

Note: The table shows dividends status of common stock. For dividends status of class A shares (unlisted), please refer to 'Dividend Status of Class A Shares' as referred to hereinafter.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024
(from April 1, 2023 to March 31, 2024)

(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, 2024	500,000	16.2	21,000	15.9	28,000	37.8	18,000	18.5	61.38

Note: Revision to the latest forecast announcement 2023: Yes (Please refer to 'Notice of Revisions to the Consolidated Financial Forecasts' released on February 5, 2024.)

Notes

- (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. : None
 - 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, 2023	260,324,529 shares	Year ended March 31, 2023	260,324,529 shares
b. Number of treasury stock at the end of the period	As of December 31, 2023	1,251,898 shares	Year ended March 31, 2023	1,353,124 shares
c. Average number of shares during the period	For nine months ended December 31, 2023	259,038,342 shares	For nine months ended December 31, 2022	258,968,774 shares

This earnings release is not subject to audit procedures by certified public accountant nor audit corporation.

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. Please refer to '(3) Consolidated Financial Forecasts of the Fiscal Year in 1. Qualitative Information Related to Consolidated Performance' for earnings forecasts conditions and notes on the use of earnings forecasts.

Dividend Status of Class A Shares

Class A Share 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, 2023	—	—	—	0.00	0.00
Fiscal year ending March 31, 2024	—	—	—		
Fiscal year ending March 31, 2024 (Forecast)				—	—

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2024 at this time.

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1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

The risk of volatility in the global economy remains in the third quarter of the fiscal year due to the prolonged geopolitical crisis in the Ukraine, destabilization in the Middle East and monetary tightening to control inflation.

Under these conditions and considering the business environment in which we operate, balancing the accelerating global transition towards carbon neutrality and decarbonization in response to climate change, while ensuring a stable supply of energy has become a new challenge.

Based on the Chiyoda group's five (5) year medium-term management plan 'Revitalization for the Future', our risk management structure and engineering, procurement and construction (EPC) project management has strengthened to expand our stable profit-making base.

We continue to transform our business portfolio by advancing our existing businesses, based mainly on liquefied natural gas (LNG) due to its increasing importance as a resource for a stable supply of energy during the global energy transition, and strengthening new businesses in growth fields such as renewable energy, hydrogen, carbon cycling, energy management and life sciences.

This is the final year of the plan and by advancing our existing businesses while strengthening new ones, we aim to achieve sustainable growth and further enhance enterprise value by rejuvenating our business portfolio, transforming our income base and creating 'new engineering value'.

On consolidated basis, for the 3rd quarter of the fiscal year ending March 31, 2024, New Orders amounted to JPY 173,739 million (up 44.1% YoY), Revenues amounted to JPY 397,463 million (up 28.8% YoY) and the Order Backlog amounted to JPY 989,671 million (down 13.9% from last FY). Operating Income is JPY 17,818 million (up 30.8% YoY) and Ordinary Income is JPY 23,640 million (up 51.2% YoY). A recording of Income Taxes resulted in a Profit Attributable to the Owners of the Parent of JPY 15,692 million (up 25.2% YoY).

Further information regarding reportable engineering business segments is presented below.

- Energy

LNG / Gas

【Overseas】

The Group is executing the EPC of LNG plants in Qatar, the USA and Indonesia. In Qatar, the EPC phase for the North Field East (NFE) project, an expansion of four LNG trains with capacities of 8 (eight) million metric tons per annum each is ongoing, and construction is progressing. In the USA, the Golden Pass LNG project is also in the EPC phase and construction is progressing. The Tangghu LNG Expansion project in Indonesia was handed over to the customer in August 2023 and gas production has commenced.

In the gas field, the Group has been engaged in engineering design for renovation work of LNG/gas processing plants in Qatar.

【Japan】

We are in the EPC phase of projects to reinforce, modify and repair existing LNG terminals, previously constructed by the Group.

Refinery/Petrochemical

In Japan, we are working on upgrading oil refinery facilities and examining measures for energy saving and carbon neutrality for oil companies. The Group deploys operation and maintenance (O&M) business for operation optimization, efficient facility maintenance and O&M digital transformation (DX) promotion by combining our expertise of advance analysis technologies such as 3D fluid analysis, dynamic simulation, structure analysis and earthquake resistance technology, and the latest digital technology for oil refineries

and petrochemical compounds. In the petrochemical field, we completed the EPC phase of a new functional materials project.

The Chiyoda Group, Microwave Chemical Co., Ltd. and Mitsui Chemicals, Inc. are engaged in the joint development of innovative naphtha cracking technology using microwave heating, contributing to decreasing CO₂ emissions from pyrolysis of naphtha. This project has been adopted by the New Energy and Industrial Technology Development Organization (NEDO) under the Program for Promotion of Research & Development and Social Implementation of Energy-saving Technologies towards Realization of a Decarbonized Society: Priority Issues Promotion Scheme. Establishing this technology will contribute to a significant reduction in CO₂ emissions from the thermal decomposition of naphtha, which is a major challenge in the chemical industry.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

We have been awarded an EPC contract by AGC Corporation for a new biopharmaceutical API manufacturing plant. Other EPC projects are ongoing for pharmaceutical substance manufacturing plants, including a biopharmaceutical substance manufacturing plant for a pharmaceutical company.

The Group has invested in Pharmira Co. Ltd, a contract development and manufacturing organization of active pharmaceutical ingredients and intermediates led by Shionogi Pharma Co. Ltd, and contributed to introducing and implementing continuous production technology, developed in the petroleum industry, into the pharmaceutical field. After being selected by NEDO following an open call for proposals, we are collaborating with industry and academia on a 'Technology Development for Large-scale Production of Highly Modified Recombinant Proteins in Plants' research and development project.

In the general chemistry field, we have been engaged for an EPC project for producing polyvinylidene fluoride (PVDF) awarded by Kureha Corporation.

Environment/New Energy/Infrastructure/Advanced Materials

【Environment】

We are installing flue gas desulfurization (FGD) equipment in coal-fired power plants in India in response to tightening environmental regulations, and the Group's thoroughbred 121 (CT-121) FGD process has been installed in a number of plants.

【New Energy】

We are reinforcing the utilization of stored energy for efficient use of renewable energy while working on a territorially distributed energy procurement system. Miscellaneous activities for fixed offshore power plants in Japan and feasibility studies for construction of a floating power plant in a specific maritime area in cooperation with Technip Energies N.V. are also ongoing.

【Infrastructure】

The Group is in the construction phase of the EPC project for a copper smelting plant in Indonesia, the world's largest single manufacturing line plant.

【Advanced Materials】

In Japan, the Group is executing an inorganic battery material demonstration plant project to increase safety, extend cruising distances and shorten recharge durations of next-generation batteries for electric vehicles (EVs).

(Note)

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

<<Decarbonization Business >>

The Group's hydrogen business (hydrogen/ammonia), Carbon Capture and Storage (CCS)/ Carbon Capture and Utilization (CCU) business and energy management business are presented below.

Hydrogen/Ammonia

In the hydrogen field, the Group is participating in projects in Singapore, Europe and Japan to construct hydrogen supply chains using our unique SPERA Hydrogen™ technology.

In Singapore, conceptual design is ongoing with Sembcorp Industries, a leading integrated utilities firm and government-affiliated conglomerate and Mitsubishi Corporation to realize a commercial scale clean hydrogen supply chain in the city-state. The three parties have set a goal to commence commercial hydrogen supply in the latter half of 2026.

In Europe, the Group participated in a hydrogen marine transportation project (LHyTS project) to export hydrogen from Scotland to Rotterdam and completed feasibility studies in November 2023.

In Japan, Chiyoda is a managing board member of the Japan Hydrogen Association and is engaged in creating social implementation projects while providing government policy support. In April 2023, the Group concluded a Memorandum of Understanding (MOU) with Chubu Electric Power Company and Hazer Group Limited, an Australian technology development company, to produce hydrogen using the HAZER®Process. Detailed discussions regarding plans to develop carbon-free hydrogen and carbon-graphite production facilities in the Chubu region have continued.

In the ammonia field, the Group is leading a NEDO Green Innovation Fund initiative in a collaboration project with industry, government and academia to develop independent ammonia synthesis technologies to reduce ammonia production costs. Together with JERA Co., Inc. and NIPPON SHOKUBAI CO., LTD., the Group develops an ammonia cracking technology that is more competitive than existing technologies under NEDO's technologies development program. The Group is also conducting studies on ammonia receiving and hydrogen fuel supply facilities in Japan.

CCS/CCU

The Group signed an MOU with Pace CCS Limited, a global leader in the field of CO₂ capturing technology and CCS system design, to collaborate in the field of CCS. We will deliver CCS projects from initial feasibility studies and conceptual design through FEED (Front End Engineering Design) and EPC.

Carbon dioxide separation and recovery technology development for large-scale natural gas fired power plant turbines using domestic solid sorbent material is ongoing, under a NEDO Green Innovation Fund Program.

In Southeast Asia, the Group entered into a joint study agreement with PT Pertamina (Persero), a state-owned oil company in Indonesia in March 2023, to develop carbon recycling technology. We signed an MOU with the Electricity Generation Authority of Thailand in March 2023 to jointly study the development of a clean hydrogen and ammonia value chain in Thailand. The Group is executing research that contributes to the transition to carbon neutrality in both countries.

In Japan, the Group is executing: 1) a study on CO₂ liquefaction, storage and shipping facilities as part of a CCS value chain for Mitsubishi Corporation; 2) a conceptual design study of CO₂ compression facilities for CCS in East-Niigata by Japan Petroleum Exploration Co., Ltd. (JAPEX); 3) a study for a CCUS (Carbon Capture, Utilization and Storage) hubs and clusters concept in East-Niigata by MITSUBISHI GAS CHEMICAL COMPANY, INC. (MGC); 4) a feasibility study for a CO₂ capture / liquefaction plant and utility facility for the Electric Power Development Co., Ltd. (J-POWER).

In the CCU field, the Group is realizing carbon recycling as part of a collaboration project with industry, government and academia, researching and developing CO₂ capture and utilization technology using CO₂ as a raw material to produce para-xylene. We are collaborating with an American company, Blue Planet Systems Corporation, and Mitsubishi Corporation to develop technology using the CO₂ in exhaust gas in the manufacture of aggregates as a raw material for concrete.

In the e-fuel field, the Group signed an MOU with a German company, INERATEC GmbH (INERATEC) in September 2022, to strategically collaborate on e-fuel projects to accelerate decarbonization using their innovative Power-to-X technology. We are also executing a 400Nm³-CO₂/h methanation test plant project

for INPEX CORPORATION and a 1 Barrel per Day (1B/D) synthetic fuel production test plant project for ENEOS Corporation (ENEOS).

Energy Management

The Group is executing twenty (20) year maintenance work for the world's largest Battery Energy Storage System (BESS) for North Hokkaido Wind Energy Transmission Corporation, completed in March 2023 by the Group. New BESS projects for ENEOS are also progressing.

The Group is reinforcing its domestic virtual power plant (VPP) business in collaboration with a start-up company.

<<Digital Transformation (DX) Business>>

The Group is accelerating company-wide digital transformation (DX) and, by pursuing the following three initiatives, cultivating digital expertise as a DX foundation in the development of a digital culture:

(a) **Project Execution DX**

The Group is implementing Advanced Work Packaging (AWP) on ongoing large-scale projects to enhance our EPC execution management capabilities. As part of PlantStream Inc, a joint venture with Arent Inc, we are developing and introducing an innovative space design system for plant owners and EPC contractors around the world, enhancing the Group's engineering capabilities.

(b) **Corporate Management DX**

The Group is leveraging digital technologies to develop the remote working environment, improving resource planning and management and deploying robotic process automation to improve administrative efficiency.

(c) **DX Business**

The Group reorganized its plant operation and maintenance solution and digital transformation business organizational functions. We are deploying solution businesses to support the transformation of client operation and maintenance activities. As new operation and maintenance (O&M) total solution services, we have commenced providing plantOS™, an operation and maintenance service based on field-centered physical maintenance support for industrial plants which Chiyoda X-ONE Engineering Corporation and other Group companies offer, and Chiyoda's latest digital technologies including advanced diagnosis and analysis, IoT, AI and others. The Group has joined the 'Digital Twin Consortium®' (DTC) to promote 3D digital twin business, one of our solution services. By joining the DTC, the Group aims to deploy and spread digital twins throughout various industrial fields and actively cooperate in international initiatives and endeavors, such as proof of concept and use.

The Group has been awarded a Technical Service Agreement by PT. Donggi-Senoro LNG (DSLNG) as part of plantOS™. The Agreement covers engineering, technology and process safety support for the LNG plant owned by DSLNG. We will provide optimal solutions for the safe and stable operation of DSLNG by utilizing Chiyoda's consulting and engineering capabilities.

<<Others>>

Chiyoda X-ONE Engineering Corporation was established on 1 April 2023 and commenced business operations this fiscal year.

(2) Financial Information on Business Performance

(Assets)

Total Assets decreased by JPY 24,159 million from the end of the last fiscal year, with a decrease of Jointly Controlled Assets of Joint Venture of JPY 41,213 million, Notes Receivable, Accounts Receivable from Completed Construction Contracts and Contract Assets by JPY 5,709 million. Cash and Deposits increased by JPY 39,383 million.

(Liabilities)

Total Liabilities decreased by JPY 34,107 million from the end of the last fiscal year, with a decrease of Contract Liabilities of JPY 20,439 million, Provision for Loss on Construction Contracts of JPY 4,081 million, Notes Payable, Accounts Payable for Construction Contracts of JPY 2,459 million.

(Net Assets)

Total Net Assets is JPY 32,258 million, with an increase in Retained Earnings by increasing a Profit Attribute to Owners of Parent. Accumulated Other Comprehensive Income decreased with a decrease of Foreign Currency Translation Adjustment.

(3) Consolidated Financial Forecasts of the Fiscal Year

The full year consolidated financial forecasts for the fiscal year ending March 31, 2024, released on May 9, 2023, were revised. Please refer to 'Notice of Revisions to the Consolidated Financial Forecasts' released on February 5, 2024. The exchange rate used in the forecasts is JPY145/USD.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	61,241	100,624
Notes receivable, accounts receivable from completed construction contracts, and contract assets	35,034	29,324
Costs on construction contracts in progress	23,570	21,159
Jointly controlled assets of joint venture	161,643	120,430
Short-term loans receivable	47,578	43,400
Other	55,530	46,296
Allowance for doubtful accounts	(1,639)	(2,073)
Total current assets	382,958	359,162
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,575	4,373
Land	5,041	4,600
Other, net	1,126	1,720
Total property, plant and equipment	10,743	10,694
Intangible assets	4,748	4,725
Investments and other assets		
Investment securities	6,442	6,211
Retirement benefit asset	167	155
Deferred tax assets	139	90
Other	1,405	1,407
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	8,137	7,847
Total non-current assets	23,629	23,266
Total assets	406,588	382,428

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	129,370	126,911
Current portion of long-term borrowings	5,490	20,000
Income taxes payable	2,046	549
Contract liabilities	163,347	142,908
Provision for warranties for completed construction	1,388	2,064
Provision for loss on construction contracts	27,894	23,812
Provision for bonuses	5,120	3,408
Other	21,597	22,549
Total current liabilities	356,256	342,203
Non-current liabilities		
Long-term borrowings	23,600	3,600
Deferred tax liabilities	323	599
Provisions	236	—
Retirement benefit liability	804	903
Other	3,056	2,863
Total non-current liabilities	28,021	7,967
Total liabilities	384,278	350,170
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	13,797	29,489
Treasury shares	(847)	(805)
Total shareholders' equity	28,107	43,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69	3
Deferred gains or losses on hedges	1,707	2,158
Foreign currency translation adjustment	(7,587)	(14,549)
Remeasurements of defined benefit plans	(115)	(174)
Total accumulated other comprehensive income	(5,926)	(12,562)
Non-controlling interests	129	978
Total net assets	22,310	32,258
Total liabilities and net assets	406,588	382,428

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales of completed construction contracts	308,481	397,463
Cost of sales of completed construction contracts	284,970	368,843
Gross profit on completed construction contracts	23,511	28,619
Selling, general and administrative expenses	9,893	10,801
Operating profit	13,618	17,818
Non-operating income		
Interest income	1,404	6,595
Dividend income	1,216	925
Foreign exchange gains	377	—
Other	143	181
Total non-operating income	3,141	7,703
Non-operating expenses		
Interest expenses	654	524
Share of loss of entities accounted for using equity method	309	167
Foreign exchange losses	—	1,107
Other	158	80
Total non-operating expenses	1,123	1,880
Ordinary profit	15,636	23,640
Extraordinary income		
Gain on liquidation of subsidiaries and associates	1	45
Gain on sale of investment securities	77	—
Total extraordinary income	79	45
Extraordinary losses		
Loss on valuation of investment securities	18	69
Loss on liquidation of subsidiaries and associates	0	6
Loss on liquidation of investment securities	—	2
Loss on sale of investment securities	5	—
Total extraordinary losses	23	77
Profit before income taxes	15,692	23,608
Income taxes - current	2,777	6,880
Income taxes - deferred	374	137
Total income taxes	3,152	7,017
Profit	12,539	16,590
Profit attributable to non-controlling interests	7	898
Profit attributable to owners of parent	12,532	15,692

(Consolidated Statement of Comprehensive
Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	12,539	16,590
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(65)
Deferred gains or losses on hedges	(48)	451
Foreign currency translation adjustment	(12,911)	(6,971)
Remeasurements of defined benefit plans, net of tax	(277)	(59)
Share of other comprehensive income of entities accounted for using equity method	130	18
Total other comprehensive income	(13,113)	(6,626)
Comprehensive income	(574)	9,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(590)	9,056
Comprehensive income attributable to non-controlling interests	16	907

(3) Notes

(Notes concerning Going Concern Assumption)

None

(Significant Changes in Shareholders' Equity)

None

(Merger of Consolidated Subsidiary Companies)

At the Board of Directors meeting on December 27, 2022, it was decided that Chiyoda's three consolidated subsidiary companies, Chiyoda Kosho Co. Ltd, Chiyoda System Technologies Corporation and Chiyoda TechnoAce Co. Ltd, would merge in an absorption-type merger. On April 1, 2023, three companies were merged.

1. Summary of Absorption-Type Merger

(1) Name of the merged companies and their business

Surviving company	Chiyoda Kosho Co. Ltd.
Business	Energy, environment and maintenance

Merged company	Chiyoda System Technologies Corporation
Business	Electrical and instrumentation solutions

Merged company	Chiyoda TechnoAce Co. Ltd.
Business	Life science

(2) Date of merger
April 1, 2023

(3) Legal form
Absorption-type merger

(4) Name of the Surviving Company
CHIYODA X-ONE Engineering Corporation (Former Chiyoda Kosho Co. Ltd.)

(5) Other information regarding the summary of merger
The merger took place to increase business efficiency by merging the three companies' business resources and commence business as a leading integrated engineering contractor, possessing the comprehensive technologies required for the engineering, procurement and construction of industrial plants and facilities and develop its maintenance engineering business, optimizing the technological capabilities, experience and track record accumulated by the three companies.

2. Outline of accounting treatment

The accounting is treated as a transaction under common control in accordance with applicable Japanese laws.

3. Production, Contracts and Sales

(Millions of yen)

Segments		Apr. 1, 2022—Dec. 31, 2022			Apr. 1, 2023—Dec. 31, 2023		
		New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio	New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio
1. Engineering		120,041 99.6%	307,991 99.8%	1,279,474 100.0%	173,335 99.8%	397,059 99.9%	989,671 100.0%
Energy	(1) LNG Plant	52,885 43.9%	181,471 58.8%	879,452 68.7%	29,393 16.9%	196,148 49.3%	690,656 69.8%
	(2) Gas Related Work	4,604 3.8%	2,414 0.8%	5,197 0.4%	1,526 0.9%	2,192 0.6%	4,464 0.5%
	(3) Refinery/ Petrochemical	28,062 23.3%	23,298 7.5%	31,515 2.5%	22,597 13.0%	22,203 5.6%	26,102 2.6%
Global Environment	(4) Pharmaceutical/ Biochemistry/ Chemical	14,967 12.4%	23,014 7.5%	42,052 3.3%	78,263 45.1%	22,146 5.6%	96,031 9.7%
	(5) Environment/New Energy/Infrastructure	15,828 13.1%	74,957 24.3%	317,623 24.8%	37,731 21.7%	151,194 38.0%	168,213 17.0%
	(6) Others	3,692 3.1%	2,834 0.9%	3,632 0.3%	3,822 2.2%	3,174 0.8%	4,202 0.4%
2. Other Business		490 0.4%	490 0.2%	— —	403 0.2%	403 0.1%	— —
Total		120,531 100.0%	308,481 100.0%	1,279,474 100.0%	173,739 100.0%	397,463 100.0%	989,671 100.0%
Domestic		59,140 49.1%	58,155 18.9%	99,504 7.8%	122,818 70.7%	56,434 14.2%	153,819 15.5%
Overseas		61,390 50.9%	250,325 81.1%	1,179,969 92.2%	50,920 29.3%	341,028 85.8%	835,852 84.5%

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