

Financial Results for the 3rd Quarter of Fiscal Year Ending March 31, 2018

February 9, 2018

Chiyoda Corporation

INDEX

1. Results Highlights	2
2. Financial Summary	3
3. New Orders	4
4. Backlog	5
5. Income-related Items	6
6. Revenues	7
7. Balance Sheet	8
8. Forecast Breakdown	9
9. Reference Material (Performance Indicators)	11

1. Results Highlights

3Q FY2018

- ◆ Revenue of 385.9 billion yen in line with expectation, with an achievement of 77% of the full-year forecast

- ◆ Profit attributable to owners of parent reached 5.2 billion yen
 - SG&A cost reduced YoY due to ongoing structural reform measurements
 - Operating Income and Ordinary Income progress toward Full Year Forecast

Full Year Forecast FY2018

- ◆ No change from the revised “Full Year Forecast” announced on Nov 10, 2017

2. Financial Summary

(Billions of Yen)

	17/3 3Q	18/3 3Q	Difference	Difference (%)	Full Year Forecast *2	Progress (%)
New Orders	285.8	209.1	(76.7)	(26.8%)	350.0	59.7%
Backlog of Contracts	934.0	695.0	(238.9)	(25.6%)		
Revenues	435.1	385.9	(49.2)	(11.3%)	500.0	77.2%
Operating Income	10.4	(8.8)	(19.3)	-	(9.5)	-
Ordinary Income	(5.6)	(8.4)	(2.8)	-	(8.0)	-
Profit (Loss)*1	(34.0)	5.2	39.2	-	5.0	104.0%
Exchange Rate	JPY116/\$	JPY113/\$			Assumption JPY 110 /\$	

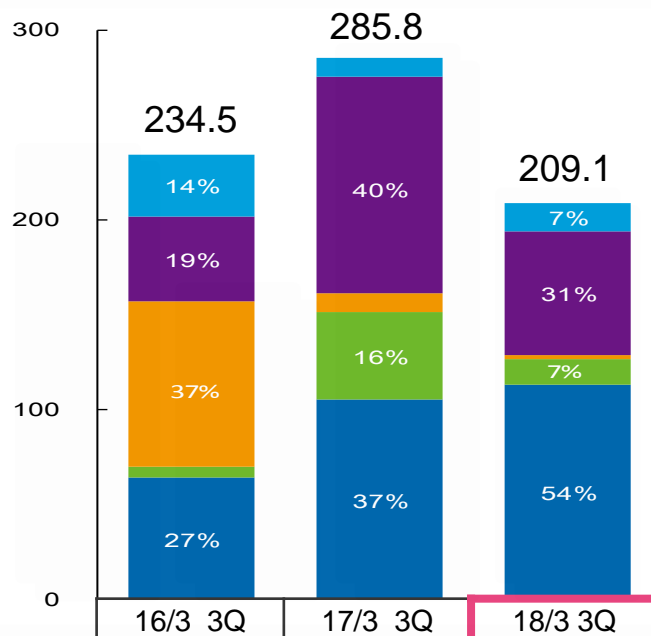
*1 Profit attributable to owners of parent

*2 As revised on November 10, 2017

3. New Orders

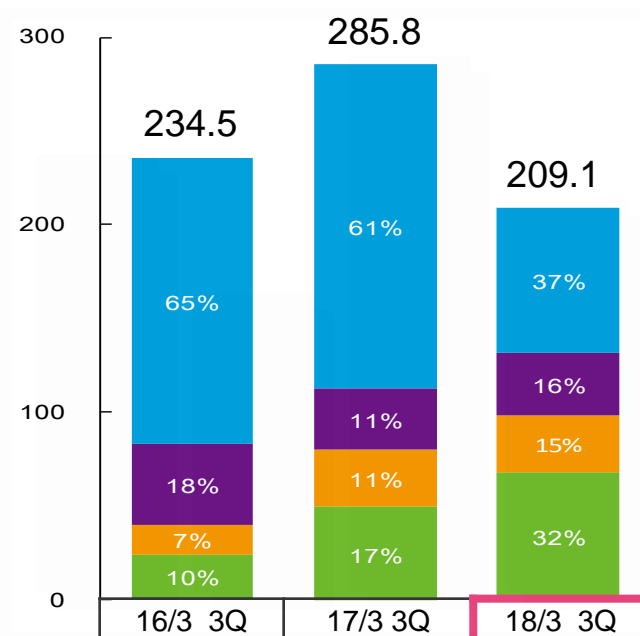
(Billions of Yen)

By Region



	16/3 3Q	17/3 3Q	18/3 3Q
ME & Africa	32.4	10.2	14.8
SEA & Oceania	45.0	114.4	65.4
Americas	87.2	9.8	2.2
Others	5.8	46.2	13.5
Overseas Total	170.5	180.6	95.9
Domestic Total	64.0	105.2	113.2

By Field



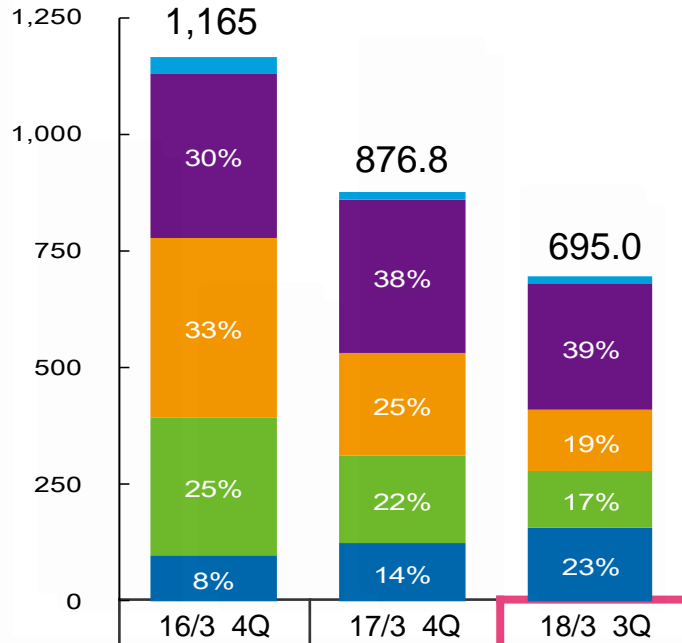
	16/3 3Q	17/3 3Q	18/3 3Q
LNG Plant, Gas Related Work	152.2	173.3	77.4
Refinery, Petrochemical, Metal	42.9	32.3	33.3
Pharmaceutical, Biochemistry, Chemical	15.9	30.8	30.5
Environment, New Energy, Infrastructure	23.4	49.5	67.9

- By Region: Domestic New Orders are in line with expectation achieving already 87% of the full-year forecast.
- By Field: “Environment, New Energy, Infrastructure” accounts for more than 30%; adding “Pharmaceutical, Biochemistry, Chemical” together a total of 47% is reached.

4. Backlog

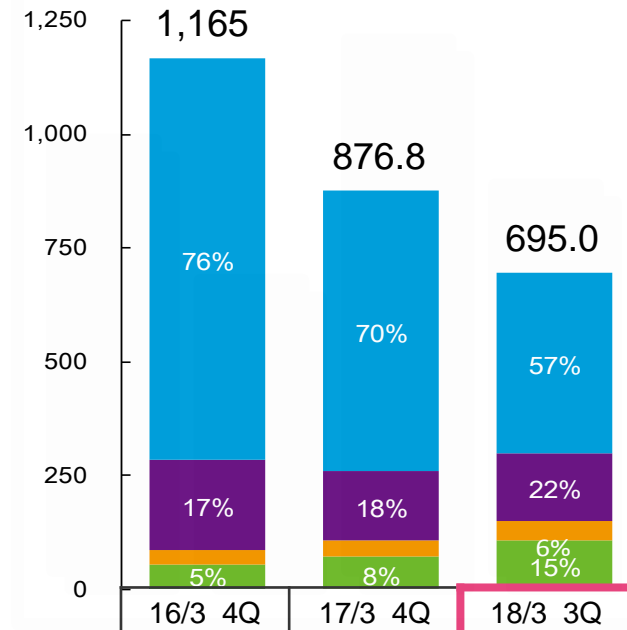
(Billions of Yen)

By Region



ME & Africa	35.5	16.7	17.2
SEA & Oceania	353.2	329.3	269.7
Americas	383.5	219.1	131.4
Others	296.7	189.7	118.6
Overseas Total	1,068.9	754.8	536.9
Domestic Total	96.1	122.0	158.1

By Field



LNG Plant, Gas Related Work	880.0	617.0	394.9
Refinery, Petrochemical, Metal	198.6	153.5	149.6
Pharmaceutical, Biochemistry, Chemical	32.4	35.3	42.8
Environment, New Energy, Infrastructure	53.9	70.9	107.7

● Backlog decreased due to the steady progress of large-scale LNG projects.

5. Income-related Items

(Billions of Yen)

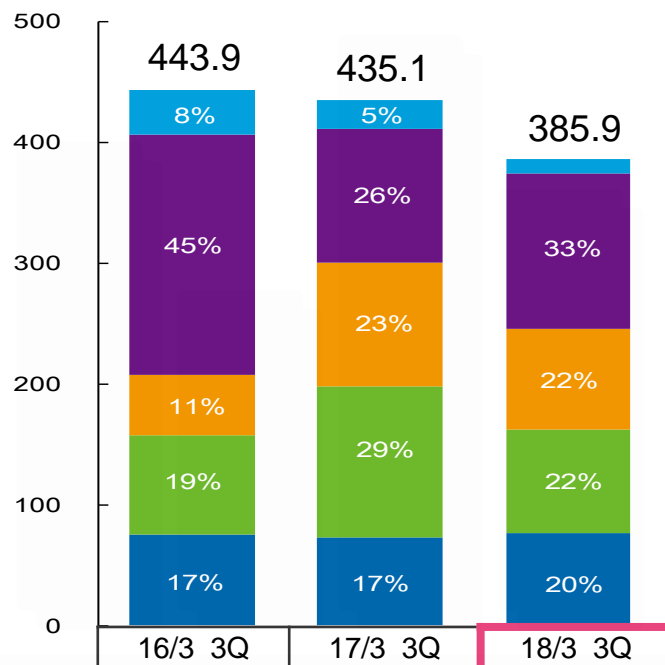
	17/3 3Q	18/3 3Q	Difference
Revenue	435.1	385.9	(49.2)
Gross Profit	26.4 6.1%	6.3 1.6%	(20.2) (4.5pt)
SG&A expenses	(16.0)	(15.1)	0.9
Operating Income	10.4 2.4%	(8.8) (2.3%)	(19.3) (4.7pt)
Non-operating income and expenses	(16.0)	0.4	16.4
Ordinary Income	(5.6) (1.3%)	(8.4) (2.2%)	(2.8) (0.9pt)
Extraordinary income (loss)	(23.3)	12.9	36.3
Profit (loss) before income taxes	(28.9)	4.5	33.4
Income taxes	(5.1)	0.7	5.8
Profit attributable to owners of parent	(34.0) (7.8%)	5.2 1.3%	39.2 9.1pt

- SG & A expenses started to decrease by 0.9 billion yen YoY as a result of the “Structural Reform” measurements.

6. Revenues

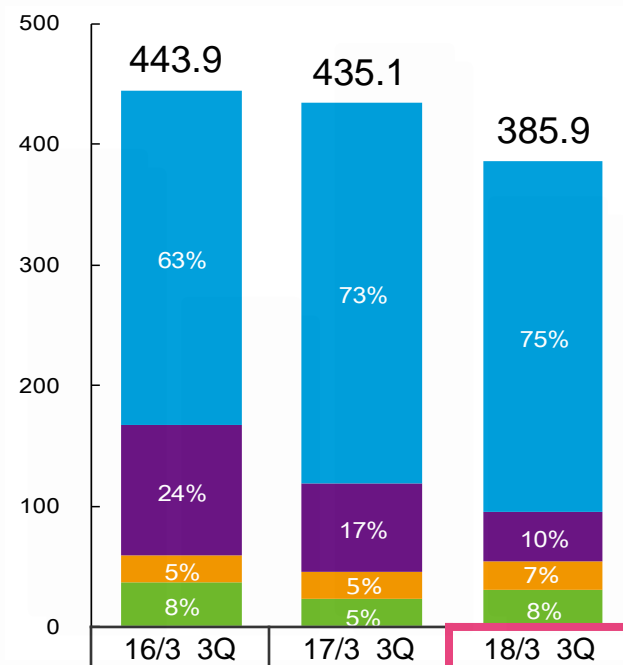
(Billions of Yen)

By Region



	16/3 3Q	17/3 3Q	18/3 3Q
ME & Africa	37.5	23.7	12.2
SEA & Oceania	199.2	111.3	128.0
Americas	49.2	101.8	83.0
Others	82.8	125.0	85.7
Overseas Total	368.7	361.8	308.9
Domestic Total	75.2	73.3	77.0

By Field



	16/3 3Q	17/3 3Q	18/3 3Q
LNG Plant, Gas Related Work	277.0	316.6	290.7
Refinery, Petrochemical, Metal	108.6	73.3	41.3
Pharmaceutical, Biochemistry, Chemical	21.8	21.7	23.0
Environment, New Energy, Infrastructure	36.6	23.4	30.9

- By Region:
- By Field:

Overall decline as overseas large-scale LNG projects peaked out.

“Refinery, Petrochemical, Metal” decreased due to completion of refinery projects in Vietnam and Qatar in the last fiscal year. Other non-LNG business fields are growing.

7. Balance Sheet

(Billions of Yen)

	March 31, 2017	Dec 31, 2017	Difference
Current assets	425.2	382.6	(42.6)
Cash and deposits*1	143.4	107.3	(36.1)
Operating assets *2	84.1	97.6	13.5
Jointly controlled assets of joint venture *3	164.3	141.5	(22.8)
Other	33.5	36.2	2.7
Non-current assets	36.1	46.2	10.1
Property, plant & equipment	13.2	12.2	(0.9)
Intangible assets	8.1	7.4	(0.7)
Investment and other assets	14.8	26.5	11.7
Total assets	461.3	428.8	(32.6)

	March 31, 2017	Dec 31, 2017	Difference
Current liabilities	301.2	264.7	(36.5)
Short-term loans payable	10.2	10.3	0.1
Operating liabilities *4	245.3	232.3	(13.0)
Provision for loss on construction contracts	3.3	5.0	1.7
Provision for loss on business of subsidiaries and associates	22.9	0.0	(22.9)
Others	19.5	17.1	(2.3)
Non-current liabilities	3.0	3.2	0.2
Long-term loans payable	0.0	0.0	0.0
Other	3.0	3.2	0.2
Net assets	157.1	160.9	3.8
Liabilities and net assets	461.3	428.8	(32.6)

*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 joint venture = 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

Shareholders' equity	155.3	159.0	3.6
Shareholders' equity ratio	33.7%	37.1%	3.4pt

8. Forecast Breakdown

(Billions of Yen)

	Results FY ended March 2017	Forecasts FY ending March 2018	Difference
New Orders	351.8	350.0	(1.8)
Overseas	221.3	220.0	(1.3)
Domestic	130.5	130.0	(0.5)
Revenues	603.7	500.0	(103.7)
Overseas	501.3	390.0	(111.3)
Domestic	102.4	110.0	7.6
Gross Profit	38.2	11.0	(27.2)
SG&A Expenses	(22.5)	(20.5)	2.0
Operating Income	15.7	(9.5)	(25.2)
Non-operating Income and Expenses	(18.8)	1.5	20.3
Ordinary Income	(3.1)	(8.0)	(4.9)
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	(38.0)	13.0	51.0
Profit attributable to owners of parent	(41.1)	5.0	46.1

Reference Material

9. Performance Indicators

	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended March 2017	Forecast FY ending March 2018
Gross profit margin (%)	9.3	9.5	6.8	6.3	2.2
SG&A expenses to revenues (%)	4.6	5.0	4.2	3.7	4.1
Operating income to revenues (%)	4.7	4.5	2.6	2.6	△1.9
Ordinary income to revenues (%)	5.1	4.6	2.6	(0.5)	△1.6
Profit to revenues (%)	3.0	2.3	0.6	(6.8)	1.0
Return on assets (ROA) (%)	5.0	4.5	3.1	(0.6)	
Return on equity (ROE) (%)	7.0	5.5	1.7	(23.1)	
Profit per share (EPS) (JPY)	51.91	42.58	13.03	(158.76)	
Book value per share (BPS) (JPY)	758.31	796.89	772.89	599.83	
Shareholders' equity ratio (%)	41.3	40.0	37.9	33.7	
Current ratio (%)	156.3	151.0	146.3	141.2	
Fixed ratio (%)	33.7	34.5	36.6	23.2	
Debt-to-equity ratio <DER> (Times)	0.06	0.05	0.05	0.07	

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 Section
Tomoyuki Tsukamoto, Section Leader

TEL +81-45-225-7734

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



© Chiyoda Corporation 2018, All Rights Reserved.

