

Financial Results for FY2019 ended on March 31, 2020
Q&A from the Online Earnings Release Conference (held on May 19, 2020)

※This content is based on information available on the date of the online earnings release conference (May 19, 2020).

1. Anticipated orders projects in FY2020

Question	Answer
Are we right to think that you have high expectations for the Iraq refinery modernization project and the Indonesian non-ferrous smelting project among the targeted overseas projects in FY2020?	Yes, that's correct. We highly expect realization of these projects among the FY2020 targets.
Do you expect that the recognition of the order for the Mozambique LNG project could be delayed to FY2021 or later? Is there a possibility of the plan to be called off?	While it depends on the client's policy, there is a possibility of the final investment decision (FID) coming in FY2021 or later. However, we do not expect suspension of the development initiative for the Mozambique's large offshore gas fields and believe that the plan will proceed, despite some delay.
Please update on the Qatar LNG project and your position.	The commercial bid of the project has been scheduled for 3Q 2020. We believe it will steadily move forward because the customer has already completed placement of LNG transport ship orders, and thus we are working hard to prepare our estimate. However, it is intentionally not included in our FY2020 order target in terms of the amount as our new order value could vary significantly by the result of the bid.

Please update on the Oman LNG bunkering project.	We think this project is steadily progressing and expect the bidding will take place in 2020. We are working hard to secure the order.
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2. FY2020 results outlook

Question	Answer
The sales level seems low in your forecast for FY2020. Please explain your assumptions, such as whether you included the target projects in the sales value forecast.	We estimated the sales forecast for FY2020 mainly based on orders backlog as of the end-FY2019. It does not include sales from FY2020 new orders other than from some domestic projects that proceed rapidly.

3. COVID-19 impact

Question	Answer
Has progress slowed on the LNG Canada project due to COVID-19 impact?	Our FY2020 forecast contains sales and profits from LNG Canada using a lower progress rate.
Please explain COVID-19 impact on FY2019 results and the extent of impact factored into your FY2020 forecast.	<p>We identified extra costs from extended project periods, reduced productivity due to work from home and other changes, and other impacts anticipated at this point. Conditions are different for each project.</p> <p>While we would not necessarily bear the full extra costs because provisions such as Force Majeure or Change in Law should be applied, we conservatively reflected 8 billion yen in total as risks in our assessment of project profitability at the year end. It was reflected in the FY2019 result through sales recognition by percentage-of-completion method and the impact in FY2020 has been already reflected in our forecast.</p>

You estimated about 8 billion yen as the additional costs due to COVID-19 impact. Please provide the breakdown.	We are currently in discussions with clients for individual projects and would like to refrain from disclosing a breakdown.
Do criteria for Force Majeure and Change in Law provisions differ for each project?	Yes, that's right.

4. Share buybacks

Question	Answer
Please explain your current position on share buybacks.	We announced that we started to consider share buybacks at the 3Q results announcement. However, we have put the consideration on hold at this stage because of subsequent major changes in the external environment.