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 Fiscal Year Ended March 31, 2018

May 11, 2018

Company name: **CHIYODA CORPORATION**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6366
URL: https://www.chiyodacorp.com/en/
Representative: Masaji Santo, President & CEO
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Date of general shareholders' meeting (as planned): June 21, 2018
Dividend payable date (as planned): June 22, 2018
Annual securities report filing date (as planned): June 21, 2018
Preparation of Quarterly Supplementary Explanation Material: Yes
Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

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

1. Consolidated performance for the fiscal year ended March 31, 2018

(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	%
Fiscal year ended March 31, 2018	510,873	(15.4)	(12,330)	—	(10,100)	—	6,445	—
Fiscal year ended March 31, 2017	603,745	(1.3)	15,680	(2.1)	(3,080)	—	(41,116)	—

Note: Comprehensive Income: Fiscal year ended March 31, 2018: 3,878 million yen / (—)%
Fiscal year ended March 31, 2017: (42,391) million yen / (—)%

	Net income per share	Fully diluted net income per share	Return on Equity(ROE)	Ratio of ordinary Income to Total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	24.89	—	4.1	(2.3)	(2.4)
Fiscal year ended March 31, 2017	(158.76)	—	(23.1)	(0.6)	2.6

Reference: Equity Fiscal year ended March 31, 2018: 680 million yen
Fiscal year ended March 31, 2017: (17,106) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	420,704	159,418	37.5	608.41
As of March 31, 2017	461,331	157,125	33.7	599.83

Reference: Equity As of March 31, 2018: 157,557 million yen As of March 31, 2017: 155,339 million yen

(3) Consolidated Cash Flow

Net cash provided by	Operating activities	Investing Activities	Financing Activities	Cash and equivalents, end of perid
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2018	(34,115)	(1,428)	(1,468)	101,767
Fiscal year ended March 31, 2017	(4,375)	10,433	(2,693)	138,889

2. Cash dividends

Record date	Cash dividends per share					Payment of cash dividends	Payout ratio (consolidate)	Dividend on equity ratio
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2017	—	—	—	6.00	6.00	1,553	—	0.9
Fiscal year ended March 31, 2018	—	—	—	7.50	7.50	1,942	30.1	1.2
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	7.50	7.50		29.9	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2019	400,000	(21.7)	11,500	—	12,500	—	6,500	0.8	25.10

4. Others

(1) Changes in Significant Subsidiaries during the Period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes
Removed Xodus Group (Holdings) Limited

(2) 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

(3) Number of issued shares (common stock)
a. Total number of issued shares at the end of the period (including treasury stock)
As of March 31, 2018 260,324,529 shares
As of March 31, 2017 260,324,529 shares
b. Number of treasury stock at the end of the period
As of March 31, 2018 1,356,873 shares
As of March 31, 2017 1,351,100 shares
c. Average number of shares during the period
Year ended March 31, 2018 258,968,865 shares
Year ended March 31, 2017 258,979,383 shares

*This report is not reviewed by auditor.

*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.

Table of Contents for the appendices

1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

Despite geopolitical tensions in the Middle East and Korean Peninsula as well as spread of protectionism among major countries, macroeconomics in Asia, Europe and the USA remained relatively stable during the current fiscal year. The price of crude oil has remained in a range of approximately $50 to $60 per barrel and, and investment activities for new large scale Liquefied Natural Gas (LNG) project have gradually increased based on steady growth of LNG demand.

Through its LNG core business, Chiyoda continued to implement large-scale projects worldwide, and was awarded FEED (Front-end engineering & design) work for Qatar expansion project in this fiscal year. In addition, the Company is also implementing structural reforms and the growth strategy detailed in its Medium-Term Management Plan “Mirai Engineering – A Grand Opportunity for the Future” announced in August 2017. This includes expansion into new markets, such as renewable energy and life sciences and new areas for future business models such as leveraging big data and AI technology.

Consequently, on consolidated basis, New Orders, for the fiscal year ended March 2018, amounted to 301,214 million yen (down 14.4% year on year). The Backlog amounted to 653,516 million yen (down 25.5% year on year). Revenues amounted to 510,873 million yen (down 15.4% year on year) and Operating Loss is 12,330 million yen (previous year 15,680 million yen of Operating profit). Ordinary loss amounted to 10,100 million yen (previous year 3,080 million yen). Profit attributable to owners of parent amounted to 6,445 million yen (previous year consolidated loss of 41,116 billion yen).

Operating Income and Ordinary income is a loss due to an anticipated increase in costs on LNG projects currently underway in the United States. Profit attributable to owners of parent increased to 6,445 million yen following recovery of subsidiary losses and Federal corporation tax refunds to the U.S. subsidiary.

A summary of reportable engineering business activities is shown below.

LNG Plants and Other Gas Related Work

Overseas, Chiyoda is executing EPC work for the projects in Australia, U.S., Russia and Indonesia. In Russia, the 1st train of Yamal project was completed and started production of LNG in December 2017. In addition, Chiyoda is conducting pre-contract work on an LNG project in Mozambique as the selected EPC (Engineering, Procurement and Construction) Contractor. In Qatar, owing to successful completion of the debottlenecking study, Chiyoda was awarded FEED work for an expansion project with 7.8 million ton/year by three trains. Also Chiyoda is bidding for new LNG plant projects in USA. In Qatar, the Group has been engaged under long term Engineering, Procurement, Construction and management (EPCm) contracts on a helium production facility and the renovation and modification of LNG and gas processing plants previously constructed by the Company.
In Japan, EPC activities have commenced for the renovation and modification of existing LNG receiving terminals similarly built by Chiyoda.

Refinery/Petrochemicals/Metal

Overseas, Front-End Engineering and Design (FEED) work for petrochemical project in the USA has been completed as planned. A group company in Southeast Asia is executing Engineering, Procurement, Construction and Commissioning (EPCC) activities for a Residue Fluid Catalytic Cracking (RFCC) project in Malaysia and EPC operations on a petrochemical tank terminal in Southeast Asia. In addition, Chiyoda completed a titanium sponge plant in Saudi Arabia in May 2017.
In Japan, Chiyoda continues to facilitate inter-refinery cooperation in the mutual accommodation of fuel through its EPC operations. The Group continues to renovate and upgrade existing facilities in accordance with the Basic Act for National Resilience and carry out routine maintenance to improve energy efficiency in existing petrochemical production, and other, facilities.

Pharmaceutical/Biochemistry/General Chemistry/Environment/Infrastructure

Overseas, in transport infrastructure, the Group is completing EPC projects for new international airports in Mongolia and Bohol in The Philippines. In the environment field, the Group aims to introduce the Chiyoda Thoroughbred 121 (CT-121) Process into flue gas desulfurization facilities on an existing coal fired power plant project in India under long term agreement. The demonstration vegetable facility project that uses artificial light in Dubai, UAE was completed in December 2017, and Chiyoda will continue to focus its

introduction of the commercial facilities in the Middle East and Russia.
In Japan, Chiyoda is conducting EPC work on photovoltaic (mega solar) facilities, CO2 separation units and flue gas desulfurization facilities on existing coal-fired power plants.
In the food, pharmaceutical and biochemistry industries, EPC work for a biomedicine manufacturing facility was finished in March 2017. Meanwhile Chiyoda is progressing EPC work for factories complying with the latest food hygiene standards, research facilities capable of handling high-potency pharmacologically active agents, including cutting-edge injection production facilities, and pharmaceutical facilities. The Group will also complete Japan's first demonstration plant for bio-jet and diesel fuel production by October 2018.

New Business Fields

In the offshore and upstream fields, following approval of the ECS reorganization plan in June 2017, Chiyoda has been in discussions with Subsea 7 S. A., ECS's new parent, regarding future collaboration. As a part of this collaboration, Chiyoda and Subsea 7 have agreed to transfer 60% of the share of Xodus Group Ltd., Chiyoda's subsidiary in the U.K. from Chiyoda to Subsea 7. Xodus will be continuing to advise on acquiring rights and provide planning, design, consulting and other services to companies developing natural resources on the safe decommissioning of obsolete facilities and on the construction of crude oil, gas production and other facilities. For Chiyoda, it is expected that holding Xodus together with Subsea 7 will further strengthen relationship between two companies and that early consulting activities to be provided by Xodus will support Chiyoda in awarding EPC work in this business field. In the new energy field, "Advanced Hydrogen Energy Chain Association for Technology Development", established jointly with Mitsubishi Corporation, Mitsui & Co. Ltd. and Nippon Yusen (NYK Line), has started actual work on a demonstration project aimed at commercializing a hydrogen supply chain.
In the digital innovation business field, in a tie-up agreement with GRID Inc., a leading venture company in the field of AI technologies in Japan, the Company commenced projects using AI technologies to improve plant productivity.

(2) Financial Information on Business Performance

This section is not translated.

(3) Outlook

1) Forecast of next Fiscal Year income related items

Although LNG project final investment decisions remain outstanding, bidding and investment activities have gradually increased. The Chiyoda Group will steadily execute construction projects on hand, including LNG projects in progress in Australia, United States, Russia and Indonesia.
In addition, the Group will proceed structural reforms and the growth strategy detailed described in the Medium-Term Management Plan and further expand into new areas and pursue for future business models. Under these operating conditions, the Company forecasts to achieve consolidated new orders of 800,000 million yen, consolidated revenues of 400,000 million yen, consolidated operating income of 11,500 million yen, consolidated ordinary income of 12,500 million yen and consolidated profit attribute to owners of parent of 6,500 million yen in the fiscal year 2018 ending March, 2019. Exchange rate of assumption is .105 yen per U.S. dollar.

2) Management Policy

The Chiyoda Group formulated "Mirai Engineering" A Grand Opportunity for the Future, a Medium-Term Management Plan ("MTMP") covering the period from FY2017 to FY2020, aiming to become a new type of engineering company that will create the future of energy and the global environment through its technology and passion. Under the MTMP, the Group will simultaneously create a solid management base for future growth (structural reform) and expand business fields and transform its business model, looking ahead 10 years (growth strategy). It aims to contribute to the development of a sustainable society and to be a global top-tier "Integrated Engineering & Service Provider" in the fields of Energy and Environment.

In the consolidated fiscal year under review, the first fiscal year of the MTMP, the Structural Reform Promotion Office established in October last year took the lead in formulating and starting to implement internal measures to further strengthen risk management capabilities, increase basic earnings strength and enhance resilience to downturns, and further expand the human resource base. Following the establishment of the Growth Strategy Division in October last year, the Group also resolutely restructured business divisions in April this year, to more powerfully execute the three growth strategies under the MTMP, which are to build the energy value chain business, expand the global environmental engineering business, and develop a new business model for a digital society.

Looking at the Chiyoda Group's macro-environment, the supply and demand structure for energy is in the midst of a long-term shift and, in this environment, the Group will continue initiatives to receive orders for large projects in Mozambique and North America in the LNG market. It will also strive to expand business in renewable energy, electricity and energy storage, and environmental markets based on an awareness of the advent of a carbon-free society, while concentrating on branching out into diverse areas such as pharmaceuticals and life sciences. The Group will also step up activities to become more digitally equipped, to promote the development of new business models in response to rapid advances in AI, Big Data and IoT.

(4) Dividend Policy and Current/Next-Period Dividend Payments

The Chiyoda Group sets a consolidated dividend payout ratio of more than 30% for the MTMP period along a minimum full-year dividend of 6 yen per share. Further in the policy, the dividend amount for each fiscal year is determined in consideration of the progress under the Growth and Investment Strategy, reflecting the operating environment.
We plan to pay a dividend per share for the fiscal year under review of 7.5 yen. For the next fiscal year, we plan a year-end dividend per share 7.5 yen.

(5) Business Risks

Business risks may significantly impact the Chiyoda Group's business operations and finances. These risks have the potential to impact investor decision making. Recognizing these risks, the Group has implemented risk mitigation plans to minimize consequences when such events occur.
The risks below are those we recognize as of the date of the fiscal year ended.

(a) Changes in the Business Environment; Economic, Social and Political Factors

Various factors may require that modifications be made to clients' investment plans, project suspension, delay or review. These factors include changes in global economic, social and political environments, protective trade, economic sanctions, and diplomatic relations, changes in home country energy policies and commodity prices such as oil, LNG and metal resources prices: All the factors may affect the Group earnings. Changes in economic, social and political environments for clients, joint venture partners, subcontractors, suppliers and service providers could affect the Group's project execution plans, profitability and, ultimately, its financial strength.
The Group monitors global economic and social trends for a potential impact on business and strives to reduce such risk through rigorous contract negotiations. Due diligence is executed for subcontractors, vendors and service providers and remedial action in the supply chain is taken if necessary.

(b) Earthquakes and Natural Disasters, Terrorism, Wars and Other Force Majeure Events

Force Majeure events such as earthquakes, natural disasters by heavy rains or floods due to global climate changes, terrorism and wars have the potential to materially impact project sites or business locations. Disruption issues may include personnel life crisis, delays in equipment and materials delivery and/or suspension of field work.
The Group puts life and safety first and has the Crisis Management Unit, to compile and analyze information to prevent human suffering or harm. The Group has established, and is reinforcing, the crisis management system, which advocates the employment of professional security advisors in the regions requiring particular attention. Additionally, the Group maintains the risk management system to rapidly react to various situations and to respond to an emergency immediately, including consulting with the clients and/or the parties concerned to minimize force majeure risk.
The Group has formulated a Business Continuity Plan (BCP) for unexpected events including as a massive earthquake to act smoothly in the initial stage and execute priority tasks. In that way, the Group has been prepared to ensure business continuity by conducting emergency response training.

(c) Fluctuations in Equipment and Material Costs

Under certain contracts, the Group is exposed to material/equipment cost fluctuation risk due to the time difference between plant or material quotation and purchase. Specifically the price of steel, which constitutes a major part of plant construction, could be severely impacted by a rise in commodity prices such as coal and iron ore. Future market prices of copper, nickel, aluminum and zinc are similarly unpredictable.
The Group avoids such risks (or minimizes the impact) by diversifying supply sources, placing early orders, maintaining alliances with major vendors/suppliers and identifying market trends.

(d) Possible Shortages of Construction Workers/Equipment and Materials
A project may experience a delay and a cost impact if sufficient construction labor, equipment and materials or other resources required for a project cannot be sufficiently procured.
The Group avoids such risk (or minimizes the impact) by applying diverse construction methods including modular construction, in the countries where materials and/or adequately qualified labor are scarce or in severe climate areas, and by establishing communication and collaboration with reliable subcontractors, vendors and suppliers. If a plant's construction is suspended due to labor disputes and the like, the Group minimizes risk by taking appropriate action in cooperation with clients and the local authorities.

(e) Plant Accidents
Safety risk, the consequences of which could be serious for the Group's operating capability, is inherent in the construction industry.
Safety is of paramount importance to the Group, reinforced by the maxim "Safety is the Core Value". Through comprehensive Risk Identification and Management procedures, reinforced by close collaboration with clients, designers, subcontractors and vendors, all the risks are identified at every stage of project delivery, from feasibility through design and construction, and measures to negate or mitigate the identified risks are implemented.

(f) Exchange Rate Fluctuations
Some construction projects may involve payment settlements (subcontractors, vendors and suppliers) in a currency that does not correspond with the currency received from the client for the work. In such cases, exchange rate fluctuations can have an impact on earnings. The Group avoids/minimizes exchange rate risk by reserving construction payments against such risk in multiple foreign currencies and by entering into exchange rate forward contracts.

(g) Compliance-related Risk
The Group's global operations are required to comply with local laws, acts and regulations in the respective countries and regions where its head office, subsidiaries, business offices and construction execution sites are located, both at home and abroad. Penalties or suspicious action resulting from non-compliance could have a serious impact on a project's execution or the business operation of the Group.
To prevent and/or minimize such compliance-related risk, the Group runs training courses for employees including assembled induction and e-learning. Those are intended for them to understand and strictly observe the updated laws, acts, regulations or rules related to its business operations including those for human rights and anti-bribery. The Group also makes every effort to comprehend the present trend of stakeholders including the authorities concerned and clients, both at home and abroad. Additionally, the Group has incorporated compliance response in its operating processes by establishing a Compliance Committee consisting of CCO (Chief Compliance Officer) as a chairman and all Division Directors, and Group Company Liaison Meeting on Compliance consisting of CCO as a chairman and Group company representatives.

(h) Information Security Risk
The Group takes great care in managing information obtained from clients, subcontractors, equipment and materials suppliers and other service providers. The information is necessary in the performance of its business. The Group also possesses confidential information related to technologies, sales, and other businesses. Many core corporate operations and business transactions are conducted by making full use of the IT systems at global subsidiaries. The Group operations are subject to system failure, information leakage and loss of important business information due to infection by computer viruses, external unauthorized access and cyber-attacks. The Group, including the main subsidiaries and global headquarters, holds an ISMS (Information Security Management System) certificate and performs competent information security management which includes training, auditing, and defensive and minimizing measures under its business continuity plan.

(i) Business Investment Risk
The Group makes business investment to pursue the growth strategy under MTMP such as the establishment of a new company or the purchase of the existing company. The Group is exposed to several risks, such as changes in the business environment, lower earnings obtained than planned, a downturn in business and incurring extra costs. Prior to deciding on business investment, the Group does assess the feasibility through our standards and rules. After making an investment, the Group regularly monitors the progress in the business and provide various types of support as necessary, to avoid or minimize any loss.

2. Basic Concept of Accounting Criteria

The Chiyoda Group presents its consolidated financial statements based on Japanese accounting criteria in consideration for comparison with those for the previous fiscal term as well as comparison with the other companies' financial statements. The Group will follow international accounting criteria in due course after examining the trend of Japanese engineering contractors.

3. Consolidated quarterly financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	135,373	96,008
Notes receivable, accounts receivable from completed construction contracts	59,865	76,884
Securities	7,999	7,999
Costs on uncompleted construction contracts	24,220	15,916
Accounts receivable – other	7,761	41,967
Deferred tax assets	9,586	5,948
Jointly controlled assets of joint venture	164,283	131,374
Other	17,696	5,563
Allowance for doubtful accounts	(1,541)	(1,245)
Total current assets	425,244	380,418
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,892	13,504
Accumulated depreciation	(7,265)	(7,493)
Buildings and structures, net	6,627	6,010
Machinery and vehicles	547	522
Accumulated depreciation	(328	(349)
Machinery and vehicles, net	218	172
Tools, furniture and fixtures	7,236	6,142
Accumulated depreciation	(6,212)	(5,321)
Tools, furniture and fixtures, net	1,023	820
Land	5,266	4,952
Construction in progress	22	115
Total property, plant and equipment	13,158	12,071
Intangible assets	8,098	5,718
Investments and other assets		
Investment securities	7,707	7,681
Net defined benefit asset	84	203
Deferred tax assets	4,967	6,328
Other	2,405	8,468
Allowance for doubtful accounts	(336)	(185)
Total investments and other assets	14,830	22,496
Total non-current assets	36,086	40,286
Total assets	461,331	420,704

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	160,096	147,654
Short-term loans payable	203	—
Current portion of long-term loans payable	10,004	—
Income taxes payable	668	894
Advances received on uncompleted construction contracts	85,187	76,294
Provision for warranties for completed construction	319	419
Provision for loss on construction contracts	3,315	3,288
Provision for bonuses	3,156	3,887
Provision for loss on business of subsidiaries and associates	22,919	—
Other	15,311	16,224
Total current liabilities	301,182	248,663
Non-current liabilities		
Long-term loans payable	4	10,000
Provision for treatment of PCB waste	338	344
Net defined benefit liability	1,522	1,176
Other	1,158	1,101
Total non-current liabilities	3,023	12,622
Total liabilities	304,206	261,286
Net assets		
Shareholders' equity		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	72,132	77,024
Treasury shares	(1,431)	(1,434)
Total shareholders' equity	151,210	156,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	379	64
Deferred gains or losses on hedges	499	(1,778)
Foreign currency translation adjustment	2,656	2,159
Remeasurements of defined benefit plans	592	1,013
Total accumulated other comprehensive income	4,128	1,458
Non-controlling interests	1,785	1,861
Total net assets	157,125	159,418
Total liabilities and net assets	461,331	420,704

(2) Consolidated statement of income and comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales of completed construction contracts	603,745	510,873
Cost of sales of completed construction contracts	565,521	502,255
Gross profit on completed construction contracts	38,223	8,618
Selling, general and administrative expenses	22,543	20,948
Operating profit (loss)	15,680	(12,330)
Non-operating income		
Interest income	1,554	2,245
Dividend income	933	340
Share of profit of entities accounted for using equity method	—	680
Other	357	299
Total non-operating income	2,844	3,566
Non-operating expenses		
Interest expenses	209	212
Share of loss of entities accounted for using equity method	17,106	—
Foreign exchange losses	3,455	667
Commission fee	59	208
Other	775	247
Total non-operating expenses	21,605	1,336
Ordinary loss	(3,080)	(10,100)
Extraordinary income		
Reversal of provision for loss on business of subsidiaries and associates	—	12,441
Gain on sales of shares of subsidiaries and associates	—	1,732
Gain on sales of investment securities	1,937	202
Other	—	590
Total extraordinary income	1,937	14,967
Extraordinary losses		
Provision for loss on business of subsidiaries and associates	22,919	—
Loss on sales of shares of subsidiaries and associates	1,146	—
Impairment loss	766	—
Loss on valuation of investment securities	393	—
Total extraordinary losses	25,225	—
Profit (loss) before income taxes	(26,368)	4,867
Income taxes - current	15,026	(5,475)
Income taxes - deferred	(143)	3,741
Total income taxes	14,883	(1,734)
Profit (loss)	(41,251)	6,602
Profit (loss) attributable to non-controlling interests	(135)	156
Profit (loss) attributable to owners of parent	(41,116)	6,445

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit (loss)	(41,251)	6,602
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,006)	(315)
Deferred gains or losses on hedges	2,129	(2,276)
Foreign currency translation adjustment	(1,102)	(1,001)
Remeasurements of defined benefit plans, net of tax	291	420
Share of other comprehensive income of entities accounted for using equity method	(451)	450
Total other comprehensive income	(1,139)	(2,723)
Comprehensive income	(42,391)	3,878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(42,228)	3,775
Comprehensive income attributable to non-controlling interests	(162)	103

(3) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	(26,368)	4,867
Depreciation	3,643	3,545
Impairment loss	766	－
Amortization of goodwill	547	327
Increase (decrease) in allowance for doubtful accounts	(701)	(218)
Increase (decrease) in provision for warranties for completed construction	(15)	102
Increase (decrease) in provision for loss on construction contracts	154	(25)
Increase (decrease) in provision for bonuses	(368)	732
Increase (decrease) in provision for loss on business of subsidiaries and associates	22,919	(12,777)
Increase (decrease) in net defined benefit liability	(428)	44
Interest and dividend income	(2,487)	(2,585)
Interest expenses	209	212
Foreign exchange losses (gains)	(186)	477
Share of loss (profit) of entities accounted for using equity method	17,106	(680)
Loss (gain) on valuation of investment securities	393	－
Loss (gain) on sales of investment securities	(1,937)	(202)
Loss (gain) on sales of shares of subsidiaries and associates	1,146	(1,732)
Decrease (increase) in notes and accounts receivable - trade	8,141	(19,550)
Decrease (increase) in costs on uncompleted construction contracts	10,786	8,289
Increase (decrease) in notes and accounts payable - trade	11,401	(10,420)
Increase (decrease) in advances received on uncompleted construction contracts	(48,668)	(8,014)
Decrease (increase) in accounts receivable - other	(1,901)	(26,992)
Decrease (increase) in jointly controlled asset of joint venture	13,666	31,920
Other, net	376	(1,431)
Subtotal	8,194	(34,114)
Interest and dividend income received	1,458	1,954
Interest expenses paid	(205)	(205)
Income taxes paid	(13,821)	(1,750)
Net cash provided by (used in) operating activities	(4,375)	(34,115)
Cash flows from investing activities		
Net decrease (increase) in time deposits	3,043	2,028
Purchase of property, plant and equipment	(649)	(550)
Proceeds from sales of property, plant and equipment	46	362
Purchase of intangible assets	(1,451)	(2,044)
Purchase of investment securities	(351)	(338)
Proceeds from sales of investment securities	15,554	896

Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,684
Payments of loans receivable	(12,188)	(4,229)
Collection of loans receivable	6,382	757
Other, net	49	5
Net cash provided by (used in) investing activities	10,433	(1,428)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(50)	149
Proceeds from long-term loans payable	―	10,000
Repayments of long-term loans payable	(3)	(10,004)
Cash dividends paid	(2,586)	(1,552)
Other, net	(52)	(61)
Net cash provided by (used in) financing activities	(2,693)	(1,468)
Effect of exchange rate change on cash and cash equivalents	(1,395)	(108)
Net increase (decrease) in cash and cash equivalents	1,969	(37,121)
Cash and cash equivalents at beginning of period	136,919	138,889
Cash and cash equivalents at end of period	138,889	101,767

(4) Notes on Consolidated Financial Statements

(Notes on Assumptions for a Going Concern)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity, if Applicable)

None

4. Production, Contracts and Sales

(Millions of yen)

	Apr. 1, 2016 － Mar 31, 2017			**Apr. 1, 2017 － Mar 31, 2018**		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	348,279 99.0%	600,244 99.4%	876,819 100.0%	297,914 98.9%	507,573 99.4%	653,516 100.0%
LNG Plant	190,252 54.1%	415,199 68.8%	605,274 69.0%	123,283 40.9%	361,559 70.8%	352,164 53.9%
Gas Development/Processing/Receiving	6,825 1.9%	14,353 2.4%	11,739 1.4%	2,666 0.9%	11,238 2.2%	4,406 0.7%
Refinery/Petrochemical/Metal	57,316 16.3%	101,133 16.7%	153,548 17.5%	52,623 17.5%	52,741 10.3%	155,031 23.7%
Pharmaceutical/Biochemistry/ Chemical	35,705 10.2%	29,663 4.9%	35,312 4.0%	35,075 11.6%	33,671 6.6%	36,117 5.5%
Environment/New Energy/Infrastructure	47,268 13.4%	33,592 5.6%	63,402 7.2%	69,773 23.2%	36,117 7.1%	96,510 14.8%
Others	10,910 3.1%	6,301 1.0%	7,540 0.9%	14,491 4.8%	12,245 2.4%	9,286 1.4%
Other Business	3,501 1.0%	3,501 0.6%	- -	3,300 1.1%	3,300 0.6%	- -
Total	351,780 100.0%	603,745 100.0%	876,819 100.0%	301,214 100.0%	510,873 100.0%	653,516 100.0%
Domestic	130,492 37.1%	102,434 17.0%	122,046 13.9%	151,733 50.4%	109,795 21.5%	163,210 25.0%
Overseas	221,287 62.9%	501,311 83.0%	754,772 86.1%	149,480 49.6%	401,078 78.5%	490,306 75.0%

Note 1: The backlog of contracts for the ended March 31, 2018 includes a decrease due to changes in construction contracts acquired in prior fiscal years, and an adjustment due to foreign exchange translation adjustments.

Note 2: The total amount of the above table does not include consumption tax.

5. Change to Directors

(1) Nominees for Directors, Audit and Supervisory Committee

	New Assignment	Current Position
Mikio Kobayashi	Director, Full-time Audit and Supervisory Committee	Director, Full-time Audit and Supervisory Committee
Takahiro Kitamoto	Director, Audit and Supervisory Committee	Advisor
Hiroshi Yamaguchi	Director, Audit and Supervisory Committee	Newly appointed
Tetsuya Aiba	Director, Audit and Supervisory Committee	Newly appointed
Mika Narahashi	Director, Audit and Supervisory Committee	Newly appointed

Notes: The following members are nominees for Outside Directors of Audit and Supervisory Committee
Mikio Kobayashi
Hiroshi Yamaguchi
Mika Narahashi

The following members are nominees for Independent Directors regulated by the Tokyo Stock Exchange, Inc.
Mikio Kobayashi
Hiroshi Yamaguchi
Mika Narahashi

(2) Retirement from Audit and Supervisory Committee
Hideaki Takaishi
Yukihiro Imadegawa

(3) Appointment and retirement date (as planned)
June 21, 2018