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May 15, 2020
IR, PR & CSR Department
Chiyoda Corporation

**Summary of a Q&A session following the Presentation of the
Full-Year Financial Results for the FY ending 31 March 2020**

The following summarizes a Q&A session following the presentation of Chiyoda Corporation (“Chiyoda”) year-end financial results for Fiscal Year ending March 31, 2020, held by telephone conference in Tokyo, Japan and released on May 8, 2020.

	Question	Answer
1	Crude oil price trends: How do you see trends in crude oil prices over the medium to long term?	The crude oil price forecast is conservatively factored in our future business plan. While there is a possibility that the crude oil supply-demand balance and the structure of society will change due to COVID-19, crude oil demand in developing countries remains solid. We recognize that various factors are intricately intertwined in crude oil price trends.
2	Changes in the business environment: Is there any change in the relationship with customers, orders and the competitive environment due to falling crude oil prices and the spread of COVID-19?	We are currently assessing the impact of falling crude oil prices and the impact of COVID-19, but have made no significant changes to the expected ordering plan as of today. Customer’s investment plans in LNG projects are being reviewed and the competitive environment is becoming severe. We continue to communicate and work closely with our customers and maintain our long-standing and trusting relationships.
3	Update of US LNG projects: What is the future impact on US LNG projects, the major cause of the deficit in the last fiscal year?	We have progressed US LNG projects in the fiscal year ending March 31, 2020 with thorough risk management processes and strengthened human resources. On the Cameron LNG project, the first

	Question	Answer
		and second train have already commenced commercial operation and the third train is expected to be completed in the near future. Profit has improved due to the realization of incentives associated with revised contract conditions.
4	Profit: What is the contribution of one-time profit on the financial results for the year ending March 31, 2020?	A theoretical scenario: If the spot income from incentives etc. (positive factors) and the estimated impact of COVID-19 and other potential risks (negative factors) would be excluded from the calculation, a gross profit margin of 7.4% would have been secured as planned. (Remark: Achieved GPM 11.1%)
5	Status of ongoing projects: What is the impact of COVID-19 on ongoing projects?	There are currently no cases where project execution has been suspended due to COVID-19. On EPC projects, Engineering design (E) can be performed by telework. Procurement (P) is affected by the disruption of the global supply chain and there are delays in the production and transportation of materials in some projects. There have been labor mobilization challenges affecting construction (C) on some projects. We are discussing these issues with our clients within a Force Majeure framework. The execution of our projects has also been certified as priority important infrastructure in each country. Even though there have been restrictions on the movement of people due to COVID-19, we have thus far been able to secure labor and proceed with construction.
6	Order forecasts: What is your outlook for new orders?	As for large-scale LNG projects, we are currently working on the North Field Expansion project in Qatar. FID has been delayed due to COVID-19, but

	Question	Answer
		we firmly believe the project will materialize. We will also secure domestic projects in the global environment business field as a base load for profits. Through these endeavors, we will accumulate orders accordingly this fiscal year.
7	Digital Transformation: What is Chiyoda's advantage in marketing the EFEXIS brand?	EFEXIS – a combination of the words 'Efficiency & Expertize', is the brand name to market our innovative digital products. Chiyoda's advantage is the plant construction and management expertise as an integrated engineering company and improving plant efficiency by combining this expertise with our customers operational and maintenance knowledge.
8	Hydrogen business: Regarding SPERA hydrogen, what is the status of the transport demonstration plant from Brunei to Kawasaki, Japan?	The hydrogenation plant in Brunei and the dehydrogenation plant in Kawasaki demonstrating the large-scale international hydrogen supply chain have been completed. SPERA hydrogen has been transported by container to the dehydrogenation plant in Kawasaki where it is returned to gas and will be supplied to an adjacent power plant in May this year.
9	New business opportunities: It is expected that domestic and overseas supply chains will be rebuilt which may lead to future business opportunities.	The international division of production and labor is under review. General industry, including pharmaceuticals, is starting to switch from overseas to domestic production and the Government is supporting this in the private sector. The need for remote engineering is also increasing as non-contact work expands as a result of COVID-19. We expect these trends to continue and become business opportunities for engineering companies, for which Chiyoda is well positioned to be a front runner.

	Question	Answer
10	<p>Forecast:</p> <p>What is the reason for the undisclosed financial forecast for this fiscal year? The order backlog is JPY 800 billion and even if new orders are delayed, the impact to business results should be limited. Is the non-disclosure due to the potential risk of further delays on ongoing projects?</p>	<p>Although COVID-19 will affect construction schedules and costs, ongoing projects are progressing and as of today no further deterioration in profitability is expected. The decline in crude oil and gas prices has led to new order uncertainty and it is impossible to predict the future with reasonable accuracy. The financial forecast for this fiscal year is therefore yet to be determined.</p> <p>Although we expect the impact of new orders on this fiscal year's financial results to be relatively limited, we have refrained from disclosing the forecast until it becomes possible for us to accurately assess the impact of COVID-19.</p>
11	<p>Reduction of capital:</p> <p>The cumulative loss of retained earnings will be erased by a Capital Reduction but what will be the impact on cash flow and securing borrowing?</p>	<p>When financial institutions extend a loan, the creditworthiness of a company is primarily assessed on its Net Assets. As Capital Reduction is the merely the transfer of account titles in Net Assets on the Balance Sheet, the amount of Net Assets remains unchanged and future financing for Chiyoda will be unaffected. We have secured a credit line of JPY 90 billion from Mitsubishi Corporation and no new funding is planned.</p>
12	<p>Tokyo Stock Exchange Second Section Relocation:</p> <p>What has been the impact of last year's relocation to the Second Section of the Tokyo Stock Exchange and what do you envisage in the future?</p>	<p>We received support from our business partners following relocation to the Second Section of the Tokyo Stock Exchange last year and have been progressing our revitalization to facilitate an early return to the First Section.</p>

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Please address inquiries to: IR, PR & CSR Department: Tel. +81-45-225-7734

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.