

Q&A : Financial Results Presentation for FY2017 (held on May 11, 2018)

The following is the list of Q&A made at FY2017 Financial Results presentation held on May 11, 2018.

Questions	Answers
Questions about FY2017 results	
What is the main reason of 12.3 billion yen operating loss?	The main reason for the operating loss is the additional costs incurred in the Cameron LNG project in the U.S., which was recognized and reported in Q2.
What is the main reason for the increase in Accounts receivable - other?	The main reasons are: 1) a receivable for a US Federal Corporation Tax refund at our subsidiary engaged in the Cameron LNG project, and 2) a receivable for increased power plant subcontracting costs incurred at the Ichthys project in Australia.
Please explain the details of the Extraordinary Profit of 15 billion yen.	The main reason is the recovery of losses under Business of Subsidiaries and Associates and refers to the EMAS Chiyoda Subsea event posted in Q2.

Questions about FY2018 forecast

Please explain the details of the New Order forecast of 800 billion Yen.	We expect new orders of 400 billion Yen in the LNG and Gas business on the back of a recovering LNG market, including an award of either Mozambique Area-1 or Golden Pass. We also expect 250 billion Yen of new orders in the Refinery / Chemical / Metal business and a further 150 billion Yen of orders in the new, fast-growing field of Global Environmental Engineering.
What is the reason for expectations of a higher GPM ratio vs. FY2017?	It is our forecast that we will achieve a better GPM ratio in FY2018 as we do not expect huge additional costs as experienced in the previous financial year.

Questions about ESG

<p>Do you have any specific targets for CO2 reduction and/or waste disposal?</p>	<p>We fully recognize the importance of ESG in our sustainable development plans. Although we do not have target figures for CO2 reduction and waste disposal today, we are considering how best to define and monitor those targets.</p>
<p>The female ratio still seems low. How do you plan to increase female participation?</p>	<p>We fully recognize the importance of such measures. For example, we have set a target to increase the proportion of women employed in our new graduate programs to be greater than 25% by 2020.</p>
<p>Do you have a plan to install voluntary committees to reinforce the governance system?</p>	<p>We have already established Audit and Supervisory Committees and currently have no plans to create additional voluntary bodies. However, as we continue to reinforce our corporate governance capabilities, we will continually consider what additional steps need to be taken, including appointment of female directors, increase of independent external directors, etc.</p>

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.