

Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2020

August 1, 2019

Chiyoda Corporation

Index

1	Highlights	2
2	Financial Summary	3
3	Income-related Items	4
4	New Orders	5
5	Backlog	6
6	Revenue	7
7	Balance Sheet	8
8	Forecast Breakdown FY2019	9
9	Status of Ongoing Major Projects	10

1. Highlights

◆ Steady profit in operating level

- Operating income: 9.1 billion yen.
- Net profit: 2.3 billion yen, approx. 38% of full year forecast.

◆ Financial strengthening as planned

- 70 billion yen of share allotment completed as of Jul. 1. Cleared negative net worth.
- Loan package from Mitsubishi Corp. and MUFG Bank (total 110 billion yen) concluded as planned.
- Reduction of SG&A expenses continues in progress.

◆ New risk management system

- Strict management aiming at steady execution and proper cost control of ongoing projects.
- Ordering strategy for optimizing resource allocation and appropriate risk control.

2. Financial Summary

(Billions of Yen)

	19/3 1Q	20/3 1Q	Difference	Difference (%)
New Orders	77.3	33.3	(44.0)	(56.9%)
Backlog of Contracts	624.9	954.1	329.2	52.7%
Revenues	93.6	86.5	(7.2)	(7.6%)
Operating Income	(3.4)	9.1	12.5	-
Ordinary Income	(3.2)	3.7	6.9	-
Profit (Loss)*1	(3.7)	2.3	6.0	-
Exchange Rate	JPY111/\$	JPY108/\$		

Full Year Forecast	Progress (%)
550.0	6.0%
390.0	22.2%
12.0	75.6%
12.0	30.8%
6.0	37.9%

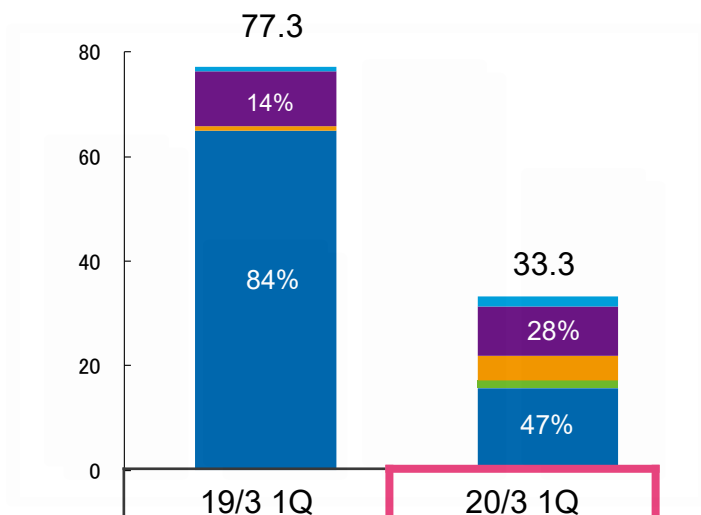
Assumption

JPY110/\$

*1 Profit (Loss) attributable to owners of parent

3. New Orders

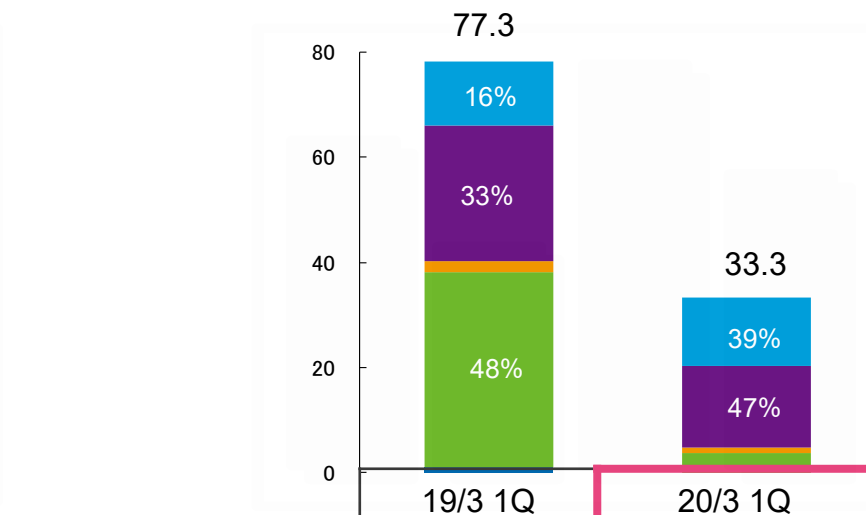
By Region



	19/3 1Q	20/3 1Q
ME & Africa	0.9	1.9
SEA & Oceania	10.4	9.3
Americas	0.9	4.7
Others	0.0	1.7
Overseas Total	12.3	17.6
Domestic Total	65.0	15.6

By Field

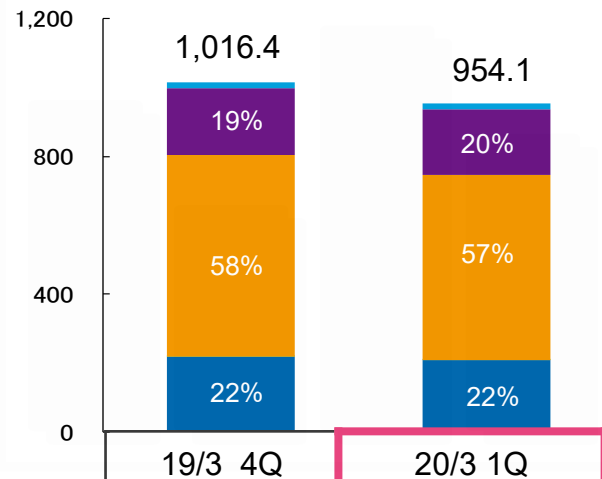
(Billions of Yen)



	19/3 1Q	20/3 1Q
LNG Plant, Gas Related Work	12.1	12.9
Refinery, Petrochemical, Metal	25.8	15.6
Pharmaceutical, Biochemistry, Chemical	2.2	1.1
Environment, New Energy, Infrastructure	37.1	3.6

4. Backlog

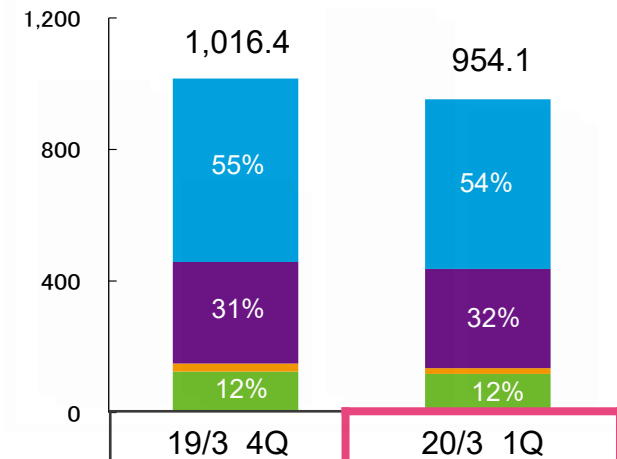
By Region



ME & Africa	19.4	16.3
SEA & Oceania	191.5	190.2
Americas	587.9	538.7
Others	0.1	0.1
Overseas Total	798.8	745.3
Domestic Total	217.5	208.8

By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	557.5	515.1
	Refinery, Petrochemical, Metal	311.1	303.5
Environment	Pharmaceutical, Biochemistry, Chemical	24.0	17.7
	Environment, New Energy, Infrastructure	123.8	117.8

Major New Orders

	Over 100 billions of Yen	Over 50 billion of Yen	Over 10 billions of Yen
Overseas	Ethylene (U.S.A), Golden Pass LNG	Cameron LNG, Tangghu LNG	Ichthys LNG
Domestic	-	-	Biomass, Energy Storage System, Mega Solar Petrochemical Project

5. Income-related Items

(Billions of Yen)

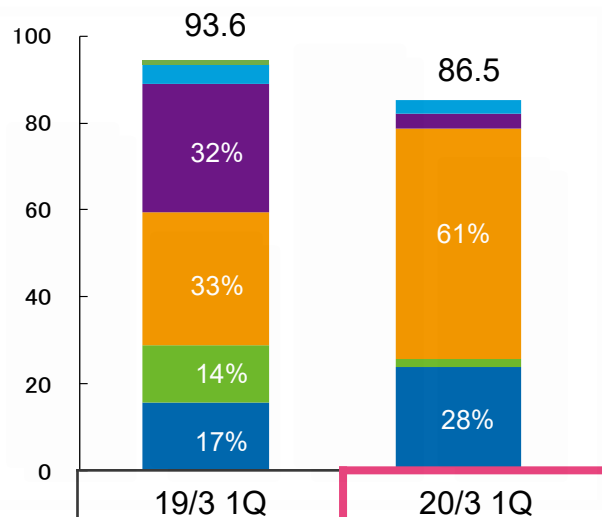
	19/3 1Q	20/3 1Q	Difference	Full Year Forecast
Revenue	93.6	86.5	(7.2)	390.0
Gross Profit	0.9 0.9%	13.0 15.1%	12.2 +14.2pt	29.0 7.4%
SG&A expenses	(4.2)	(4.0)	0.3	(17.0)
Operating Income	(3.4) (3.6%)	9.1 10.5%	12.5 +14.1pt	12.0 3.1%
Non-operating income and expenses*1	0.2	(5.4)	(5.6)	0
Ordinary Income	(3.2) (3.4%)	3.7 4.3%	6.9 +7.7pt	12.0 3.1%
Extraordinary income (loss), Income taxes, others*2	(0.5)	(1.4)	(0.9)	(6.0)
Profit	(3.7) (4.0%)	2.3 2.6%	6.0 +6.6pt	6.0 1.5%

*1: Increase/decrease of non-consolidated assets in foreign currencies is recognized as forex loss/gain in PL as well as net profit increase/decrease in BS, while increase/decrease of foreign subsidiaries' debt is recognized as forex adjustment in BS only.

*2: Profit (Loss) to attribute to non-controlling interests

6. Revenues

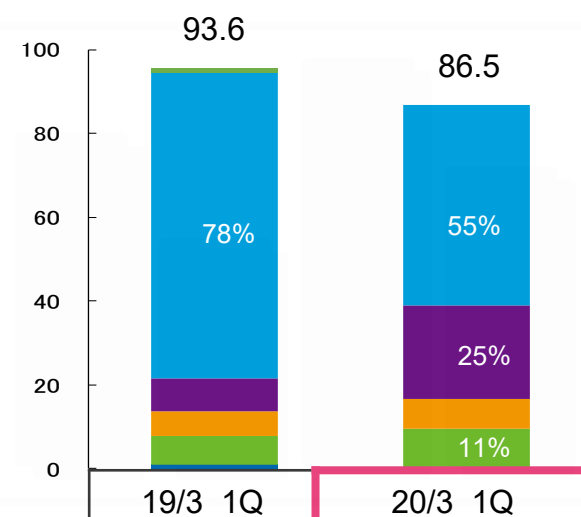
By Region



ME & Africa	4.5	4.2
SEA & Oceania	29.6	3.5
Americas	30.6	53.1
Others	13.2	1.7
Overseas Total	77.9	62.5
Domestic Total	15.7	23.9

By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	73.2	47.9
	Refinery, Petrochemical, Metal	7.7	21.9
Environment	Pharmaceutical, Biochemistry, Chemical	6.1	7.2
	Environment, New Energy, Infrastructure	6.7	9.5

Major Revenues

	Over 100 billions of Yen	Over 50 billion of Yen	Over 10 billions of Yen
Overseas	-	-	Cameron LNG, Texas Ethylene

7. Balance Sheet

(Billions of Yen)

	Mar 31, 2019	June 30, 2019	Difference
Current assets	326.9	330.7	3.8
Cash and deposits*1	69.5	102.6	33.1
Operating assets *2	76.1	57.1	(19.0)
Accounts receivable - other	65.9	72.7	6.7
Jointly controlled assets of JV	111.0	94.3	(16.6)
Other	4.4	4.0	(0.4)
Non-current assets	25.4	26.0	0.6
Property, plant & equipment	11.7	12.9	1.2
Intangible assets	5.3	4.9	(0.4)
Investment and other assets	8.4	8.1	(0.3)
Total assets	352.3	356.7	4.4

	March 31, 2019	June 30, 2019	Difference
Current liabilities	392.5	391.5	(1.0)
Short-term loans payable	0.1	30.1	30.0
Operating liabilities *4	297.5	277.7	(19.8)
Provision for loss on construction contracts	67.6	55.5	(12.2)
Others	27.2	28.2	1.0
Non-current liabilities	19.0	20.1	1.1
Long-term loans payable	15.9	15.8	(0.0)
Others	3.1	4.3	1.1
Net Assets	(59.2)	(54.9)	4.2
Capital Stock	(60.9)	(58.6)	2.3
Others	1.7	3.7	1.9
Liabilities and net assets	352.3	356.7	4.4

Shareholders' equity	(60.1)	(55.6)	4.5
Shareholders' equity ratio	(17.1)%	(15.6)%	1.5pt

*1. Cash and deposits = Cash and deposits + Short-term investment securities, incl. negotiable deposit

*2. Operating assets = Notes receivable, accounts receivable from completed construction contracts + Costs on uncompleted construction contracts

*3. Jointly controlled assets of JV = Cash and deposits of joint venture proportional to Chiyoda's interest

*4. Operating liabilities = Notes payable, accounts payable for construction contracts + Advances received on uncompleted construction contracts

7. Balance Sheet (supplemental Information)

- ◆ 70 billion yen of share allotment completed as of Jul. 1.
Cleared negative net worth.
- ◆ Loan
 - 20 billion yen subordinated loan from MUFG Bank borrowed on Jul. 1.
 - Short-term loan from Mitsubishi, 30 billion yen, repaid in July.
→90 billion yen loan package from Mitsubishi still available.

[Reference: BS after share allotment / borrowing]

Unit: billion yen

	Jun. '19	Jul. '19	+/-		Jun. '19	Jul. '19	+/-
【Current Assets】	330.7	390.7	60.0	【Current Liabilities】	391.5	361.5	△30.0
Cash & Deposits	102.6	162.6	60.0	Short-term loan	30.1	0.1	△30.0
【Non-current Assets】	26.0	26.0	0	【Non-Current Liabilities】	20.1	40.1	20.0
				Long-term loan	15.8	35.8	20.0
				【Net Assets】	△54.9	15.1	70.0
【Total Assets】	356.7	416.7	60.0	【Liabilities/Assets】	356.7	416.7	60.0

8. Forecast Breakdown FY 2019

(Billions of Yen)

	Results FY 2018	Forecasts FY 2019	Difference
New Orders	771.6	550.0	(221.6)
Overseas	575.0	430.0	(145.0)
Domestic	196.5	120.0	(76.5)
Revenues	342.0	390.0	48.0
Overseas	221.6	250.0	28.4
Domestic	120.4	140.0	19.6
Gross Profit	(181.1)	29.0	210.1
SG&A Expenses	(18.6)	(17.0)	1.6
Operating Income	(199.8)	12.0	211.8
Non-operating Income and Expenses	6.8	0	(6.8)
Ordinary Income	(193.0)	12.0	205.0
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	(21.9)	(6.0)	15.9
Profit attributable to owners of parent	(214.9)	6.0	220.9

9. Status of Ongoing Major Projects (1/2)

Project	Freeport LNG	Cameron LNG	Tangguh LNG
Client	Freeport LNG	Cameron LNG LLC	BP Berau
Completion Rate	~99% (Train-1, 2)	~94%	~58%
	~94% (Train-3)		
Status (as of June 2019)	<ul style="list-style-type: none"> About 5,100 workers are engaged at the construction site. Train-1 is in final commissioning stage, planned to start LNG production by Sep. Planned LNG production from Train-2: 4Q/2019, Train-3: 1Q/2020. 	<ul style="list-style-type: none"> Reached agreement with the client on revised schedule etc. Started LNG production / export from Train-1. Planned LNG production from Train-2: 1Q/2020, Train-3: 2Q/2020 About 7,600 worker are at the site. 	<ul style="list-style-type: none"> Construction ongoing and about 7,500 worker currently at the site. Reached to agreement in July. New target for completion schedule has been set in 3Q 2021.

9. Status of Ongoing Major Projects (2/2)

Project	Golden Pass LNG	Texas Ethylene
Client	Golden Pass Products	Gulf Coast Growth Ventures (JV of ExxonMobil and SABIC)
Completion Rate	~2%	~30%
Status (as of June 2019)	<ul style="list-style-type: none"> Client's engineers started work at Chiyoda Yokohama Office. 	<ul style="list-style-type: none"> Module construction work at Chinese module yard has started. Client received final environmental regulatory approval from the authority in June 2019.

<Reference>

JV Partner	Zachry / McDermott	Kiewit
Contract Scheme	Lump sum	Lump sum
Capacity	15.6 mmt/y (3 trains)	1.8 mmt/y

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.

Please address inquiries to:

IR, PR & CSR Department

TEL +81-45-225-7734

URL <https://www.chiyodacorp.com/en/>



© Chiyoda Corporation 2019, All Rights Reserved.

