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IR, PR & Sustainability Advanced Section
Corporate Services Department
Chiyoda Corporation

Summary of the First Quarter Financial Results Briefing for Fiscal Year Ending March 31, 2023

The following is a summary of a presentation (telephone conference) outlining Chiyoda Corporation's (Chiyoda) financial results for the first quarter of the fiscal year ending March 31, 2023, released on August 1, 2022. Please also refer to the 'Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2023' on our website.

I. Financial Results(P2)

1. Highlights (P3)

- Performance reporting in this period
Executing projects with rigorous risk management
Construction phase of large overseas projects accelerates from the 2nd quarter
- Countermeasures Against Increasing Equipment, Materials and Transportation Costs
Minimizing project impacts through deliberation and cooperation with clients and partners
- Growth Strategy
Hydrogen / carbon neutral / life science businesses and digital transformation are progressing.

2. Income Statement (P4)

- Revenue was 75.7 billion JPY, 15% of the full year forecast (progress rate).
- Gross profit was 6.5 billion JPY, 19% of the full year forecast. From Q2. Revenue and gross profit are expected to accumulate in line with the full-year forecast as construction of large overseas projects are scheduled to progress to the maximum.
- Gross profit was 8.6%, 1.6% higher than the full year forecast of 7.0%.

- SG&A expenses were 2.8 billion JPY, similar to the same period last year.
- Operating income was 3.8 billion JPY, an increase of 3.0 million JPY from the same period last year, and ordinary income was 3.5 billion JPY, 19% and 20% respectively of the full year forecast.
- Net profit (loss) was 2.2 billion JPY.

3. Profit Analysis (P5)

- Gross profit was 6.5 billion JPY, an increase of 3.0 million JPY YoY. Gross profit was 3.9 billion yen and 2.6 billion JPY in the energy and global environment business fields respectively. Progress of a copper smelting project in Indonesia and steady growth in new business fields such as life sciences contributed to gross profit.
- SG&A expenses were similar to the same period of the previous fiscal year.
- Operating income increased 3.0 million JPY YoY.

4. Balance Sheet (P6)

- Total assets decreased by 30.0 billion JPY from 395.4 billion JPY to 365.4 billion JPY, mainly due to an out of court settlement with a subcontractor on Ichthys LNG in Australia (construction complete in April 2022).
- Shareholders equity increased 3.7 billion yen from 15.7 billion yen to 19.4 billion yen at the end of the previous fiscal year and the equity ratio improved to 5.3%.

5. New Orders / Backlog (P7)

- New Orders received was 20.6 billion JPY and the order backlog was 1,367.7 billion JPY.
- Major projects in the order backlog include NFE LNG in Qatar, Golden Pass LNG in the USA and the Tangguh LNG Expansion project in Indonesia in the energy sector and a copper smelting project in Indonesia and a plant for manufacturing biopharmaceuticals substance manufacturing plant in the global environment sector.

6. Att. 1, 2, 3 Breakdown of Revenue, New Order, and Backlog (P8-P10)

(Explanation omitted)

II. Growth Strategy Topics (P11)

1. CO₂ Separation and Recovery (P12)

- Technology development of CO₂ separation and recovery from large scale natural gas fired power plant turbines using domestic solid sorbent material is ongoing under a New Energy and Industrial Technology Development Organization (NEDO) Green Innovation fund program.
- The aim is to achieve a significant reduction in equipment cost, energy consumption and smaller site areas compared to conventional technologies for the separation and recovery of CO₂ from emission sources.
- We are aiming to optimize the utilization of existing infrastructure in the use of natural gas, the demand for which is expected to rise in the future, towards the realization of a low-carbon society.

2. Hydrogen Business - SPERA Hydrogen™ ~ (P13~P14)

- ① P13: Expansion of the proprietary SPERA hydrogen™ technology business globally.
 - Discussions with partners to construct a commercial scale international hydrogen supply chain are ongoing, aiming for the Port of Rotterdam in The Netherlands to be the gateway for importing hydrogen into Europe.
 - We are also progressing feasibility studies for a clean hydrogen supply chain business in Singapore.
 - Discussions are ongoing with hydrogen suppliers, renewable energy companies, hydrogen consumers, port authorities, infrastructure companies, heavy industry companies and government agencies to establish a global hydrogen supply chain using SPERA hydrogen™ technology to transport hydrogen from hydrogen sources around the world using MCH*.

* MCH: Methylcyclohexane

② P14: German Chancellor Scholz visited the dehydrogenation demonstration plant

- German Chancellor Scholz visited the dehydrogenation demonstration plant in the Kawasaki City in April 2022. The day before the visit At a the "Japan-Germany Business Dialogue ," an event to commemorating the 60th anniversary of the German Chamber of Commerce and Industry in Japan the day before, Chancellor Scholz made a strong commented that as "Their (Chiyoda's) SPERA hydrogen™ technology can be the world's model for building international hydrogen supply chains." In order to meet the expectation, Chiyoda is accelerating the growth of its hydrogen business to meet expected demand at most effort.

3. **Energy Management Business (P15)**

- Chiyoda is currently constructing one of the world's largest battery power storage system plants in Hokkaido and we were awarded a 20 year maintenance contract by North Hokkaido Wind Energy Transmission Corporation.
- Studies on the effective use of batteries to enhance the use of renewable energy are ongoing, such as using batteries to optimize wind power plants, the output of which can be predicted in advance based on wind condition forecasts using AI.
- Complex projects that combine energy storage systems to make renewable energy as the main source of power are expected in the future.
- We are contributing to regional revitalization by developing regional utility businesses through combined renewable energy and energy storage projects.

4. **Life Science Business (P16)**

- Pharmira Co. Ltd (Pharmira), the world's first joint venture for contract development and manufacturing of active pharmaceutical ingredients and intermediates, led by Shionogi Pharma Co. Ltd, commenced business April 2022.
- Chiyoda participates in the joint venture and contributes to the pharmaceutical industry by applying continuous manufacturing (CM) processes developed in the oil and chemical industry.

- We are aiming to strengthen the life science business by horizontally applying CM processes.

5. Digital transformation (DX) (P17)

- We are currently developing plant operation and maintenance optimization solutions under EFEXIS™, and implementation by clients is progressing.
- The newly released ‘O&M Mother’ as an expansion of EFEXIS™ combines advanced diagnostic and analysis technology with the latest IoT and cloud technologies.
- We are also developing a solution that streamlines operation and maintenance by visualizing plant conditions online via the cloud, including visualizing pipe corrosion, predicting rotating equipment abnormalities and predicting remaining service life.
- EFEXIS™ helps clients DX their plants for safer and more secure operation.

III. Major Projects in Progress (P18)

1. Major Projects in Progress (Energy Sector) (P19)

- Projects are progressing steadily.
- The NFE LNG project in Qatar commenced construction, in addition to Engineering and Procurement.

2. Major Projects in Progress (Global Environment Field) (P20)

- Procurement of equipment for the copper smelting project in Indonesia is nearing completion. Construction is progressing smoothly.
- We are executing large-scale projects in the life science and energy management fields, which are positioned as growth areas. All projects are progressing smoothly.

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Note: Some additions and corrections have been made to simplify the content for readers. 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. Investors are recommended not to depend solely on these projections for making investment decisions.