Abridged Translation:

Consolidated Financial Results for the Three Months Ended June 30, 2017

August 9, 2017

Company name: **CHIYODA CORPORATION**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6366
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Scheduled date to file Quarterly Report: August 9, 2017
Preparation of Quarterly Supplementary Explanation Material: Yes
Quarterly 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 three months ended June 30, 2017

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended June 30, 2017	117,858	(11.8)	584	(83.4)	996	(88.8)	165	(95.5)
For the three months ended June 30, 2016	133,639	6.1	3,525	(11.4)	8,926	154.1	3,712	84.0

Note: Comprehensive Income: the three months ended June 30, 2017: (542) million yen / (－)%
the three months ended June 30, 2016: 419 million yen / (80.3)%

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the three months ended June 30, 2017	0.64	―
For the three months ended June 30, 2016	14.33	―

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	456,478	154,999	33.6
As of March 31, 2017	461,331	157,125	33.7

Reference: Equity As of June 30, 2017: 153,231 million yen As of March 31, 2017: 155,339 million yen

2. Cash dividends

	Cash dividends per share				
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	-	-	-	6.00	6.00
Fiscal year ending March 31, 2018	-				
Fiscal year ending March 31, 2018 (Forecast)		-	-	6.00	6.00

Note: Revision to the latest forecast announcement 2017: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

	Revenue		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, 2018	430,000	(28.8)	8,500	(45.8)	10,000	-	5,000	-	19.31

Note: Revision to the latest forecast announcement 2017: None

4. Others

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

(2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: None

(3) 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

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)	
As of June 30, 2017	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 June 30, 2017	1,353,359 shares
As of March 31, 2017	1,351,100 shares
c. Average number of shares during the period	
For the three months ended June 30, 2017	258,971,855 shares
For the three months ended June 30, 2016	258,982,866 shares

*Presentation of Implementation Status of Quarterly Review Procedure
The review procedure of quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these Consolidated Financial Statements.

*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.

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1. Qualitative Information Related to Consolidated Performance

(1) Qualitative Information on Business Performance

During the first three months of this fiscal year, macroeconomic development remained uncertain, mainly due to Arab nations sever diplomatic ties with Qatar announced in June this year, as well as the protracted conflict in Syria and the political uncertainty in Europe over Brexit.
The business environment for the Chiyoda Group remained challenging. As the Organization of Petroleum Exporting Countries (OPEC) reached a deal to curtail oil production, oil prices hovered around levels of $40 a barrel not staging a solid recovery.
Meanwhile, for new liquefied natural gas (LNG) projects, final investment decisions tend to be pushed back. Amidst these developments, the Group continued global project execution of its large-scale LNG projects in the U.S., Australia, Russia and Indonesia. At the same time, the Group kept up its comprehensive strategic efforts to receive new orders by conducting feasibility study and bidding for high feasible projects.
Meanwhile, EMAS CHIYODA Subsea Limited (hereinafter "ECS"), an engineering, procurement, construction and installation (hereinafter "EPCI") service provider involved in subsea projects, and its subsidiaries filed for protection under Chapter 11 of the U.S. Bankruptcy Code in February 2017 and obtained confirmation of the proposed reorganization plan in June by the U.S Bankruptcy Court, Southern District of Texas. With the completion, ECS became a wholly owned subsidiary of Subsea 7 S.A. (hereinafter "Subsea 7") and is not accounted as Group entity using equity method.
Consequently, on a consolidated basis, New Orders for the fiscal year under review amounted to 37,946 million yen (down 35.0% year on year). Backlog came to 783,283 million yen (down 10.7% year on year), Revenues of completed construction contracts amounted to 117,858 million yen (down 11.8% year on year and Operating Income came to 584 million yen (down 83.4% year on year). Ordinary income amounted to 996 million yen (down 88.8% year on year). Profit attributable to owners of parent came down to 200 million yen (compared to 3,712 million yen year on year).

The summary of activities in the engineering business; reportable segments below:

LNG Plant/ Gas Related Work

Overseas, Engineering, Procurement and Construction (EPC) projects for LNG plants are ongoing in the U.S., Australia, Russia and Indonesia. In addition, in Mozambique pre-contract work is continued, for which the Group was already selected as EPC contractor. Moreover, overseas Group companies are working on EPCm (Engineering, Procurement and Construction management) for a project modifying and renovating LNG and gas processing plants formerly built by the Company, as well as an EPC project for helium production facilities in Qatar under long-term EPCm services contracts.
In Japan, the EPC work for a project of modifying and renovating LNG receiving terminals formerly built by the Company is under way.

Refinery/Petrochemical/Metal

Overseas, Front-End Engineering and Design (FEED) work for petrifaction projects in the U.S. is ongoing. In Malaysia, Engineering, Procurement, Construction and Commissioning (EPCC) work for a residue fluid catalytic cracking (RFCC) project is progressing well, and a Group company in Southeast Asia is conducting EPC work for petrochemical tank terminal facilities. The Chiyoda Group is also undertaking project management of a refinery, chemical production and other downstream projects in Asia based on long-term contracts. In the metal field, the EPC work for a titanium sponge plant in Saudi Arabia was completed.
In Japan, the Group continues to perform EPC work to facilitate inter-refinery cooperation in terms of mutual accommodation of fuel and to optimize the configuration of refineries and other facilities for petroleum companies, The Group also continues work on renovating and revamping the existing faculties in compliance with the Basic Act for National Resilience, as well as work for petrochemical production faculties and other existing facilities to improve energy efficiency and repair or replace aging equipment.

Pharmaceutical/Biochemistry/General Chemistry/Environment/Infrastructure

Overseas, in the transportation infrastructure field, the Group is conducting EPC work for a new international airport in Mongolia and the New Bohol Airport in the Philippines. In the environment field, the Group is working to win a contract for a specific project introducing Chiyoda Thoroughbred 121 (CT-121) Process

into flue gas desulfurization facilities in coal-fired power plants in India. Moreover, the Group is executing a project demonstrating equipment for plant factories which use artificial light in Dubai, the United Arab Emirates, and will continue to promote the introduction of this equipment in markets principally in the Middle East and Russia.
In Japan, the Group is working on EPC work for flue gas desulfurization facilities in coal-fired power plants and photovoltaic (mega solar) facilities.
In other fields as Agriculture, pharmaceuticals and biochemistry, the Chiyoda Group is conducting EPC work for Vegetable factories that comply with the latest food safety and hygiene standards, research institutes, facilities capable of handling high-potency pharmacologically active agents and therapeutic antibodies, including cutting-edge injection production facilities, drug substance plants and bio-medicine manufacturing facilities. The Group is also currently building Japan’s first demonstration plant for bio-jet and diesel fuel production for Euglena Co., Ltd., scheduled for completion by October 2018.

New Business Fields

In offshore and upstream fields, ECS and its subsidiaries, which had filed for protection under Chapter 11 of the U.S. Bankruptcy Code, completed its reorganization process in June with the approval of its reorganization plan by the U.S Bankruptcy Court, Southern District of Texas. With the completion, ECS became a wholly owned subsidiary of Subsea 7 and Chiyoda will started discussions with Subsea 7 on further developments. In the meantime, Xodus Group Ltd., the Group’s subsidiary in the U.K., is continuing to provide design, consulting and other services related to the construction of offshore development facilities and the safe removal of aging facilities to companies such as those developing natural resources.
In the new energy field, the Group is planning to implement a demonstration project in 2020 using the hydrogen acquired in Asia as fuel for power plants in Japan. This project is aimed to be commercialized as a hydrogen supply chain that leverages technologies for large-scale hydrogen storage and transportation system developed by the Company, in order to realize a hydrogen-energy based society.
The digital innovation business field, in a tie-up agreement with GRID, Inc., one of leading venture companies in the field of AI technologies in Japan, the Company started projects using AI technologies to improve plant productivity.

(2) Financial Information on Business Performance

This section is not translated.

(3) Outlook for the Next Fiscal Year

Same as released on May 12, 2017.

(4) Objectives of the Medium-Term Management Plan

The Chiyoda Group has released a new medium-term management plan (MTMP) -"Mirai Engineering” A Grand Opportunity for the Future - for the period covering from fiscal year 2017 to 2020. The aim of the MTMP is to transform Chiyoda to become a global top-tier “Engineering, Integrated Engineering & Service Provider” in the fields of energy and the environment.
This will be achieved by structural reforms and growth strategies which anticipate global developments.

1) Assessment of the previous medium-term management plan "Seize the Moment, Open Up New Frontiers"
   As a result of the former MTMP (FY2013 to 2016) the Chiyoda Group maintained its No.1 position in LNG and made a steady progress in new business areas including life science and new energy. However, the Group now faces challenges such as a realignment of the business portfolio including the offshore and upstream and further strengthening of risk management capabilities.

2) New medium-term management plan "Mirai Engineering” A Grand Opportunity for the Future
   Given developments in the macro environment, such as changes in the supply and demand structure for energy, heightened awareness of the global environment, and digital innovation driving changes in the industrial structure, the Chiyoda Group will (a) contribute to the development of a sustainable society by providing technological and project execution capabilities, (b) achieve

harmony between energy and the environment, and (c) create a business management approach that resonates with all stakeholders and earns their recognition and trust.

In the MTMP, the Group will seek to simultaneously pursue a transformation its business model with 10-year timeframe by
1) Structural Reform, creating a management base for future growth and
2) Growth Strategy aiming at expanding business fields

Structural Reform

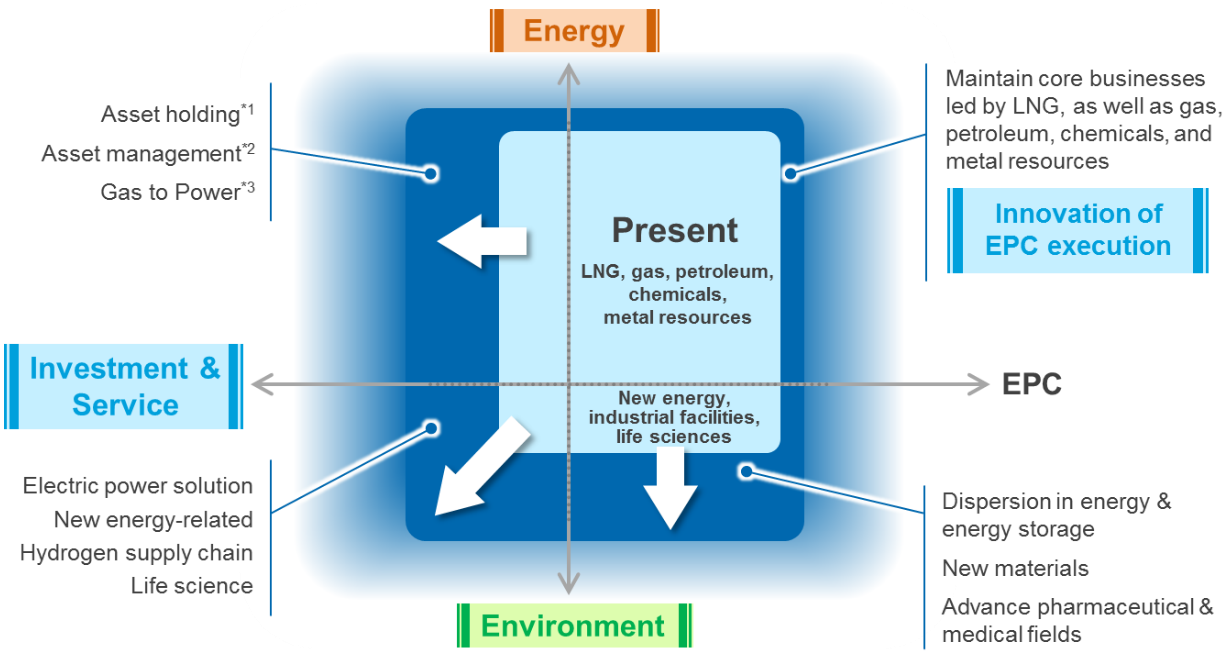
(i) Enhancement of risk management capabilities.
Along our technological advantages leading to improved earnings on a profitable path which ensures achievement of quantitative targets set for fiscal 2020, Group will strengthen structure for execution and profitability management of EPC projects on a consolidated basis. We will also establish structure for expansion of business fields and transformation of business model.

(ii) Increase of basic earnings strength and enhancement of resilience to downturns
We will seek to expand basic earnings by technological and project execution capabilities and cost competitiveness, and by reducing consolidated fixed costs with the aim of balancing basic earnings and costs, and realign domestic and global operational structure.

(iii) Further expansion of human resource base
To strengthen our technical capabilities and project execution capabilities, the Group will restructure and operate a human resource development system with medium to long-term outlook and implement optimal assignment of human resources for continuous earnings growth. Through these efforts, we will foster a stronger corporate culture with a foundation of high loyalty and willingness to pursue new challenges.

Growth Strategies

Expansion of business fields and transformation of business model
In the fields of EPC, LNG, gas, petroleum, chemicals and metal resources will remain Chiyoda Group's core businesses. In addition, we plan to expand into two key business fields of "Energy" and "Environment" (the vertical axis in the chart below), and aim to innovate EPC execution and diversify business and service areas by utilizing innovative digital technologies (the horizontal axis in the chart below).



*1. Asset holding: Businesses that gain earnings from holding and managing assets like floater (floating facilities) and onshore plants
*2. Asset management: Businesses that gain earnings by providing various technological services to holders of assets
*3. Gas to Power: An integrated business of LNG liquefaction, LNG regasification, and power generation

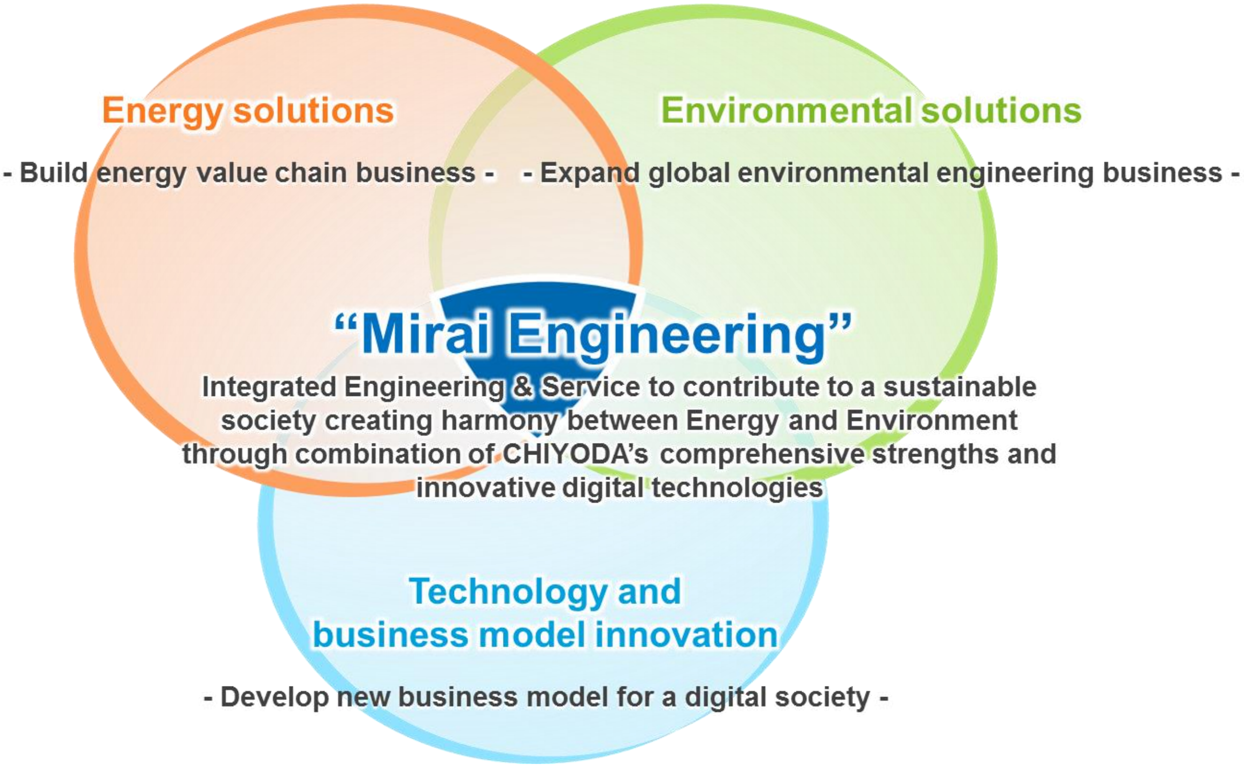
(i) Building an Energy Value Chain business
The Group plans to enhance the upstream segment (entering and strengthening floater business), midstream (comprehensively strengthening and expanding LNG lineup) and downstream (building-up orders in petroleum, chemicals, and metal resources responding to shale opportunities and increasing demand from newly developing countries, and also, entering to the Gas to Power field).

In addition, the Group aims to move into the asset holding business and asset management service, which will lead to development of businesses & services field.

(ii) Expanding global environmental engineering business
The Group will expand the field of new energy (integration of renewable energy with energy storage, electricity storage as well as dispersion energy), the environment, energy conservation and industrial facilities (technologies that reduce environmental impact and conserve energy for industrial facilities and metal resources fields), and life science (Investigate opportunities and pursues appropriate business models in regenerative medicine field).

(iii) Developing new business model in alignment with digital society
For innovative EPC execution and its application in the asset management business, we will work on cultivating capable human resources, partnering with cutting-edge digital technology companies and developing project IT with artificial intelligence (AI) and others.

“Mirai Engineering” derived from integration of the above three growth strategies, which combines 1) Energy Solutions, 2) Environmental Solutions, 3) Technology and business model innovation to contribute a sustainable society with harmony between energy and the environment.



Quantitative targets

The Group regards fiscal year 2020 as a checkpoint for the next 10-year growth strategy, aiming to achieve consolidated net profit of 20 billion yen with double-digit ROE based on increased earnings strength through the structural reform and the strengthening of existing businesses. We look to continue expansion of earnings through the growth strategies toward fiscal 2026 and beyond

Investment strategies

The Group's profit distribution policy is to allocate 50% of consolidated net profit each fiscal year to investment for business growth, while maintaining proper financial health.
In terms of investment areas, the Group will carefully select projects that will contribute to strengthen core business fields and realize the three growth strategies.
With respect to the investment size, the Group will set an aggregate of roughly 30 billion to 50 billion yen over four years, using cash on hand in addition to investment funds under the profit distribution policy, with assumption under investment discipline thoroughly.

Shareholder Return Policy

The Group will strive to achieve a consolidated dividend payout ratio at least 30% during the MTMP period with a minimum full-year dividend of 6 yen per share. Actual dividend amount each fiscal year shall be determined in consideration of progress under the Growth Strategy and the Investment Strategy together with operating environment.

2. Consolidated quarterly financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31,2017	As of June 30,2017
Assets		
Current assets		
Cash and deposits	135,373	129,604
Notes receivable, accounts receivable from completed construction contracts	59,865	51,060
Securities	7,999	7,999
Costs on uncompleted construction contracts	24,220	28,197
Jointly controlled assets of joint venture	164,283	175,511
Other	35,044	29,656
Allowance for doubtful accounts	(1,541)	(1,450)
Total current assets	425,244	420,578
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,627	6,438
Land	5,266	5,266
Other, net	1,265	1,169
Total property, plant and equipment	13,158	12,873
Intangible assets	8,098	7,566
Investments and other assets		
Investment securities	7,707	7,878
Other	7,458	7,908
Allowance for doubtful accounts	(336)	(327)
Total investments and other assets	14,830	15,459
Total non-current assets	36,086	35,899
Total assets	461,331	456,478

(Millions of yen)

	As of March 31,2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	160,096	159,035
Short-term loans payable	203	180
Current portion of long-term loans payable	10,004	10,003
Income taxes payable	668	1,000
Advances received on uncompleted construction contracts	85,187	95,982
Provision for warranties for completed construction	319	286
Provision for loss on construction contracts	3,315	4,461
Provision for bonuses	3,156	1,431
Provision for loss on business of subsidiaries and associates	22,919	12,296
Other	15,311	13,654
Total current liabilities	301,182	298,333
Non-current liabilities		
Long-term loans payable	4	2
Provision for treatment of PCB waste	338	339
Net defined benefit liability	1,522	1,695
Other	1,158	1,108
Total non-current liabilities	3,023	3,145
Total liabilities	304,206	301,479
Net assets		
Shareholders' equity		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	72,132	70,744
Treasury shares	(1,431)	(1,432)
Total shareholders' equity	151,210	149,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	379	293
Deferred gains or losses on hedges	499	714
Foreign currency translation adjustment	2,656	1,770
Remeasurements of defined benefit plans	592	630
Total accumulated other comprehensive income	4,128	3,410
Non-controlling interests	1,785	1,768
Total net assets	157,125	154,999
Total liabilities and net assets	461,331	456,478

(2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Revenue of completed construction contracts	133,639	117,858
Cost of sales of completed construction contracts	124,927	112,402
Gross profit on completed construction contracts	8,712	5,455
Selling, general and administrative expenses	5,186	4,871
Operating income	3,525	584
Non-operating income		
Interest income	329	546
Dividend income	625	79
Share of loss of entities accounted for using equity method	—	43
Foreign exchange gains	4,788	—
Other	39	53
Total non-operating income	5,783	722
Non-operating expenses		
Interest expenses	53	50
Share of loss of entities accounted for using equity method	294	—
Foreign exchange losses	—	150
Other	34	108
Total non-operating expenses	382	310
Ordinary income	8,926	996
Extraordinary income		
Gain on sales of investment securities	313	—
Total extraordinary income	313	—
Profit before income taxes	9,239	996
Income taxes - current	4,490	2,238
Income taxes - deferred	929	(1,443)
Total income taxes	5,419	795
Profit	3,819	200
Profit (loss) attributable to non-controlling interests	107	35
Profit attributable to owners of parent	3,712	165

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	3,819	200
Other comprehensive income		
Valuation difference on available-for-sale securities	(229)	(86)
Deferred gains or losses on hedges	(1,924)	207
Foreign currency translation adjustment	(1,269)	(1,317)
Remeasurements of defined benefit plans, net of tax	37	38
Share of other comprehensive income of entities accounted for using equity method	(13)	413
Total other comprehensive income	(3,400)	(743)
Comprehensive income	419	(542)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	424	(553)
Comprehensive income attributable to non-controlling interests	(5)	10

(3) Notes on Consolidated Quarterly Financial Statements

(Notes on Assumptions for a Going Concern)

None

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

None

3. Production, Contracts and Revenue

(Millions of yen)

	Apr. 1, 2016－Jun. 30, 2016			Apr. 1, 2017－Jun. 30, 2017		
	New contracts (ratio)	Revenue (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Revenue (ratio)	Backlog of contracts (ratio)
Engineering	57,511 98.4%	132,731 99.3%	1,010,736 100.0%	37,144 97.9%	117,056 99.3%	783,283 100.0%
LNG Plant	28,404 48.6%	98,338 73.6%	723,026 71.5%	17,920 47.2%	90,164 76.5%	518,266 66.2%
Gas Development/ Processing/Receiving	5,901 10.1%	2,939 2.2%	21,701 2.2%	828 2.2%	3,121 2.7%	9,212 1.2%
Refinery/Petrochemical/ Metal	10,814 18.5%	20,847 15.6%	181,943 18.0%	11,155 29.4%	9,289 7.9%	156,861 20.0%
Pharmaceutical/Biochemistry/ Chemical	7,536 12.9%	6,432 4.8%	30,502 3.0%	1,689 4.5%	4,974 4.2%	32,026 4.1%
Environment/New Energy/ Infrastructure	3,030 5.2%	3,120 2.3%	49,862 4.9%	4,393 11.6%	7,354 6.2%	60,418 7.7%
Others	1,823 3.1%	1,053 0.8%	3,699 0.4%	1,156 3.0%	2,141 1.8%	6,498 0.8%
Other Business	908 1.6%	908 0.7%	- -	801 2.1%	801 0.7%	- -
Total	58,419 100.0%	133,639 100.0%	1,010,736 100.0%	37,946 100.0%	117,858 100.0%	783,283 100.0%
Domestic	26,705 45.7%	17,457 13.1%	104,036 10.3%	17,226 45.4%	20,203 17.1%	118,960 15.2%
Overseas	31,714 54.3%	116,182 86.9%	906,699 89.7%	20,719 54.6%	97,654 82.9%	664,322 84.8%

Note1: The backlog of contracts for the three months ended June 30, 2017 includes a decrease due to changes in construction contracts acquired in prior fiscal years, and an increase due to foreign exchange translation adjustments.

Note2: The total amount of the above table does not include consumption tax.