

Chiyoda's Revitalization Plan Six Month Progress Update

November 5, 2019
Chiyoda Corporation

Agenda

1. Overview of the Revitalization Plan
2. Strengthening the Financial Base
3. Enhancing EPC Execution and Management Capacity
4. Digital Transformation
5. The “New Values” Engineering Challenge
6. Ongoing Major Projects

1. Overview of the Revitalization Plan

Revitalization Plan

- Further develop the risk management structure
- Enhance EPC execution and management capacity
- Reinforce human resources

FY 2023 (5yrs later)

- Transform to a company that stably generates a net profit of JPY 10bn-20bn per year
- Shareholder's equity ratio: < 20%

Long Term Vision

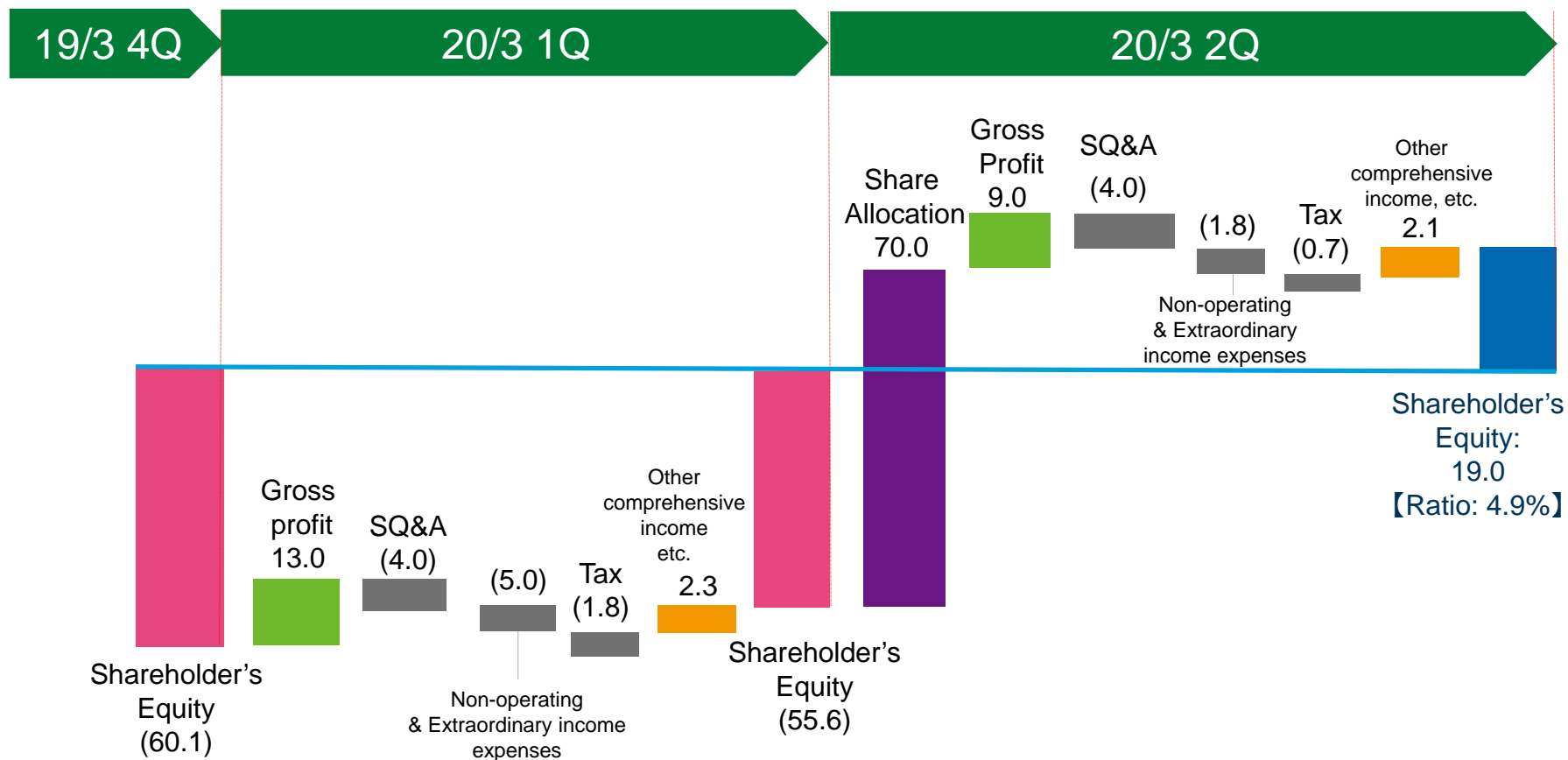
- Project Life cycle partner to maximize the clients' asset value
- Integration partner to provide compound system fit for complex energy needs & restrictions
- Incubation partner for future technology development to solve challenges in energy and global environment

2. Strengthening the Financial Base

In 2019/3 4Q negative shareholder's equity was cleared and the financial base will be further strengthened by future company growth.

Increase in Shareholder's Equity

(Billions of JPY)



3. Enhancing EPC Execution and Management Capacity

Strengthening the organization and promoting initiatives to reinforce competitiveness

Organization

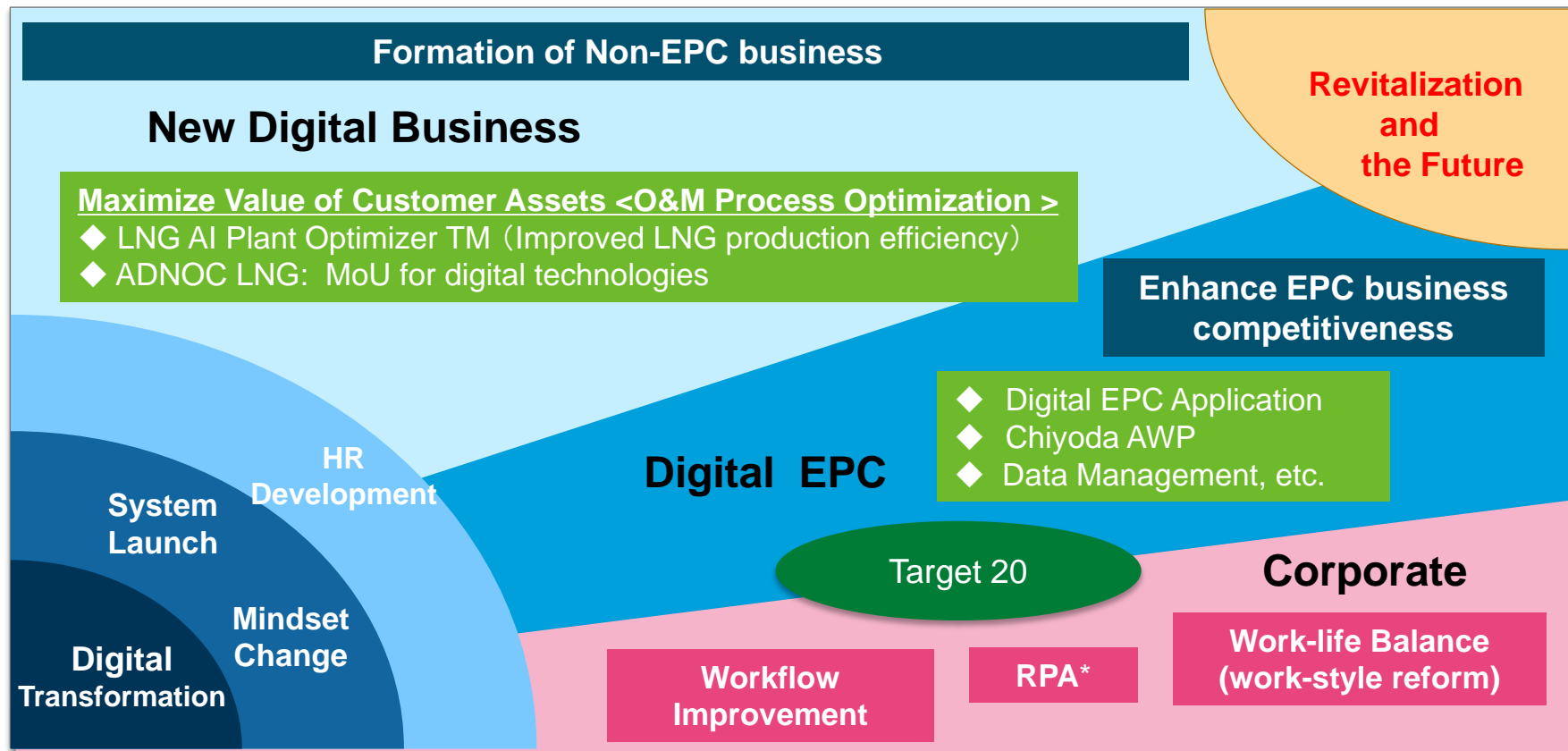
- CCMO (Chief Construction Management Officer) was appointed.
- “Construction Execution Strengthening Committee” established with integration of relevant organization

Initiatives

- "Chiyoda AWP": Integrating our knowledge with the best practice (Advanced Work Packaging) advocated by U.S. construction industry institution. Reviewing previous EPC work procedures and management methods, and apply to ongoing and new projects.
- Construction IoT: a) Improving material management efficiency using RFID (Radio Frequency IDentifier); b) Enhance labor and safety management using beacons. Both will be applied on future projects.
- “Target 20”: Promoting 20% improvement of EPC project and in-house Corporate Division efficiency through company-wide digitalization.

4. Digital Transformation

Organization	Establishment of “Digital Transformation Division”
Vision	Implementation of revitalization plans based on evolving digital technologies and promotion of digital transformation



* RPA: Robotics Process Automation

5. The “New Values” Engineering Challenge

Organization	“Frontier Business Division” established
Vision	Resolve problems in the fields of A) Energy /Environment, B) Social issues through business activities, C) Life science
Competence	Chemical engineering knowledge, process development, scale-up technology, technology expertise and integration

A)Environment/Energy

- ◆ Demand expansion
- ◆ Climate challenges
- ◆ Decentralization

B) Social challenges/ business progression

- ◆ Aging
- ◆ Technical tradition
- ◆ Local stagnation
- ◆ Resilience

C) Life science

- ◆ Sustainability of Insurance system
- ◆ Intractable disease

❶ Commitment to strive towards a Low Carbon Society

❷ Establishing an ecosystem with companies that emphasize environmental values

❸ Efficiency of sustainable energy management : Focus on integrity of renewable energy

❹ Business solutions which realize corporate sustainability (raise economic and social value)

❺ Accelerate pharmaceutical business (drug development: aiming for costs reduction in production and for development of drugs for intractable diseases)

Realize a net zero emission society

Realize a resilient and distributed society

Realize a society where industries and regions continue to prosper

Realize a sustainable and healthy society

6. Ongoing Major Projects (1/2)

Project	Freeport LNG	Cameron LNG
Client	Freeport LNG	Cameron LNG
Partner	Zachry McDermott	McDermott
Completion	Train-1 & 2 : Approx. 99% Train-3 : Approx. 96%	Approx. 96%
Status (Sep. 2019)	<ul style="list-style-type: none"> ✓ Train-1 : Commenced LNG production in August for export in September 2019 ✓ Planned LNG production Train-2: 4Q/2019 Train-3: 1Q/2020 ✓ Approx. 4,500 workers on site. 	<ul style="list-style-type: none"> ✓ Train-1 : Commercial operation commenced in August 2019 ✓ Planned LNG production Train-2:1Q/2020 Train-3:2Q/2020 ✓ Approx. 5,900 workers on site.

6. Ongoing Major Projects (2/2)

Project	Tangguh LNG	Texas Ethylene	Golden Pass LNG
Client	BP Berau	Gulf Coast Growth Ventures (ExxonMobil SABIC JV)	Golden Pass Product (ExxonMobil QP JV)
Partner	Saipem Tripatra	Kiewit	Zachry McDermott
Completion	Approx.65%	Approx.40%	Approx.4%
Status (Sep. 2019)	<ul style="list-style-type: none"> ✓ Target completion: 3Q/2021 ✓ Construction commenced ✓ Installation of main heat exchanger complete. 	<ul style="list-style-type: none"> ✓ Target completion: 4Q/2021 ✓ Module construction commenced in China ✓ Construction commenced on site 	<ul style="list-style-type: none"> ✓ Target completion: 2025 ✓ Engineering ongoing

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.

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