regions worldwide. In addition to the Engineering, Procurement and Construction (EPC) of commercial plants, we have extensive expertise in catalyst and process technology development, scaling up for commercialization and providing plant operation technical support. We will leverage these strengths to expand our business in LNG, petroleum, petrochemicals, low carbon solutions and advanced materials.

Strengths in the 'Energy and Materials' field	<ul style="list-style-type: none"> ▪ Expertise and customer base as an EPC contractor reinforced by achievements ▪ Technology and knowledge required for plant development and scale-up ▪ Support, analysis and diagnostic technology to upgrade facility maintenance
Areas to be developed	<ul style="list-style-type: none"> ▪ LNG (including Cleaner LNG), Petroleum and Petrochemicals ▪ Low Carbon Solutions (hydrogen, low-carbon fuel, CCUS, energy management, etc.) ▪ Metal/Advanced Materials (non-ferrous metal smelting, storage batteries, semiconductor materials, etc.) ▪ O&M-X Solutions

③ Life Sciences

Leveraging our petrochemical expertise and scale-up know-how in the life sciences field since the 1960s, the Group has established a track record of successfully completing over 900 projects as an EPC contractor in the pharmaceutical plant sector.

Building on these strengths, we aim to expand our business as a high value-added bio-life sciences solution provider in the pharmaceutical EPC domain and others, such as contract development for cell culture and plant biotechnology, social implementation of economic security-related facilities in industrial equipment domains and experimental platforms in low Earth orbit.

Strengths in the 'Life Sciences' field	<ul style="list-style-type: none"> ▪ Process development and scale-up of culture areas (antibodies and cells) ▪ Continuous production of synthetic areas and knowledge of solid-phase and liquid-phase methodology expertise ▪ Successful track record in project management for industrial equipment ▪ Developing demonstration test equipment for the International Space Station ▪ Advanced facility maintenance support, analysis and diagnostic technology
Areas to be developed	<ul style="list-style-type: none"> ▪ Pharmaceuticals (low and medium molecules, macromolecules, and cell pharmaceuticals etc) ▪ Food/Advanced Materials/Biotechnology ▪ Contract Development of Manufacturing Process (cell culture and plant bio) (Space and Low Earth Orbit Platform) ▪ O&M-X Solutions

(2) Overview of New Medium-term Management Plan, 'Business Plan 2025' (FY2025 to FY2027)

① Formulation of the New Medium-term Management Plan

Following the deficit in FY2018, the Group worked as 'One Team' to strengthen our business foundations. We successfully completed the disposal of losses, including on large LNG projects that made a loss prior to the Revitalization Plan. We have achieved remarkable results in transitioning to a stable profit structure. The financial results for FY2023 highlighted the volatile nature of our earnings structure, with corporate performance affected by issues such as orders centered on large-scale projects not proceeding and unpredictable events during the large project execution. We therefore formulated a new medium-term management plan, 'Business Plan 2025,' under the core theme of 'Be the Change' to stabilize and diversify earnings. Achieving 'Be the Change' will enhance corporate value by establishing a robust and stable earnings base and presenting a vision for earnings diversification, while managing the preferred shares and subordinated loans received as financial support at the start of the Revitalization Plan and steadily advancing our growth strategy.

② 'Business Plan 2025' to the 10 Year Vision

Changing our large-scale project focus and achieving 'Be the Change' to stabilize and diversify earnings, we aim to generate a net profit of JPY 30 billion with a 20% Non-EPC business profit ratio.

To achieve the JPY 30 billion net profit target, we will stabilize management and establish a solid foundation for company operations by generating an average net profit of JPY 15 billion annually over the three years from FY2025 to FY2027, while diversifying earnings through business co-creation and monetizing Non-EPC business. We will focus on these accomplishments from FY2028 for the next 10 years, generating substantial returns through business investments and other initiatives as a collaborative partner.

The new medium-term management plan will prioritize enhancing business stability on overseas EPC projects as the foundation for growth from 2028.

For domestic EPC businesses, we have been consistently generating stable earnings and will continue to respond to the strong domestic demand.

For Non-EPC business, our goal is to establish stable earnings pillars in high-growth markets, while continuing business development in coordination with EPC businesses.

③ Quantitative Targets

The following quantitative targets have been established to achieve earnings stabilization and diversification.

- Net Profit: JPY15 billion (2-year average)
- Non-EPC Net Profit: JPY1 billion (in FY2027)

The following related indicators have also been established to achieve our goals.

- Gross Margin: 10% or greater (3-year average)
- New Orders: JPY 950 billion (3-year total)
- Net Sales: JPY 380 billion (3-year average)
- Backlog of Orders: JPY 600 billion (3-year average)

④ Priority Initiative 1: Steady Execution of Existing Large Overseas Projects

On November 13, 2025, we reached an agreement with the client, Golden Pass Terminal LLC (GPX), on the detailed conditions of the EPC contract to complete the GPX project. Construction and commissioning for Train 1 were successfully completed on April 1, 2026 and client-led startup operations produced the first LNG. We continue construction and commissioning of Trains 2 and 3..

⑤ Priority Initiative 2: Overseas Project Approach Reform (Order Policy)

As a key project illustrating our reform, we effectively mitigated anticipated risks to successfully secure a medium-sized EPC contract in the oil and petrochemical sector in the Middle East during fiscal year 2025. We will continue minimizing and diversifying risks by comprehensively assessing risk allocation with clients. Our goal is to manage selected projects based on a thorough risk management framework to become an organization with a risk-diversified portfolio.

⑥ Priority Initiative 3: Increasing Domestic Project Revenue

We continue to develop robust business foundations to meet growing demand in the life sciences and decarbonization fields and are actively conducting Feasibility Studies (FS) and Front End Engineering Design (FEED) activities to secure future EPC projects . Of note is an EPC contract for a large solid electrolyte pilot plant, aimed at the practical application of all-solid-state batteries, secured from Idemitsu Kosan Co., Ltd and our strategic partnership with them for the mass production of solid electrolytes. We will continue to promote the multi-skilled development of Project Managers and Engineers, strengthening collaboration and enhancing strategic alliances with partner companies as we evolve into a company that can quickly respond to diverse client needs.

⑦ Priority Initiative 4: Expanding Business Co-creation

In Japan, we are advancing the development of technology for the mass production of plant-derived proteins, as part of the 'Plant Bio-foundry Project' following an Open Call by the New Energy and Industrial Technology Development Organization (NEDO). A demonstration facility was constructed within our Koyasu Office & Research Park and operations commenced in June 2025. We aim to further promote the project to support

the practical development of companies by leveraging our strengths in integrating diverse technologies and scaling-up processes.

Toyota Motor Corporation and the Group have agreed to jointly develop a large-scale water electrolysis system for hydrogen production from water and establish a strategic partnership. A verification system has been completed at the Hydrogen Park within Toyota's Honsha Plant, with operations scheduled to commence in May 2026 and mass production of hydrogen targeted for 2029.

Internationally, the Group has invested in Heirloom Carbon Technologies, Inc., a climate-tech company pioneering a limestone-based technology capable of permanently removing carbon dioxide from air, and Ammobia, Inc., a climate-tech startup specializing in small-scale ammonia production systems. These initiatives contribute to global decarbonization by implementing these technologies into society and advancing their commercialization from multiple perspectives.

We will continue to leverage our strengths, including technical development expertise, extensive EPC project experience and our diverse network of stakeholders, to expand business co-creation opportunities with clients.

⑧ Priority Initiative 5: Creating a Robust Human Resources Pool

We redefined requirements for key human resources involved in EPC and non-EPC project execution and business co-creation promotion, and the essential competencies required for such personnel, in FY2025. We will continue to analyze the careers of individuals and, through strategic personnel transfers, aim to expand our pool of key personnel for business co-creation who possess expertise in EPC execution and technology/business development.

(4) Basic Dividend Policy and Dividend Distributions

In addition to steady progress across our business segments, we have made sufficient headway toward achieving the profit targets set forth in 'Business Plan 2025.' Based on discussions with the Class A preferred shareholders, we have reached an agreement - subject to approval at the Annual General Meeting scheduled for June, 2026 - to amend the terms with the aim of redeeming all Class A preferred shares by the end of June 2028.

Under this agreement, all distributable amounts will be allocated to the redemption of preferred shares until the redemption is fully completed. As a result, we regret to announce that no dividends will be paid on common shares for the current fiscal year.

We will continue to maximize earnings and ensure the full redemption of all Class A preferred shares, after which we aim to resume dividends on common shares at the earliest possible timing.

(5) Business Risks

Risks to our operations and financial affairs with the potential to significantly affect investor decision-making, as well as the measures taken to address such risks, are described below.

Recognizing the possibility that these risks could arise, in addition to making every effort to reduce their occurrence, the Group also endeavors to respond as quickly as possible to minimize the effects should they arise.

We have recognized the following risks as of March 31, 2026.

(a) Business trends and effects of economic, social and political changes

Global economic trends, social and political changes, trade protections, economic sanctions, diplomatic tensions, national energy policy shifts and oil, LNG and metal market price trends may adversely impact client or partner financial circumstances, causing them to terminate, postpone or change their investment plans and affecting the Group's business performance. In recent years in particular, geopolitical tensions stemming from wars and regional conflicts have persisted, leading to supply chain disruptions, fluctuations in energy and resource prices, logistical constraints, and the strengthening of regulations and sanctions by various countries, all of which are impacting major economies and market environments. Such a highly uncertain business environment may affect the Group's business outlook.

The Group closely monitors international developments and geopolitical risks, conducts business activities

while carefully assessing project feasibility and order certainty, and seeks to appropriately share risks with customers. In addition, to prepare for sudden cancellations or delays in customer investment plans, backup projects are always incorporated into order plans. Furthermore, the Group actively engages in studies across a wide range of fields, particularly in new areas, and in non-EPC businesses to diversify business opportunities.

- (b) Force Majeure events such as natural disasters including earthquakes, virus infectious disease, geopolitical risks and terrorism and conflicts

The occurrence of a natural disasters such as an earthquake, heavy rain, flooding or typhoon caused by global climate change, the spread of viral disease or a Force Majeure event such as an act of terrorism or armed conflict, may directly or indirectly result in damage to a worksite where there is an ongoing project, or to an office in Japan or overseas. Such risks can endanger workers' lives, delay the transport of equipment and materials to a worksite, or interrupt on-site work.

The ongoing geopolitical risks associated with events such as Russia's invasion of Ukraine beginning in February 2022, the armed conflict between Israel and Hamas starting in October 2023, and armed conflicts between the United States, Israel, and Iran in June 2025 and February 2026, as well as their potential spillover effects to other Middle Eastern countries, are further heightening global uncertainty and concerns over economic sanctions and fragmentation of the global economy. These conditions may adversely affect the Group's performance through deterioration in the financial condition of customers and joint venture partners, supply chain disruptions, and rising costs of equipment and materials.

Such global catastrophes endanger human life and we have established a Crisis Management Department, strengthened by externally hired security consultants, to compile and analyze data and evaluate the risk to employees in affected areas, such as on the NFE project in Qatar as we continue to closely monitor developments in the Middle East. The Group works collaboratively with clients and partners to establish emergency response procedures, to be implemented in the event of an emergency, to minimize the risk to all affected parties. We also develop Business Continuity Plans to improve our ability to continue operations through emergency safety drills.

- (c) Risks related to partners

In the Group's business domains, we may receive an order jointly with partners by setting up a joint venture or a consortium based on project size and complexity and risk sharing. In the event of partners' default, deteriorated financial circumstances or other critical issues affecting their project execution capabilities, the Group may bear contractual joint responsibility and this may affect the Group's business performance.

Our risk management process includes analyzing potential partners' financial circumstances and project execution capabilities prior to and after establishing partnerships to immediately identify and deal with risks.

- (d) Surging equipment and materials costs

There is time lag between when a contract estimate is issued and when an order is placed. As a result, when there is a dramatic shift in the socio-political situation, such as an outbreak of wars and conflicts between nations and regions, we are exposed to the risk of an unforeseen increase in equipment and materials costs. Specifically, the price of steel, which is a major component in plant construction, can be greatly affected by fluctuating prices for coking coal and iron ore. It is also difficult to predict fluctuations in market prices for materials such as copper, nickel, aluminum, and zinc. There are also concerns that shipping rates may be affected by the surge in oil prices and higher insurance premiums.

To mitigate such risks, in addition to tracking market trends, the Group takes steps such as diversifying our suppliers and encouraging competition by ordering from suppliers around the world, early order placement for equipment and materials, and building good relationships with top-tier suppliers. Through discussions and negotiations with our business partners and stakeholders, such as clients, suppliers, and subcontractors, we are working to appropriately address the soaring equipment, materials and labor prices caused by global inflation.

- (e) Difficulty securing workers, equipment, and materials

In plant construction, work may be delayed if we are unable to secure the necessary human resources such as construction workers, secure the necessary infrastructure, or procure the necessary equipment and materials as planned, or by supply chain disruption. There is a risk that additional expenditure may be required to recover lost time due to these factors.

In locations where the labor market is tight or where the climate is harsh, both in Japan and overseas, the Group mitigates the risk of an unexpected rise in construction costs through development of construction methods such as modular construction and by forming cooperative relationships with leading contractors and equipment and materials suppliers.

If construction is unavoidably suspended due to the worldwide spread of some infectious disease or epidemic other than COVID-19, a strike, or some other unforeseen occurrence, we will work with our clients and relevant local agencies on appropriate measures to minimize the impacts.

(f) Risks associated with changes in the business environment arising from climate change

Climate change is affecting society on a global scale, and it is one of the most important social challenges confronting the entire global community. The Group recognizes that the resulting changes to client investment environments and to their business portfolios by physical risks and transition risks could have a significant impact on our operations and business strategy.

The Group is addressing these challenges by formulating business plans that closely monitor the energy situation, review climate change policy, laws and regulations in each country, and by obtaining the latest information in a timely and appropriate manner via our government, agencies and client networks in order to recognize the requirements of complicated and developed societies and client challenges and solve them accordingly.

Climate change can also be viewed as a new business opportunity. The business environment in which the Group operates is undergoing significant changes. These include advances in faster decarbonization and a carbon recycling society and an accelerated transition to a hydrogen-based society as well as the increasingly widespread adoption of low-carbon and renewable energy, including LNG. As a result of these changes, major clients are overhauling their business strategies and the Group sees prospects for growth thanks to new market opportunities. In view of the above, we continue to transform our business portfolio in response to society's demand for reduced environmental load.

Since our foundation, we have demonstrated an ability to optimize solutions for complex constraints and challenges. In EPC execution, we rely on this ability to optimize engineering and ensure quality, and the application ability of new technologies fusing basic research and EPC expertise. By leveraging these strengths, we will accelerate the transition to a carbon-free society including hydrogen energy and contribute to achieving carbon neutrality by 2050 through a combination of reduction and circularity.

(g) Plant accidents

Should a major accident such as explosion or fire arise at a plant built or under construction and the Group is determined to be at fault, our liability for damage compensation could affect our business results.

With safety design and construction site accident prevention as top priorities, the Group takes all possible quality control, construction safety management, and other measures to prevent such unforeseen circumstances from arising. In addition, we seek to mitigate such risks by obtaining appropriate insurance coverage and securing contract terms that reasonably share the risk of such losses with the client. The Group is committed to fostering a culture of safety and we collectively refer to our various initiatives to ensure construction safety as 'C-Safe', which stands for Chiyoda's Safety Culture.

(h) Currency risk

Because amounts to be paid for equipment, materials, and subcontracted work for overseas projects can be in currencies that are different to our client payments, fluctuating exchange rates could affect our business results.

The Group endeavors to mitigate currency risk by receiving payments for work in the currencies in which we expect to make payments ourselves and also through forward currency exchange contracts.

(i) Compliance violations

In conducting business both in Japan and overseas, the Group is required to comply with laws and regulations applicable to the countries and regions where its headquarters, subsidiaries, offices, and project execution sites are located. If any violation of, or suspected violation of, such laws or regulations were to occur, the Group could face criminal or administrative penalties, restrictions on business activities, or reputational damage, which could have a significant adverse impact on business execution and performance.

To prevent such violations and avoid circumstances that may give rise to suspicion, the Group has established

the “Chiyoda Corporation Group Code of Conduct” as guidelines for all officers and employees, and promotes thorough understanding and compliance through training and other initiatives. In particular, for high-risk areas such as bribery and corruption, cartels and bid rigging, harassment, and export controls, the Group has established and operates internal rules and regulations to ensure strict compliance with laws and regulations. Furthermore, by establishing and operating an internal reporting system and developing an investigation and response framework after any incidents are discovered, we are working to ensure the early detection of activities that violate laws and regulations, as well as their correction and prevention of recurrence.

(j) Information security threats

The Group controls a large volume of client and counterparty information that is necessary to execute our business, and we also possess confidential information about technologies, sales, and other aspects of our business. Much of our core work and commercial activities are carried out making full use of state-of-the-art IT systems at various locations around the world. We mitigate risks by reinforcing protective measures to prepare for cyberattacks on important data system and network installations. However, an unforeseen event could cause a system failure, leak of confidential information, cyber fraud, or loss of important business information that could affect our business. Cyberattack risks on companies have recently increased.

Our headquarters and certain group companies have obtained ISMS^{*1} certification. Based on the ISMS certification, NIST CSF^{*2} and so on, the Group is establishing and strengthening a system that is conscious of information security in the supply chain. The Group works to mitigate these risks through rigorous information security management practices, such as regular education and audits.

(k) Business investment losses

The Group conducts business investments such as establishing new companies and investing in or acquiring existing companies. Such investments may involve substantial capital contributions or the provision of credit, including loans and guarantees, to investees. As a result, changes in the business environment or market conditions may prevent investees from achieving planned profitability, lead to investment-related losses due to deteriorating performance, or necessitate additional investments or financing.

In determining whether to make investments or provide financing, the Group conducts thorough prior examinations based on internal standards and rules, carefully assessing business feasibility, strategic significance, risks, returns, and the Group’s financial capacity relative to potential loss risks. After execution, the Group continuously monitors the progress of investees’ business plans and management environments and, when necessary, provides support in terms of human resources or funding, thereby striving to avoid or mitigate losses related to business investments.

*1 ISMS: Information Security Management System

*2 NIST CSF: Cybersecurity Framework issued by National Institute of Standards and Technology to improve cyber security for critical infrastructure

2. Accounting Standard Selection Policy

The Group implements the Japan Accounting Standard for the time being considering the availability of period comparison and business-to-business comparison of consolidated financial results. The Group will take necessary actions to comply with International Accounting Standards considering business trends in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	153,340	145,203
Notes receivable - trade	8	—
Electronically recorded monetary claims - operating	149	149
Accounts receivable from completed construction contracts and contract assets	19,899	44,640
Costs on construction contracts in progress	12,113	10,279
Accounts receivable - other	22,937	16,120
Jointly controlled assets of joint venture	153,944	167,995
Short-term loans receivable	70,007	100,010
Other	5,361	4,812
Allowance for doubtful accounts	(488)	(308)
Total current assets	437,274	488,904
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,729	13,430
Accumulated depreciation	(8,359)	(9,173)
Buildings and structures, net	4,369	4,256
Machinery and vehicles	1,704	1,211
Accumulated depreciation	(1,196)	(989)
Machinery and vehicles, net	507	221
Tools, furniture and fixtures	6,830	6,730
Accumulated depreciation	(5,667)	(5,695)
Tools, furniture and fixtures, net	1,163	1,034
Land	4,429	4,387
Construction in progress	1	39
Total property, plant and equipment	10,470	9,938
Intangible assets	5,818	5,474
Investments and other assets		
Investment securities	3,976	4,222
Retirement benefit asset	2,065	3,858
Deferred tax assets	77	142
Other	2,574	2,499
Allowance for doubtful accounts	(1,222)	(1,222)
Total investments and other assets	7,471	9,499
Total non-current assets	23,759	24,913
Total assets	461,034	513,817

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	891	—
Electronically recorded obligations - operating	7,899	10,066
Accounts payable for construction contracts	112,192	115,592
Current portion of long-term borrowings	1,202	1,202
Accounts payable - other	17,452	18,090
Income taxes payable	1,302	6,282
Contract liabilities	217,390	190,815
Provision for warranties for completed construction	2,391	1,921
Provision for loss on construction contracts	28,379	5,580
Provision for bonuses	5,857	8,650
Other	14,570	12,567
Total current liabilities	409,531	370,768
Non-current liabilities		
Long-term borrowings	22,397	21,195
Deferred tax liabilities	305	2,682
Retirement benefit liability	810	898
Other	2,532	2,411
Total non-current liabilities	26,046	27,187
Total liabilities	435,578	397,956
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	25,024	109,496
Treasury shares	(786)	(768)
Total shareholders' equity	39,396	123,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(51)	(60)
Deferred gains or losses on hedges	423	3,836
Foreign currency translation adjustment	(16,904)	(15,855)
Remeasurements of defined benefit plans	842	2,050
Total accumulated other comprehensive income	(15,690)	(10,029)
Non-controlling interests	1,750	2,004
Total net assets	25,456	115,860
Total liabilities and net assets	461,034	513,817

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales of completed construction contracts	456,969	493,942
Cost of sales of completed construction contracts	414,650	393,422
Gross profit on completed construction contracts	42,319	100,519
Selling, general and administrative expenses	17,897	18,417
Operating profit	24,421	82,102
Non-operating income		
Interest income	10,960	10,199
Dividend income	248	2,280
Share of profit of entities accounted for using equity method	—	249
Other	307	423
Total non-operating income	11,517	13,151
Non-operating expenses		
Interest expenses	737	850
Share of loss of entities accounted for using equity method	181	—
Foreign exchange losses	2,580	1,776
Other	243	152
Total non-operating expenses	3,742	2,779
Ordinary profit	32,196	92,474
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	214
Gain on termination of retirement benefit plan	207	—
Total extraordinary income	207	214
Extraordinary losses		
Loss on termination of retirement benefit plan	—	108
Loss on valuation of investment securities	17	106
Total extraordinary losses	17	215
Profit before income taxes	32,386	92,474
Income taxes - current	4,720	7,140
Income taxes - deferred	40	201
Total income taxes	4,760	7,342
Profit	27,625	85,131
Profit attributable to non-controlling interests	638	468
Profit attributable to owners of parent	26,987	84,663

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	27,625	85,131
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(9)
Deferred gains or losses on hedges	(3,752)	3,412
Foreign currency translation adjustment	(5,083)	1,082
Remeasurements of defined benefit plans, net of tax	679	1,207
Share of other comprehensive income of entities accounted for using equity method	16	(1)
Total other comprehensive income	(8,174)	5,691
Comprehensive income	19,451	90,823
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,827	90,256
Comprehensive income attributable to non-controlling interests	624	566

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2024- March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,014	142	(1,962)	(805)	12,389
Changes during period					
Profit (loss) attributable to owners of parent			26,987		26,987
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				19	19
Net changes in items other than shareholders' equity					
Total changes during period	—	—	26,987	19	27,006
Balance at end of period	15,014	142	25,024	(786)	39,396

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(18)	4,176	(11,851)	163	(7,530)	1,218	6,077
Changes during period							
Profit (loss) attributable to owners of parent							26,987
Purchase of treasury shares							(0)
Disposal of treasury shares							19
Net changes in items other than shareholders' equity	(33)	(3,752)	(5,053)	679	(8,160)	531	(7,628)
Total changes during period	(33)	(3,752)	(5,053)	679	(8,160)	531	19,378
Balance at end of period	(51)	423	(16,904)	842	(15,690)	1,750	25,456

Current consolidated fiscal year (April 1, 2025-March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,014	142	25,024	(786)	39,396
Changes during period					
Profit (loss) attributable to owners of parent			84,663		84,663
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				17	17
Change in scope of consolidation			(191)		(191)
Change in scope of consolidation - foreign currency translation adjustment					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	84,471	17	84,489
Balance at end of period	15,014	142	109,496	(768)	123,885

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(51)	423	(16,904)	842	(15,690)	1,750	25,456
Changes during period							
Profit (loss) attributable to owners of parent							84,663
Purchase of treasury shares							(0)
Disposal of treasury shares							17
Change in scope of consolidation							(191)
Change in scope of consolidation - foreign currency translation adjustment			67		67		67
Net changes in items other than shareholders' equity	(9)	3,412	982	1,207	5,593	254	5,847
Total changes during period	(9)	3,412	1,049	1,207	5,660	254	90,404
Balance at end of period	(60)	3,836	(15,855)	2,050	(10,029)	2,004	115,860

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	32,386	92,474
Depreciation	3,727	3,260
Amortization of goodwill	33	33
Increase (decrease) in allowance for doubtful accounts	(355)	(189)
Increase (decrease) in provision for warranties for completed construction	708	(461)
Increase (decrease) in provision for loss on construction contracts	(11,147)	(22,513)
Increase (decrease) in provision for bonuses	2,134	2,793
Increase (decrease) in retirement benefit liability	(0)	101
Interest and dividend income	(11,209)	(12,479)
Interest expenses	737	850
Foreign exchange losses (gains)	1	(783)
Share of loss (profit) of entities accounted for using equity method	181	(249)
Loss (gain) on valuation of investment securities	17	106
Loss (gain) on liquidation of subsidiaries and associates	—	(214)
Decrease (increase) in trade receivables	7,842	(23,849)
Decrease (increase) in costs on construction contracts in progress	7,145	1,829
Increase (decrease) in trade payables	(21,039)	4,407
Increase (decrease) in contract liabilities	22,500	(26,222)
Decrease (increase) in accounts receivable - other	3,259	8,225
Increase (decrease) in accounts payable - other	(1,297)	1,053
Decrease (increase) in jointly controlled asset of joint venture	(6,488)	(13,742)
Other, net	10,367	9,810
Subtotal	39,506	24,242
Interest and dividends received	4,908	5,920
Interest paid	(718)	(835)
Income taxes refund (paid)	7,478	(3,195)
Net cash provided by (used in) operating activities	51,175	26,132

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Net decrease (increase) in time deposits	(62)	(567)
Purchase of property, plant and equipment	(1,694)	(742)
Proceeds from sale of property, plant and equipment	47	78
Purchase of intangible assets	(2,328)	(1,604)
Purchase of investment securities	(305)	(335)
Proceeds from sale of shares of subsidiaries and associates	225	—
Proceeds from liquidation of subsidiaries and associates	—	268
Payments for asset retirement obligations	(61)	(375)
Loan advances	(19)	(61)
Proceeds from collection of loans receivable	8	48
Other, net	9	12
Net cash provided by (used in) investing activities	(4,181)	(3,279)
Cash flows from financing activities		
Proceeds from long-term borrowings	20,000	—
Repayments of long-term borrowings	(20,000)	(1,202)
Other, net	(298)	(449)
Net cash provided by (used in) financing activities	(298)	(1,652)
Effect of exchange rate change on cash and cash equivalents	8,333	104
Net increase (decrease) in cash and cash equivalents	55,029	21,304
Cash and cash equivalents at beginning of period	166,208	221,238
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(166)
Cash and cash equivalents at end of period	221,238	242,376

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Additional Information)

(Performance-based Stock Compensation System for Directors, etc.)

Based on the resolution of the 93rd Ordinary Shareholders Meeting held on June 23, 2021, we introduced a performance-based stock compensation system for directors and executive officers (excluding non-executive directors and overseas residents; collectively referred to as "Directors, etc.") with the aim of enhancing their awareness of contributing to the long-term improvement of our company's performance and increasing corporate value.

The accounting is treated as a transaction under common control in accordance with applicable Japanese laws and/or guidelines.

1. Summary of transaction

We have adopted a system called the officer compensation Board Incentive Plan Trust (BIP Trust), under which, upon the retirement of Directors, etc., we provide them with shares of our company acquired through the BIP Trust and cash equivalent to the fair value of the disposed shares of our company, based on factors such as their position and the achievement of performance goals.

2. Remaining shares of our company in the BIP Trust

We record the remaining shares of our company in the BIP Trust as Treasury shares in Net assets based on the book value in the trust (excluding associated expenses). The book value and number of shares of the treasury stock were JPY 312 million and 755,695 shares for the consolidated fiscal year ended March 31, 2025, and JPY 294 million and 712,195 shares for the consolidated fiscal year ended March 31, 2026.

(Notes to Segment Information)

1. Summary of reporting business segment

Our reporting business segments consist of the units for which separate financial information is available and are regularly reviewed by the management advisory committee and the board of directors for the purpose of making decisions on resource allocation and evaluating performance.

As a comprehensive engineering company, our group operates globally 'engineering business,' which includes consulting, planning, design, construction, procurement, commissioning, and maintenance of various plants and industrial facilities. We optimally combine the execution capabilities of our group companies to conduct operations as a unified entity

2. Methods for calculating the amounts of net sales, profits or losses, assets, liabilities, and other items for each reporting business segment

The accounting treatment for reporting business segments is based on the accounting policies adopted for the preparation of consolidated financial statements. The profits of reporting business segments are on an operating profit basis. Internal revenues and transfers between segments are based on market prevailing prices.

3. Information regarding the amounts of net sales, profits or losses, assets, liabilities, and other items for each reporting business segment

I. For the fiscal year ended March 31, 2025

We omit the description. The Group's reporting business segment consists only of the 'Engineering,' and 'Other business' has limited importance.

II. For the fiscal year ended March 31, 2026

We omit the description. The Group's reporting business segment consists only of the 'Engineering,' and 'Other business' has limited importance.

(Notes to Assets and Earnings Per Share)

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	Yen	(211.23)	128.56
Net income per share	Yen	96.05	318.61
Fully diluted net income per share	Yen	26.39	81.13

(Notes)

1. Basis of calculation of 'Net assets per share' is as follows:

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total amount of net assets	Millions of yen	25,456	115,860
Amount to be deducted from total amount of net assets	Millions of yen	80,189	82,543
[Paid-in amount of the Class A preferred share]	Millions of yen	[70,000]	[70,000]
[Accumulated unpaid dividends for preferred shares]	Millions of yen	[8,438]	[10,538]
[Non-controlling interests]	Millions of yen	[1,750]	[2,004]
Net asset related to common shares at the end of the period	Millions of yen	(54,732)	33,317
Number of common shares used for calculation of net assets per share	Thousand	259,119	259,163

2. Basis of calculation of 'Net income per share' and 'Fully diluted net income per share' is as follows:

		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income per share			
Profit (Loss) attributable to owners of parent	Millions of yen	26,987	84,663
Amount not attributable to common shareholders	Millions of yen	2,100	2,100
[Amount of dividends for Class A preferred shares]	Millions of yen	[2,100]	[2,100]
Profit (Loss) attributable to owners of parent related to common shares	Millions of yen	24,887	82,563
Average number of common shares during the period	Thousand	259,109	259,139
Fully diluted net income per share			
Profit (Loss) attributable to owners of parent	Millions of yen	2,100	2,100
[Amount of dividends for Class A preferred shares]	Millions of yen	[2,100]	[2,100]
Amount of increased common shares	Thousand	763,385	784,385
[Amount of Class A preferred shares]	Thousand	[763,385]	[784,385]
Overview of dilutive shares that were not included in the calculation of fully diluted net income per share, as they do not have a dilutive effect		—	—

3. We have adopted a system called the officer compensation Board Incentive Plan Trust (BIP Trust). In this regard, we include the shares held by the trust as treasury stock which is deducted from the total number of shares issued at year-end when calculating 'Net assets per share' (755 thousand shares for Fiscal year ended March 31, 2025 and 712 thousand shares for Fiscal year ended March 31, 2026).
We also include the shares held by the trust as treasury stock which is deducted from the average number of shares during the period when calculating 'Net income per share' and 'Fully diluted net income per share' (766 thousand shares for Fiscal year ended March 31, 2025 and 735 thousand shares for Fiscal year ended March 31, 2026).

(Notes to Subsequent Events after Reporting Period)
(Middle East Situation)

In February 2026, military actions taken by the United States and Israel against Iran triggered heightened tensions in the Middle East. Within our corporate group, the North Field East LNG Project in Qatar, which we are executing jointly with Technip Energies of France, experienced impacts such as a temporary suspension of construction activities. As the fiscal year-end of the local joint venture responsible for executing this project is December 31, 2025, the escalation of tensions in the Middle East occurring from February 2026 onward constitutes a subsequent event arising after that fiscal year-end. Because the causes of this event did not exist as of December 31, 2025, we have determined that it qualifies as a non-adjusting subsequent event. Although the future course of the Middle East situation remains highly uncertain and it is difficult at this time to reasonably estimate the specific financial impact on our group's performance, construction work in Qatar had already resumed by mid-March 2026 after implementing safety measures together with the client, and progress toward completion is ongoing. Accordingly, under circumstances where the situation continues to stabilize, we expect the likelihood of a material impact to be low.

(Partial Acquisition and Cancellation of Class A Preferred Shares)

We resolved to partially acquire and cancel the Class A Preferred Shares as described in "2. Details of Acquisition" and "3. Details of Cancellation" below, with the condition that the proposal for partial amendment to Articles of Incorporation is approved at our 98th Annual General Meeting of Shareholders scheduled for June of this year. The partial acquisition will be conducted pursuant to Article 11-6 of the amended Articles of Incorporation (cash consideration acquisition clause (mandatory redemption clause)), and the cancellation will be conducted pursuant to Article 178 of the Companies Act.

1. Background and Objectives of the Acquisition and Cancellation

As stated in the "Notice of Agreement regarding the redemption plan of Class A Preferred Shares and Partial Amendment to Articles of Incorporation" timely disclosed on January 28 of this year, we are making every effort to achieve the redemption of all Class A Preferred Shares by the end of June 2028, thereby achieving financial independence. Following the redemption of all Class A Preferred Shares, we aim to transfer our market segment from the Standard Market to the Prime Market, resume dividends to common shareholders, and establish a full-fledged growth trajectory with a view to the next five and ten years.

2. Details of Acquisition

(1) Type of shares to be acquired	Class A Preferred Shares
(2) Total number of shares to be acquired	110,400,000 shares (Percentage of the total number of issued Class A Preferred Shares of 175,000,000 shares: 63.1 %)
(3) Acquisition price	499.2 yen per share (Note) If the proposal for partial amendment to Articles of Incorporation described above is approved, the redemption price per share will be the amount obtained by adding the amount equivalent to the accumulated unpaid dividends for Class A Preferred Shares and the amount equivalent to the accrued unpaid dividends for Class A Preferred Shares to 436 yen. If the date stated in (7) below is the acquisition date, the amount equivalent to the accumulated unpaid dividends for Class A Preferred Shares and the amount equivalent to the accrued unpaid dividends for Class A Preferred Shares will be 63.2 yen. Accordingly, the acquisition price per share will be 499.2 yen, which is the amount obtained by adding such amount to 436 yen.
(4) Details of consideration for	Cash

acquisition of shares	
(5) Total acquisition price	55,111,680,000 yen
(6) Seller	Mitsubishi Corporation
(7) Scheduled acquisition date	June 30, 2026

3. Details of Cancellation

(1) Type of shares to be cancelled	Class A Preferred Shares
(2) Total number of shares to be cancelled	110,400,000 shares (All of the Class A Preferred Shares acquired)
(3) Scheduled cancellation date	June 30, 2026

4. Contracts and Sales

(Millions of yen)

(1) New Contracts and Backlog of New Contracts

Segments		Apr. 1, 2024—Mar. 31, 2025				Apr. 1, 2025—Mar. 31, 2026			
		New Contracts		Backlog of Contracts		New Contracts		Backlog of Contracts	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen) (YoY)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
1. Engineering		210,637	99.7	739,857 [(8,312)]	100.0	297,357 <41.2%up>	99.8	613,056 [69,116]	100.0
Energy	(1) LNG Plant	34,437	16.3	486,616 [(6,542)]	65.8	40,020 <16.2%up>	13.4	316,783 [78,540]	51.8
	(2) Gas Related Work	34,926	16.5	34,299 [(31)]	4.6	1,290 <96.3%down>	0.4	26,085 [(1,444)]	4.2
	(3) Refinery/ Petrochemical	38,185	18.1	37,014 [(135)]	5.0	154,279 <304.0%up>	51.8	126,520 [1,048]	20.6
Global Environment	(4) Pharmaceutical/ Biochemistry/ Chemical	26,477	12.5	87,575 [(1,224)]	11.9	13,051 <50.7%down>	4.4	36,605 [(4)]	6.0
	(5) Environment/New Energy/Infrastructure	70,121	33.2	88,267 [(254)]	11.9	82,172 <17.2%up>	27.6	100,657 [(9,148)]	16.4
	(6) Others	6,488	3.1	6,084 [(123)]	0.8	6,542 <0.8%up>	2.2	6,403 [123]	1.0
2. Other Business		622	0.3	— [—]	—	667 <7.2%up>	0.2	— [—]	—
Total		211,260	100.0	739,857 [(8,312)]	100.0	298,024 <41.1%up>	100.0	613,056 [69,116]	100.0

The breakdown of domestic and overseas sales results is as follows.

Domestic/Overseas Breakdown	Apr. 1, 2024—Mar. 31, 2025				Apr. 1, 2025—Mar. 31, 2026			
	New Contracts		Backlog of Contracts		New Contracts		Backlog of Contracts	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen) (YoY)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Domestic	131,538	62.3	192,404 [(1,570)]	26.0	151,955 <15.5%up>	51.0	199,037 [(2,389)]	32.5
Overseas	79,721	37.7	547,453 [(6,741)]	74.0	146,069 <83.2%up >	49.0	414,018 [71,505]	67.5
Total	211,260	100.0	739,857 [(8,312)]	100.0	298,024 <41.1%up >	100.0	613,056 [69,116]	100.0

(Notes)

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

(2) Net Sales

Segments		Apr. 1, 2024—Mar. 31, 2025		Apr. 1, 2025—Mar. 31, 2026	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen) (YoY)	Ratio (%)
1. Engineering		456,346	99.9	493,275 <8.1%up>	99.9
Energy	(1) LNG Plant	250,239	54.8	288,394 <15.2%up >	58.4
	(2) Gas Related Work	4,754	1.0	8,060 <69.5%up >	1.6
	(3) Refinery/ Petrochemical	33,250	7.3	65,822 <98.0%up >	13.3
Global Environment	(4) Pharmaceutical/ Biochemistry/ Chemical	35,699	7.8	64,016 <79.3%up >	13.0
	(5) Environment/New Energy/Infrastructure	126,653	27.7	60,634 <52.1%down>	12.3
	(6) Others	5,748	1.3	6,347 <10.4%up >	1.3
2. Other Business		622	0.1	667 <7.2%up >	0.1
Total		456,969	100.0	493,942 <8.1%up >	100.0

The breakdown of domestic and overseas sales results is as follows.

Domestic/Overseas Breakdown	Apr. 1, 2024—Mar. 31, 2025		Apr. 1, 2025—Mar. 31, 2026	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen) (YoY)	Ratio (%)
Domestic	101,802	22.3	142,932 <40.4%up>	28.9
Overseas	355,166	77.7	351,009 <1.2%down>	71.1
Total	456,969	100.0	493,942 <8.1%up>	100.0

(Notes)

- As it is difficult for the Group to define production results, information on the “Production” is not disclosed.
- The sales by major clients and the ratio to total sales are as follows.

(Millions of yen)

Apr. 1, 2024—Mar. 31, 2025			Apr. 1, 2025—Mar. 31, 2026		
Client	Amount (millions of Yen)	Ratio (%)	Client	Amount (millions of Yen)	Ratio (%)
QatarEnergy	207,154	45.3	QatarEnergy	151,886	30.7
P.T. Freeport Indonesia	101,286	22.2	Golden Pass LNG LCC	123,036	24.9