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November 12, 2021
IR, PR & CSR Section
Corporate Services Department
Chiyoda Corporation

**Summary of a Q&A session following the Presentation of the
Second Quarter Financial Results for Fiscal Year Ending March 31, 2022**

The following is a summary of a Q&A session following the presentation (telephone conference) of Chiyoda Corporation's (Chiyoda) financial results for the second quarter of fiscal year ending March 31, 2022, released on November 5, 2021.

| | Question | Answer |
|---|--|--|
| 1 | <p>Revenue</p> <p>What caused the improved gross profit margin when revenue decreased in 2Q compared to 1Q?</p> | <p>The fluctuation in revenue was primarily caused by the NFE LNG project which increased revenue in 1Q through the procurement of large equipment and its natural progression on a 'percent complete' basis. With no special events, progress in 2Q returned to normal. Gross profit margin improved in 2Q compared to 1Q. Some Chiyoda projects progressed less well in 1Q due to COVID-19 but their progress improved in 2Q, improving gross profit margin to the full year forecast level.</p> |
| 2 | <p>Gross profit</p> <p>Are there any special factors which affected gross profit margin in 2Q?</p> | <p>There are no special factors which affected gross profit margin in 2Q.</p> |
| 3 | <p>Price escalation of raw materials</p> <p>How does the escalation in costs of raw materials and transportation affect projects? Is there a possibility of a downturn in profitability? Do contracts stipulate the avoidance of price escalation risk?</p> | <p>Cost escalation of raw materials, such as copper and nickel, and increased ocean freight costs are impacting projects, on a project-by-project magnitude.</p> <p>A fundamental cause of cost escalation is COVID-19. Chiyoda is continuing 'Force Majeure' contract provision discussions with clients on projects with</p> |

| | Question | Answer |
|---|--|---|
| | | COVID-19 cost and schedule impacts. However, no serious impacts on project profit-and-loss resulting from increased raw material and ocean freight costs are currently foreseen. |
| 4 | Foreign exchange How does a weak yen affect full year financial results? | Chiyoda comprehensively hedges its risk through exchange reservation such that foreign exchange fluctuations do not affect financial results. |
| 5 | Tangguh LNG, Indonesia What is the current status of the COVID-19 impacts on the Tangguh LNG project as explained in the 1Q financial results conference call? | Currently there are no special issues for Tangguh LNG. Construction recommenced with minimal COVID-19 influence due to widespread vaccination. |
| 6 | New orders 1. What is the new orders forecast for the second half of this fiscal year and next fiscal year? 2. Is the full year forecast revised? | 1. Chiyoda receives many inquiries in Japan, primarily in the pharmaceutical sector. We have also received overseas LNG project inquiries. Chiyoda selects only prime projects and has a backlog of over 1,300 billion JPY. 2. There is no revision of the full year forecast for new orders. |
| 7 | Growth strategy What is the target figure for business fields of the growth strategy? | Chiyoda is aiming to strengthen our capabilities in the new energy field towards a carbon-free society, such as hydrogen, renewable energy and energy storage systems. Chiyoda is also aiming for new orders in the pharmaceutical/life science business. In Japan, Chiyoda has negotiated high value business in medicinal chemical manufacturing and biopharmaceuticals. In the Medium-Term Management Plan (updated May |

| | Question | Answer |
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| | | 2021), Chiyoda has targeted a 50/50 EPC earnings ratio for existing fields and new businesses. |
| 8 | Ichthys LNG, Australia Arbitration with subcontractors is still ongoing. Does Chiyoda expect the same losses if the outcome goes against Chiyoda? | In 1Q, Chiyoda recognized appropriate costs and losses by re-evaluating disputes, including the arbitration with subcontractors. Chiyoda assesses the arbitration process and evaluates the risks. Arbitration progress will be disclosed and reflected in the financial results if required. |
| 9 | Risk sharing with clients Some overseas contractors revise their contracts from lump-sum to reimbursable. Does Chiyoda conduct internal discussions regarding this? | Chiyoda welcomes discussions with clients regarding the sharing of risk and endeavors to agree risk-sharing with clients according to the status of each project and the client's stand point. |

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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.