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, 2020

May 8, 2020

Company name: **CHIYODA CORPORATION**
Listing: Second Section of the Tokyo Stock Exchange
Stock code: 6366
URL: http://www.chiyodacorp.com/
Representative: Masaji Santo, President& COO
Inquiries: Masaru Akiyama, GM, Accounting Department
TEL: **+81-45-225-7745**

Date of general shareholders' meeting: June 25, 2020 Annual securities report filing date: June 25, 2020
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 the fiscal year ended March 31, 2020

(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, 2020	385,925	12.9	26,789	-	18,644	-	12,177	-
Fiscal year ended March 31, 2019	341,952	(33.1)	(199,795)	-	(192,998)	-	(214,948)	-

Note: Comprehensive Income: Fiscal year ended March 31, 2020: 14,374 million yen / (―) %
Fiscal year ended March 31, 2019: (216,488) 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, 2020	40.94	15.51	-	5.1	6.9
Fiscal year ended March 31, 2019	(830.02)	-	(441.2)	(50.0)	(58.4)

Reference: Equity Fiscal year ended March 31, 2020: 361 million yen
Fiscal year ended March 31, 2019: 194 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, 2020	385,051	24,943	6.3	(182.07)
As of March 31, 2019	352,341	(59,154)	(17.1)	(232.13)

Reference: Equity Fiscal year ended March 31, 2020: 24,423 million
Fiscal year ended March 31, 2019: 60,114 million

(3) Consolidated Cash Flow

Net cash provided by	Operating activities	Investing Activities	Financing Activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2020	(32,525)	(7,828)	89,200	115,932
Fiscal year ended March 31, 2019	(37,941)	778	4,020	68,306

2. Cash dividends

	Cash dividends per share					Payment of cash dividends	Payout ratio (consolidate)	Dividend on equity ratio
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2019	–	–	–	0.00	0.00	0	–	0
Fiscal year ended March 31, 2020	–	–	–	0.00	0.00	0	0.0	0.00
Fiscal year ending March 31, 2021 (Forecast)	–	–	–	0.00	0.00		–	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Chiyoda is still currently assessing the impact of COVID-19 and the resulting changes to the business environment, including the stagnation of the global economy, which caused the sharp decrease in energy demand and the drop in crude oil and gas prices. The business outlook and earnings forecasts have therefore not been determined. Full year forecasts for the fiscal year ending March 2021 will be announced when available.

4. Others

(1) Changes in Significant Subsidiaries during the Period
(changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in Accounting Policies and Accounting Estimates / Restatements

a. Changes in accounting policies due to revisions of accounting standards, etc.: Yes
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, 2020 260,324,529 shares
As of March 31, 2019 260,324,529 shares

b. Number of treasury stock at the end of the period
As of March 31, 2020 1,357,497 shares
As of March 31, 2019 1,357,156 shares

c. Average number of shares during the period
Year ended March 31, 2020 258,967,168 shares
Year ended March 31, 2019 258,967,495 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.

\# Change of date format
From “March 2019 First Quarter Financial Results”, the date format from Japanese calendar changed to Gregorian calendar.

Table of Contents for the appendices

1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

The stagnation of the world economy this fiscal year due to COVID-19 and the oil price slump due to oversupply and the failure of oil producing countries to reach an agreement on limiting oil production, is expected to result in a sharp decrease in energy demand. The business environment surrounding Chiyoda, including the energy supply-demand imbalance, is radically changing and a severe outlook is anticipated where the future cannot be predicted.

Under these extraordinary circumstances, the Group continues to steadily execute ongoing projects in the energy and global environment fields worldwide, including the construction of large-scale LNG plants.

In May 2019, Chiyoda launched a new medium-term management plan: “Chiyoda’s Revitalization Plan – Initiatives for Revitalization and the Future” and in July the same year, Chiyoda strengthened its financial base with increased shareholder equity through a third party allocation of shares, valued at JPY 70 billion, to Mitsubishi Corporation. To solidify revitalization and growth, a Strategy & Risk Integration (SRI) Division was also launched in July 2019 to implement a rigorous and comprehensive risk management structure, from project award to completion, and enhance EPC management utilizing digital technology. Concurrently, Chiyoda restructured its organization and business operations aiming to diversify its business portfolio towards steady growth. In July 2019, a Digital Transformation Division was established to innovate business operation through company-wide digitalization, leading to work-life balance reform. In October 2019, a Frontier Business Division was established to diversify the business portfolio by redefining the value of engineering.

On consolidated basis, for the fiscal year ending March 31, 2020, New Orders amounted to 179,836 million yen (down 76.7% YoY), Revenues to 385,925 million yen (up 12.9% YoY), Backlog to 811,847 million yen (down 20.1% YoY). Operating income came to 26,789 million yen (compared with previous year’s consolidated operating loss of 199,795 million yen), affected by foreign exchange loss of 10,192 million yen on foreign currency-denominated trade receivables and payables as a non-operating expense due to fluctuations in the exchange rate. Ordinary income amounted to 18,644 million yen (compared with previous year’s consolidated ordinary loss of 192,998 million yen). Extraordinary gains of 363 million yen related to the sale of shares of an affiliated companies and reversal of reserve of 232,000 million yen for the losses due to the business restructure of the Group already recorded in the previous consolidated fiscal year. Extraordinary loss of 122,000 million yen recognized due to evaluation of investment securities and goodwill impairment loss of 67,000 million yen. In addition, corporate tax of 7,120 million yen were recorded due to a decrease in the balance of deferred tax liabilities and other factors and resulted in a corporate tax adjustment amount of -105,000 million yen. Net Profit attributable to owners of the parent came up to 12,177 million yen (compared with previous year’s consolidated loss attribute to owners of parent of 214,948 million yen).

Reportable engineering business activities are summarized below:

- Energy

LNG / Gas

【Overseas】
Chiyoda is in the EPC phase on projects in the USA, Indonesia and Mozambique. For ongoing large-scale projects, the third train of Freeport LNG project commenced commercial operation in early May and therefore all trains commenced commercial operation. The second train of Cameron LNG commenced commercial operation and the third train is progressing towards commercial operation. The EPC phase of Golden Pass LNG is also progressing. In Qatar, Chiyoda is in the EPC phase of a helium production facility, we are modifying and revamping LNG/gas processing plants previously constructed by Chiyoda and are preparing an EPC proposal for the North Field Expansion project, comprising 4 x 7.8 million ton/annum trains.

【Japan】
Renovations and modifications are underway on Chiyoda's previously constructed LNG receiving terminals and seismic upgrades of facilities under the Basic Act for National Resilience are progressing.

Refinery/Petrochemical/Metal

【Overseas】
Chiyoda is executing a large-scale ethylene plant EPC project on the Gulf Coast in the USA. In Malaysia, Chiyoda is executing EPCC (EPC plus Commissioning) on a Residue Fluid Catalytic Cracking (RFCC) plant and EPC on a petrochemical tank terminal project. In Southeast Asia, the Group has completed the EPC of a refinery and petrochemical plant.

【Japan】
The Group has completed the EPC for offsite construction and renovation of existing refining facilities to reduce sulfur content in bunkering fuel according to new 2020 regulations, as well as other revamping and modification work. The Group continues to renovate existing refining facilities to increase their competitiveness.

- Environment

Pharmaceutical/Biochemistry/General Chemistry

Chiyoda has completed the EPC phase of a middle molecule pharmaceutical production facility and is executing the EPC of a synthetic raw materials plant for medicines, functionalized chemical facilities and a hydrogenated petroleum resin production plant.

Chiyoda is collaborating with MIRAI Co. Ltd, a major production and administration company promoting the introduction of commercial facilities, on a vegetable growing facility and has been awarded by Qatar University for a pilot vegetable factory project.

Environment/New Energy/Infrastructure

【Overseas】
Chiyoda has implemented its thoroughbred 121 (CT-121) Process to flue gas desulfurization facilities on existing coal fired plants in India.

【Japan】
In the environment field, Chiyoda is executing the EPC for fuel gas desulfurization facilities on existing coal fired plants and CO2 separation unit demonstration facilities. In the new energy field, Chiyoda is executing the world's largest Battery Energy Storage System Project, photovoltaic (mega solar) facilities and the largest capacity biomass firing plant in Japan. Chiyoda is also considering participating in a floating offshore wind farm, an area where we anticipate further opportunities.

A hydrogenation plant in Negara Brunei Darussalam and a dehydrogenation plant in Japan have been completed and a display plant is undergoing to demonstrate the development of "Advanced Hydrogen Energy Global Supply and Transportation" promoted by an organization established jointly with Mitsubishi Corporation, Mitsui & Co., Ltd. and Nippon Yusen (NYK Line). Chiyoda and Mitsubishi Corporation have entered into a Memorandum of Understanding (MOU) with five (5) companies in Singapore to collaborate towards Singapore's sustainable hydrogen economy using Chiyoda's highly regarded safe technology. Chiyoda also aims to develop its hydrogen importation and consumption business with our key technology.

Chiyoda has also entered into an MOU with Hazer Group Limited in Australia to collaborate on commercial activities in Japan, using the Hazer Process to produce and supply hydrogen without the need to store carbon-dioxide utilizing methane as a feedstock to produce hydrogen and graphite.

- **Digital Technology**

In a tie-up agreement with GRID Inc., the Group aims to develop a new digital technology business by implementing AI technologies on plants to improve productivity. Chiyoda has also developed AI to optimize the productivity of PT. Donggi-Senoro LNG (Indonesia) plants, aiming to introduce the technology worldwide.

Chiyoda has signed an MOU with Abu Dhabi Gas Liquefaction Co. (UAE) to provide state-of-the-art digital technologies for their LNG Plant, targeting early introduction to improve plant reliability.

Chiyoda is also implementing the company-wide "Target 20" campaign to improve EPC management, work efficiency and corporate management practices. Chiyoda applies Advanced Work Packaging (AWP) to enhance project planning and control on current and future projects.

(2) Financial Information on Business Performance

This section is not translated.

(3) Outlook

1) Forecast of next Fiscal Year income related items

Chiyoda is currently assessing the impact of COVID-19 and the resulting changes to the business environment, including the stagnation of the world's economy, which caused the sharp decrease in energy demand.

Business and earnings forecasts for the fiscal year ending March 2021 will therefore be announced when available.

2) Management policy, business environment and others

In the previous consolidated fiscal year, the Group recorded negative retained earnings due to unexpected additional costs on ongoing projects and a reassessment of litigation and arbitration risks.

At the Board of Directors meeting on May 9, 2019, Chiyoda agreed the issuance of preferred shares by a third party allocation and the borrowing of funds by Mitsubishi Corporation and Mitsubishi UFJ Bank Ltd to judiciously eliminate negative net worth. Chiyoda and the two companies also signed a basic framework agreement for a Financial Restructuring Plan, which strengthened the financial and business base.

The Group has formulated a new Medium-Term Management Plan (MTMP): 'Revitalization for the Future' redefining the direction of growth and describing Chiyoda's development of a new risk management structure, enhancement of EPC execution management capabilities and reinforcement of human resources management.

Risk Management is conducted throughout the entire project lifecycle, from order receipt to handover, by a 'Strategy and Risk Integration Division' newly launched on 1 July 2029. The Company also strives to strengthen its corporate governance through increased external management supervision and execution control.

Chiyoda's Construction Division was established under the Energy Project Operation Division on 1 April 2020 to reinforce construction, commissioning and human resources performance. The Company also promotes integrating digital technologies in the areas of cost, schedule, quality control, design, procurement and construction and to improve project management.

For ongoing large-scale projects, Freeport LNG project was completed in early May 2020. The second train of Cameron LNG was completed in February 2020 and the third Train is nearing completion. Progress of Tangguh Expansion Project is approximately 80% and construction activities are ongoing.

A Human Resource Development Policy has been established to reinforce management of human resources and Chiyoda regularly reviews its personnel management systems to realize optimal human resource development in the medium and long-term.

A "daily action guideline" has been established as a new philosophy for employees to better understand the Revitalization Plan, facilitate an increased sense of responsibility at work, improve social values, enhance risk management and amplify the significance of human resources. The Company continuous to transform its culture through these initiatives to realize sustainable growth.

COVID-19 has drastically changed Chiyoda's business environment. As always, the Company prioritizes the health and safety of its employees and related parties and has imposed restrictions as required, including the temporarily suspending production and transportation and restrictions on dispatched construction supervisors and mobilization of site workers. Assessment of the impacts on ongoing projects and the implementation of mitigating measures continues. The Company has also commenced discussions with customers and subcontractors regarding increased costs and schedule delays and is closely monitoring the situation on the understanding that customer investment plans will be reviewed.

The new MTMP redefines engineering values and outlines optimized approaches for improving EPC execution and using new technologies.

A new 'Frontier Business Division' was established in October 2019 to promote three business pillars: 1. Low carbon, clean technical innovation businesses, 2. new utility business using decentralized and digital data and 3. Pharmaceutical and life sciences business.

Chiyoda's Digital Transformation Division develops digital products to optimize customer asset values by combining the Company's engineering proficiency with digital/AI technology and big data analysis whilst developing sophisticated human resource expertise

Chiyoda's IT business domain, owned by its subsidiary Chiyoda System Technologies TIS Inc., a major IT company, have established a joint venture to develop the Company's IT infrastructure.

(4) Dividend Policy and Profit Distribution for the current and next period

Continuing from the previous consolidated fiscal year, the current surplus carried forward is negative and the management regrets it is unable to pay a dividend in fiscal year 2019.

Although the Company will return to paying shareholder dividends as soon as possible, the management regrets that year-end dividends for the next fiscal year remain undecided due to the Company's revitalization process and COVID-19

Business, earnings and dividend forecasts will be announced when available.

(5) Business Risks

Business risks with the potential to influence investor decision making may significantly affect Chiyoda's business operations and finances. The Group has therefore implemented plans to mitigate such risks and minimize their consequences, including those identified below for the current fiscal year.

(a) Risk of the Novel Coronavirus

In response to the 2019-nCoV novel Coronavirus outbreak, international travel bans were announced and restrictions were implemented impacting global supply chains.

As always, the Company prioritizes the health and safety of its employees and related parties and has imposed restrictions as required, including limiting customer and subcontractor interviews, temporarily suspending production and transportation restrictions on dispatched construction supervisors and mobilization of site workers. Assessment of the impacts on ongoing projects and the implementation of mitigating measures continues. The Company has also commenced discussions with customers and subcontractors regarding increased costs and schedule delays and is closely monitoring the situation on the understanding that customer investment plans will be reviewed.

(b) Impact of global economic, political and social changes

Global economic, political and social changes include new political and social conditions, trade protectionism, economic sanctions, diplomatic tensions, energy policy changes and fluctuating market trends and prices for crude oil, LNG and metal resources. Chiyoda's business performance could be adversely affected by cancellations, postponements or deterioration in the financial conditions of clients.

The Company closely monitors economic and social changes during procurement activities regardless of timing, such as the recent oil price slump, and shares related risks with customers and business partners. The Company's due diligence of potential business partners, assessment of transaction risks and conditions and alternative partner investigations minimize the consequences of such risks.

(c) Natural disasters, terrorism, war and other Force Majeure events

Force Majeure events such as natural disasters (e.g.: earthquakes, heavy rains or floods), terrorism or war have the potential to materially impact project sites and local businesses. Disruption may include personnel life crises, delays in equipment or material delivery and suspension of construction work. As the health and safety of its employees and affected third parties is the Group's highest priority, a Crisis Management Unit compiles and analyzes 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 a risk management system to rapidly react to situations and immediately respond to an emergency, including consulting with clients and/or parties concerned to minimize Force Majeure risk. The Group has formulated a Business Continuity Plan (BCP) for unexpected events to take immediate effective action and execute priority tasks. The Group also ensures business continuity by conducting emergency response training.

(d) Equipment and material cost fluctuations

Under certain contracts, the Group may be exposed to material and equipment cost fluctuation risk due to the time difference between 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 minimizes fluctuation risks by diversifying supply sources, placing orders early, maintaining alliances with major vendors/suppliers and identifying market trends.

(e) Construction resource risks

A project may experience delay's and/or cost impacts if sufficient quantities of construction labour, equipment and materials or other resources cannot be procured.

The Group minimizes construction resource risks by applying alternative construction methods (eg: modular construction) in countries with severe climates and/or where construction resources are scarce and by collaborating with subcontractors, vendors and suppliers through effective communication channels. If construction is suspended due to labour disputes etc, the Group minimizes risk by taking appropriate action in collaboration with clients and local authorities.

In addition, in the event of effects of the new corona virus, pandemics diseases, strikes, etc., if it becomes necessary to suspend construction work, the Company will take appropriate action in cooperation with its customers and related local organizations to minimize the impact.

(f) Health and safety

Health and Safety is paramount throughout the Chiyoda Group. All practicable measures are implemented by the Company to minimize risks to personnel affected by its operations throughout all project phases and the Group collaborates with clients to proportionally share their impact. Chiyoda's 'C-Safe' Behavioral Based Safety program is specifically designed to address the challenges and complexity of health and safety management on projects. With a strong focus on leadership and worker involvement and commitment, C-Safe requires all personnel to consciously think about their actions and behaviors.

(g) Exchange rate fluctuations

Payments to subcontractors, vendors and/or suppliers on a project may not be in the same currency as that received from a client and exchange rate fluctuation risks will affect earnings. The Group minimizes the impact of such risks by reserving construction payments in foreign currencies and entering into exchange rate forward contracts.

(h) Compliance management

The Group's is required to comply with laws, acts and regulations in the country or region of operation. Penalties for breaching local laws or regulations could have serious impacts for a project and the operation of the Group as whole. The Group therefore trains employees in local laws, acts, regulations or rules related to its business operations worldwide, including those for human rights and anti-bribery. The Group works collaboratively with all stakeholders, including regional government and local authorities, and incorporates compliance in its operating processes through a Compliance Committee chaired by a Chief Compliance Officer (CCO) and attended by all Division Directors and Group Company Compliance Liaison Meetings chaired by the CCO and attended by Group company representatives.

(i) Information security

The Group manages all client, subcontractor, equipment and material supplier and other service provider information with the utmost confidentiality. Although information leakage may be caused by IT system malfunction, infection by viruses, external unauthorized access or cyber-attacks, the Group, including main subsidiaries and global headquarters, holds Information Security Management System (ISMS) certification. Stringent and comprehensive information security management procedures including training, auditing and defensive and minimizing measures, are implemented under its business continuity plan.

(j) Business investment risk

The Group pursues the growth strategy in the MTMP by investing in new business, including establishing a new company or purchasing an existing company. The Group implements rigorous rules and standards when conducting feasibility studies prior to investing to minimize exposure to business environment downturn risk and other investment risks adversely affecting costs and earnings. Following investment, the Group regularly monitors progress and provides support as required to negate or minimize loss.

(k) Risk Related to the Ichthys LNG Project

Arbitration was filed by JKC Australia LNG Pty Ltd (JGC, KBR and Chiyoda joint venture) on a plant already handed over to the client as described below. Unfavorable outcomes will result in uncollectable construction receivables and replacement costs which may affect Group business performance.

① Disputes with client
Outstanding issues include scope of work changes and associated additional costs and contract price adjustment.

② Dispute with subcontractor
Arbitration to resolve a dispute with a subcontractor consortium awarded a lump sum contract consisting of General Electric Company, General Electric International Inc., UGL Engineering Pty Ltd and CH2M Hill Australia Pty Limited.

Basic Concept of Accounting Criteria
The Chiyoda Group presents 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 company financial statements. The Group will follow international accounting criteria in due course after examining the trend of Japanese engineering contractors.

2. Basic Concept of Accounting Criteria

At present, in consideration of the comparability of the consolidated financial statement, the Group considers the application of Japanese standards for is appropriate. In regards of the application of International Financial Reporting Standards, it is the Group's policy to respond according to the trends of other companies in the same industry in Japan.

3. Consolidated quarterly financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	69,457	124,404
Notes receivable, accounts receivable from completed construction contracts	68,611	61,182
Costs on construction contracts in progress	7,494	5,261
Accounts receivable - other	65,945	68,712
Jointly controlled assets of joint venture	110,967	96,028
Other	5,707	6,041
Allowance for doubtful accounts	(1,254)	(1,243)
Total current assets	326,929	360,387
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,524	15,035
Accumulated depreciation	(8,063)	(8,857)
Buildings and structures, net	5,461	6,177
Machinery and vehicles	512	748
Accumulated depreciation	(381)	(478)
Machinery and vehicles, net	130	270
Tools, furniture and fixtures	6,404	6,073
Accumulated depreciation	(5,507)	(5,291)
Tools, furniture and fixtures, net	897	782
Land	4,952	5,085
Construction in progress	272	137
Total property, plant and equipment	11,714	12,454
Intangible assets	5,298	4,912
Investments and other assets		
Investment securities	6,393	5,598
Retirement benefit asset	5	—
Deferred tax assets	701	599
Other	1,473	1,271
Allowance for doubtful accounts	(174)	(172)
Total investments and other assets	8,398	7,296
Total non-current assets	25,411	24,663
Total assets	352,341	385,051

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	175,277	137,546
Current portion of long-term borrowings	118	122
Income taxes payable	708	1,212
Advances received on construction contracts in progress	122,252	119,911
Provision for warranties for completed construction	372	860
Provision for loss on construction contracts	67,637	34,871
Provision for bonuses	3,011	4,150
Provision for business restructuring	1,825	401
Other	21,300	20,802
Total current liabilities	392,505	319,878
Non-current liabilities		
Long-term borrowings	15,870	35,747
Provision for treatment of PCB waste	267	239
Retirement benefit liability	1,546	1,986
Other	1,305	2,255
Total non-current liabilities	18,989	40,229
Total liabilities	411,495	360,107
Net assets		
Shareholders' equity		
Share capital	43,396	78,396
Capital surplus	37,112	72,128
Retained earnings	(139,956)	(127,778)
Treasury shares	(1,435)	(1,435)
Total shareholders' equity	(60,882)	21,310
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5)	58
Deferred gains or losses on hedges	(50)	6
Foreign currency translation adjustment	(102)	3,033
Remeasurements of defined benefit plans	926	13
Total accumulated other comprehensive income	767	3,112
Non-controlling interests	960	519
Total net assets	(59,154)	24,943
Total liabilities and net assets	352,341	385,051

(2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales of completed construction contracts	341,952	385,925
Cost of sales of completed construction contracts	523,101	343,101
Gross profit (loss) on completed construction contracts	(181,148)	42,823
Selling, general and administrative expenses	18,647	16,033
Operating profit (loss)	(199,795)	26,789
Non-operating income		
Interest income	2,877	2,649
Dividend income	425	201
Share of profit of entities accounted for using equity method	194	361
Foreign exchange gains	3,638	—
Other	226	289
Total non-operating income	7,362	3,502
Non-operating expenses		
Interest expenses	238	727
Foreign exchange losses	—	10,192
Commission expenses	57	—
Other	269	727
Total non-operating expenses	565	11,647
Ordinary profit (loss)	(192,998)	18,644
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	979	363
Reversal of provision for business restructuring	—	232
Total extraordinary income	979	595
Extraordinary losses		
Loss on valuation of investment securities	—	122
Impairment loss	—	67
Provision for business restructuring	1,825	—
Loss on retirement of non-current assets	335	—
Total extraordinary losses	2,161	190
Profit (loss) before income taxes	(194,181)	19,050
Income taxes - current	11,090	7,120
Income taxes - deferred	10,580	(105)
Total income taxes	21,670	7,015
Profit (loss)	(215,852)	12,034
Loss attributable to non-controlling interests	(903)	(142)
Profit (loss) attributable to owners of parent	(214,948)	12,177

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit (loss)	(215,852)	12,034
Other comprehensive income		
Valuation difference on available-for-sale securities	(69)	64
Deferred gains or losses on hedges	1,719	56
Foreign currency translation adjustment	(1,348)	3,197
Remeasurements of defined benefit plans, net of tax	(87)	(912)
Share of other comprehensive income of entities accounted for using equity method	(850)	(66)
Total other comprehensive income	(636)	2,339
Comprehensive income	(216,488)	14,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(215,638)	14,522
Comprehensive income attributable to non-controlling interests	(849)	(148)

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (April 1, 2018- March 31, 2019)

This section is not translated.

Current consolidated fiscal year (April 1, 2019-March 31, 2020)

This section is not translated.

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	(194,181)	19,050
Depreciation	2,816	3,174
Impairment loss	—	67
Amortization of goodwill	41	40
Increase (decrease) in allowance for doubtful accounts	1	(10)
Increase (decrease) in provision for warranties for completed construction	(52)	491
Increase (decrease) in provision for loss on construction contracts	64,409	(31,906)
Increase (decrease) in provision for bonuses	(874)	1,139
Increase (decrease) in provision for business restructuring	1,825	(1,290)
Increase (decrease) in retirement benefit liability	63	(146)
Interest and dividend income	(3,303)	(2,851)
Interest expenses	238	727
Foreign exchange losses (gains)	(980)	(59)
Share of loss (profit) of entities accounted for using equity method	(194)	(361)
Loss (gain) on sales of investment securities	-	122
Loss (gain) on sales of shares of subsidiaries and associates	(979)	(363)
Decrease (increase) in trade receivables	7,908	7,291
Decrease (increase) in costs on construction contracts in progress	8,149	2,194
Increase (decrease) in trade payables	28,180	(34,702)
Increase (decrease) in advances received on construction contracts in progress	46,210	(1,285)
Decrease (increase) in accounts receivable - other	(23,097)	(3,960)
Decrease (increase) in jointly controlled asset of joint venture	20,055	14,830
Other, net	(1,353)	(1,286)
Subtotal	(45,116)	(29,094)
Interest and dividends received	1,158	1,439
Interest paid	(215)	(719)
Income taxes (paid) refund	6,230	(3,841)
Net cash provided by (used in) operating activities	(37,941)	(32,217)
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,150	(7,358)
Purchase of property, plant and equipment	(642)	(560)
Proceeds from sales of property, plant and equipment	3	91
Purchase of intangible assets	(1,611)	(1,702)
Purchase of investment securities	(109)	(9)

Proceeds from sales and redemption of investment securities	1,791	—
Proceeds from sales of shares of subsidiaries and associates	—	1,116
Proceeds from liquidation of subsidiaries and associates	138	—
Loan advances	(2)	(7)
Collection of loans receivable	59	604
Other, net	—	(2)
Net cash provided by (used in) investing activities	778	(7,828)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Proceeds from long-term borrowings	6,220	20,000
Repayments of long-term borrowings	(231)	(118)
Proceeds from issuance of shares	—	70,000
Dividends paid	(1,939)	(0)
Other, net	(29)	(680)
Net cash provided by (used in) financing activities	4,020	89,200
Effect of exchange rate change on cash and cash equivalents	(317)	(1,528)
Net increase (decrease) in cash and cash equivalents	(33,461)	47,626
Cash and cash equivalents at beginning of period	101,767	68,306
Cash and cash equivalents at end of period	68,306	115,932

(5) Notes on Consolidated Financial Statements

(Notes on Assumptions for a Going Concern)

Not Applicable

Change of Accounting Policy

(Application of IFRS 16 “Lease”)

IFRS 16 “Leases” accounting standards have been applied to overseas consolidated subsidiaries excluding the United States from this fiscal year.

(Application of ASU 2014-09 “Revenue from Contracts with Customers”)

The effect of application of the above on the consolidated financial statements is immaterial. For overseas
consolidated subsidiaries that US GAAP, ASU 2014-09 ” is applied. The effects this change will have on business performance are minor.

Additional Information

(Additional information on business separation)

At the Board of Directors meeting held on January 28, 2020 it was decided that Chiyoda Corporation’s IT business domain, Chiyoda System Technologies (“CST”), will be transferred to a splitting company (“Splitting Company”), established through an incorporation–type company split of CST. Part of the Splitting Company shares will be transferred to TIS Inc. Conditions to be fulfilled on February 28 of the same year. The internal approval of this transaction was reached, and on the same day, the share transfer agreement was reached with TIS Inc.

(1) Purpose of Company Split

CST provides clients with IT solutions covering project management, project control and operational control of industrial plants to resolve business challenges. To further improve performance as an IT solution provider, Chiyoda and CST will develop CST’s IT capability in collaboration with TIS Inc., a first class integrated IT enterprise in Japan and will execute a company split of CST and transfer the Splitting Company’s shares to TIS Inc.

(2) Effective date of the Company Split

October 1, 2020 (planned)

(3) Rights and Obligations of Splitting Company

The Splitting Company succeeds part of assets, debts and contracts related to the IT business domain which CST owns before the effective date of the company split.

Segment Information

This section is not translated

Information per share

This section is not translated

Significant subsequent events

At the Board of Directors meeting held on May 8, 2020, the Company resolved to discuss the reduction of share capital and disposal of capital surplus at the 92nd Ordinary General Meeting of Shareholders to be convened on June 25, 2020.

1. Purpose of reducing share capital and share disposal of surplus
   The purpose of reducing the amount of capital stock and disposal of surplus is to eliminate the cumulative loss of the previous fiscal year to improve the company's financial condition.

2. Details of decrease in capital
   (1) Amount of reduced capital
   The capital of ¥ 78,396,406,450 yen was reduced to ¥ 15,014,832,038 yen
   The amount of capital reduction is ¥ 63,381,574,412.

   (2) Method of reducing the amount of capital
   The total number of issued shares remain unchanged. The total amount of the share capital of 63,381,574,412 yen will be transferred to capital surplus.

3. Contents of disposal of surplus
   Capital surplus of ¥ 135,494,220,412 yen (sum of capital surplus of 72,112,646,000 yen and 63,381,574,412 yen stated above) will be transferred to retained earnings**.** As a result, the balance of retained earnings will be zero (0) yen.

   (1) Items and amount of surplus to be reduced
   Capital surplus 135,494,220,412 yen

   (2) Increased surplus and amount
   Retained earnings 135,494,220,412 yen

3. Schedule

Board Resolution	May 8, 2020	
Ordinary General Meeting of Shareholders	June 25, 2020	(planned)
Date of Notice of Objection of Creditors	June 26, 2020	(planned)
Deadline for objections of Creditors	July 27, 2020	(planned)
Effective date of capital reduction	August 7, 2020	(planned)

Production, Contracts and Sales

(Millions of yen)

	Apr. 1, 2018 ― Mar 31, 2019			Apr. 1, 2019 ― Mar 31, 2020		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	768,199 99.6%	338,592 99.0%	1,016,356 100.0%	179,056 99.6%	385,144 99.8%	811,847 100.0%
LNG Plant	409,075 53.0%	188,844 55.2%	544,082 53.5%	65,196 36.2%	179,503 46.5%	435,962 53.7%
Gas Development/Processing/Receiving	12,344 1.6%	2,708 0.8%	13,405 1.3%	5,334 3.0%	4,545 1.2%	14,181 1.7%
Refinery/Petrochemical/Metal	227,083 29.4%	60,191 17.6%	311,087 30.6%	63,673 35.4%	128,599 33.3%	242,946 29.9%
Pharmaceutical/Biochemistry/ Chemical	21,961 2.9%	28,836 8.4%	24,012 2.4%	19,042 10.6%	24,922 6.5%	20,064 2.5%
Environment/New Energy/Infrastructure	90,045 11.7%	48,354 14.2%	116,734 11.5%	19,728 11.0%	39,671 10.3%	96,583 11.9%
Others	7,689 1.0%	9,656 2.8%	7,034 0.7%	6,079 3.4%	7,903 2.0%	2,109 0.3%
Other Business	3,360 0.4%	3,360 1.0%	- -	780 0.4%	780 0.2%	- -
Total	**771,559** **100.0%**	**341,952** **100.0%**	**1,016,356** **100.0%**	**179,836** **100.0%**	**385,925** **100.0%**	**811,847** **100.0%**
Domestic	196,535 25.5%	120,400 35.2%	217,526 21.4%	95,834 53.3%	133,080 34.5%	179,559 22.1%
Overseas	575,023 74.5%	221,552 64.8%	798,830 78.6%	84,002 46.7%	252,844 65.5%	632,288 77.9%

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