

Abridged Translation:

The report is not audited and this translation is an abridged version prepared based on the statutory format in Japan for reference purpose only. If there is any discrepancy between this translation and the original Japanese version, the Japanese shall prevail.

**Consolidated Financial Results
for the Three Months Ended June 30, 2024**

August 9, 2024

Company name : CHIYODA CORPORATION Listing : Tokyo Stock Exchange
 Stock code : 6366 URL : <http://www.chiyodacorp.com/en/>
 Representative : Koji Ota, Representative Director, President & CEO
 Inquiries : Masataka Kinoshita, General Manager, Accounting Department TEL : +81-45-225-7777
 Dividend payable date : -
 Supplementary Explanation Material : Yes
 Financial Results Presentation : Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for three months ended June 30, 2024(April 1, 2024 to June 30, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For three months ended June 30, 2024	117,019	(9.6)	6,413	25.8	5,484	(15.2)	4,016	(17.8)
For three months ended June 30, 2023	129,392	70.8	5,099	35.3	6,464	83.3	4,884	123.0

Note: Comprehensive Income three months ended June 30, 2024: 3,974 million yen / ((57.8)%
 three months ended June 30, 2023: 9,415 million yen / (134.5%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
For three months ended June 30, 2024	13.48	3.93
For three months ended June 30, 2023	16.84	4.88

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	414,944	10,058	2.1
As of March 31, 2024	426,967	6,077	1.1

Reference: Equity as of June 30, 2024 : 8,648 million yen
 as of March 31, 2024 : 4,858 million yen

2. Cash dividends

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, 2024	—	—	—	0.00	0.00
Fiscal year ending March 31, 2025	—	—	—	—	—
Fiscal year ending March 31, 2025 (Forecast)	—	—	—	—	—

Note: Revision to the latest forecast announcement 2024: None

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2025 at this time.

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 forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	450,000	(11.1)	17,000	-	20,000	-	15,000	-	49.79

Note: Revision to the latest forecast announcement 2024: Yes

Note: The current consolidated forecast does not include the impact of Zachry's withdrawal from the Golden Pass LNG project or any new execution plans to be agreed with the client. We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as is reasonably practicable following Zachry's withdrawal.

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 June 30, 2024	260,324,529 shares	Year ended March 31, 2024	260,324,529 shares
b. Number of treasury stock at the end of the period	As of June 30, 2024	1,237,364 Shares	Year ended March 31, 2024	1,251,898 Shares
c. Average number of shares during the period	For three months ended June 30, 2024	259,077,476 shares	For three months ended June 30, 2023	258,979,702 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	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Record date	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	0.00	0.00
Fiscal year ending March 31, 2025	—	—	—	—	—
Fiscal year ending March 31, 2025 (Forecast)	—	—	—	—	—

Note: No forecast has been made about the year-end dividends for the fiscal year ending March 31, 2025 at this time.

Table of Contents for the appendices

1. Qualitative Information Related to Consolidated Performance	2
(1) Qualitative Information on Business Performance.....	2
(2) Financial Information on Business Performance	6
(3) Consolidated Financial Forecasts of the Fiscal Year.....	6
(4) Important Events concerning Going Concern Assumption	6
2. Consolidated Quarterly Financial Statements and Notes	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statement of Income and Comprehensive Income	9
(3) Notes to Quarterly Consolidated Financial Statements	11
(Basis of Quarterly Consolidated Financial Statements)	11
(Notes to Segment Information)	11
(Notes to Significant Changes in Shareholders' Equity)	11
(Notes to Going Concern Assumption).....	11
(Notes to Quarterly Consolidated Statement of Cash Flow)	11
(Additional Information).....	11
(Subsequent Events after Reporting Period).....	12
(Borrowing a Large Amount of Funds)	12
3. Production, Contracts and Sales	13

1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

While the global economy continues to show signs of recovery, the risk of volatility due to geopolitical destabilization remained in the first quarter of the fiscal year.

Under the circumstances and considering the business environment in which Chiyoda operates, the need for decarbonization and the realization of a sustainable environment and a prosperous future for our planet and its inhabitants in response to climate change continues, in tandem with the increasing demand for LNG as a stable supply of energy.

Zachry Industrial, Inc. (Zachry), our Joint Venture (JV) partner on the Golden Pass LNG project (Project)*, filed for Chapter 11 relief under the United States Bankruptcy Code on May 21, 2024. Court proceedings for Zachry's withdrawal from the Project continue and a final decision has yet to be made. Discussions with the Golden Pass LNG Terminal LLC (client), and the other JV partner, CB&I LLC (CB&I), regarding short-term and long-term project execution plans to complete the Project are also ongoing, in preparation for the court's decision regarding Zachry's withdrawal.

On consolidated basis, for the first quarter of the fiscal year ending March 31, 2025, New Orders amounted to JPY 24,172 million (down 29.8% YoY), Revenues amounted to JPY 117,019 million (down 9.6% YoY) and the Order Backlog amounted to JPY 950,568 million (down 4.4% from last FY). Operating Profit is JPY 6,413 million (up 25.8% YoY) and Ordinary Profit is JPY 5,484 million (down 15.2% YoY). A recording of Income Taxes resulted in a Profit Attributable to the Owners of the Parent of JPY 4,016 million (down 17.8% YoY).

*Golden Pass LNG project is the project Zachry, CB&I and CIC** jointly have executed EPC work for the LNG Plant (Total 15.6 MMTPA, 5.2 MMTPA x 3 Trains) with associated facilities from 2019. Construction is currently ongoing.

**CIC: Chiyoda International Corporation, a US-based wholly owned subsidiary of Chiyoda Corporation

Further information regarding reportable engineering business segments is presented below.

- Energy

LNG / Gas

【Overseas】

The Group continues executing EPC projects for LNG plants in the USA, Indonesia and Qatar, where the North Field East (NFE) project, an expansion of four LNG trains with capacities of 8 mtpa each, is ongoing. Regarding the Golden Pass LNG project, we have confirmed our commitment to work collaboratively with the client and CB&I to complete construction and are actively engaged in constructive dialogue discussions to achieve this aim.

In the gas sector, the Group continues the engineering design for renovation work of LNG/gas processing plants in Qatar.

【Japan】

We are currently engaged in the EPC phase of projects to reinforce, modify and repair 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.

The Chiyoda Group, Microwave Chemical Co., Ltd, and Mitsui Chemicals, Inc. are engaged in a joint

development project for innovative naphtha cracking technology using microwave heating, decreasing CO₂ emissions from pyrolysis of naphtha. The project has been adopted by the New Energy and Industrial Technology Development Organization (NEDO) under a Program for 'Promotion of Research & Development and Social Implementation of Energy-saving Technologies towards Realization of a Decarbonized Society: Priority Issues Promotion Scheme'. The technology will significantly reduce CO₂ emissions from the thermal decomposition of naphtha, a major challenge in the chemical industry.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

Chiyoda is executing the EPC phase for pharmaceutical product manufacturing plants, including a new biopharmaceutical API manufacturing plant for AGC Corporation.

Following selection by NEDO after 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 are engaged in an EPC project, awarded by Kureha Corporation, to increase the capacity of their monomer process for producing polyvinylidene fluoride (PVDF).

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. 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, including support for fixed offshore power plants in Japan and feasibility studies for floating power plants, are ongoing.

【Infrastructure】

The Group is in the final phase of construction for an EPC contract 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. We are also executing restoration work for plants damaged by the 2024 Noto Peninsula Earthquake.

(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 Japan and in foreign countries to construct hydrogen supply chains using our unique SPERA Hydrogen™ technology.

In Singapore, conceptual design is ongoing with Mitsubishi Corporation and Sembcorp Industries, a leading integrated utilities company and government-affiliated conglomerate, to realize a commercial scale clean hydrogen supply chain in the city-state. The three participants have established a goal to commence commercial hydrogen supply in the latter half of the 2020s.

Chiyoda is a managing board member of the Japan Hydrogen Association and is engaged in creating social implementation projects in Japan 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 are ongoing.

Chiyoda signed a basic cooperation agreement with Toyota Motor Corporation in February 2024 to jointly develop a large-scale electrolysis system and construct a strategic partnership. Both signatories will develop 20 MW-class equipment as the basic unit for the introduction of the system at Hydrogen Park in the Toyota Honsha Plant in FY2025.

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, and we will deliver CCS projects from initial feasibility studies and conceptual design through FEED 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 in March 2023 with PT Pertamina (Persero), a state-owned oil company in Indonesia, to develop carbon recycling technology. The Group is conducting research for efficient transition to carbon neutrality in this area.

In 2023, Chiyoda, Nippon Yusen Kabushiki Kaisha and its affiliate Knutsen NYK Carbon Carriers AS, conducted a joint study to quantitatively evaluate and verify the feasibility of a CCUS value chain, including liquefaction and temporary storage and marine transportation of carbon dioxide covering Low Pressure (LP), Middle Pressure (MP) and Elevated Pressure (EP) CCUS value chain methodologies. We will continue the joint study to propose EP methods to customers.

Chiyoda signed a comprehensive license agreement with Mitsubishi Heavy Industries, Ltd. for their CO₂ capture technologies, developed with The Kansai Electric Power Co., Inc., named the 'KM CDR Process™' and the 'Advanced KM CDR Process™', promoting strategic business cooperation.

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.

In the first quarter of the fiscal year, we completed construction of a 1 Barrel per Day (1B/D) synthetic fuel production test plant project for ENEOS CORPORATION (ENEOS). We are also executing a 400Nm³-CO₂/h methanation test plant project for INPEX CORPORATION.

Energy Management

The Group is executing a twenty (20) year maintenance contract 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 CORPORATION are also progressing.

We are currently in the construction phase of an EPC contract for a large-scale BESS project for Nijio Co., Ltd., a wholly owned subsidiary of Tokyo Gas Co., Ltd. BESS is required in Japan to address electrical power output fluctuations destabilizing the supply and demand balance and expand the use of renewable energy towards the realization of a decarbonized society. Chiyoda's 'Safety in Design' expertise and optimization experience in previously constructing BESS and our project management capabilities were key factors for the award of the contract.

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

<<Digital Transformation (DX) Business>>

Chiyoda is accelerating company-wide digital transformation (DX) in three areas: Corporate DX, Project DX and Human Resources DX, supporting our purpose of 'Enriching Society through Engineering Value' and enabling employees to work more efficiently through common information sharing digital platforms. As part of our business portfolio transformation, we combine digital and physical technologies to provide hybrid operation and maintenance (O&M) solutions through our O&M-X businesses.

(a) Project Execution DX

The Group utilizes Advanced Work Packaging (AWP) to align engineering and procurement deliverables with construction schedules to improve construction efficiency, increase productivity and reduce costs. We

have commenced Chiyoda AWP on overseas projects to enhance our EPC execution management capabilities and improve project outcomes. An innovative space design system that improves construction planning and preliminary and detailed engineering efficiency has been developed by PlantStream Inc, a joint venture with Arent Inc, and has been introduced to plant owners and EPC contractors worldwide.

(b) Corporate Management DX

Chiyoda is accelerating Corporate DX, linking core accounting activities to accelerate the dissemination of information to management while simplifying structures and reducing costs, aiming to be fully digital in planning and managing human resources for more efficient resource allocation. We initiated a resource management system to coordinate resource management with order management to facilitate the rapid examination of business plan scenarios, and commenced a talent management system, sharing employee career aspirations and progress with supervisors and Human Resource Officers. We use this digital infrastructure to support employees progress and gain experience, while clarifying their career plans, enabling us to foster key talent that is essential for our business.

Corporate-wide initiatives to improve work style include the introduction of Robotic Process Automation (RPA), AI services and community sites to share information and initiate constructive discussion.

(c) DX Business

The Group has reorganized its plant O&M solution and digital transformation business organizational functions, deploying solution businesses to support the transformation of client operation and maintenance activities. By combining Chiyoda X-ONE Engineering Corporation with our inherent digital technologies, such as advanced diagnosis and analysis, IoT and AI, we provide O&M total solution services through plantOS®, a field-centered physical maintenance support service for industrial plants.

We have signed a MOU's with Japan Business Systems, Inc. to collaborate in the development and provision of cloud services to optimize the O&M of industrial facilities, and NSXe Co.LTD. to develop a rotating equipment diagnosis business. We have joined The Digital Twin Consortium, an organization of leading international digital twin technology companies, universities, governments and research institutes, to utilize the plantOS® digital twin solution in plant O&M and have signed an MOU with Visionaize Inc to utilize their V-Suite® digital twin platform.

We have also established a capital and business alliance with SENSYN ROBOTICS, Inc. to engineer solutions based on their technologies and expertise in the infrastructure maintenance field, and collect data in real time using robots, drones, AR/VR technologies etc for integration into Chiyoda's 3D digital twin platform.

Chiyoda has entered into a business alliance with Kobata Gauge MFG. Co., Ltd., (Kobata Gauge) a specialist gauge manufacturer, to utilize their Salfa® IoT sensor as a partner product for Chiyoda's plantOS™.

Introducing Kobata Gauge's Salfa® into Chiyoda's plantOS™ will overcome the challenges of remotely monitoring analog gauges and use AI to realize smarter maintenance, linking with Chiyoda's digital twin to promptly visualize plant conditions.

The Group has been awarded a Technical Service Agreement by PT. Donggi-Senoro LNG (DSLNG) as part of plantOS®, covering engineering, technology and process safety support for their LNG plant, and we will use our consulting and engineering capabilities to provide optimal solutions for its safe and stable operation.

(2) Financial Information on Business Performance

(Assets)

Total Assets decreased by JPY 12,022 million from the end of the last fiscal year, with a decrease of Jointly Controlled Assets of Joint Venture of JPY 11,654 million, Notes Receivable, Accounts Receivable from Completed Construction Contracts and Contract Assets by JPY 10,230 million. Cash and Deposits increased by JPY 5,939 million.

(Liabilities)

Total Liabilities decreased by JPY 16,003 million from the end of the last fiscal year, with a decrease of Notes Payable, Accounts Payable for Construction Contracts of JPY 9,081 million, Contract Liabilities of JPY 6,319 million and Provision for Loss on Construction Contracts of JPY 1,342 million,.

(Net Assets)

Total Net Assets is JPY 10,058 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 current full-year forecast does not include the impact of Zachry's withdrawal from the Golden Pass LNG project or any new execution plans to be agreed with the client.

We will promptly disclose any revisions to the forecast, including profit and loss, in accordance with disclosure criteria as soon as is reasonably practicable following Zachry's withdrawal.

(4) Important Events concerning Going Concern Assumption

Zachry, a joint venture (JV) partner of Chiyoda International Corporation (CIC), a wholly owned subsidiary of Chiyoda to execute the Golden Pass LNG project in Texas, U.S. (the "Project"), filed for Chapter 11 relief under the United States Bankruptcy Code on May 21, 2024 in the U.S time. Considering the potential impacts related to the possibility of Zachry's withdrawal from the Project, based on the generally accepted accounting principles, we recorded Operating Loss and Loss Attributable to the Owners of the Parent on a consolidated basis for the fiscal year ended March 31, 2024.

Although we have recorded Operating Profit and Profit Attributable to the Owners of the Parent for the first quarter of the fiscal year ending March 31, 2025, discussions with the client, Golden Pass LNG Terminal LLC ("GPX"), toward amendment of the EPC contract have been ongoing. We recognize that these conditions still indicate the existence of events or conditions, which may cast significant doubt on our ability to continue as a going concern.

As described in (Subsequent Events after Reporting Period) of "(3) Notes to Quarterly Consolidated Financial Statements" of "2. Consolidated Quarterly Financial Statements and Notes," the court provisionally approved the Agreement concerning Zachry's withdrawal from the Project. With this approval, GPX placed an official order to continue business operations regarding a short-term plan. CB&I LLC ("CB&I"), the other partner of the Project, and CIC will accelerate the discussion with GPX regarding the long-term execution plan toward the completion of the Project for agreement at an early date, and we will review the profitability upon agreement.

In terms of finance, considering that we have sufficient funds as of June 30, 2024, there is not a significant impact on our future cash flow, and there are no major concerns regarding the continuity of our business activities. As described in (Borrowing a Large Amount of Funds) of "(3) Notes to Quarterly Consolidated Financial Statements" of "2. Consolidated Quarterly Financial Statements and Notes," on July 24, 2024, we resolved to enter into the Subordinated Loan Agreement with MUFG Bank, Ltd., which is refinance of existing loan with the bank at the maturity date, and began borrowings on July 31, 2024.

Based on the above, we have concluded that no material uncertainty exists regarding the going concern.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	102,072	108,012
Notes receivable, accounts receivable from completed construction contracts, and contract assets	27,588	17,358
Costs on construction contracts in progress	18,874	16,671
Jointly controlled assets of joint venture	147,017	135,362
Short-term loans receivable	66,200	70,000
Other	44,628	47,191
Allowance for doubtful accounts	(2,021)	(1,973)
Total current assets	404,359	392,622
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,252	4,117
Land	4,552	4,513
Other, net	2,080	2,028
Total property, plant and equipment	10,886	10,659
Intangible assets		
Investments and other assets		
Investment securities	4,272	4,386
Retirement benefit asset	483	390
Deferred tax assets	94	108
Other	1,396	1,467
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	6,228	6,334
Total non-current assets	22,608	22,321
Total assets	426,967	414,944

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	133,775	124,694
Current portion of long-term borrowings	20,000	20,000
Income taxes payable	987	618
Contract liabilities	188,701	182,382
Provision for warranties for completed construction	1,601	2,431
Provision for loss on construction contracts	36,508	35,166
Provision for bonuses	3,715	1,768
Other	26,865	28,245
Total current liabilities	412,156	395,308
Non-current liabilities		
Long-term borrowings	3,600	3,600
Deferred tax liabilities	1,471	2,446
Retirement benefit liability	727	704
Other	2,933	2,825
Total non-current liabilities	8,732	9,577
Total liabilities	420,889	404,886
Net assets		
Shareholders' equity		
Share capital	15,014	15,014
Capital surplus	142	142
Retained earnings	(1,962)	2,054
Treasury shares	(805)	(799)
Total shareholders' equity	12,389	16,412
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(18)	(25)
Deferred gains or losses on hedges	4,176	6,273
Foreign currency translation adjustment	(11,851)	(13,854)
Remeasurements of defined benefit plans	163	(156)
Total accumulated other comprehensive income	(7,530)	(7,763)
Non-controlling interests	1,218	1,410
Total net assets	6,077	10,058
Total liabilities and net assets	426,967	414,944

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales of completed construction contracts	129,392	117,019
Cost of sales of completed construction contracts	120,963	106,196
Gross profit on completed construction contracts	8,428	10,822
Selling, general and administrative expenses	3,329	4,409
Operating profit	5,099	6,413
Non-operating income		
Interest income	2,127	2,793
Dividend income	756	2
Share of profit of entities accounted for using equity method	—	0
Other	49	60
Total non-operating income	2,933	2,857
Non-operating expenses		
Interest expenses	173	166
Share of loss of entities accounted for using equity method	61	—
Foreign exchange losses	1,300	3,588
Other	33	31
Total non-operating expenses	1,568	3,786
Ordinary profit	6,464	5,484
Extraordinary income		
Gain on termination of retirement benefit plan	—	207
Gain on liquidation of subsidiaries and associates	45	—
Total extraordinary income	45	207
Profit before income taxes	6,510	5,691
Income taxes - current	1,538	1,494
Income taxes - deferred	49	65
Total income taxes	1,587	1,559
Profit	4,922	4,132
Profit attributable to non-controlling interests	37	115
Profit attributable to owners of parent	4,884	4,016

(Consolidated Statement of Comprehensive
Income)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,922	4,132
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(7)
Deferred gains or losses on hedges	4,855	2,096
Foreign currency translation adjustment	(332)	(1,936)
Remeasurements of defined benefit plans, net of tax	(16)	(319)
Share of other comprehensive income of entities accounted for using equity method	1	9
Total other comprehensive income	4,493	(157)
Comprehensive income	9,415	3,974
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,367	3,783
Comprehensive income attributable to non-controlling interests	48	191

(3) Notes to Quarterly Consolidated Financial Statements

(Basis of Quarterly Consolidated Financial Statements)

We prepare the quarterly consolidated financial statements in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and the accounting standards for quarterly financial statements generally recognized as fair and reasonable in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

(Notes to Segment Information)

- I. For three months ended June 30, 2023
We omit the description. The Group's reportable business segment consists only of the 'Engineering,' and 'Other business' has limited importance.
- II. For three months ended June 30, 2024
We omit the description. The Group's reportable business segment consists only of the 'Engineering,' and 'Other business' has limited importance.

(Notes to Significant Changes in Shareholders' Equity)

None

(Notes to Going Concern Assumption)

None

(Notes to Quarterly Consolidated Statement of Cash Flow)

There is no quarterly consolidated statement of cash flow available for three months ended June 30, 2024. The depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill are as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Depreciation	768	905
Amortization of goodwill	8	8

(Additional Information)

[Estimation on the Golden Pass LNG project]

Zachry filed for Chapter 11 relief under the United States Bankruptcy Code in May, 2024 and the court proceedings for Zachry's withdrawal from the project continue. In June, the project client, CB&I and CIC filed motions for requesting Zachry's withdrawal from the project and for lifting the Automatic Stay to resume construction work of Train 1.

For the first quarter of the fiscal year, considering Zachry's withdrawal from the project, we estimated the total costs to be incurred to complete construction and the contract amount based on the signed documents as of June 30, 2024, based on the generally accepted accounting principles.

As described in the below (Subsequent Events after Reporting Period), after the court provisional approval of the Agreement concerning Zachry's withdrawal from the project, Zachry's withdrawal will be officially confirmed after final court approval, which is expected in August.

CB&I and CIC have been in discussion with the client regarding the two companies long-term execution plan toward the completion of the project, with the goal of revising the EPC contract at an early date, and we will review the profitability upon its revision.

(Subsequent Events after Reporting Period)

[Estimation on the Golden Pass LNG project]

Zachry Industrial, Inc. (“Zachry”), a joint venture of Chiyoda International Corporation (“CIC”) and Zachry engaged in the Golden Pass LNG Project (“Project”) in Texas, filed a Chapter 11 (“Chapter 11”) petition of the United States Bankruptcy Code. On July 19 (U.S. time), Zachry filed a petition with the court seeking approval of the execution of an agreement through an Interim Order (the “Agreement”) by Zachry, Golden Pass LNG Terminal LLC (“GPX”), a client of the Project, CB&I, LLC (“CB&I”), and CIC, a joint venture partner of Zachry, concerning Zachry’s withdrawal from the Project. CB & I and CIC have agreed to the Agreement and the court has provisionally approved the Agreement.

With this Interim Order, a short-term plan to resume Zachry’s portion of the construction work was agreed between CIC, GPX and CB&I on August 7, 2024 and GPX placed an official order to continue business operations.

(Borrowing a Large Amount of Funds)

On July 24, 2024, Chiyoda resolved to enter into the Subordinated Loan Agreement between Chiyoda and MUFG Bank, Ltd., which is refinance of existing loan with the bank at the maturity date.

Lender	MUFG Bank, Ltd.
Amount of Borrowing	20 billion yen
Interest Rate on Borrowing	Floating rate (Applicable interest rate + Spread)
Borrowing Due Date	By July 31, 2027
Collateral	Not Applicable

3. Production, Contracts and Sales

(Millions of yen)

Segments		Apr. 1, 2023—Jun. 30, 2023			Apr. 1, 2024—Jun. 30, 2024		
		New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio	New Contracts, ratio	Net Sales, ratio	Backlog of Contracts, ratio
1. Engineering		34,320 99.6%	129,264 99.9%	1,128,585 100.0%	24,018 99.4%	116,865 99.9%	950,568 100.0%
Energy	(1) LNG Plant	1,107 3.2%	71,518 55.3%	795,173 70.5%	671 2.8%	66,529 56.9%	679,736 71.5%
	(2) Gas Related Work	863 2.5%	287 0.2%	5,743 0.5%	1,326 5.5%	766 0.7%	4,721 0.5%
	(3) Refinery/ Petrochemical	7,109 20.6%	6,496 5.0%	26,368 2.3%	3,739 15.5%	4,143 3.5%	31,959 3.4%
Global Environment	(4) Pharmaceutical/ Biochemistry/ Chemical	3,603 10.5%	7,590 5.9%	36,062 3.2%	3,233 13.4%	3,757 3.2%	97,234 10.2%
	(5) Environment/New Energy/Infrastructure	20,664 60.0%	42,347 32.7%	261,674 23.2%	14,135 58.4%	40,293 34.4%	131,764 13.9%
	(6) Others	972 2.8%	1,024 0.8%	3,562 0.3%	912 3.8%	1,374 1.2%	5,153 0.5%
2. Other Business		128 0.4%	128 0.1%	— —	153 0.6%	153 0.1%	— —
Total		34,448 100.0%	129,392 100.0%	1,128,585 100.0%	24,172 100.0%	117,019 100.0%	950,568 100.0%
Domestic		29,721 86.3%	16,367 12.6%	102,912 9.1%	11,259 46.6%	14,594 12.5%	160,676 16.9%
Overseas		4,726 13.7%	113,025 87.4%	1,025,673 90.9%	12,913 53.4%	102,424 87.5%	789,892 83.1%

Note: The backlog of contracts 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.