

BUSINESS PLAN 2025

Be the Change – Enriching the Future

May 8, 2025

Chiyoda Corporation

Formulating Business Plan 2025 (Three-year Plan for Fiscal Years 2025 to 2027)

Be the Change – Enriching the Future

Following the deficit in fiscal year ending March 2019, our group strengthened its business base through a revitalization plan. We substantially completed the disposal of losses, including on large LNG projects that made a loss before the revitalization plan was formulated, and have experienced no losses on projects awarded following the plan's launch. We have achieved remarkable results in transforming our business structure into a stable and profitable one.

However, financial results for fiscal year ending March 2024 highlighted the volatile nature of our company's earnings structure, with corporate performance affected by issues such as the failure of order plans centered on large-scale projects and unpredictable events during large project execution. We subsequently harvested the views and opinions of colleagues company-wide, including those who will lead the next generation, to discuss our 10-year vision and compile a 10-year plan. This Business Plan 2025, with its core theme of 'Be the Change', is an action plan for the next 3 years based on the concept of our 10-year plan.

We will initially reinforce our stable profit structure by focusing on completing large LNG projects in the USA and Qatar to enhance our project management capabilities. We will reform our approach to new overseas projects, aiming for a solid and stable earnings structure by reducing our dependence on large projects, minimizing project risk exposure, reducing volatility through project diversity and enhancing our earnings base for domestic projects.

Secondly, we will diversify earnings from the expanding business opportunities in energy, materials and life sciences, caused by our rapidly changing business environment due to environmental changes, geopolitical factors, demographic changes and technological innovation. Our company's earnings have hitherto predominantly originated from the engineering, procurement and construction (EPC) of industrial plants. We will continue collaborating with customers in these fields early in the project life cycle, developing their business concepts and technologies to realize 'business co-creation', while expanding our range of value services, including planning and consulting in the initial stages through to operational support. We aim to become a long-term, dependable joint venture partner with customers, based on robust working relationships developed on trust and transparency.

Achieving our future vision and earnings diversification through 'Be the Change' will nurture a solid and stable company earnings base to increase our corporate value, while managing the preferred shares and subordinated loans received for the launch of the revitalization plan, and steadily advancing our growth strategy.

As our most valuable asset, human resources drive our domestic and international businesses and will be central to realizing the idea of 'Be the Change'. With co-creation with customers as our first priority, we will focus on further developing our robust human resources, include employees of all ages and experience.

Please look forward to a bright future for the Chiyoda Group.



Representative Director,
President and CEO
Koji Ota

A handwritten signature in black ink, appearing to read 'K. Ota', written over a white rectangular background.

Chiyoda Group's Purpose, Mission and Materiality

Meeting the changing needs of a modern society and solving social issues with stakeholders who share our vision.

Purpose

Enriching Society through Engineering Value

Mission

Grow as a fully integrated engineering company, aiming for harmony between energy and the environment while contributing to a healthy, prosperous and sustainable society through our profound engineering expertise and systematically developed technology.

Materiality

E
Environment

Society with Reduced Environmental Impact



S
Society

Prosperous and Healthy Life-style



G
Governance

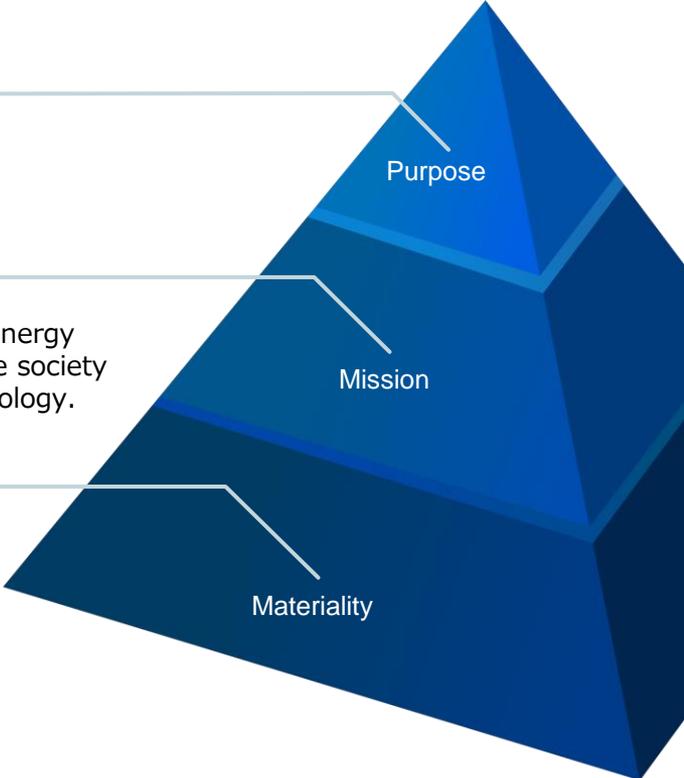
Organizational Culture that enables Diverse Human Resources to Challenge Value Creation

Human Resources addressing Social Issues Autonomously

Equitable and Fair Corporate Management



Equitable and Fair Corporate Management



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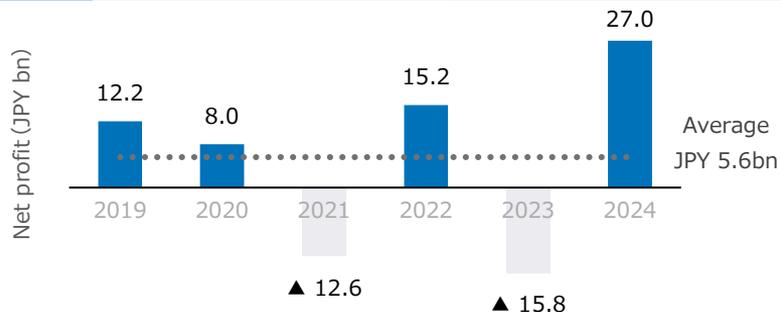
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Review of Revitalization Plan (FY2019 to FY2024)

The quantitative objectives have not been achieved. However, future downside risks have been reduced. Establishing a stable revenue base remains an issue. The qualitative objectives have been substantially achieved.

Quantitative Targets

	Target	Result
Order	<ul style="list-style-type: none"> LNG & Gas: JPY 200~450 bn/year Global Environment: JPY 100~150 bn/year 	<ul style="list-style-type: none"> LNG & Gas: JPY 218.7 bn/year Global Environment: JPY 131.0 bn/year
Net profit	Consistently generate JPY 10~20bn, accumulate JPY 90bn over 5 years, JPY 18 bn over 5 years average	JPY▲15.8~27 bn/year, accumulate JPY 33.9 bn over 6 years, JPY 5.6 bn over 6 years average



Qualitative Goals

Risk Management

- Stringent and comprehensive risk management from receipt of new order
- Zero losses on orders received during the revitalization plan

EPC Execution

- Strengthening KPI management system for construction functions
- Enhancing construction management capabilities through AWP*1 and SMS*2

Human Resources

- Appropriate utilization of management and deployment of human resources
- Rebuilding the foundations for Human Resource development

Governance

- Strengthening Governance for Management and Employees
 - Increase ratio of Outside Directors and establish an internal control and compliance committee

Business Portfolio

- Expand EPC*3 Orders in Low Carbon Solutions and Life Sciences
- Quantitative Non-EPC business*4 results require improvement

*1 AWP: Advanced Work Packaging (Best practices for project management proposed by the Construction Industry Institute.)

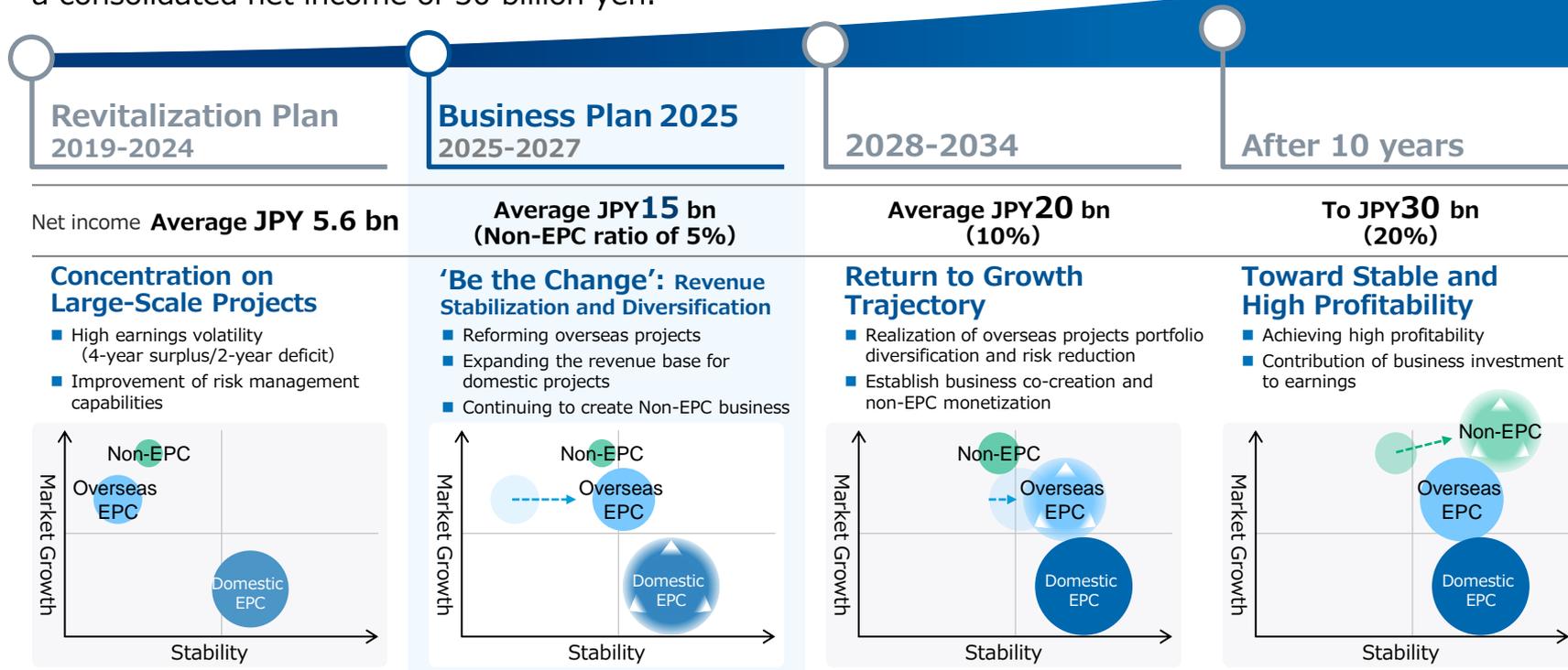
*2 SMS: Subcontract Management System (Contract management system with construction companies.)

*3 EPC: Engineering, Procurement, and Construction

*4 Non-EPC business: Catalyst, Licensing, Contract Research and Development, Digital Subscription, Business Investment etc.

Business Plan 2025 to the 10 Year Vision

Stabilizing and diversifying earnings will be the top priority for next three years. Commencing in 2028, growth should be as planned. During the following 10 years, we should achieve a consolidated net income of 30 billion yen.



● ● : Net income (period average) Image

Business Plan 2025 (3 years) Goals and Targets

Goals Earnings stabilization and diversification through **'Be the Change'**

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 Pool

Through business fields of **'energy and materials'** and **'life sciences'**, we will achieve harmony between energy and the environment and realize a healthy and prosperous future.

Quantitative Targets

Net Profit

JPY15 bn (3-year average)

Incl. Non-EPC Net Profit

JPY1 bn (in 2027)

Related Indicators

Gross Margin: 10% or greater (3-year average)

New Orders: JPY 950 bn (3-year total)

Net Sales: JPY 380 bn (3-year average)

Backlog of Orders: JPY 600 bn (3-year average)

Priority Initiatives 1 Steady Execution of Existing Large Overseas Projects

Complete existing large-scale projects utilizing our problem-solving and project management capabilities.

NFE LNG, Qatar

GPX LNG, USA

[Reference] Completion in 2024
Copper Smelting Project, Indonesia

Basic Information

- ①Year of Order ③Partner
- ②Customer ④Capacity

- ① 2021
- ② Qatar Energy
- ③ Technip
- ④ LNG: 8 million tons/year ×4 series
(Following plant completion, production will increase to approximately 100 million tons/year) *1

- ① 2019
- ② Golden Pass LNG
- ③ McDermott
- ④ LNG: 5.2 million tons/year ×3 series

- ① 2021
- ② PT Freeport Indonesia
- ③ -
- ④ Ore throughput: 1.7 million tons/year

Problem Resolution

Problem

Improve efficiency of steel construction and piping

Solution

→Adopting the lasagna method*2 for steel frame structures to increase efficiency and improve construction safety

Response to labor shortage and increase in labor cost

→Approximately 80% of pipe welding completed off-site

Achieved 60 million manhours with no Lost Time Injury (LTI).

(Approximately 1.5 years, with a peak work force of 23,000 employees)

Project Management

Improve construction efficiency through AWP (aligning engineering, procurement and construction to deliver design information, materials and equipment on site required)

Improve work efficiency utilizing 4D model (visualizing construction progress and workfronts)

Demonstrating project management skills.

(Realized a 'One Team' philosophy with customers and partners coupled with record short delivery times.
30 local companies were subcontracted to assist with local procurement regulations)

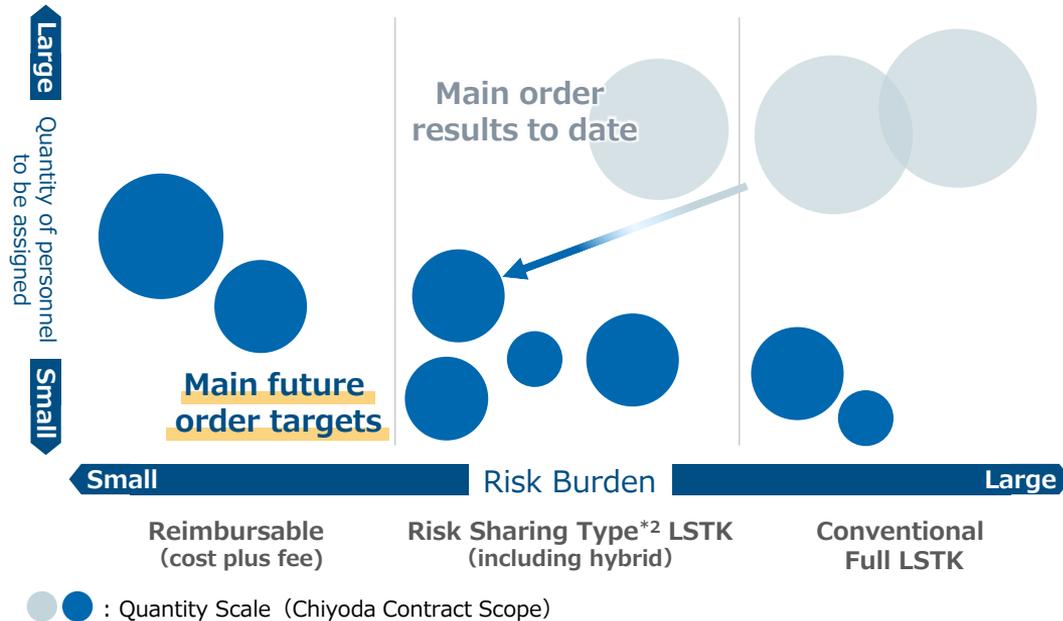
*1 World LNG trade volume (2023) : Approximately 400 million tons (Japan Organization of Metals and Energy Security)

*2 Lasagna method: A method of constructing the structure from the lower layer to the upper layer while repeating steel frame installation and piping spool installation alternately

Priority Initiatives 2 Overseas Projects Approach Reform (Order Policy)

Evolve from depending on large overseas EPCs to a diversified portfolio with projects that can be executed independently, while satisfying client needs.

Overseas Project Order Target



Measures

- Risk mitigation and diversification borne by Chiyoda per project (risk share with partner etc.)
- Pursue new approach to LNG projects (initiatives other than extra-large LSTK*1 projects, proposals specializing in process design company strength)
- Stringent and comprehensive risk management (reimbursement agreements according to region and customer characteristics etc.)

*1 LSTK: Lump Sum Turnkey (lump sum contract with fixed contract amount)

*2 Risk-sharing type: eg: avoiding Lump Sum risks, partner risk sharing, enhancing non-effect clauses, inflation adjustment etc.

Priority Initiatives 3 Increasing Domestic Project Revenue

Establish systems to respond to increasing demand in the growing life sciences and low carbon solution sectors.

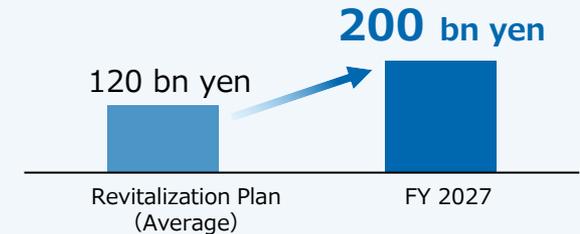
Resilient Business Portfolio

■ Seize business opportunities early by leveraging our capabilities in a wide range of fields

- Strengthen acquisition of projects in growth fields such as life sciences and low carbon solutions
- Continue focusing on petrochemicals, advanced materials, energy management etc.

■ Provide value to a wide range of customers, regardless of project size

Target Orders



Strengthening the Foundations of Order Receiving System

- Expanding responsibilities through multi-talent project managers and engineers
- Improving productivity through DX and design standardization and increasing the utilization of design centers

Maximizing Consolidated Profit

- Providing services across the entire plant life cycle together with CXO*¹
- Expand business areas and customer segments of CXO

Expanding Collaboration with Partners

- Enhance strategic responsiveness by leveraging the strengths of both partners and collaborators:
JFE Engineering Corporation, Mitsubishi Heavy Industries, Ltd., etc.
- Maintain and strengthen collaboration with construction subcontractors and those involved in detailed design

*1 Chiyoda X-ONE Engineering Corporation (100% owned subsidiary; established through the merger of 3 domestic construction subsidiaries in April 2023)

Priority Initiatives 4 Expanding Business Co-creation

Become a partner in Business Co-creation by supporting customers in a wide range of services, from business and technology development to post-operation.



Foundation and Strengths of Business Co-Creation

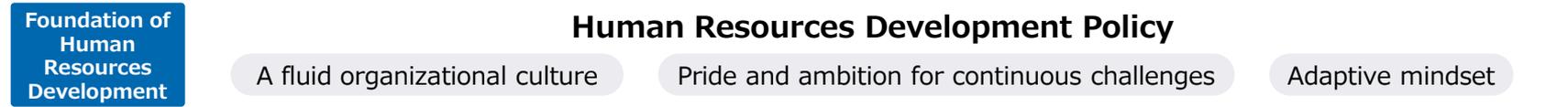
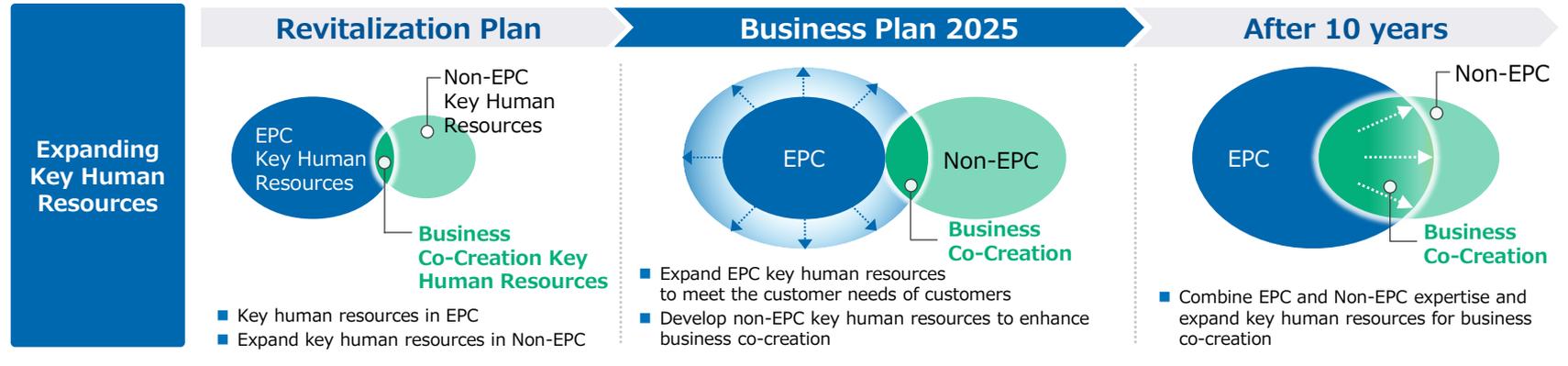


Creating a Robust Human Resources Pool

Expand the key human resources responsible for 'Be the Change' to stabilize earnings and diversify revenue.

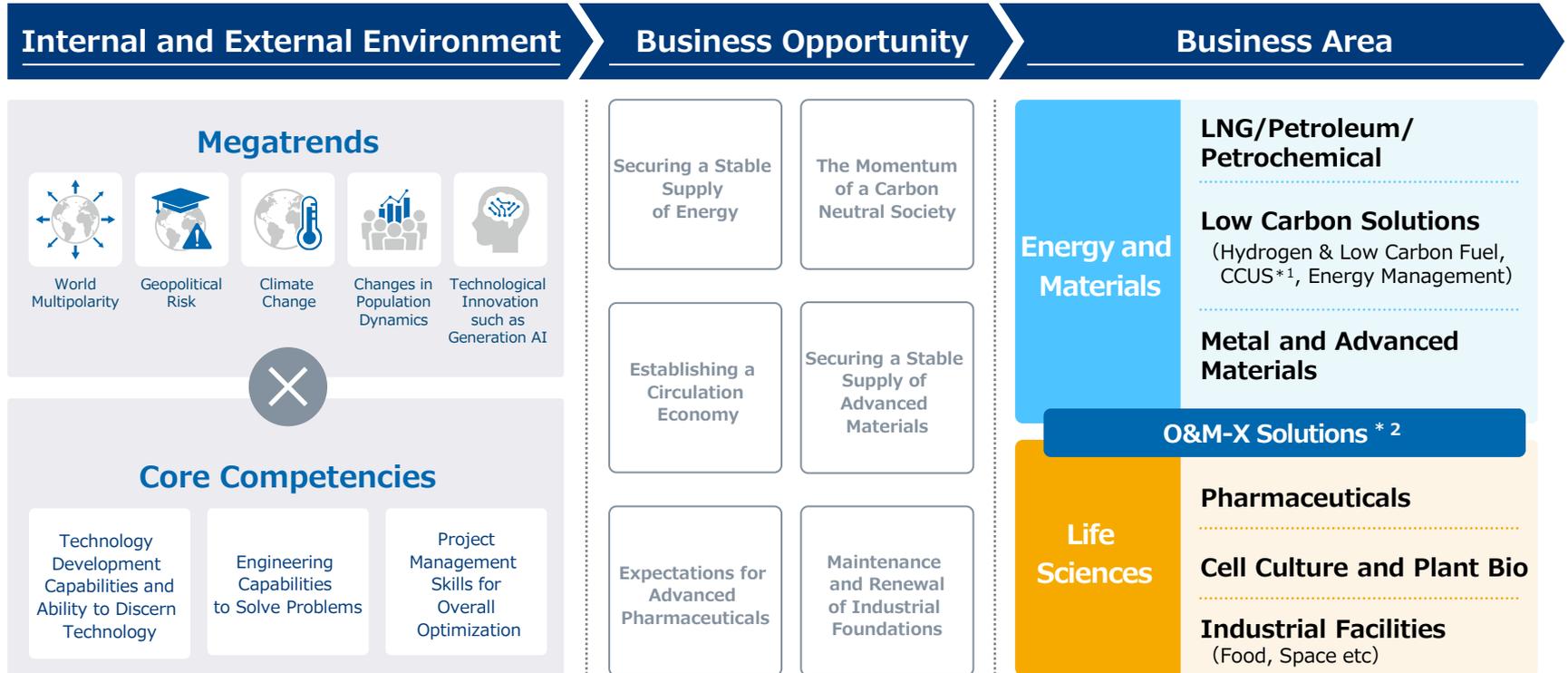
Key Human Resources

Identify social issues independently, lead co-creation inside and outside the company to support higher added value and revenue



Business Environment/Business Areas

Given increasing uncertainty in the external business environment, focus on stabilizing the business while leveraging our strengths to create business opportunities.



*1 CCUS: Carbon dioxide Capture, Utilization / Storage

*2 O&M-X: Operation and Maintenance Transformation

Business Areas (1) - Energy and Materials

Leveraging our extensive experience and technological expertise in LNG, oil and petrochemicals to expand into low carbon solutions and advanced materials sectors.

Strengths in the Energy and Materials Field

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



For BP Berau
Liquefied natural gas plant



For Hokkaido Kita Wind Power
Transmission Co., Ltd.
Storage Battery System

Areas to be Developed

LNG (including Cleaner LNG) ,
Petroleum and Petrochemical

Low Carbon Solutions
(hydrogen, low-carbon fuel, CCUS,
energy management etc.)

Metal/Advanced Material
(Non-ferrous metal Smelting, storage
batteries, semiconductor materials etc.)

O&M-X Solutions

Business Areas (2) - Life Sciences

Evolve into a bio-life science solution provider by leveraging EPC expertise and experience in pharmaceutical plants.

Strengths in the Life Sciences Field

Process development and scale-up of culture areas (antibodies and cells)

Continuous production of synthetic areas and knowledge of solid-phase and liquid-phase methods

Developing demonstration test equipment for ISS*

Advanced facility maintenance support, analysis and diagnostic technology



Plant Bio Demonstration Plant



Shionogi & Co., Ltd.
Manufacturing facility for vaccine APIs

Areas to be Developed

Pharmaceuticals and Food
(low and medium molecules, macromolecules, microorganisms, cell pharmaceuticals etc.)

Contract Development of Manufacturing Process
(cell culture and plant bio)
(Space and Low Earth Orbit Platform)

O&M-X Solutions

*International Space Station

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O&M-X Solutions	_____	P25
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Materiality

Chiyoda continues to contribute to resolving materiality issues through our business activities.

	 E (Environment)	 S (Society)	 G (Governance)		
Materiality	Society with Reduced Environmental Impact 	Prosperous and Healthy Life-style 	Organizational Culture that enables Diverse Human Resources to Challenge Value Creation 	Human Resources addressing Social Issues Autonomously 	Equitable and Fair Corporate Management 
Key Themes	<ul style="list-style-type: none"> Mitigate climate change by reducing GHG emissions Stable supply of clean energy Establish a circular value chain 	<ul style="list-style-type: none"> Contribute to the healthy lives of people by providing life science solutions Build sustainable industrial fundamentals Respect human rights 	<ul style="list-style-type: none"> Develop organization for diversified values Implement a general change of organizational managers leading organizational reform and their education Promote diversity and inclusion Further enhance Health Management Robust labor-management relations 	<ul style="list-style-type: none"> Expand key human resources Establish specialized education combining off-the-job training and on-the-job training for business execution abilities Maximize performance of seniors Develop digital human resources 	<ul style="list-style-type: none"> Equitable, fair and respectful behavior Promote fair trade and appropriate disclosure of information Stringent and comprehensive supply chain risk management Stringent and comprehensive compliance and risk management
Initiatives	<ul style="list-style-type: none"> Lead the decarbonization of LNG and contribute to energy security Contribute to a carbon neutral society through CCUS and hydrogen technology Contribute to the stable supply of renewable energy through battery energy storage, renewable energy facilities and VPP 	<ul style="list-style-type: none"> Contribute to advanced medicines through continuous synthesis technology and business investment Realize the transformation of plant O&M Contribute to the stable supply of materials that are key to realizing a decarbonized society Conduct business with consideration for human rights 	<ul style="list-style-type: none"> Develop and expand key human resources who accept the challenge of business transformation by further expanding our company's strengths with an adaptive mindset Build a sustainable cycle in which human resources and organizations work as 'One Team' to achieve 'Well-Being' and accept the challenge of creating value to embody our new purpose 	<ul style="list-style-type: none"> Prevent damage to corporate value due to compliance issues by engaging in equitable, fair and respectful behavior 	

Human Resource Management

Realize 'Well-Being' by reforming organizational culture and developing human resources, realizing value circulation between human resources/organization and society/stakeholders.

Key to Well-Being

A Fluid Organizational Culture with Mutual Respect and Continuous Challenge

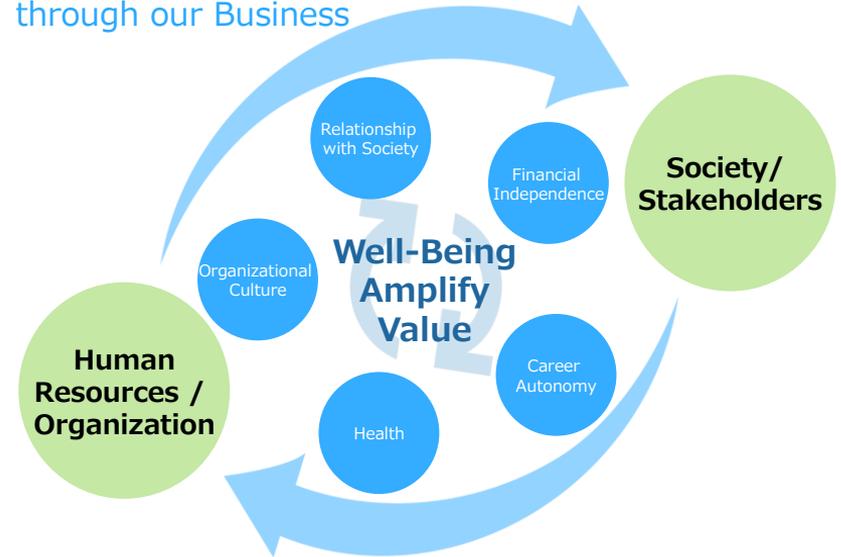
- Organizational development initiatives for diversified values
- Implementing a generational change of organizational managers leading organizational reform and their education
- Promoting and educating diversity and inclusion
- Enhancing health management
- Robust labor-management relations

Human Resources Challenging Social Issues with Pride and Ambition

- Expansion of key human resources
- Establish specialized education combining off-the-job training and on-the-job training for business execution abilities
- Maximize performance of seniors
- Develop digital human resources

Value Circulation

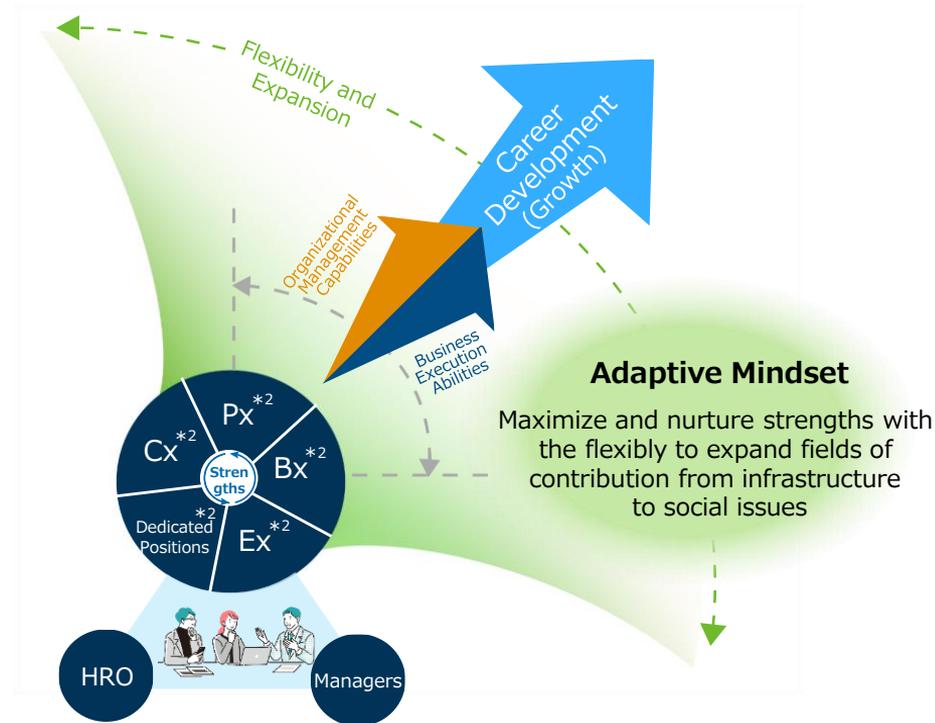
Value Circulation through our Business



Human Resource Development Policy

Chiyoda works in partnership with employees to shape their careers.

Develop organizational management and business execution capabilities through dialogue with HROs*1, managers and employees towards business transformation with an adaptive mindset.



Career Development (Growth)

- HROs support developing career paths from professional perspectives, and
“Grow professionals in a planned manner based on their career paths to enhance human resources”
“Encourage career autonomy while respecting individual motivation”
through practical on-the-job training (eg: educational transfers) involving dialogue with managers and employees
- Create individual career paths with vibrancy through business opportunities

Enhance Organizational Management Capabilities (Grow Organizational Managers)

Develop Business Execution Abilities in Areas of Expertise

Enhance business execution and organization management capabilities based on individual career paths and fundamental/specialist training by aligning individual employee career paths with company objectives

*1 Human Resource Officers, responsible for human resource development by job type.

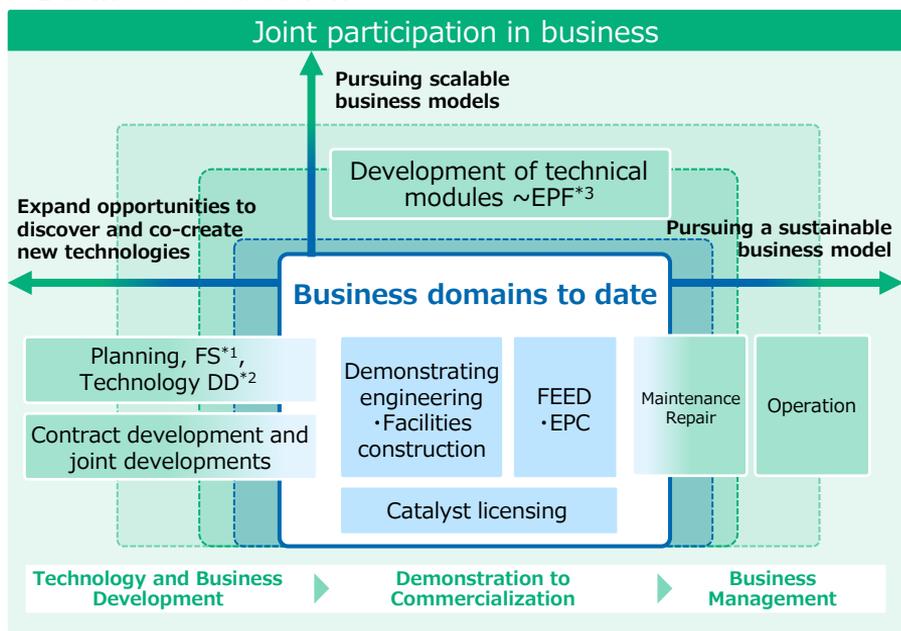
*2 Bx: Business Incubation; Ex: Engineering Professional; Px: Project Management; Cx: Corporate Professional
Dedicated Positions: Proactively support the efficient operation of our wide range of organizations

Expanding Business Co-creation

Develop working relationships with customers and partners from early technology and business development phases, while contributing to the social implementation of new technologies in the energy and life sciences fields to grow our business and diversify revenue.

Profit Diversification Through Business Co-creation

→ : Direction of revenue diversification



Expanding Business Co-creation

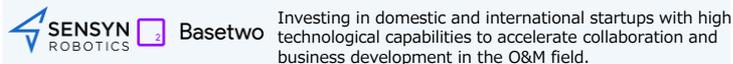
Joint development of water electrolysis system with Toyota



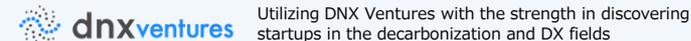
Joint research with Nippi, AIST*4 and Osaka University Developing technology for mass production of highly modified proteins by plants



Investment in start-up companies for technology development



Investments in venture capital to strengthen business partner search and business development capabilities.



*1 FS:Feasibility Study

*2 DD:Due Diligence

*3 EPF: Engineering, Procurement and Fabrication

*4 AIST:The National Institute of Advanced Industrial Science and Technology

Business Environment/Business Strategy

Energy and Materials (LNG, Petroleum and Petrochemicals)

Chiyoda promotes the steady execution of large LNG projects and the diversification of products and business models overseas. The domestic customer base will be further strengthened.

Business Environment

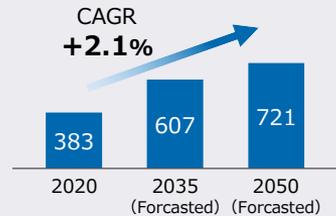
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LNG



Demand remains strong as an essential energy source during the transition to a stable energy supply and carbon neutrality

Global LNG consumption (mln tons)

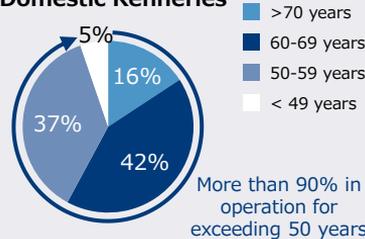


Petroleum and Petrochemicals



Demand for new plant construction remains flat, but demand for plant reconstruction and operation and maintenance improvement due to aging plants is increasing.

Years of Operation of Domestic Refineries (N=19)



Business Strategy

Focus areas and strengths

- Project management capabilities
- Technological expertise and experience as world leading LNG EPC contractor

Initiatives

- Ensure successful execution of orders for large overseas LNG projects (NFE/GPX) through stringent and comprehensive risk management
- Cleaner LNG and electric driven LNG
- Proposals that highlight areas of expertise such as process design

- Extensive global experience in oil and petrochemical plant construction and O&M
- Strong customer base

- Strengthening the group's comprehensive capabilities and capturing demand for domestic capital investment
- Strengthen facilities in the petroleum and petrochemical fields

Source: McKinsey "Global gas outlook to 2050" Calculates consumption based on the share of LNG in global gas consumption. Petroleum Association "Refinery locations and crude oil processing capacity"

Surveys the number of years of operation of each domestic refinery based on the website of each refinery

Business Environment/Business Strategy

Energy and Materials (Low Carbon Solutions)

Efficiently implementing hydrogen and carbon circulating technologies, using SPERA hydrogen™ and water electrolysis systems as differentiated technologies.

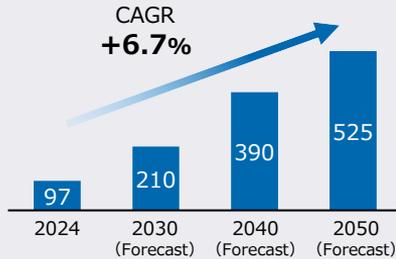
Business Environment

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Low Carbon Solutions ↗

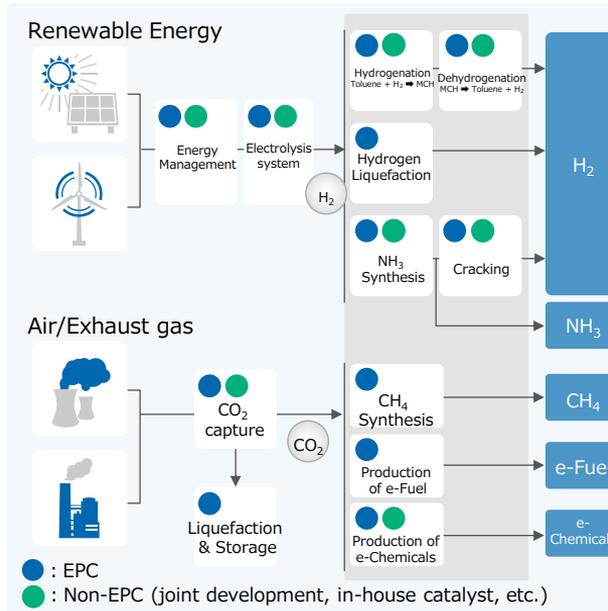
Demand is strong due to increasing carbon neutrality needs and government support such as subsidies and system design

Global Hydrogen Demand (2050 Net 0 Emission Scenario) (1 mn tonnes)

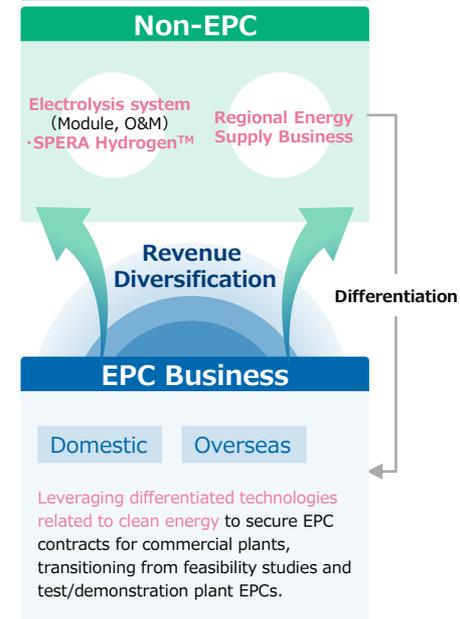


Business Strategy

Green Product Value Chains and Priority Areas



Initiatives



Source: IEA Global Hydrogen Review

Business Environment/Business Strategy

Energy and Materials (LNG + Low Carbon Solutions)

LNG Technology + Low Carbon Solutions

Leading the implementation of Cleaner LNG with lower CO₂ emissions through initiatives such as electric turbine drives and CCS technology integration.

Cleaner LNG

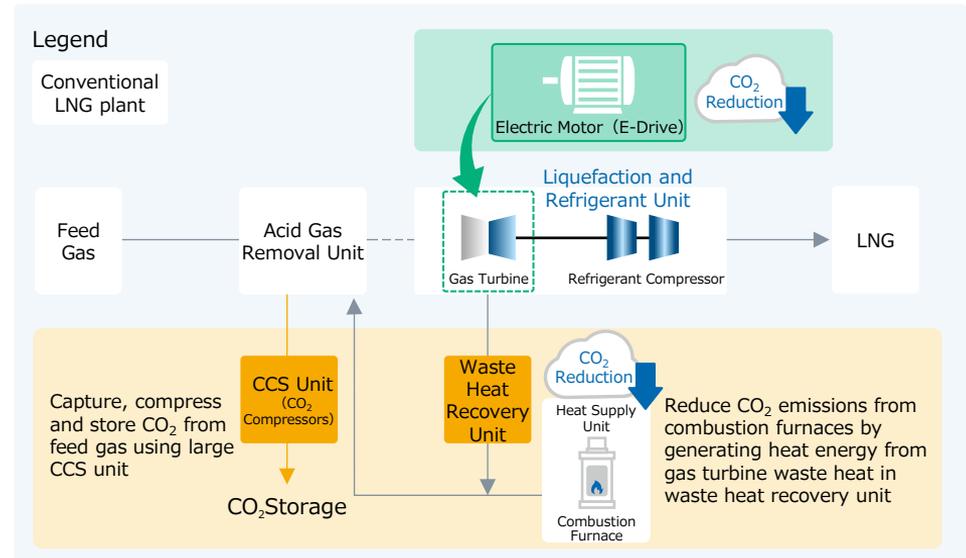
■ Electrification of LNG plant x turbine (USA)

Achieved a 48% reduction in CO₂ emissions by introducing an electric motor drive (E-Drive) in-lieu of conventional gas turbines in liquefaction and refrigerant facilities.

■ LNG Plant x CO₂ Capture and Storage (Middle East)

Implementing large-scale CCS and waste heat recovery facilities to reduce CO₂ emissions.

Cleaner LNG initiatives



Business Environment/Business Strategy

Energy and Materials (Metals and Advanced Materials)

Leverage Chiyoda Group's capabilities in dedicated areas to develop our business that includes PMC* and O&M services, focusing on EPC business

Business Environment

➤ : High
 ➤ : Higher
 ➤ : Flat

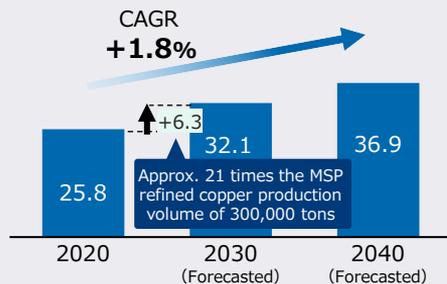
Metals and Advanced Materials



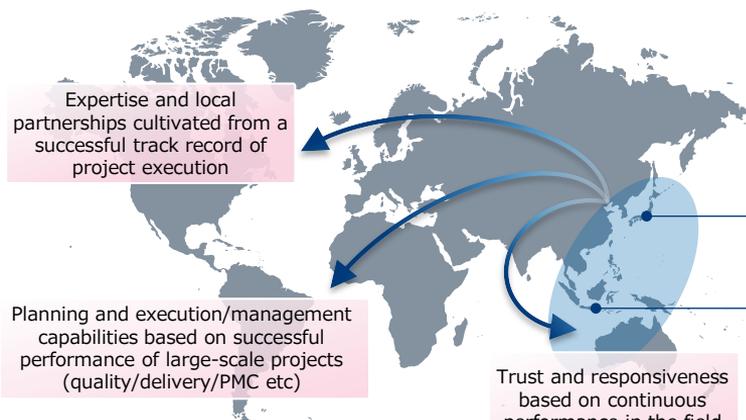
Demand for essential minerals such as copper and nickel is growing, and demand for domestic production and stable supply of semiconductors and battery materials is expanding from the economic security perspective

Global Copper Demand

(mn tons)



Business Strategy



● : Focus Area
■ : Capabilities to be utilized for entering each area



Titanium Smelting Plant, Japan



Lithium-ion Battery Material Plant, Japan



Copper Smelting Plant, Indonesia (World's Largest Single-line Production Capacity Copper Smelting Plant)

Source: IEA "Critical Minerals Data Explorer" Analyzes demand for Announced Pledges Scenario
 *PMC: Project Management Consultancy

Business Environment/Business Strategy

Life Sciences

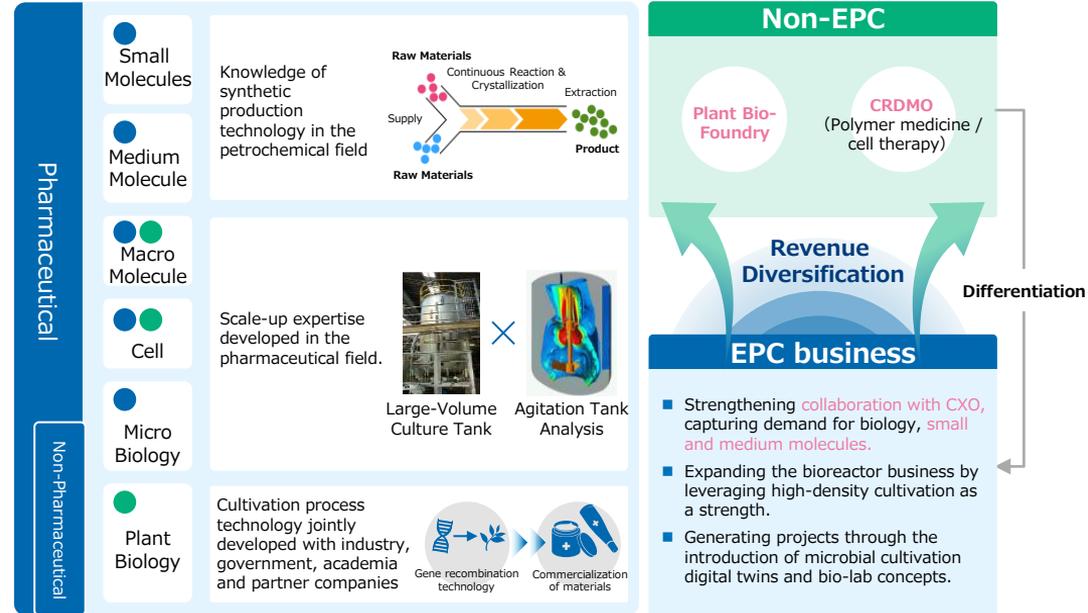
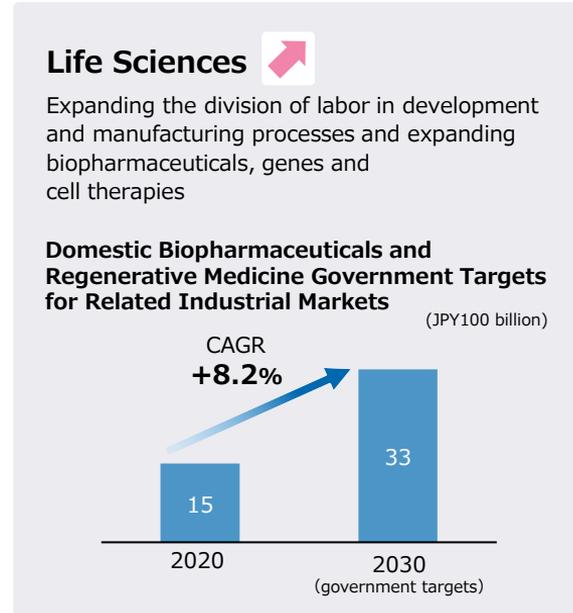
As a high value-added bio-life science solution provider, we will expand our business domain through our accumulated technological capabilities and co-creation with partners.

Business Environment

↗ : High
 ↘ : Higher
 → : Flat

Business Strategy

● : Non-EPC
 ● : EPC



Source: Cabinet Office "Bio Strategy Follow-up"

Business Environment/Business Strategy O&M-X Solutions

Provide O&M transformation solutions using our EPC, maintenance and state-of-the-art digital technology expertise, in collaboration with CXO.

Business Environment

↗: High ↘: Higher ➡: Flat

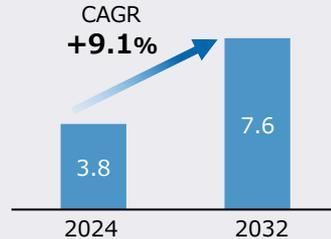
O&M-X Solutions



Due to the advancement of AI and other technologies, demand for digital-based maintenance is strong.
Demand for physical services in Japan is strong due to plant aging.

Global Predictive Maintenance Market

(1 billion USD)



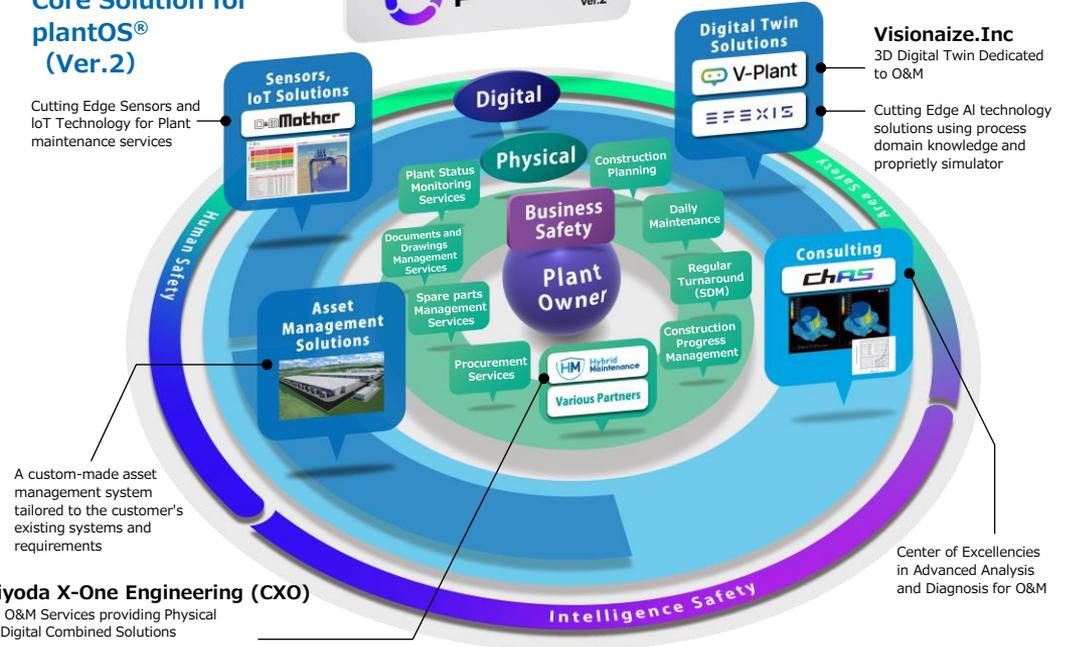
Business Strategy

Core Solution for
plantOS®
(Ver.2)

Cutting Edge Sensors and IoT Technology for Plant maintenance services



plantOS® is a digital and physical O&M service brand that provides "Business Safety*" to plant owners.

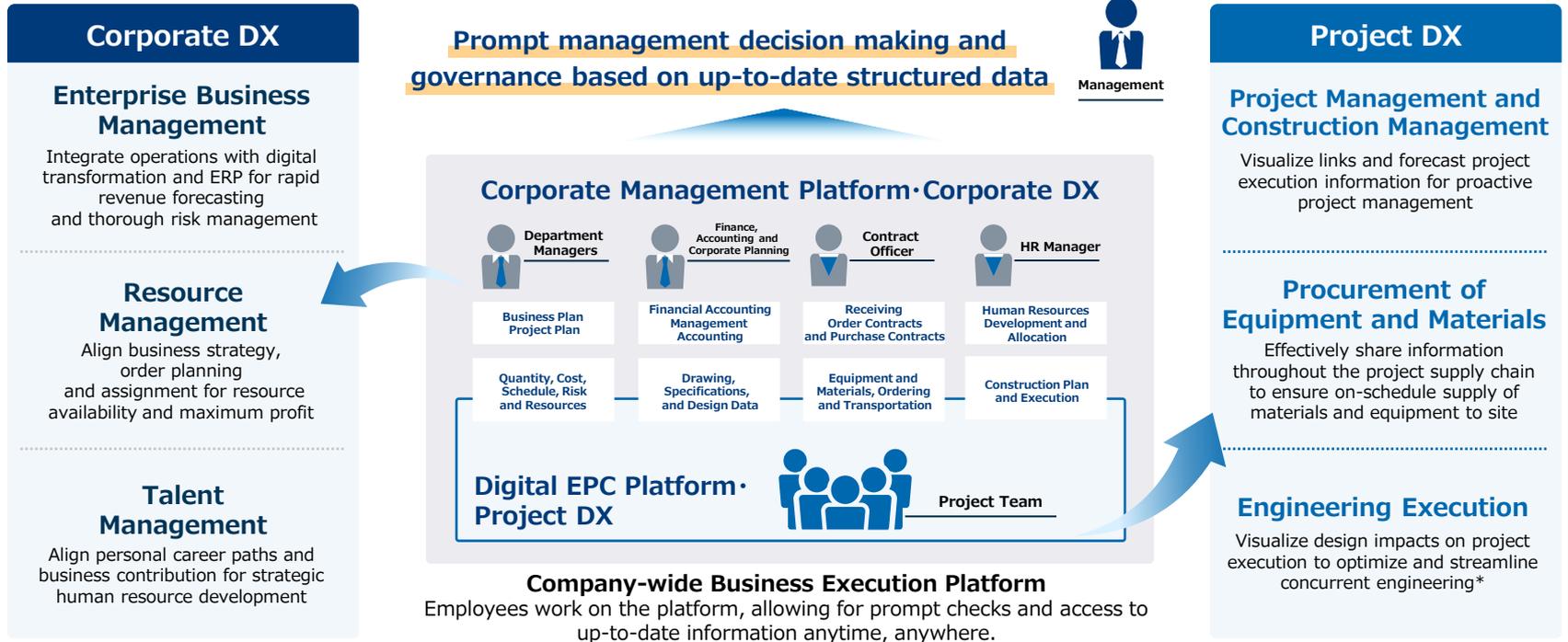


Source: Market Research Intellect "Condition Based Maintenance Systems Market"

*Business Safety" is a concept proposed by Chiyoda, meaning "Safe and secure corporate activities which ensure business sustainability and flexibly adapt to environmental and social changes".

Company-wide DX

Individuals transform business processes digitally, enhancing productivity through information sharing. Accelerating information transmission for company management, organizational operations and project management, enabling immediate decision-making and appropriate risk control, thereby increasing profits.



*Concurrent engineering: Simultaneously advancing multiple related specialty designs and equipment procurement to converge the design and complete a project within the customer's required schedule



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