

The presentation was held in Japanese.
This document is a translation/summary
for reference only.

February 7, 2022
IR, PR & CSR Section
Corporate Services Department
Chiyoda Corporation

**Summary of a Q&A session following the Presentation of the
Third 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 third quarter of fiscal year ending March 31, 2022, released on February 2, 2022.

	Question	Answer
1	Gross profit margin What factor resulted in a gross profit margin of 7.8%, lower than the full year forecast?	There were positive and negative factors affecting the gross profit for the third quarter, with negative factors slightly surpassing the positive ones. Positive factors were: 1. Increased profit from exceptional project management 2. Steady progress of high profit projects Negative factors were: 1. Anticipation of lower profits on some projects due to rapidly increasing equipment/material costs and supply chain risks 2. Future expenses related to the Ichthys LNG project, re-examining claims and obligations, re-evaluating project close-out risks and expenses following the out-of-court settlement with the client
2	Ichthys LNG (Completed) How will arbitration with the subcontractor proceed and how will it impact financial results?	Because the arbitration process is progressing, we are unable to further explain the details for confidentiality reasons. Chiyoda assessed the arbitration risks and recorded extraordinary losses in the first quarter. As previously

	Question	Answer
		stated, in the third quarter we added future expenses and are prepared for foreseeable arbitration risks via project contingencies, accumulated provisions and additional costs in the third quarter.
3	Influence of surging equipment/material costs How does the cost escalation of equipment/material affect financial results?	<p>In addition to price escalation of non-ferrous metals such as copper and nickel, ocean freight costs are also rapidly increasing. In cooperation with JV partners, Chiyoda systematically procures equipment/material within quoted periods.</p> <p>Chiyoda is continuing 'Force Majeure' contract provision discussions with clients for COVID-19 related cost and schedule impacts.</p> <p>There are currently no negative profit-and-loss impacts and we continue to cooperate with clients to minimize the influence on project execution.</p>
4	Influence of COVID-19 pandemic How has the Omicron variant affected financial results?	<p>The degree of influence differs project by project. Engineering is affected by travel restrictions in engineering hubs in India and Philippines and we anticipate procured item delivery delays caused by supply chain disconnections and a shortage of construction workers on site.</p> <p>Chiyoda is continuing 'Force Majeure' contract provision discussions with clients for COVID 19 related cost and schedule impacts and we continue to cooperate with clients to minimize the influence on project execution.</p>
5	FY2022 forecast What will the FY2022 financial results be?	Chiyoda does not anticipate negative factors in FY2022. Following examination of revenue and gross profit in due course, we expect to record a profit

	Question	Answer
		because NFE LNG in Qatar and the copper smelting plant in Indonesia are progressing well, coupled with satisfactory progress in the renewable energy and pharmaceutical/life science fields.
6	Order backlog The order backlog was over 1.3 trillion JPY. Will this increase in the fourth quarter? If so, will there be resource issues?	Chiyoda recognizes the magnitude of the order backlog and will selectively receive 'Grade A' orders to not overstretch resources, reinforced from group companies and outsourced.
7	Management strategy What strategies will be implemented to lower business volatility and expand new business fields?	Chiyoda selects projects, regions, clients and fields for our EPC business, secures resources and shares risks with clients. Cooperation with partners is essential. We will accelerate monetization of new businesses at the same time whilst lowering business volatility through risk management and engaging in new businesses.

-End-

Please address inquiries to:

IR, PR & CSR Section, Corporate Services 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.