

# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending March 31, 2024 (FY2023 3Q)

February 5, 2024

Chiyoda Corporation

(Stock code: 6366)

## AGENDA:

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*Enriching Society through Engineering Value*

## Our SDGs Materiality



# 1. Highlights

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## 1 Increased business profitability

Increased income and profit compared to the same period last year due to the progress of ongoing projects. Steadily accumulated business revenue, similar to FY 2022 when we achieved the highest annual profit for 10 years

## 2 Upward revision of earnings guidance

Earnings guidance at the beginning of this fiscal year was revised upward based on a weak yen and transient profits in this quarter due to improvement in profitability by sharing risks on completed projects

## 3 Accelerating transformation of business portfolio

Established a strategic partnership to create social value through development of a water electrolysis system for hydrogen production, aimed towards hydrogen value chains

## 2. Income Statement

Billions of JPY

	FY2022 3Q	FY2023 3Q	Difference	FY2023 Revised Full Year Forecast <sup>*2</sup>	Progress	(Reference) Previous Full Year Forecast
Revenue	308.5	397.5	89.0	500.0	79%	450.0
Gross Profit	23.5	28.6	5.1	36.0	79%	35.0
Gross Profit Margin	7.6%	7.2%	(0.4pt)	7.2%	-	7.8%
SG&A Expenses	(9.9)	(10.8)	(0.9)	(15.0)	72%	(15.0)
Operating Income	13.6	17.8	4.2	21.0	85%	20.0
Ordinary Income	15.6	23.6	8.0	28.0	84%	20.0
Profit <sup>*1</sup>	12.5	15.7	3.2	18.0	87%	15.0
Exchange Rate JPY/ USD	133	142		145		140

\*1 Profit attributable to owners of parent

\*2 Revised upward on February 5, 2024

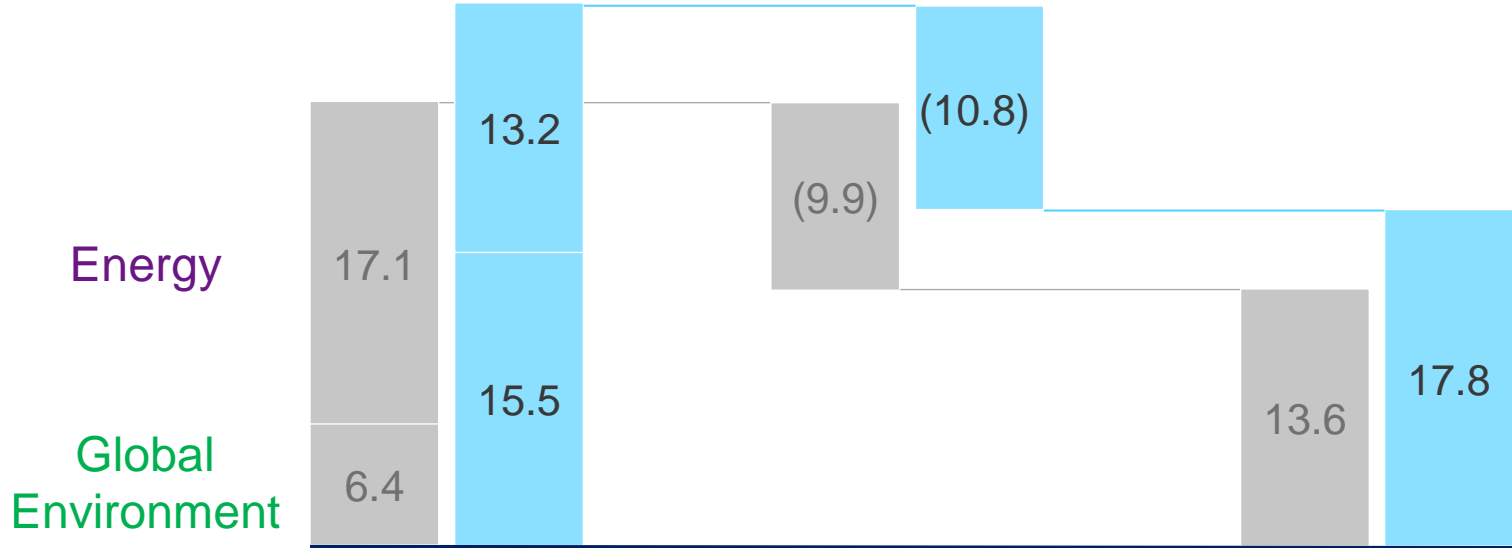
# 3. Profit Analysis

FY2022 3Q

Billions of JPY

FY2023 3Q

	Gross Profit		SG&A Expenses		Operating Income	
	23.5	28.6 (+5.1)	(9.9)	(10.8) ((0.9))	13.6	17.8 (+4.2)



( ) : Compared to FY2022 3Q results

# 4. Balance Sheet

Billions of JPY

	FY2022 4Q	FY2023 3Q	Difference		FY2022 4Q	FY2023 3Q	Difference
Current Assets	383.0	359.2	(23.8)	Current Liabilities	356.3	342.2	(14.1)
Cash and Deposits	61.2	100.6	39.4	Operating Liabilities* <sup>3</sup>	292.7	269.8	(22.9)
Operating Assets* <sup>1</sup>	58.6	50.5	(8.1)	Provision for Loss on Construction Contracts	27.9	23.8	(4.1)
Jointly Controlled Assets of JV * <sup>2</sup>	161.6	120.4	(41.2)	Non-Current Liabilities	28.0	8.0	(20.1)
Non-Current Assets	23.6	23.3	(0.4)	Net Assets	22.3	32.3	9.9
Total Assets	406.6	382.4	(24.2)	Total Liabilities and Net Assets	406.6	382.4	(24.2)
				Shareholders' Equity	22.2	31.3	9.1
				Shareholders' Equity Ratio	5.5%	8.2%	+2.7pt

\*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

# 5. New Orders / Backlog

Billions of JPY

	FY2023 3Q New Orders	FY2023 3Q Backlog
Energy	53.5	721.2
Global Environment	120.2	268.4
Total	173.7	989.7

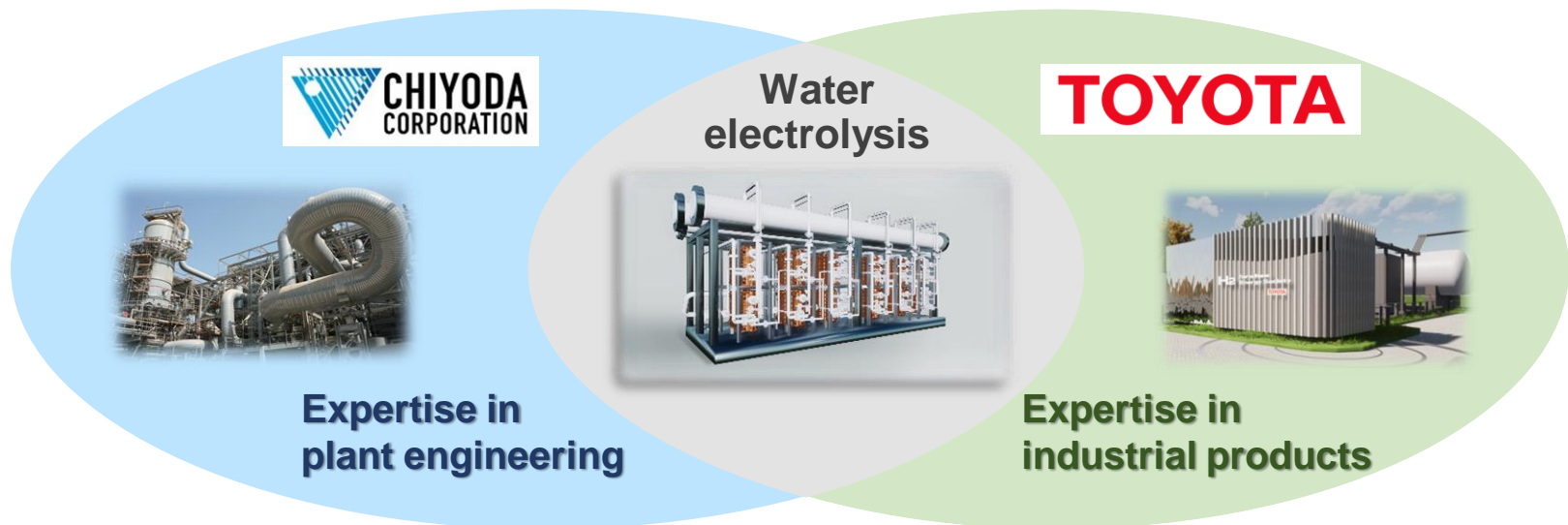
## 【Major Backlog Projects】

	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> </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>Advanced Material Plant, Japan</li> </ul>

# 6. Major Topics - 1

## Commenced Development of an Electrolysis System with TOYOTA MOTOR CORPORATION

- ✓ Signed a Memorandum of Understanding with TOYOTA to develop a large-scale water electrolysis system\*<sup>1</sup> and build a strategic partnership in response to expanding domestic and international hydrogen production markets.\*<sup>2</sup>
- ✓ Contributing to achieving government goals for introducing water electrolysis equipment to realize carbon neutrality by integrating TOYOTA's particular fuel cell technology with CHIYODA's plant engineering/construction proficiency.



\*1 System for producing hydrogen by electrolyzing water

\*2 Both companies will exhibit at the [H2&FC EXPO](#) (February 28 to March 1, 2024 at Tokyo Big Sight (Koto-ku, Tokyo): Organized by RX Japan Ltd.)



# 7. Major Topics - 2

Business portfolio transformation includes steady progression of new business initiatives, such as those in the decarbonization and life science fields.

## ◆ Quantitative/Comparative Analysis for CO<sub>2</sub> Liquefaction, Temporary Storage and Transportation [Decarbonization field]

- ✓ Conducting joint studies with NYK Line, KNCC\*<sup>1</sup> to quantitatively/economically/technically evaluate and verify the feasibility of the CCUS\*<sup>2</sup> value chain.
- ✓ Contributing to the social implementation of CCUS by integrating engineering expertise and shipping expertise.



## ◆ Feasibility Study for Floating Offshore Wind Turbine Project for domestic developer [Decarbonization field]

- ✓ Jointly awarded with Technip Energies, France
- ✓ Aiming at the early social implementation of floating offshore wind power generation, a promising renewable energy source in Japan.



## ◆ EPC Contract with AGC Corporation for a New Biopharmaceutical Active Pharmaceutical Ingredient Manufacturing Plant [Life Science field]

- ✓ An EPC project for production facilities for a CDMO\*<sup>3</sup>, supporting the domestic biopharmaceutical development/production capabilities, which currently rely heavily on overseas CDMOs.
- ✓ Dual-use facilities that produce vaccines during a pandemic outbreak, contributing to the public's health and safety.

[Completion image]



# AGC's project selected as part of subsidy program\*<sup>4</sup> by the Japanese Ministry of Economy, Trade and Industry (METI)

\*1 Knutsen NYK Carbon Carriers AS, a subsidiary of NYK Line. \*2 Carbon dioxide Capture, Utilization and Storage

\*3 Contract Development & Manufacturing Organization

\*4 Development of biopharmaceutical manufacturing sites to strengthen vaccine production

# [Att-1] Revenue and Backlog Breakdown

Billions of JPY

## FY2023 3Q Revenue

### 【Business】

ENERGY	220.5	55%
■ LNG Plant, Gas Related Work	198.3	50%
■ Refinery, Petrochemical	22.2	6%
ENVIRONMENT	176.9	45%
■ Pharmaceutical, Biochemistry, Chemical	22.1	6%
■ Environment, New Energy, Infrastructure, Others	154.8	39%
TOTAL	397.5	100%

### 【Region】

OVERSEAS	341.0	86%
■ Middle East & Africa	141.1	36%
■ Americas	36.0	9%
■ Asia & Oceania	163.8	41%
■ Others	0.1	0%
DOMESTIC	56.4	14%
TOTAL	397.5	100%

## FY2023 3Q Backlog

### 【Business】

ENERGY	721.2	73%
■ LNG Plant, Gas Related Work	695.1	70%
■ Refinery, Petrochemical	26.1	3%
ENVIRONMENT	268.4	27%
■ Pharmaceutical, Biochemistry, Chemical	96.0	10%
■ Environment, New Energy, Infrastructure, Others	172.4	17%
TOTAL	989.7	100%

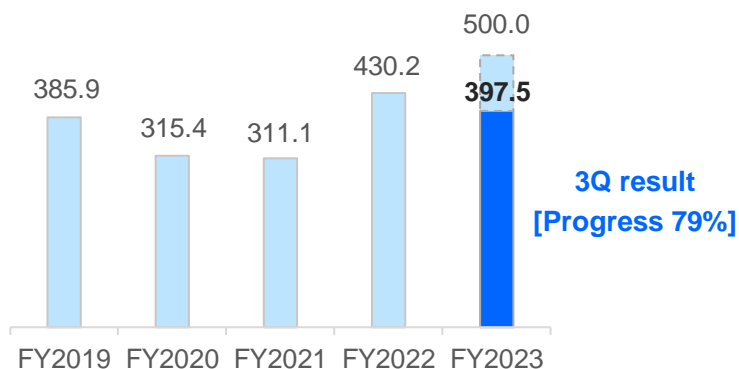
### 【Region】

OVERSEAS	835.9	84%
■ Middle East & Africa	595.2	60%
■ Americas	74.1	7%
■ Asia & Oceania	164.9	17%
■ Others	1.7	0%
DOMESTIC	153.8	16%
TOTAL	989.7	100%

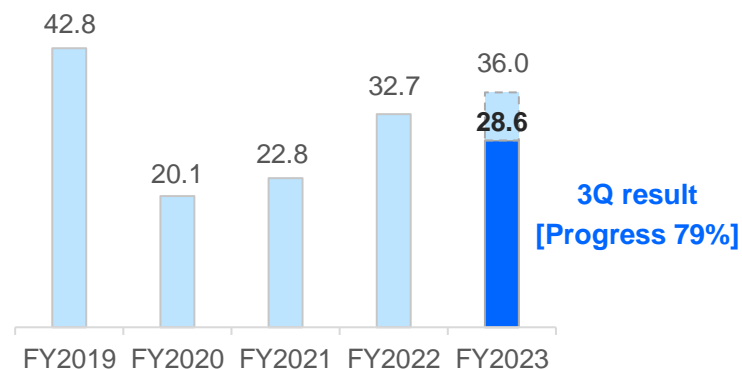
# [Att-1] Results History

Billions of JPY

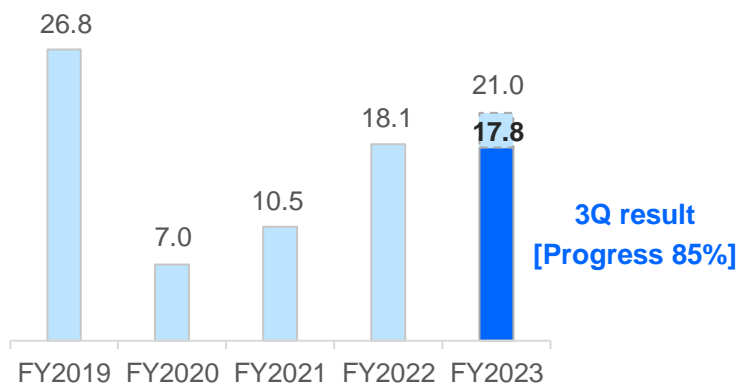
## Revenue



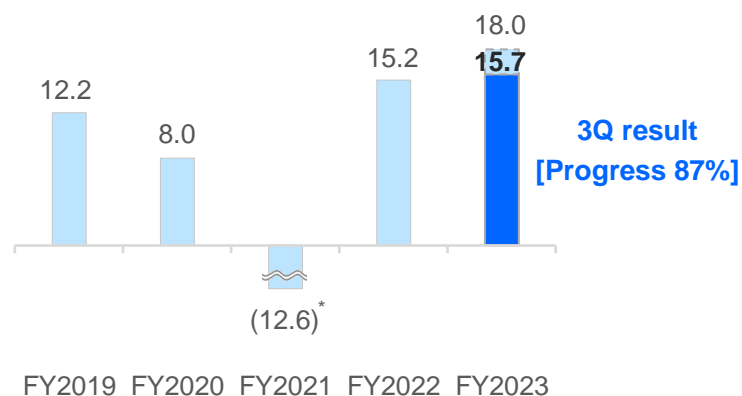
## Gross Profit



## Operating Profit



## Profit



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

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

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