

# Financial Results for the 1<sup>st</sup> Quarter of Fiscal Year Ending March 31, 2024 (FY2023 1Q)

August 2, 2023  
Chiyoda Corporation



© Chiyoda Corporation 2023, All Rights Reserved

## Presenters



Mr. Masakazu Sakakida  
Chairman of the Board,  
President & CEO



Mr. Atsushi Deguchi  
Executive Vice President  
& CFO

Enriching Society through Engineering Value



SPERA Hydrogen  
Shaping the Future of Energy

Our SDGs Materiality

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

1. Highlights
2. Income Statement
3. Profit Analysis
4. Balance Sheet
5. New Orders / Backlog
6. Major Topics

[Att-1] Revenue / Backlog Breakdown

[Att-2] Results History

1

This presentation outlines Chiyoda Corporation's (Chiyoda) financial results for the first quarter of the fiscal year ending March 31, 2024, released on August 2, 2023.

## 1. Highlights

### 1. Increased business profitability

Increased income and profits compared to the same period last year  
Continuing to build on a robust start to FY2023, similar to FY2022 when we achieved the highest annual profit for 10 years

### 2. Stabilizing the profit-making base

Aiming to achieve high and stable profit levels for two consecutive terms by consistently executing existing projects, accumulating businesses in new business fields and optimizing resource allocation

### 3. Progress in new business fields

Participating in the planning of demonstration/basic engineering projects, mainly in the carbon neutral field, to create business opportunities for new projects

#### 1. Increased business profitability

Increased income and profits compared to the same period last year. We are continuing to build on a robust start to FY2023, similar to FY2022 when we achieved the highest annual profit for 10 years.

#### 2. Stabilizing the profit-making base

Aiming to achieve high and stable profit levels for two consecutive terms by consistently executing existing projects, accumulating businesses in new business fields and optimizing resource allocation

#### 3. Progress in new business fields

Participating in the planning of demonstration/basic engineering projects, mainly in the carbon neutral field, with the aim of implementing the technology and creating business opportunities for new projects

## 2. Income Statement

Billions of JPY

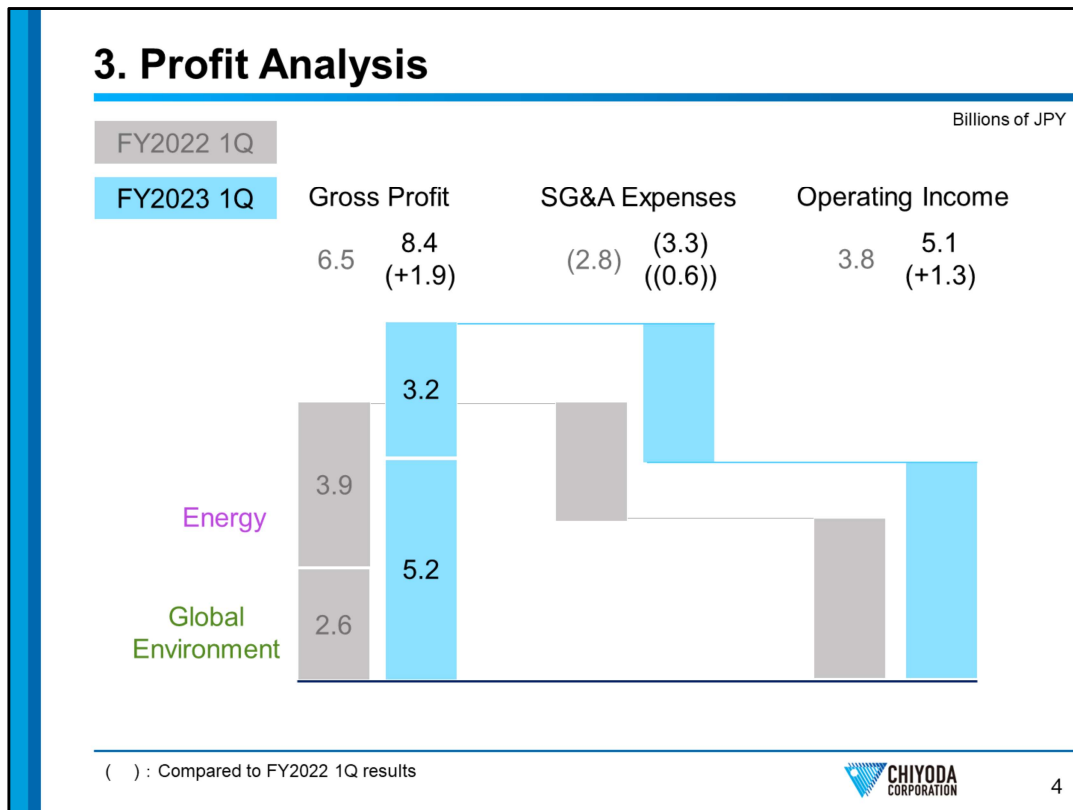
	FY2022 1Q	FY2023 1Q	Difference	Full Year Forecast	Progress
Revenue	75.7	129.4	53.7	450.0	29%
Gross Profit	6.5	8.4	1.9	35.0	24%
Gross Profit Margin	8.6%	6.5%	(2.1pt)	7.8%	-
SG&A Expenses	(2.8)	(3.3)	(0.6)	(15.0)	22%
Operating Income	3.8	5.1	1.3	20.0	25%
Ordinary Income	3.5	6.5	2.9	20.0	32%
Profit*	2.2	4.9	2.7	15.0	33%
Exchange Rate JPY/ USD	137	145		130	

\* Profit attributable to owners of parent



3

- Increased Income and Profits compared to the same period last year. Revenue and Profits are increasing as planned to achieve the full year forecast.
- Revenue was JPY 129.4 billion, an increase of JPY 53.7 billion YoY, achieving 29% of the full year forecast.
- Gross Profit was JPY 8.4 billion, an increase of JPY 1.9 billion YoY, achieving 24% of the full year forecast.
- SG&A Expenses was 3.3 billion, an increase of JPY 0.6 billion YoY.
- Operating Income was JPY 5.1 billion, an increase of JPY 1.3 billion YoY, achieving 25% of the full year forecast.
- Ordinary Income was JPY 6.5 billion, an increase of JPY 2.9 billion YoY, achieving 32% of the full year forecast.
- Net Profit was JPY 4.9 billion, an increase of JPY 2.7 billion YoY, which is double that of the same period last year, achieving 33% of the full year forecast.



The graph shows the results for the first quarter of this fiscal year compared to last year for Gross Profit, SG&A Expenses and Operating Income.

- Gross Profit was JPY 8.4 billion, an increase of JPY 1.9 billion YoY. Energy and Global Environment Gross Profit are JPY 3.2 billion and JPY 5.2 billion respectively, the latter increasing significantly.
- SG&A Expenses was JPY 3.3 billion, an increase of JPY 0.6 billion YoY. The results are controlled to be 22% of the full year forecast of 15.0 billion.
- Operating Income was JPY 5.1 billion, an increase of JPY 1.3 billion YoY.

## 4. Balance Sheet

Billions of JPY							
	FY2022 4Q	FY2023 1Q	Difference		FY2022 4Q	FY2023 1Q	Difference
Current Assets	383.0	379.3	(3.6)	Current Liabilities	356.3	341.0	(15.2)
Cash and Deposits	61.2	70.5	9.3	Operating Liabilities* <sup>3</sup>	292.7	285.5	(7.2)
Operating Assets* <sup>1</sup>	58.6	64.9	6.2	Provision for Loss on Construction Contracts	27.9	24.8	(3.1)
Jointly Controlled Assets of JV * <sup>2</sup>	161.6	164.5	2.8	Non-Current Liabilities	28.0	30.0	2.0
Non-Current Assets	23.6	23.4	(0.2)	Net Assets	22.3	31.7	9.4
Total Assets	406.6	402.7	(3.8)	Total Liabilities and Net Assets	406.6	402.7	(3.8)
* <sup>1</sup> Operating Assets: Notes receivable, accounts receivable from completed construction contracts and contract assets + Costs on construction contracts in progress				Shareholders' Equity	22.2	31.6	9.4
* <sup>2</sup> Jointly Controlled Assets of JV: Cash and deposits of joint venture proportional to Chiyoda's interest				Shareholders' Equity Ratio	5.5%	7.8%	+2.4pt
* <sup>3</sup> Operating Liabilities: Notes payable, accounts payable for construction contracts + Contract liabilities							

- Total Assets was JPY 402.7 billion. This is approximately the same as reported at the end of the last fiscal year (JPY 406.6 billion).
- There was no significant fluctuation in Assets and Liabilities with the amounts increasing or decreasing due to the progress of ongoing projects.
- Shareholders Equity recovered to JPY 31.6 billion, an increase of JPY 9.4 billion from the end of the last fiscal year. Shareholders Equity Ratio improved to 7.8%.

## 5. New Orders / Backlog

Billions of JPY

	FY2023 1Q New Orders	FY2023 1Q Backlog
Energy	9.1	827.3
Global Environment	25.4	301.3
Total	34.4	1,128.6

### 【Major Backlog Projects】

	More than JPY 100.0 billion	More than JPY 5.0 billion
Energy	<ul style="list-style-type: none"> <li>NFE LNG, Qatar</li> </ul>	<ul style="list-style-type: none"> <li>Golden Pass LNG, USA</li> <li>Tangguh LNG Expansion, Indonesia</li> </ul>
Global Environment	<ul style="list-style-type: none"> <li>Copper Smelting Plant, Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> Methanation Facility, Japan</li> <li>Biopharmaceutical Manufacturing Plant, Japan</li> <li>1 Barrel per Day Synthetic Fuel Demonstration Facility, Japan</li> </ul>



6

- New Orders received was JPY 34.4 billion and the order backlog was JPY 1,128.6 billion.
- Please refer to the table below for major projects in the order backlog.



## 6-1. Major Topics ~Ongoing Overseas Projects~

### Tangguh LNG Expansion, Indonesia

Construction is in the final stage and approaching completion.



Courtesy of BP Berau Ltd.

### Golden Pass LNG, USA

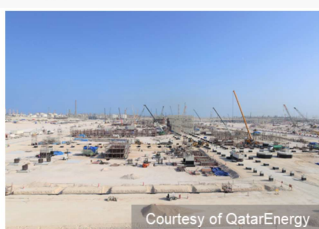
Construction ongoing



Courtesy of Golden Pass LNG

### NFE LNG, Qatar

Engineering, procurement and construction ongoing



Courtesy of QatarEnergy

### Copper Smelting Plant, Indonesia

Engineering, procurement and construction ongoing



Courtesy of P.T. Freeport Indonesia

This section is the latest update of Major Ongoing Projects.

All 4 projects are progressing steadily.

- The Tangguh LNG Expansion project in Indonesia is in the final stage of construction with completion targeted in 2023.
- Construction of Golden Pass LNG in the USA is progressing.
- Construction of NFE LNG in Qatar is ongoing, along with engineering and procurement.
- Construction of a copper smelting project in Indonesia is progressing.

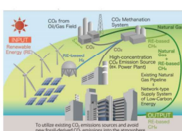


## 6-2. Major Topics ~New Projects in the Carbon Neutral Field~

Participating in demonstration and basic engineering projects aiming for social implementation of technology centered on the carbon neutral field. Accumulating expertise and cooperating with clients from the demonstration stage, leading to project award.

### 1 CO<sub>2</sub> Methanation Facility Construction [Client: INPEX CORPORATION]

- ✓ Methanation technology\*<sup>1</sup> is a key component for gas decarbonization.
- ✓ One of the world's largest facilities (Synthetic methane production capacity: approx. 400Nm<sup>3</sup>-CO<sub>2</sub>/h)



# Client's technical development project subsidized by NEDO\*<sup>2</sup>

From INPEX CORPORATION press release on June 16, 2023

### 2 1 Barrel per Day Synthetic Fuel Demonstration Facility Construction [Client: ENEOS Corporation]

- ✓ Contributing to early technology development of synthetic fuel manufacturing process from hydrogen and CO<sub>2</sub>
- ✓ Chiyoda is executing the EPC for a demonstration plant.



# Client's project selected as part of NEDO Green Innovation Fund

From ENEOS Corporation press release on April 19, 2022

### 3 FEED\*<sup>3</sup> for a CO<sub>2</sub> to CO Chemical Transformation Plant [Client: SEKISUI CHEMICAL CO., LTD.]

- ✓ Engineering CO<sub>2</sub> capture plant with more than 90% efficiency transforming CO<sub>2</sub> to CO technology

# Client's project selected as part of NEDO Green Innovation Fund

### 4 Large-scale Ammonia Decomposition Catalyst Technology Development [Joint operators: JERA Co., Inc. and NIPPON SHOKUBAI CO., LTD.]

- ✓ Targeting the development of competitive ammonia cracking technology to utilize ammonia as a hydrogen carrier

# A catalyst development project\*<sup>4</sup> subsidized by NEDO

\*<sup>1</sup> Methane synthesis technology from CO<sub>2</sub> and hydrogen

\*<sup>2</sup> New Energy and Industrial Technology Development Organization

\*<sup>3</sup> Front End Engineering Design

\*<sup>4</sup> 'Development of Technologies for Building a Competitive Hydrogen Supply Chain' program



This section concerns new projects in the carbon neutral field.

- We have been participating in the planning of demonstration/basic engineering projects, mainly in the carbon neutral field, to implement related technologies into society. We will collaborate with customers in the demonstration phase of projects to accumulate expertise and create business opportunities for new projects.
- We have been awarded an EPC contract by IMPEX CORPORATION for a CO<sub>2</sub>/h methanation test plant. Methanation technology to convert hydrogen and CO<sub>2</sub> into synthetic methane is a key component for gas decarbonization and the plant is one of the world's largest facilities.
- We have been awarded an EPC contract by ENEOS Corporation for a 1 Barrel per Day synthetic fuel production plant to produce synthetic fuels made from CO<sub>2</sub> and hydrogen. Through this project, we will contribute to the early social implementation of synthetic fuel production technology.
- We have been awarded a contract by SEKISUI CHEMICAL CO., LTD. for a CO<sub>2</sub> to CO chemical transformation plant. This efficient technology developed by SEKISUI transforms CO<sub>2</sub> to CO with a CO<sub>2</sub> conversion rate of 90% or higher. CO is a key raw material for carbon neutrality technologies with anticipated increasing future demand and we will actively cooperate with its social implementation.
- We are cooperating with JERA Co., Inc. and NIPPON SHOKUBAI CO., LTD, combining the expertise of each company in the development of ammonia cracking technology that is competitive compared to existing technologies and the utilization of ammonia as a hydrogen carrier to transport and store hydrogen.
- Chiyoda will continue contributing to the social implementation of our technologies by scaling up and developing business opportunities in collaboration with customers.

## [Att-1] Revenue and Backlog Breakdown

Billions of JPY

### FY2023 1Q Revenue

#### 【Business】

ENERGY	78.3	61%
■ LNG Plant, Gas Related Work	71.8	55%
■ Refinery, Petrochemical	6.5	5%
ENVIRONMENT	51.1	39%
■ Pharmaceutical, Biochemistry, Chemical	7.6	6%
■ Environment, New Energy, Infrastructure, Others	43.5	34%
TOTAL	129.4	100%

#### 【Region】

OVERSEAS	113.0	87%
■ Middle East & Africa	50.3	39%
■ Americas	14.1	11%
■ Asia & Oceania	48.6	38%
■ Others	0.0	0%
■ DOMESTIC	16.4	13%
TOTAL	129.4	100%

### FY2023 1Q Backlog

#### 【Business】

ENERGY	827.3	73%
■ LNG Plant, Gas Related Work	800.9	71%
■ Refinery, Petrochemical	26.4	2%
ENVIRONMENT	301.3	27%
■ Pharmaceutical, Biochemistry, Chemical	36.1	3%
■ Environment, New Energy, Infrastructure, Others	265.2	24%
TOTAL	1,128.6	100%

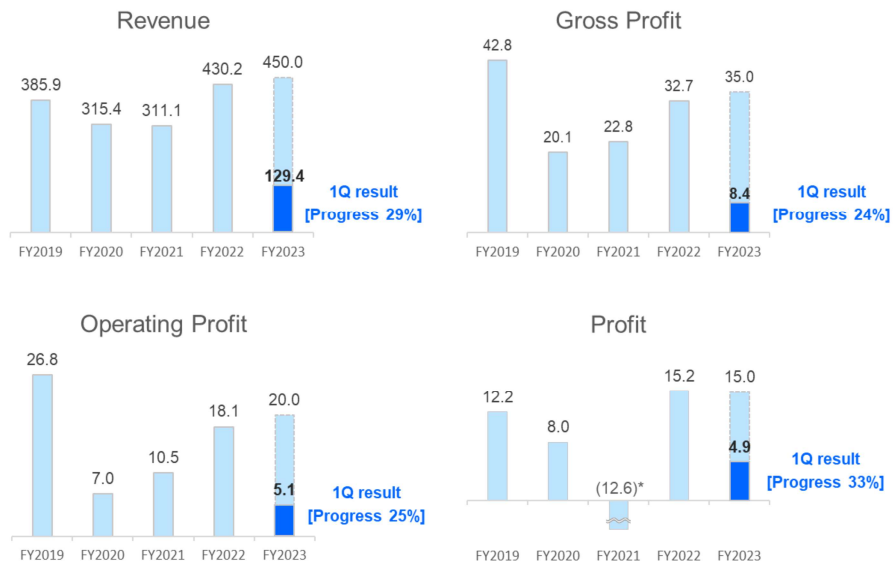
#### 【Region】

OVERSEAS	1,025.7	91%
■ Middle East & Africa	689.4	61%
■ Americas	86.7	8%
■ Asia & Oceania	249.5	22%
■ Others	0.0	0%
■ DOMESTIC	102.9	9%
TOTAL	1,128.6	100%

This is a breakdown of Revenue and Backlog for the first quarter of this fiscal year for reference.

## [Att-2] Results History

Billions of JPY



\* The figure includes Extraordinary Losses of JPY 20.4 billion related to the project losses by settlement of lawsuit with a client.



10

This is a five year financial data history for reference.

## *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.

© Chiyoda Corporation 2023, All Rights Reserved.

11