

**Abridged Translation:**

The report is not audited and this translation is an abridged version prepared based on the statutory format in Japan for reference purpose only. If there is any discrepancy between this translation and the original Japanese version, the Japanese shall prevail.

**Consolidated Financial Results  
for the Nine Months Ended December 31, 2021**

February 2, 2022

Company name: **CHIYODA CORPORATION**  
 Listing: Second Section of the Tokyo Stock Exchange  
 Stock code: 6366  
 URL: <http://www.chiyodacorp.com/en>  
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Scheduled date to file Quarterly Report: February 10, 2022  
 Preparation of Quarterly Supplementary Explanation Material: Yes  
 Quarterly Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

**1. Consolidated performance for nine months ended December 31, 2021**

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended December 31, 2021	217,098	(10.7)	8,276	36.5	8,759	41.1	(13,658)	-
For the nine months ended December 31, 2020	242,976	(10.9)	6,064	(75.3)	6,208	(70.3)	6,467	(61.7)

Note: Comprehensive Income: the nine months ended December 31, 2021: (17,577) million yen / (—)%  
 the nine months ended December 31, 2020: 7,785 million yen / (62.4%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the nine months ended December 31, 2021	(58.82)	-
For the nine months ended December 31, 2020	18.89	6.63

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	344,054	15,524	4.4
As of March 31, 2021	329,583	36,747	11.0

Reference: Equity as of December 31, 2021: 15,191 million yen  
 as of March 31, 2021: 36,399 million yen

**2. Cash dividends**

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	—	—	0.00	0.00
Fiscal year ending March 31, 2022	—	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	—	—

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	300,000	(4.9)	11,000	56.8	9,000	6.4	(14,000)	-	(62.17)

Note: Revision to the latest forecast announcement 2021: None

#### 4. Others

- (1) Changes in Significant Subsidiaries during the Period  
(Changes in specified subsidiaries accompanying changes in the scope of consolidation): None
- (2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies and Accounting Estimates / Restatements
  - a. Changes in accounting policies due to revisions of accounting standards, etc.: Yes
  - b. Changes in accounting policies other than a. above: None
  - c. Changes in accounting estimates: None
  - d. Restatements: None
- (4) Number of issued shares (common stock)
  - a. Total number of issued shares at the end of the period (including treasury stock)
 

As of December 31, 2021	260,324,529 shares
As of March 31, 2021	260,324,529 shares
  - b. Number of treasury stock at the end of the period
 

As of December 31, 2021	1,357,766 shares
As of March 31, 2021	1,357,723 shares
  - c. Average number of shares during the period
 

For the nine months ended December 31, 2021	258,966,769 shares
For the nine months ended December 31, 2020	258,966,939 shares

#### \*Presentation of Implementation Status of Quarterly Review Procedure

The review procedure of quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these Consolidated Financial Statements.

#### \*Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to a number of factors.

#### Dividend Status of Class A Shares

Class A Share	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Record date	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	-	-	20.78	20.78
Fiscal year ending March 31, 2022	-	-	-		
Fiscal year ending March 31, 2022 (Forecast)				-	-

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## 1. Qualitative Information Related to Consolidated Performance

### (1) Qualitative Information on Business Performance

The future of the global economy under the COVID-19 pandemic is expected to remain unpredictable in the third quarter of the fiscal year.

The Group prioritizes the health and safety of employees and stakeholders and we are executing ongoing projects while cooperating with clients to promptly implement the required measures against the pandemic.

The business environment in which we operate is undergoing significant changes, including the accelerating transition to decarbonization/hydrogen energy, the increasing drive towards low-carbon and renewable energy and the evolution of innovative digital technologies. Anticipating these changes, the Group prioritizes developing these areas in the future. In May 2021 we updated our medium-term management plan 'Revitalization for the Future', under which we will reinvigorate existing businesses currently propelling our earnings, while accelerating initiatives in new business areas.

While securing a reliable stream of income from existing businesses, we aim to strengthen new businesses in growth areas, such as renewable energy, hydrogen, carbon cycling, energy management and life sciences. By leveraging digital transformation to add value to our business model, our aim is to renew our business portfolio, ensure a stable income base, achieve sustainable growth and further enhance enterprise value.

On consolidated basis, for the 3rd Quarter of the fiscal year ending March 31, 2022, New Orders amounted to 392,990 million yen (up 282.2% YoY), Revenues amounted to 217,098 million yen (down 10.7% YoY) and Backlog amounted to 1,322,332 million yen (up 17.4% from last FY). Operating Income is 8,276 million yen (up 36.5% YoY) and Ordinary income is 8,759 million yen (up 41.1% YoY). Extraordinary losses of 20,374 million yen are related to the ICHTHYS LNG project, resulting in a profit attributable to the owners of the parent of negative 13,658 million yen (a profit of 6,467 million yen was recorded in the 3rd Quarter of last FY).

The impact of COVID-19 varies according to the project and although its influence on the progress of some projects has been recognized, most projects are progressing, with some realizing cost reductions and increased profits. The figures provided have been estimated following current and reasonable assessments of the influence of COVID-19. Revenue and Cost of Completed Work have been recorded reflecting assessments of total construction costs, the calculation base of construction progress.

Further information regarding reportable engineering business segments is presented below.

- Energy

#### **LNG / Gas**

##### **【Overseas】**

Chiyoda is executing the engineering, procurement and construction (EPC) phase of LNG plants in Qatar, the USA, Indonesia and Nigeria. In Qatar, the EPC phase for the North Field East (NFE) Project, an expansion of four LNG trains with capacities of 7.8 million metric tons per annum each, is underway and a group company is engaged in renovating and repairing LNG/gas processing plants. In the USA, the Golden Pass LNG project is also in the EPC phase. In Nigeria, we are providing reviews and other technical support functions to our partner performing the engineering on an LNG project.

##### **【Japan】**

We are in the EPC phase of projects to reinforce, modify and repair existing LNG terminals previously constructed by Chiyoda, construct new gas supply facilities for thermal power plants and have completed earthquake and tsunami reinforcement EPC work.

#### **Refinery/Petrochemical**

Overseas, an ethylene plant on the Gulf of Mexico in the USA is mechanically complete and we are

executing the EPC + commissioning (EPCC) phase for a residue fluid catalytic cracking (RFCC) plant in Malaysia.

In Japan, we are working to improve the competitiveness of oil refineries, upgrading equipment and examining compliance with the Basic Act for National Resilience. We have also completed work required for existing facilities to meet sulfur content restrictions in bunker fuel for ships.

- Environment

#### **Pharmaceutical/Biochemistry/General Chemistry**

The EPC phase is underway on a recombinant protein vaccine production facility expansion project and the addition of ancillary facilities for SHIONOGI & CO. Ltd, and the EPC phase for a biopharmaceutical substance manufacturing plant is ongoing. Chiyoda will participate in a joint venture, established by Shionogi Pharma Co. Ltd, to conduct contract development and manufacturing of active pharmaceutical ingredients (API's) and intermediates, using Continuous Manufacturing (CM) technology to implement Chiyoda's continuous flow synthesis technology.

In general chemistry, we are realizing carbon recycling as part of a collaboration project with industry, government and academia to research and develop CO<sub>2</sub> capture technology, using CO<sub>2</sub> as a raw material to produce para-Xylene (PX). We are also conducting basic engineering for a client's waste plastic recycling business.

We are strengthening our capabilities in indoor vertical farming through a business alliance with MIRAI Co. Ltd, a leading manufacturer and operator in the field, and are promoting the development of commercial facilities.

#### **Environment/New Energy/Infrastructure**

Flue gas desulfurization (FGD) equipment is being deployed at coal-fired power plants in India as part of the country's tightening of environmental regulations and Chiyoda's thoroughbred 121 (CT-121) FGD process has been installed in a number of plants.

In Japan, we are partially remodeling and providing operational support for a demonstration project to separate, recover and store CO<sub>2</sub> (carbon capture and storage (CCS)) from thermal power plant fuel gas and are in the EPC phase for flue gas desulfurization equipment installation in a coal-fired power plant.

In the carbon capture and utilization (CCU) field, we are collaborating with Blue Planet Systems Corporation and Mitsubishi Corporation to develop and commercialize technology to use the CO<sub>2</sub> in exhaust gas in the manufacture of aggregates as the raw material for concrete.

Chiyoda is executing the EPC phase for the world's largest battery energy storage plant, a photovoltaic (mega solar) facility and Japan's largest biomass power plant using wood pellets as fuel. We are also considering entering the field of offshore wind farms, expected to grow into a sizeable market in the future.

Having entered into an MOU with the Port of Rotterdam Authority, Koole Terminals and Mitsubishi Corporation to study the possibility of constructing an international hydrogen supply chain in Europe by importing hydrogen on a commercial scale through the port of Rotterdam, we continue to leverage on our leading position in SPERA hydrogen™ technology. Studies to realize a clean hydrogen supply chain in Singapore also continue, in cooperation with Mitsubishi Corporation and Sembcorp Industries, a Singaporean integrated utilities and urban development firm.

In line with Japan's development into a large-scale consumer of hydrogen, we will commence supplying methylcyclohexane, manufactured at the Advanced Hydrogen Energy Chain Association for Technology Development (AHEAD) facilities, for transportation into Japan by tanker for a demonstration project at an ENEOS Co. Ltd refinery. The AHEAD facilities were constructed in Brunei Darussalam, as part of a hydrogen supply chain demonstration project, under the aegis of the New Energy and Industrial Technology Development Organization (NEDO), a Japanese national research and development agency. We are also conducting studies on ammonia receiving equipment and hydrogen fuel supply.

Chiyoda is collaborating with Qpinch of Belgium to develop a business to improve energy conservation and reduce CO<sub>2</sub> emissions at industrial facilities by deploying chemical heat pump technology that facilitates the effective use of waste heat. Chiyoda is also collaborating with GridBeyond of Ireland, use their platform to develop a Virtual Power Plant (VPP) business that contributes to the growth of renewable energy and a stable power supply by balancing electrical supply and demand in industrial facilities.

We have commenced the EPC phase of a copper smelting project in Indonesia, awarded in July 2021, and are in the executing EPC work for a polypropylene polymerization catalyst manufacturing plant in Japan.

Please refer to 3. 'Production, Contracts and Sales' for further details of New Contracts, Net Sales and Contract Backlog, by segment.

Further information regarding our digital technology business is presented below.

We have established a new Chief Digital Officer (CDO) position, reporting directly to the President, to accelerate company-wide digital transformation (DX), cultivate digital expertise in the development of a digital culture and pursue the following three initiatives:

(a) Project Execution DX

Digitalize project execution to improve efficiency, strengthen risk management and enhance profitability. We are sequentially implementing systems required to apply Advanced Work Packaging (AWP) on major ongoing projects to enhance our EPC execution management capabilities. As part of PlantStream Inc, a joint venture with Arent Inc, we are developing a revolutionary system that reduces the number of space design processes, required in basic plant design, by approximately 80%, enabling 3D models to be created five times faster and are marketing the technology to plant owners and EPC contractors around the world.

(b) Corporate Management DX

Strengthen corporate management through digitalization to improve business performance and facilitate agile resource allocation while accommodating varying work styles. We are also leveraging digital technologies to develop the remote working environment, deploying robotic process automation to improve administrative efficiency and implementing electronic authentication and electronic contracts.

(c) DX Business

Enhance the value of engineering through digital AI technology, engineer the digital transformation of our customer's plant operations and accelerate the creation of new businesses. We are also expanding EFEXIS™, a plant operations optimization solution that combines our engineering expertise with digital AI technology and Mirai Fusion, a digital platform solution for industrial equipment and plants in development with Cognite and Mitsubishi Corporation, for domestic and international marketing.

(2) Financial Information on Business Performance

(Assets)

Total assets increased by 14,471 million yen from the end of the last fiscal year, with a decrease of cash and deposits of 19,690 million yen, notes receivable, accounts receivable from completed construction contracts and contract assets of 9,830 million yen and others. Jointly controlled assets of joint ventures increased by 36,094 million yen and costs on construction contracts in progress by 6,879 million yen.

(Liabilities)

Total liabilities increased by 35,693 million yen from the end of last fiscal year, with a decrease of notes payable and accounts payable for construction contracts of 21,952 million yen and others. Accounts payable increased by 34,003 million yen and contract liabilities by 30,618 million yen.

(Net assets)

Total Net Assets is 15,524 million yen, with a decrease in retained earnings of 17,879 million yen from recording a loss attributable to the owners of the parent and dividends paid.

(3) Consolidated Financial Forecasts of the Fiscal Year

There is no change from the consolidated financial forecasts for the fiscal year announced on July 30, 2021. The assumed exchange rate of 111 yen per US dollar remains unchanged.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	106,988	87,299
Notes receivable, accounts receivable from completed construction contracts	48,527	—
Notes receivable, accounts receivable from completed construction contracts, and contract assets	—	38,698
Costs on construction contracts in progress	8,767	15,646
Accounts receivable - other	77,261	76,457
Jointly controlled assets of joint venture	56,845	92,939
Other	8,906	11,668
Allowance for doubtful accounts	(1,405)	(1,445)
<b>Total current assets</b>	<b>305,891</b>	<b>321,264</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,255	4,892
Land	4,853	4,853
Other, net	1,317	1,003
<b>Total property, plant and equipment</b>	<b>11,426</b>	<b>10,749</b>
Intangible assets	4,371	4,116
Investments and other assets		
Investment securities	5,701	5,727
Retirement benefit asset	566	690
Deferred tax assets	394	97
Other	1,395	1,434
Allowance for doubtful accounts	(164)	(24)
<b>Total investments and other assets</b>	<b>7,894</b>	<b>7,924</b>
<b>Total non-current assets</b>	<b>23,692</b>	<b>22,790</b>
<b>Total assets</b>	<b>329,583</b>	<b>344,054</b>



(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	115,187	93,236
Current portion of long-term borrowings	747	652
Accounts payable - other	4,200	38,203
Income taxes payable	638	465
Advances received on construction contracts in progress	74,784	—
Contract liabilities	—	105,403
Provision for warranties for completed construction	823	3,247
Provision for loss on construction contracts	34,443	34,543
Provision for bonuses	3,834	1,528
Provision for business restructuring	17	18
Other	9,978	3,011
Total current liabilities	244,657	280,311
Non-current liabilities		
Long-term borrowings	45,000	45,000
Provisions	239	239
Retirement benefit liability	761	815
Other	2,178	2,163
Total non-current liabilities	48,178	48,218
Total liabilities	292,836	328,529
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	15,708	(2,170)
Treasury shares	(1,435)	(849)
Total shareholders' equity	29,430	12,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	151
Deferred gains or losses on hedges	30	193
Foreign currency translation adjustment	5,300	1,537
Remeasurements of defined benefit plans	1,434	1,172
Total accumulated other comprehensive income	6,969	3,054
Non-controlling interests	348	333
Total net assets	36,747	15,524
Total liabilities and net assets	329,583	344,054

(2) Consolidated Statement of Income and Comprehensive Income  
(Consolidated Statement of Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales of completed construction contracts	242,976	217,098
Cost of sales of completed construction contracts	227,507	200,240
Gross profit on completed construction contracts	15,468	16,857
Selling, general and administrative expenses	9,403	8,581
Operating profit	6,064	8,276
Non-operating income		
Interest income	714	201
Dividend income	387	314
Share of profit of entities accounted for using equity method	14	—
Foreign exchange gains	—	806
Other	221	143
Total non-operating income	1,337	1,466
Non-operating expenses		
Interest expenses	629	656
Share of loss of entities accounted for using equity method	—	191
Foreign exchange losses	469	—
Other	94	135
Total non-operating expenses	1,193	983
Ordinary profit	6,208	8,759
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	215
Gain on sale of shares of subsidiaries and associates	413	—
Total extraordinary income	413	215
Extraordinary losses		
Project related loss due to settlements with customers	—	20,374
Loss on valuation of investment securities	—	92
Loss on liquidation of subsidiaries and associates	—	87
Total extraordinary losses	—	20,553
Profit (loss) before income taxes	6,622	(11,579)
Income taxes - current	4	1,949
Income taxes - deferred	152	147
Total income taxes	157	2,097
Profit (loss)	6,464	(13,676)
Loss attributable to non-controlling interests	(2)	(18)
Profit (loss) attributable to owners of parent	6,467	(13,658)

(Consolidated Statement of Comprehensive  
Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	6,464	(13,676)
Other comprehensive income		
Valuation difference on available-for-sale securities	64	(52)
Deferred gains or losses on hedges	(5)	162
Foreign currency translation adjustment	1,479	(3,780)
Remeasurements of defined benefit plans, net of tax	(97)	(262)
Share of other comprehensive income of entities accounted for using equity method	(119)	30
Total other comprehensive income	1,321	(3,901)
Comprehensive income	7,785	(17,577)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,812	(17,572)
Comprehensive income attributable to non-controlling interests	(27)	(5)

### 3. Production, Contracts and Sales

(Millions of yen)

	Apr. 1, 2020—Dec. 31, 2020			Apr. 1, 2021—Dec. 31, 2021		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	102,285 (99.5%)	242,450 (99.8%)	626,755 (100.0%)	392,466 (99.9%)	216,575 (99.8%)	1,322,332 (100.0%)
LNG Plant	12,567 (12.2%)	86,437 (35.6%)	322,094 (51.4%)	10,623 (2.7%)	109,437 (50.4%)	877,764 (66.4%)
Gas Development/ Processing/Receiving	2,201 (2.1%)	8,389 (3.5%)	7,908 (1.3%)	546 (0.1%)	3,568 (1.6%)	2,813 (0.2%)
Refinery/Petrochemical	37,769 (36.7%)	95,336 (39.2%)	67,611 (10.8%)	25,421 (6.5%)	46,957 (21.6%)	29,231 (2.2%)
Pharmaceutical/Biochemistry/ Chemical	38,743 (37.7%)	16,650 (6.9%)	41,976 (6.7%)	29,484 (7.5%)	21,852 (10.1%)	50,713 (3.8%)
Environment/New Energy/ Infrastructure	8,015 (7.8%)	32,769 (13.5%)	185,079 (29.5%)	324,063 (82.5%)	32,287 (14.9%)	359,713 (27.2%)
Others	2,988 (2.9%)	2,867 (1.2%)	2,084 (0.3%)	2,326 (0.6%)	2,471 (1.1%)	2,096 (0.2%)
Other Business	525 (0.5%)	525 (0.2%)	- ( - )	523 (0.1%)	523 (0.2%)	- ( - )
<b>Total</b>	<b>102,810</b> <b>(100.0%)</b>	<b>242,976</b> <b>(100.0%)</b>	<b>626,755</b> <b>(100.0%)</b>	<b>392,990</b> <b>(100.0%)</b>	<b>217,098</b> <b>(100.0%)</b>	<b>1,322,332</b> <b>(100.0%)</b>
Domestic	81,714 (79.5%)	105,391 (43.4%)	154,022 (24.6%)	64,336 (16.4%)	89,250 (41.1%)	108,927 (8.2%)
Overseas	21,095 (20.5%)	137,584 (56.6%)	472,733 (75.4%)	328,653 (83.6%)	127,847 (58.9%)	1,213,405 (91.8%)

Note1: The backlog of contracts includes a decrease due to changes in construction contracts acquired in prior fiscal years, and an increase / decrease due to foreign exchange translation adjustments.

Note2: There is a change of breakdown category and definition in 'Engineering' starting from the 2nd quarter of this fiscal year. The figures of the previous fiscal year are also shown according to the new breakdown category.

#### 4. Others

##### 1. Ichthys LNG Project

In 2012, JKC, a joint venture of Chiyoda Group, JGC Holdings Corp. (JGC), and US company KBR, Inc. (KBR), was awarded the contract from Ichthys LNG Pty Ltd (the Client) to perform the engineering, procurement, and construction work for LNG facilities (the Project). This plant has been already turned over to the Client.

However, as described below, there are matters between the joint venture, on one hand, and the Client and certain subcontractors, on the other, that are currently the subject of discussion or arbitration. We reached an agreement with the Client to settle out of court, but arbitration is ongoing with certain subcontractors, and if an outcome or ruling is unfavorable to JKC, it could affect the Group's business results by making some of the costs tentatively borne by JKC uncollectible.

##### (1) Resolution of Dispute with the Client

JKC has continued to engage in discussions and arbitration with the Client concerning various matters relating to the contract for the Project. In connection with one of these matters, a portion of the additional subcontracting cost for onsite work, in April 2021 the Client filed a lawsuit against JGC seeking subrogation, by performance of the parent company guarantee. Amid concern that the arbitration and this lawsuit would be further prolonged partly due to the COVID-19 pandemic, Chiyoda has re-evaluated the foreseeable increase in dispute-related expenses and the risks associated with pursuing this matter until the final ruling/judgment, with a wide possibility of outcomes. As a result, the three JKC joint venture partners (Chiyoda, JGC, and KBR) determined that it would be best to settle various matters with the Client, including this lawsuit, as expeditiously as possible and agreed to settle out of court on October 15, 2021. The impact of the settlement is reflected in the Group's consolidated-basis financial statements for the first quarter of the fiscal year.

##### (2) Dispute with Subcontractor

JKC placed the order for the engineering and construction of the Combined Cycle Power Plant (CCPP) that is part of the Project through a fixed-price contract with a consortium of four companies, General Electric Company and General Electric International, Inc., and UGL Infrastructure Pty Limited and CH2M Hill Australia Pty. Limited (collectively, the 'Consortium').

However, the Consortium unilaterally terminated the contract while executing this work, and withdrew from the construction site without the permission of JKC. The Consortium also filed for arbitration to demand payment of additional costs related to circumstances prior to its withdrawal. In light of this situation, JKC has appointed a subcontractor to replace the Consortium in order to fulfill its performance obligations to the Client, and while bearing tentatively the construction costs to proceed with the construction of the CCPP, JKC filed a counterclaim against the Consortium seeking the reimbursement of the construction costs tentatively borne by JKC.

##### 2. Regarding the plant construction project awarded jointly to Chiyoda and our overseas subsidiary

A petition was filed in The High Court of the Republic of Singapore on August 29, 2019. The counterparty to a contract for a plant construction project that was awarded jointly to Chiyoda and overseas subsidiary Chiyoda Sarawak Sdn. Bhd. ('Petitioner') filed a lawsuit seeking the partial rescission of the arbitral award dated March 11, 2019 and an increase in the damages to be received by the petitioner in conjunction with such a rescission. The High Court of the Republic of Singapore gave its decision on January 29, 2021. It admitted partial rescission of the arbitral award, however, it did not approve an increase in the compensation of damages received by the Petitioner.

Dissatisfied with the decision and not accepting either the partial rescission of the arbitral award nor the court's partial change to the calculation made by the arbitral tribunal for the arbitral award, Chiyoda and our overseas subsidiary filed an appeal on March 1, 2021, but the Singapore Court of Appeal dismissed the

appeal on September 22, 2021. The reason of the dismissal were received on November 11, 2021. Chiyoda and CSSB examined the contents of the results, discussed with their counsel, and paid 2,251 million yen to the Petitioner.

- END -