

# New Capital Policy and Future Strategy

## AGENDA :

1. Executive Summary
2. Background of the New Capital Policy
3. Schedule for Articles of Incorporation Amendment
4. Business Strategy

Appendix

社会の“かなえたい”を共創する  
Enriching Society through Engineering Value



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# 1. Executive Summary

# Executive Summary

## Summary

- **Preferred shares to be settled within the current mid-term plan via amended terms\*, targeting dividend resumption and Prime Market**
- Maintain cooperative relationship with Mitsubishi Corporation (“MC”) to support growth strategy
- Subordinated loan from MUFG repaid; Mitsubishi Corporation Financial & Management Services (Japan) Ltd. (“MCFS”) credit line terminated. MUFG support unchanged, with commitment-line discussions ongoing
- A clear path established for settling unpaid dividends and full redemption of Preferred Shares, based on reversed overrun costs for Golden Pass LNG (provision) and profits during the current mid-term plan
- Agreement with MC to complete full redemption of Preferred Share by June 2028 under amended terms
- Required cash reserves secured, including for preferred share redemption

## Toward Financial Independence and Enhanced Corporate Value

- Dilution concerns for common shares eliminated through amended terms
- Solid execution of the current mid-term plan, establishing a foundation for stable and diversified earnings and Non-EPC
- **Next mid-term plan positioned as a full-scale growth trajectory toward the vision for the next 10 years**

\*Subject to approval at the General Meeting of Shareholders (June 2026)

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## 2. Background of the New Capital Policy

# Purpose and Context

**Since the revitalization plan, risk management has strengthened and transition to stable earnings has progressed**

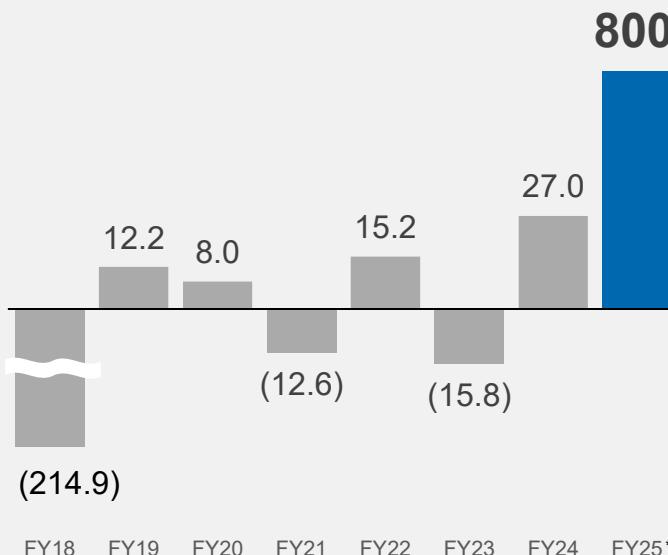
Golden Pass LNG contract revised, recovering FY23 losses and enabling an upward revision of forecasts

Equity projected to recover to approximately ¥100 bn\*<sup>2</sup>

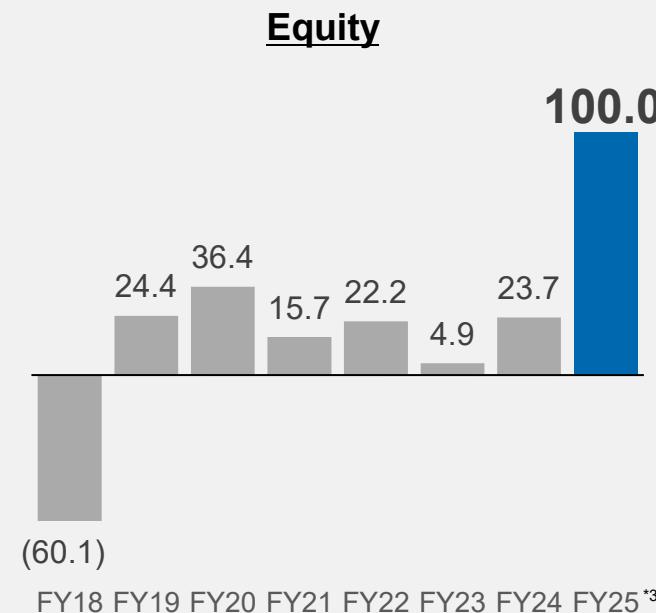
Required cash reserves secured, including for redemption

(JPY Bn)

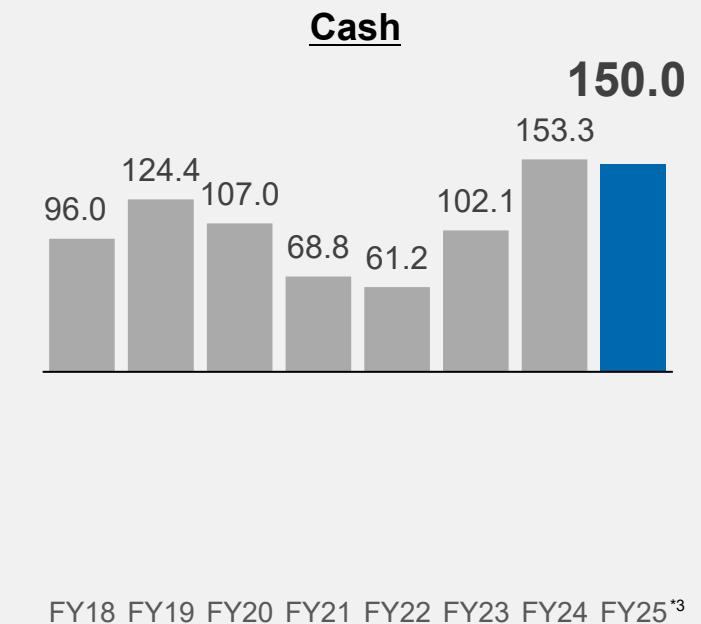
**Net Profit\*<sup>1</sup>**



**Equity**



**Cash**



\*1 : Profit attributable to owners of the parent

\*2 : Equity before the execution of preferred share redemption following the Annual General Meeting of Shareholders in June 2026

\*3 : FY25 Forecasts

# Overview of Amendments to Preferred Shares Terms and Redemption Plan

- 1 Principal redemption amount, previously linked to market share price, fixed at ¥76.3 bn\* based on redemption by June 2028
- 2 Accumulated unpaid dividends up to the FY2025 total ¥10.5 bn
- 3 Maintain dividend rate set at 3% per annum (simple) through June 2028
- 4 Aim to complete the redemption of Preferred Shares by allocating approx. ¥90 bn (incl. the above ¥76.3 billion plus dividends) over the next 3 years

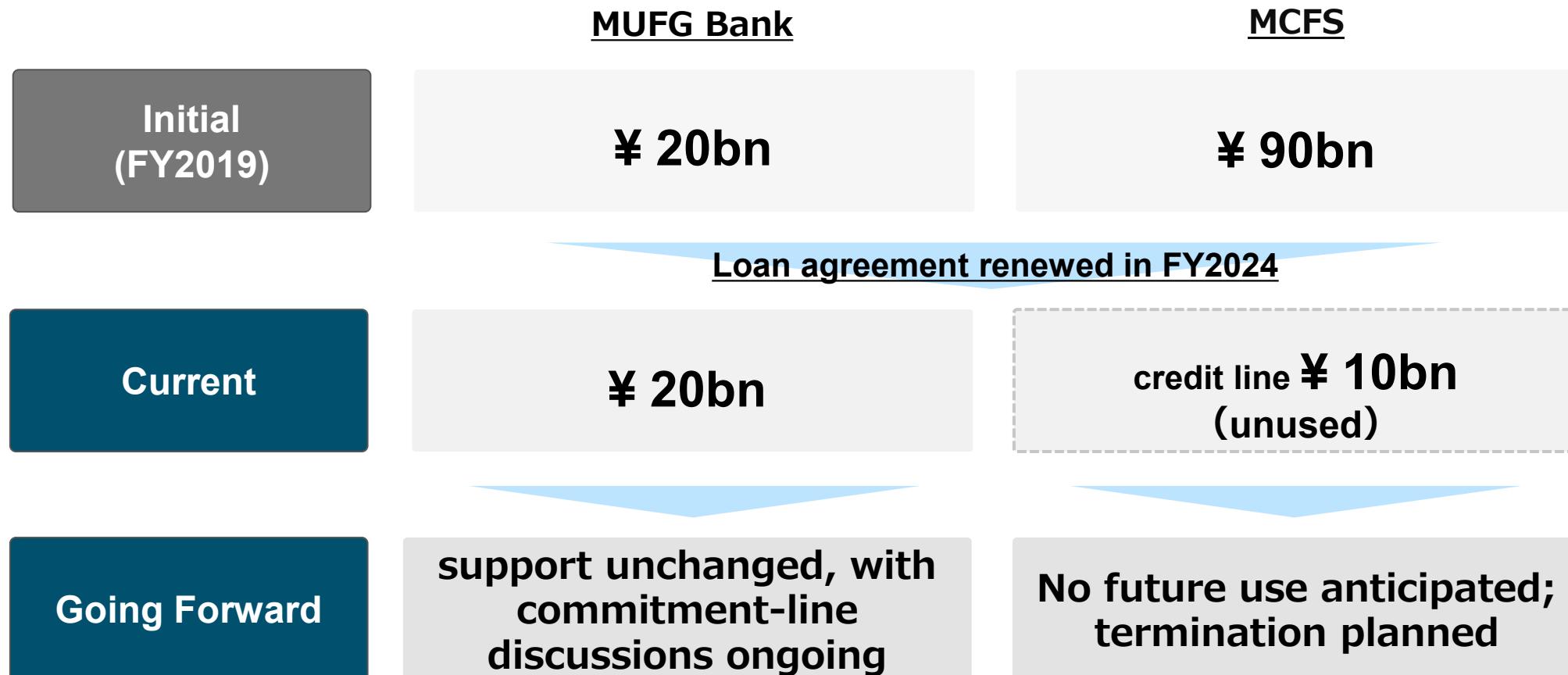
\*The principal amount of ¥76.3 bn corresponds to 175 mn Preferred Shares at ¥463 per share

However, if redemption is not completed within the 3-year period, starting from the 4th year (July 2029), a dividend of 12% per annum (compound interest) will be applied to the cumulative unpaid dividends and the outstanding redemption amount.

In addition, the conversion right of Preferred Shares will be suspended during the 3-year period from 2026 to 2028, plus one additional year until June 2029

# Overview of the Financial Strengthening Measures Implemented in 2019

**Loans and credit lines under financial measures to be repaid and terminated;  
commitment-line arrangement under discussion**

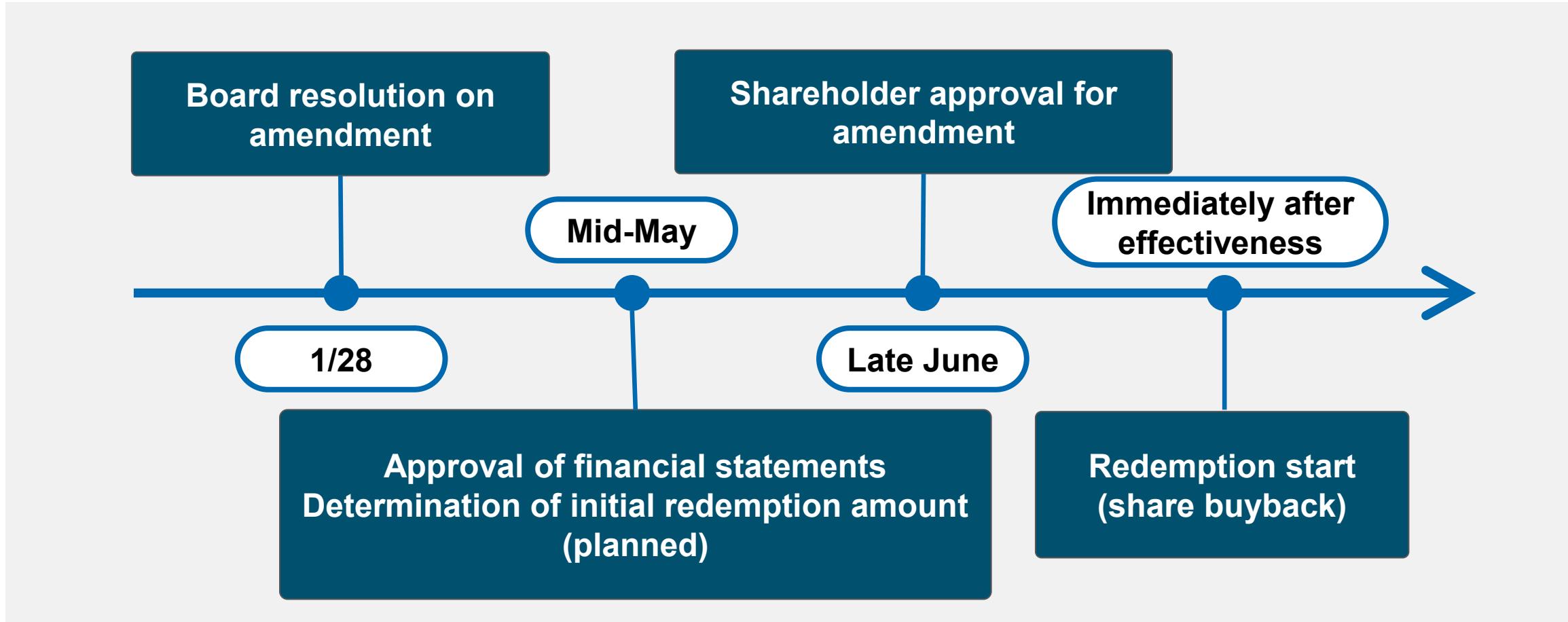


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## **3. Schedule for Articles of Incorporation Amendment**

# Schedule for Articles of Incorporation Amendment

Initial redemption planned promptly after the June 2026 General Meeting



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## 4. Business Strategy

# Business Strategy(Business Plan 2025)

**Basic strategy unchanged;  
Continue stable profit generation to support redemption**

**Core initiatives remain unchanged; targeting average annual net income of ¥15 billion**

## Priority Initiatives and Quantitative Targets under Business Plan 2025

### Priority Initiatives

- 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
- 5** Creating a Robust Human Resources

Thorough business fields of 'energy and materials' and 'life science' we will achieve harmony between energy and the environment and realize a healthy and prosperous future

### Quantitative Targets

**Net Profit**  
**JPY 15bn**  
(3-year average)

**Incl. Non-EPC Net profit**  
**JPY 1bn (in 2027)**

### Related indicators

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

### Net Profit

**JPY 80bn**



**Avg. JPY 15bn**



FY2025

FY2026

FY2027

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# Appendix

# Key Points of the Revised Terms for Preferred Shares

※The following assumes that the redemption price per preferred share <sup>\*1</sup> exceeds its face value, for clarity.

For details, please refer to page 13 and today's disclosure titled 'Notice of Agreement regarding the redemption plan of Class A Preferred Shares and Partial Amendment to Articles of Incorporation'

per preferred share <sup>*1</sup>	Current Terms	After Revision		
		until the end of June 2028	until the end of June 2029	From July 2029 onward
Dividend Rate	3% (simple interest) <sup>*2</sup>	3% (simple interest) <sup>*2</sup>		12% (compound interest) <sup>*3</sup>
Redemption Price upon Request by Shareholder	Share Price <sup>*4</sup> $\times$ $\frac{\text{JPY}400 + \text{Unpaid Dividends}^{*5}}{\text{JPY}100^{*6}}$	JPY 436 + Unpaid Dividends <sup>*5</sup>		Share Price <sup>*4</sup> $\times$ $\frac{\text{JPY}400 + \text{Unpaid Dividends}^{*5}}{\text{JPY}100^{*6}}$
Acquisition Price by Chiyoda				
Preferred Share Conversion Right	Exercisable at any time Conversion Price : JPY 100 <sup>*6</sup>	Not exercisable		Exercisable at any time Conversion Price : JPY 100 <sup>*6</sup>

\*1) Number of shares: 175,000,000

\*2 ) JPY 400 × annual 3%

\*3 ) JPY 436 plus accumulated unpaid dividends per Class A share at that time × annual 12%

\*4 ) Amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date

\*5) Total of accumulated unpaid dividends per Class A share plus accrued unpaid dividends per Class A share

\*6) Conversion price of Preferred Shares as stipulated in Article 11-7, Item 2 of the Articles of Incorporation

# A Details of Changes to Class A Preferred Shares

#	Item	Before Revision	After Revision
1	<b>Dividend terms</b>	Fixed, 3.0% during the period (dividends paid in priority to common shareholders)	<p><b>From June 2026 (after Articles amendment) to end of June 2028:</b>  <b>3.0% (Simple Interest)[Paid-in amount per share (¥400)] x annual 3.0%</b></p> <p><b>From July 2028 onward:</b>  <b>12% (Compound Interest)[Paid-in amount per share (¥436) plus the total accumulated unpaid dividends per Class A share at that time] x annual 12%</b></p>
2	<b>Conversion rights</b>	Exercisable at any time Conversion price : ¥100 <sup>*1</sup> 、No adjustment clause for conversion price	<p><b>Not exercisable until the end of June 2029</b>  <b>Exercisable at any time from July 2029 onward</b>  Conversion Price: ¥100<sup>*1</sup>、, No Conversion Price Adjustment Clause</p>
3	<b>Redemption terms</b>	<p>Exercisable at any time The higher of (a) or (b) below</p> <p>(a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares<sup>*2</sup></p> <p>(b) ¥400 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</p>	<p>Exercisable at any time after the Articles amendment Redemption Price per Share:</p> <p><b>¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</b></p>
4	<b>Call Option Provision</b>	<p>Exercisable at any time: The higher of (a) or (b) below</p> <p>(a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares<sup>*2</sup></p> <p>(b) ¥400 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</p>	<p><b>From June 2026 (after Articles amendment) to end of June 2029:¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</b>  <b>From July 2029 onward:</b>  <b>The higher of (a) or (b) below</b></p> <p>(a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares<sup>*2</sup></p> <p>(b) ¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</p>

\*1 : Number of common shares to be delivered: For each preferred share subject to conversion request, the amount obtained by adding ¥400 to the accumulated unpaid dividends and accrued unpaid dividends at the time of exercise, divided by the conversion price, will be delivered as common shares

\*2 : Reference number of shares: The amount obtained by adding ¥400 to the accumulated unpaid dividends and accrued unpaid dividends at the time of exercise, divided by the conversion price (¥100)

Forward-Looking Statements: Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investor are recommended not to depend solely on these projections for making investment decisions.

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