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IR, PR & Sustainability Advanced 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, 2023**

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, 2023, released on November 8, 2022.

	Question	Answer
1	<p>Revenue How will revenue be accumulated after the third quarter, while the second quarter revenue progress is 37%?</p>	<p>Revenue will be accumulated towards the full year forecast from the third quarter with the progression of large scale overseas projects, especially NFE LNG in Qatar and the copper smelting plant in Indonesia.</p>
2	<p>Gross profit margin Why did the gross profit margin decrease to 6.6% from 8.1% YoY?</p>	<p>Decreased gross profit margin was mainly caused by the following two factors:</p> <p>(1) Additional contingencies on some projects along with ongoing discussions with clients to share additional material and transportation costs.</p> <p>(2) Revenue is decreasing as some domestic high profit projects near completion.</p> <p>Contingencies will be monetized after the third quarter following negotiations with clients to share additional costs.</p>
	<p>The full year gross profit margin forecast was not revised. What is the current gross profit margin, excluding special factors?</p>	<p>The gross profit margin is as the full year forecast, excluding special factors.</p>

	Question	Answer
3	<p>Increasing material and transportation costs</p> <p>How do increasing material and transportation costs affect the financial results and what is the forecast?</p>	<p>Major lump-sum overseas projects are affected by increasing material and transportation costs caused by COVID-19 and the geopolitical crisis in the Ukraine, however cost impacts are gradually settling down.</p> <p>Chiyoda is discussing with clients and JV partners to share costs, minimizing impacts on projects.</p>
4	<p>Currency exchange fluctuation</p> <p>The full year forecast exchange rate is changed to JPY138 from JPY120.</p> <p>How does a weak yen affect financial results?</p>	<p>Risks are hedged by exchange reservations for project foreign currency receivables and payables to avoid financial result currency exchange fluctuation impacts.</p> <p>The influence is neutral to bottom line.</p>
5	<p>New order forecast</p> <p>The new order full year forecast is JPY 300 billion.</p> <p>Please advise new order current and future progress, such as NFS LNG in Qatar and domestic life science projects.</p>	<p>The breakdown of the new order full year forecast of JPY 300 billion is JPY 200 billion and JPY 100 billion for overseas and domestic projects respectively.</p> <p>Chiyoda aims to accumulate new domestic project orders as planned to maintain solid revenue centered in life science field.</p> <p>NFS LNG in Qatar is an expansion project for the ongoing NFE LNG project.</p> <p>Chiyoda is leveraging its strength for NFS LNG because it has the most extensive track record in Qatar.</p> <p>Business conditions remain volatile and uncertain however, with cost increases from the geopolitical crisis in the Ukraine.</p> <p>Chiyoda will continue to carefully monitor and analyze the risks.</p>

	Question	Answer
		Bidding status cannot be disclosed because of client confidentiality.
6	<p>Business Environment</p> <p>LNG demand is increasing due to the geopolitical crisis in the Ukraine. How does Chiyoda foresee the future LNG market?</p>	<p>LNG as a transitional source of energy is becoming increasingly important as the energy supply tightens, especially in Europe, due to the geopolitical crisis in the Ukraine.</p> <p>Some countries have requested Chiyoda to join LNG production increase discussions.</p> <p>However, because LNG plant construction can take 5-6 years, oil & gas enterprises make investment decisions based on long-term forecasts.</p> <p>Qatar, where Chiyoda is particularly competitive, produces gas at low cost, making the investment decision easier.</p> <p>Renewable energy transition in Europe could accelerate if the LNG price remains high however.</p> <p>Inflation could result in high LNG plant construction costs, making the investment decisions harder.</p> <p>Demand in Asia will increase as per the global trend to 2050 as net-zero goals remain the same.</p> <p>We will continue monitoring client circumstances.</p>

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Please submit inquiries to:
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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.