

Financial Results for the 1st Quarter of Fiscal Year ending March 31, 2023 (FY2022 1Q)

August 1, 2022

Chiyoda Corporation



Financial Results



Growth Strategy



Major Ongoing Projects

I Financial Results

1 Highlights

1.

Financial Results

- Executing projects with rigorous risk management
- Construction phase of large overseas projects accelerates from 2nd quarter

2.

Countermeasures Against Increasing Equipment, Materials and Transportation Costs

Minimizing project impacts through deliberation and cooperation with clients and partners

3.

Growth Strategy

Hydrogen / carbon neutral / life science businesses and digital transformation are progressing.

2 Income Statement

Billions of JPY

	FY2021 1Q	FY2022 1Q	Difference	Full Year Forecast	Progress
Revenue	80.5	75.7	(4.7)	500.0	15%
Gross Profit	6.2	6.5	0.3	35.0	19%
Gross Profit Margin	7.7%	8.6%	+0.9pt	7.0%	-
SG&A Expenses	(2.7)	(2.8)	(0.1)	(15.0)	-
Operating Income	3.5	3.8	0.3	20.0	19%
Ordinary Income	3.5	3.5	(0.0)	18.0	20%
Profit*	(17.2) <small>Note</small>	2.2	19.4	11.5	19%
Exchange Rate JPY/ USD	111	137		120	

Note) FY2021 1Q: Extraordinary losses of JPY20.4 billion was recorded related to the completed Ichthys LNG project. The lawsuit had been settled.

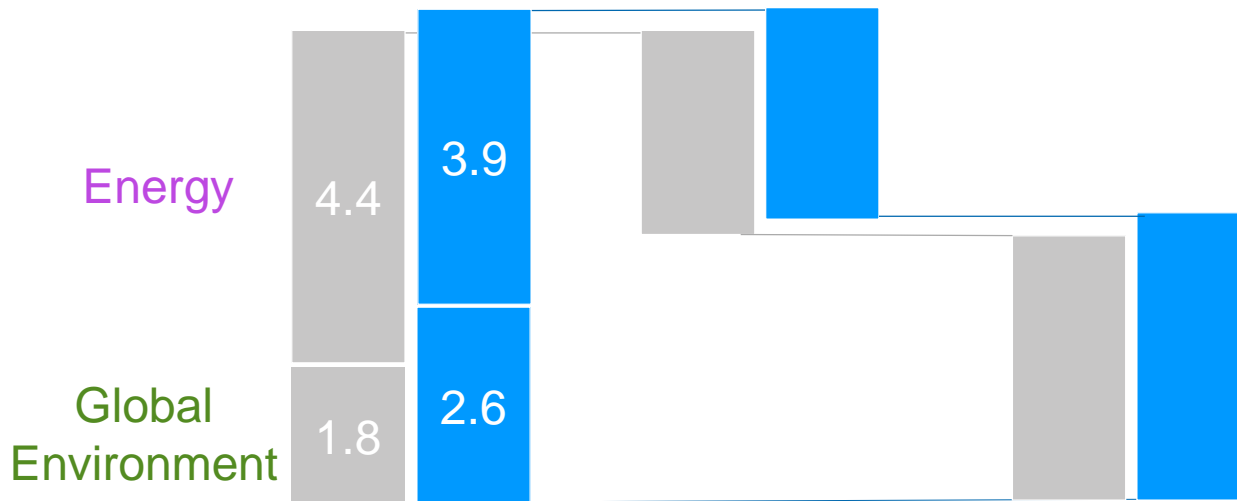
* Profit attributable to owners of the parent

3 Profit Analysis

Billions of JPY



	Gross Profit		SG&A		Operating Income	
	6.2	6.5	(2.7)	(2.8)	3.5	3.8
		(+0.3)		((0.1))		(+0.3)



() : Compared to FY2021 1Q results

4 Balance Sheet

Billions of JPY

	FY2021 4Q	FY2022 1Q	Difference		FY2021 4Q	FY2022 1Q	Difference
Current Assets	372.7	341.7	(31.0)	Current Liabilities	350.7	319.4	(31.3)
Cash and Deposits	68.8	71.6	2.8	Operating Liabilities*3	239.5	239.2	(0.3)
Operating Assets*1	59.0	68.5	9.5	Provision for Loss on Construction Contracts	34.8	34.8	(0.0)
Accounts Receivable - Other	83.2	32.7	(50.5)	Accounts Payable - Other	44.0	17.3	(26.8)
Jointly Controlled Assets of JV *2	141.4	143.4	2.0	Non-Current Liabilities	29.0	26.5	(2.5)
Non-Current Assets	22.7	23.8	1.0	Net Assets	15.8	19.5	3.8
Total Assets	395.4	365.4	(30.0)	Liabilities and Net Assets	395.4	365.4	(30.0)

*1 Operating Assets: Notes receivable, accounts receivable from completed construction contracts, and contract assets + Costs on construction contracts in progress

*2 Jointly controlled assets of JV: Cash and deposits of joint venture proportional to Chiyoda's interest

*3 Operating Liabilities: Notes payable, accounts payable for construction contracts + Contract liabilities

Shareholders' Equity	15.7	19.4	3.7
Shareholders' Equity Ratio	4.0%	5.3%	+1.4pt

5

New Orders / Backlog

Billions of JPY

	New Orders FY2022 1Q	Backlog FY2022 1Q
Energy	9.4	982.5
Global Environment	11.2	385.2
Total	20.6	1,367.7

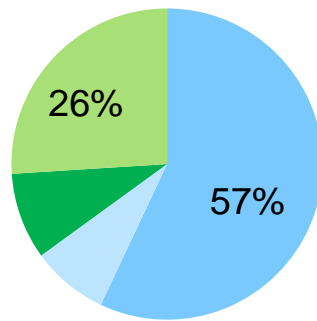
Major Backlog Projects	More than JPY100 billion	More than JPY10 billion
Energy	<ul style="list-style-type: none"> NFE LNG, Qatar Golden Pass LNG, USA 	<ul style="list-style-type: none"> Tangguh LNG Expansion, Indonesia
Global Environment	<ul style="list-style-type: none"> Copper Smelting Plant, Indonesia 	<ul style="list-style-type: none"> Biopharmaceutical Manufacturing Plant, Japan

Revenue Breakdown

Billions of JPY

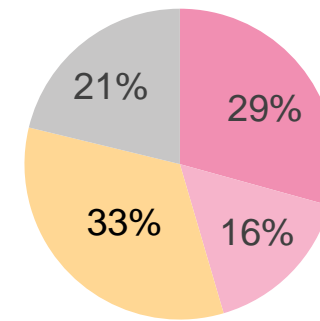
【FY2022 1Q】

Business



ENERGY	49.3
■ LNG Plant, Gas Related Work	43.5
■ Refinery, Petrochemical	5.8
ENVIRONMENT	26.5
■ Pharmaceutical, Biochemistry, Chemical	6.7
■ Environment, New Energy, Infrastructure, Others	19.7
TOTAL	75.7

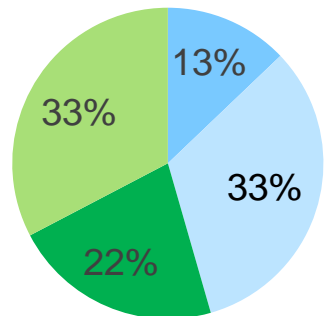
Regional



OVERSEAS	59.6
■ Middle East & Africa	22.3
■ Americas	12.2
■ Asia & Oceania	25.0
■ Others	0.0
■ DOMESTIC	16.2
TOTAL	75.7

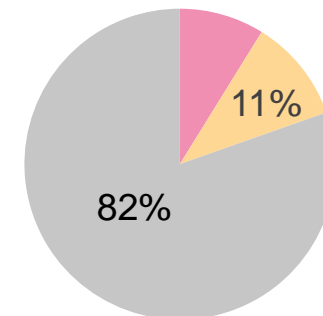
【FY2022 1Q】

Business



ENERGY	9.4
■ LNG Plant, Gas Related Work	2.6
■ Refinery, Petrochemical	6.8
ENVIRONMENT	11.2
■ Pharmaceutical, Biochemistry, Chemical	4.5
■ Environment, New Energy, Infrastructure, Others	6.7
TOTAL	20.6

Regional



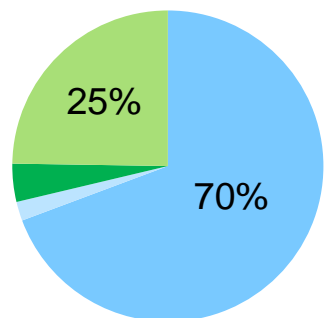
OVERSEAS	3.6
■ Middle East & Africa	1.9
■ Americas	(0.4)
■ Asia & Oceania	2.2
■ Others	0.0
■ DOMESTIC	17.0
TOTAL	20.6

Backlog Breakdown

Billions of JPY

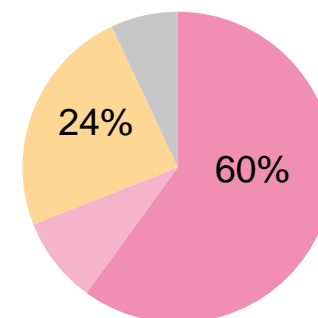
【FY2022 1Q】

Business



ENERGY	982.5
■ LNG Plant, Gas Related Work	953.3
■ Refinery, Petrochemical	29.2
ENVIRONMENT	385.2
■ Pharmaceutical, Biochemistry, Chemical	48.0
■ Environment, New Energy, Infrastructure, Others	337.2
TOTAL	1,367.7

Regional



OVERSEAS	1,267.0
■ Middle East & Africa	814.3
■ Americas	120.7
■ Asia & Oceania	332.0
■ Others	0.0
■ DOMESTIC	100.7
TOTAL	1,367.7

Growth Strategy

1 CO₂ Separation and Recovery

Technology Development of CO₂ Separation and Recovery ~NEDO* Green Innovation Fund Program~

- The domestic technology development centers on solid sorbent material to realize low cost separation and recovery of low concentration CO₂ emitted from gas turbines for carbon neutrality of natural gas utilization.

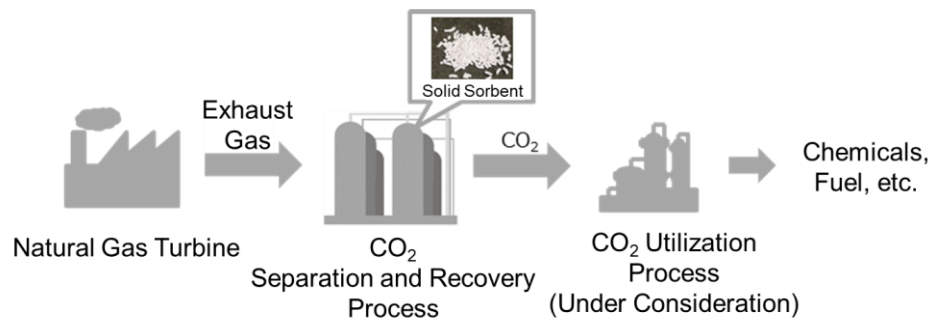
Project Scheme

Solid Sorbent	Process	Pilot Test
 Research Institute of Innovative Technology for the Earth	 Secretary Company	

Fiscal year 2022~2030 (Nine years)

2022	2024	2026	2030
Solid Sorbent Development		▼Stage gate 1 ▼Stage gate 2	
<ul style="list-style-type: none"> - Solid sorbent development - Laboratory test 		Bench Test	
		<ul style="list-style-type: none"> - Performance confirmation - Engineering data acquisition 	
		Demonstration	
		Overall system study and long term operation demonstration	

Conceptual image of CO₂ separation and recovery process from natural gas combustion exhaust gas



* New Energy and Industrial Technology Development Organization

SPERA Hydrogen (MCH-LOHC*1) Global Business

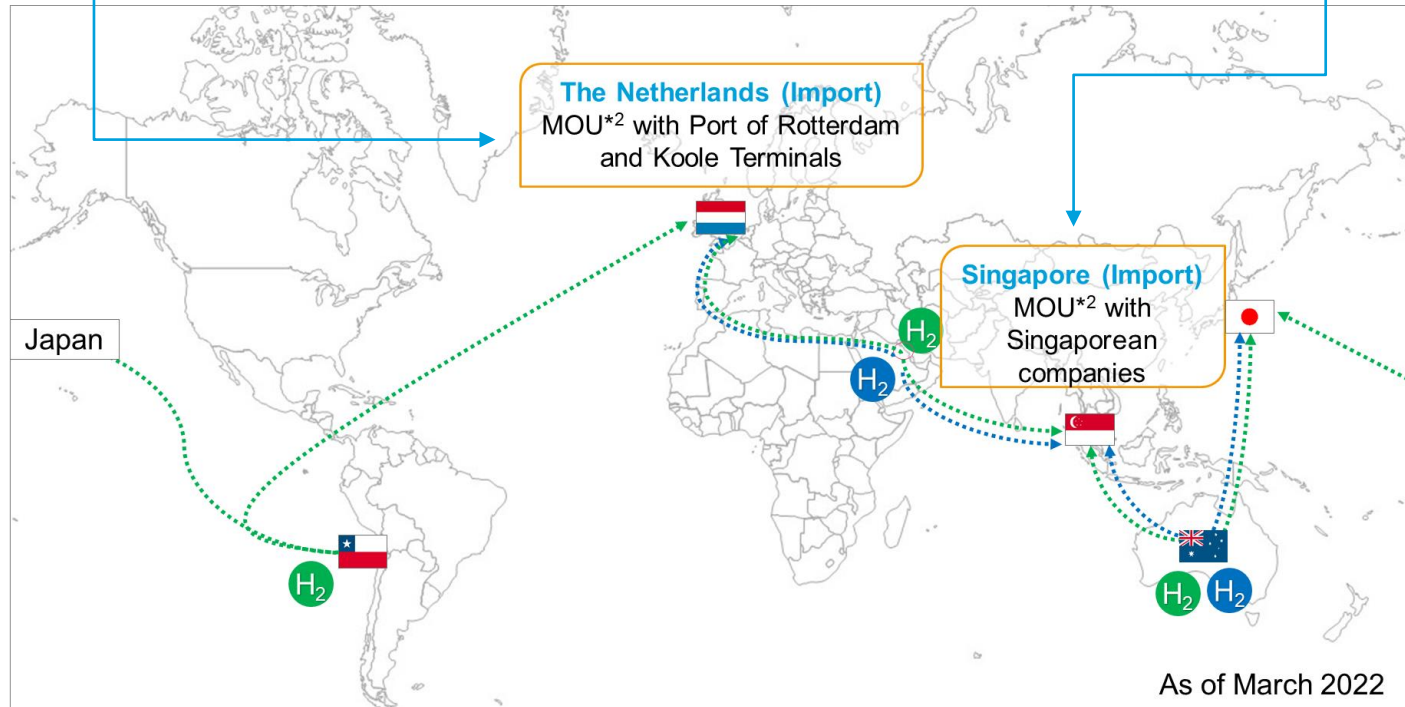
The Netherlands

Discussions to build a commercial scale international hydrogen supply chain are ongoing, aiming for the Port of Rotterdam to be the gateway for importing hydrogen into Europe.

Singapore

Detailed discussions and studies to realize an international clean hydrogen supply chain in Singapore are ongoing.

SPERA Hydrogen Connecting Global Hydrogen Supply Chains



*1 MCH: Methylcyclohexane LOHC: Liquid Organic Hydrogen Carrier

*2 Memorandum of Understanding

German Chancellor Olaf Scholz Visited AHEAD*1 Dehydrogenation Plant

Kawasaki City on April 29, 2022



© Bundesregierung/Bergmann

Plant tour: From the left Mr. Sakakida, CEO, Chancellor Scholz, Mr. Iuchi, Senior Vice President



Chancellor Scholz, fourth from the left, and delegates from TOA OIL CO., LTD. and Chiyoda

Chancellor Scholz said: “Japan and Germany will promote a mutual collaborative alliance through a Germany-Japan Energy Partnership. **Industrial hydrogen use is becoming essential in this context.** Tomorrow, I will visit Chiyoda Corporation. They will explain how they transport hydrogen produced in Brunei to Japan to be processed. **Their technology can be the world’s model for building international hydrogen supply chains.**”

Abstract from Chancellor Scholz presentation at the German Chamber of Commerce and Industry in Japan 60th anniversary event ‘German-Japanese Business Dialogue in Tokyo’ on April 28, 2022*2 (English translation by Chiyoda Corporation)

*1 Advanced Hydrogen Energy chain Association for technology Development

*2 <https://japan.diplo.de/ja-ja/themen/politik/-/2525396> (Japanese page)

3

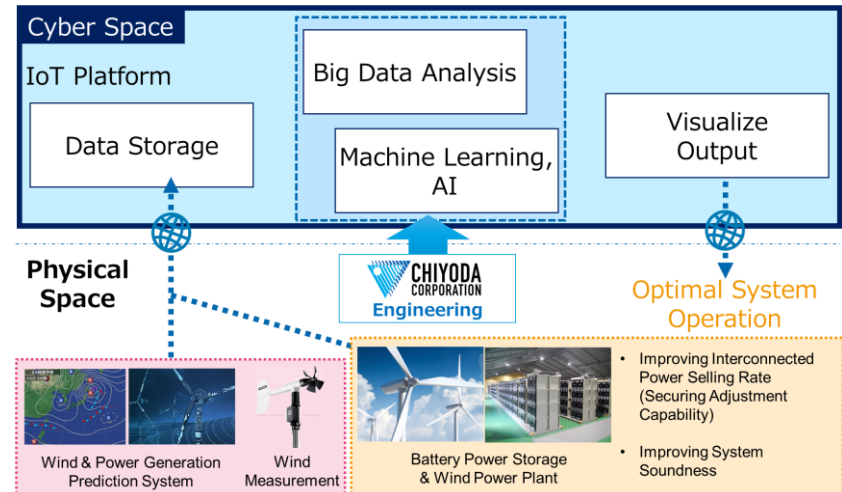
Energy Management Business

Regional Utility Business Leveraged by Energy Storage

- Awarded a 20 year maintenance contract by North Hokkaido Wind Energy Transmission Corporation for the world's largest battery power storage system, currently under construction by Chiyoda
- Energy storage system studies focusing on the effective use of batteries to enhance renewable energy are ongoing.
- Contributing to regional revitalization while developing regional utility businesses through combined renewable energy and energy storage projects



Energy Storage System



Study of optimal battery storage capacity based on output forecasting using AI

4 Life Science Business

Future Generation Manufacturing Processes in Pharmaceutical Fields

- Pharmira Co., Ltd. (Pharmira), the world's first joint venture for contract development and manufacturing of active pharmaceutical ingredients and intermediates, led by Shionogi Pharma Co., Ltd., commenced business April 2022.
- Chiyoda participates the Joint Venture to contribute to pharmaceutical industry by applying continuous manufacturing (CM) processes developed in oil and chemical industry.



Chiyoda's Flow Reaction Apparatus



Pharmira and Chiyoda executives in front of Pharmira premises

Expected Values of CM Process

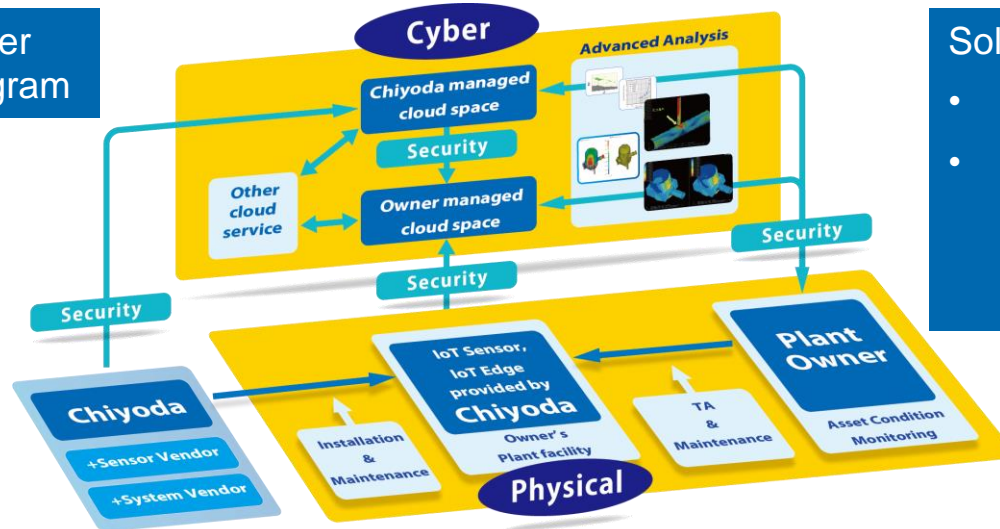
- ✓ Development cost reduction
- ✓ Development period reduction
- ✓ Manufacturing cost reduction
- ✓ High quality and stable supply

5 Digital Transformation (DX)

Expanding EFEXIS™, Optimizing Solutions for Plant Operation and Maintenance ‘O&M Mother’

- Combining advanced diagnostic and analysis technology provided by Chiyoda’s Advanced Solutions (ChAS) business* with cutting-edge IoT and cloud technology
- Visualizing the status of plants in online cloud and streamlining operation and maintenance
- Realizing clients plant operation DX with EFEXIS™ solutions

O&M Mother Concept Diagram



Solutions (1st batch)

- Visualize pipe corrosion
- Rotating equipment malfunction prediction and life expectancy diagnosis

* A one-stop service supporting safe and stable plant operation by analyzing a plants condition, predicting its future status and executing appropriate remedial action following diagnosis, analysis and consultation.

Major Ongoing Projects

1

Major Ongoing Projects (Energy)

Project	Tangguh LNG Expansion, Indonesia	Golden Pass LNG, USA	NFE LNG, Qatar
Client	BP Berau Ltd.	Golden Pass LNG (QatarEnergy and ExxonMobil JV)	QatarEnergy
JV Partner	Saipem, Tripatra	Zachry, McDermott	Technip Energies
Scheduled Completion	Start up in 2023	2025	2027
Status	Construction ongoing	Engineering, procurement and construction ongoing	Engineering and procurement ongoing and construction commenced



2

Major Ongoing Projects (Environment)

Project	Copper Smelting Plant, Indonesia	Vaccine Constituent Production Facility	Energy Storage System Facility
Field	Non-Ferrous Metal	Life Science	Energy Management
Client	P.T. Freeport Indonesia	SHIONOGI & CO., Ltd.	North Hokkaido Wind Energy Transmission Corp.
Scheduled Completion	2024	2022	2023
Status	Engineering, procurement and construction ongoing	Executing EPC for an additional line and affiliated facilities	Construction ongoing



Courtesy of Freeport-McMoRan Inc. From 'FCX Conference Call 1st Quarter 2022 Results'



Energy and Environment in Harmony



Chiyoda Corporation Corporate Services Department IR, PR & Sustainability Advanced Section, <https://www.chiyodacorp.com/en/>

Forward-Looking Statements: 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. Investor are recommended not to depend solely on these projections for making investment decisions.