Abridged Translation:
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.

May 12, 2017

Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

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Stock code: 6366
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(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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, 2017	603,745	(1.3)	15,680	(2.1)	(3,080)	-	(41,116)	-
Fiscal year ended March 31, 2016	611,548	27.1	16,015	(25.4)	16,205	(27.2)	3,375	(69.4)

Note: comprehensive income: Fiscal year ended March 31, 2017: (42,391) million yen
Fiscal year ended March 31, 2016: (2,888) 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, 2017	(158.76)	―	(23.1)	(0.6)	2.6
Fiscal year ended March 31, 2016	13.03	―	1.7	3.1	2.6

Reference: Equity in earnings of associated companies: Fiscal year ended March 31, 2017: (17,106) million yen
Fiscal year ended March 31, 2016: (1,318) 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, 2017	461,431	157,125	33.7	599.83
As of March 31, 2016	528,219	202,128	37.9	772.89

Reference: Equity As of March 31, 2017: 155,339 million yen As of March 31, 2016: 200,166 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2017	(4,375)	10,433	(2,693)	138,889
Fiscal year ended March 31, 2016	55,526	(26,750)	(3,942)	136,919

2. Cash dividends

Record date	Cash dividends per share					Payment of Cash Dividends	Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2016	–	–	–	10.00	10.00	2,589	76.7	1.3
Fiscal year ended March 31, 2017	–	–	–	6.00	6.00	1,553	-	0.9
Fiscal year ending March 31, 2018 (Forecast)	–	–	–	6.00	6.00		31.1	

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.)

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

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. Number of shares issued at year-end (including treasury shares)

March 31, 2017	260,324,529 shares
March 31, 2016	260,324,529 shares

b. Number of treasury shares at year-end

March 31, 2017	1,351,100 shares
March 31, 2016	1,340,062 shares

c. Average number of shares during each of the following fiscal years

Year ended March 31, 2017	258,979,383 shares
Year ended March 31, 2016	258,990,754 shares

* 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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Note: (*1) Partially translated
(*2) Not translated

1. Analysis Related to Consolidated Business Performance and Financial Conditions

(1) Analysis Related to Consolidated Business Performance

During the fiscal year under review, the global economy remained unstable given the effects of developments including the protracted civil war in Syria and the repeated occurrence of terrorist attacks in various parts of the world. These factors had adverse repercussions for the global economy, in addition to the Brexit decision made by Britain in June and the election of a new president of the United States in November. Operating conditions for Chiyoda Corporation and its consolidated subsidiaries (hereinafter the “Chiyoda Group”) remained difficult as these factors emerged in the global economy. Members of the Organization of Petroleum Exporting Countries (OPEC) began cutting back on their production, but oil prices cannot be declared to have entered a definite recovery phase. In addition, the market is taking the general view that the supply-demand balance for liquefied natural gas (LNG) has been loose in the short term. The tendency to delay final investment decisions in large new projects is continuing as well. Looking at the Japanese economy, expectations for the central government’s economic measures are rising. However, capital investment plans are experiencing ups and downs.

In this environment, construction of large LNG projects, a core operating area for the Chiyoda Group, progressed smoothly in various parts of the world including the United States, Australia and Russia. In addition, a new order arrived from Indonesia. The Chiyoda Group maintained its advantages for future projects as well, taking strategic steps including participating in the basic design of highly feasible expansion projects.

In the meantime, the Chiyoda Group posted non-operating expenses and an extraordinary loss in the first nine months of the fiscal year under review in connection with EMAS CHIYODA Subsea Limited (hereinafter “ECS”), a provider of engineering, procurement, construction and installation (hereinafter “EPCI”) services related to subsea projects to which Chiyoda Corporation (hereinafter the “Company”) contributed capital at the end of March 2016, because market conditions for the subsea projects grew significantly worse than the Group had anticipated. For your information, ECS and its subsidiaries filed for the application of Chapter 11 of the Federal Bankruptcy Act of the United States in February 2017. They are currently working to rebuild themselves.

Consequently, consolidated new contracts amounted to 351,780 million yen in the fiscal year under review (down 12.8% from the previous fiscal year). The consolidated contract backlog came to 876,819 million yen (down 24.7% year on year). Consolidated net sales of completed construction contracts reached 603,745 million yen (down 1.3% year on year). Consolidated operating income amounted to 15,680 million yen (down 2.1% year on year). The consolidated ordinary loss reached 3,080 million yen (compared with consolidated ordinary income of 16,205 million yen posted in the previous fiscal year). The consolidated loss attributable to owners of parent came to 41,116 million yen (compared with consolidated profit attributable to owners of parent of 3,375 million yen posted in the previous fiscal year).

The operating income was lower than the revised forecast announced on February 9, 2017 due to expected increase in construction costs for some overseas projects. The ordinary income and the profit attributable to owners of parent were also lower than the revised forecast, mainly due to investment losses, goodwill impairment and increased reversal of the differed tax assets reflecting review of Chiyoda’s future taxable income in Japan.

The Chiyoda Group takes great regret in reporting these business results, which are substantially lower than the forecasts announced at the beginning of the fiscal year under review. The Group has resolved to make greater efforts to assess investment projects and manage Group companies thoroughly so that it can regain the trust of its stakeholders.

The summary of operations for the engineering business, the reportable segment of the Company, is as follows.

LNG Plants/Other Gas Related Work

Overseas, the Chiyoda Group completed front-end engineering and design (FEED) work for LNG plants in the United States and Russia. The Group is now earnestly performing engineering, procurement and construction (EPC) work for LNG plants in Australia, the United States, Russia and Indonesia. In addition, the Group is continuing pre-contract work in Mozambique, where it was selected as an EPC contractor. A Group companies overseas is also performing engineering, procurement and construction management (EPCM) work in projects for modifying and revamping LNG and gas processing plants that have been built by the Company based on long-term blanket contracts with clients, in addition to EPC work at helium production facilities in Qatar.

In Japan, the Chiyoda Group is performing EPC work in projects for the modification and revamping of the LNG receiving terminals built by the Company.

Refinery/Petrochemicals/Metal

In the refinery and petrochemicals fields overseas, the Chiyoda Group completed an oil refinery project in Qatar in December 2016. EPC work for an oil refinery and petrochemical complex was also finished in Vietnam. Among the projects currently under execution, engineering, procurement, construction and commissioning (EPCC) work for a residue fluid catalytic cracking (RFCC) project in Malaysia is progressing favorably. A Group company in Southeast Asia is also performing EPC work for petrochemical tank terminal facilities in Malaysia at present. Moreover, the Chiyoda Group is undertaking project management in connection with refinery, chemical production and other downstream projects in Asia based on long-term contracts.

In Japan, the Chiyoda Group is continuing to perform work for petroleum companies, including the modification of existing facilities in accordance with the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry and work for improving the energy efficiency and preventing the superannuation of petrochemical production and other existing facilities, in addition to EPC work aimed at facilitating inter-refinery cooperation and optimizing the configuration of refineries.

In the metal field, the Chiyoda Group is performing EPC work for a titanium sponge plant in Saudi Arabia.

Pharmaceuticals/Biochemistry/General Chemistry/Environment/Infrastructure

In the transportation infrastructure field, the Chiyoda Group is performing EPC work for a new international airport in Mongolia and the New Bohol Airport in the Philippines.

In the environment field, the Chiyoda Group concluded a contract for licensing Chiyoda Thoroughbred 121 (hereinafter “CT-121”) Process, flue gas desulfurization technology, for coal-fired power plants in India, a country undergoing remarkable economic development, and is taking steps for concluding contracts for specific projects at present. In Japan, the Group is accepting orders for EPC work for flue gas desulfurization facilities at coal-fired power plants and performing such work as well. In addition to these activities, the Group is accepting orders and performing EPC work for large-scale photovoltaic power plants (hereinafter “mega solar plants”) in various parts of the country.

In other fields such as food, pharmaceuticals and biochemistry, the Chiyoda Group is performing EPC work for food 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. Moreover, the Chiyoda Group is executing a project for demonstration plant factories that use artificial light only in Dubai, the United Arab Emirates. The Group will continue its efforts to promote the introduction of this equipment in markets centered on the Middle East and Russia going forward. In another area related to the environment, the Group is performing EPC work based on a contract it concluded for constructing a demonstration plant for bio-jet and diesel fuel production.

New Business Fields

In offshore and upstream fields, ECS and its subsidiaries filed for the application of Chapter 11 of the Federal Bankruptcy Act of the United States and launched activities for their reconstruction as reported above. In the meantime, Xodus Group (Holdings) Ltd., a group company in Britain, is continuing to provide design, consulting and other services associated with the construction of offshore development facilities and the safe removal of deteriorated facilities to companies developing natural resources and other clients. The Chiyoda Group takes the view that these fields will also undergo further development in the medium and long terms from the viewpoint of stable energy supply. The Chiyoda Group will continue paying attention to these business fields based on the philosophy of aiming for harmony between energy and the environment adopted by the Company.

In another field related to an alternative form of energy, the Chiyoda Group is planning a demonstration project for using hydrogen procured in Asia as a fuel at power plants in Japan for scheduled implementation in 2020. The project is aimed at commercializing a hydrogen supply chain that uses technologies for massive hydrogen storage and transportation developed by the Company toward the goal of building a society based on hydrogen energy.

In the field related to digital-innovation, the Company established a business alliance agreement with GRID, Inc., one of the leaders in the field of AI technologies in Japan, and started studies for developing productivity of the plants using AI technologies. The Company has started demonstration projects of AI technology application for several clients.

(2) Analysis of Financial Condition

(Cash Flow Indices)

Cash Flow Indices

Fiscal years ended March 31	Equity ratio (%)	Debt repayment period (Years)	Interest coverage ratio (Times)
2013	43.3 %	0.7	68.6
2014	41.3 %	–	–
2015	40.0 %	–	–
2016	37.9 %	0.2	256.9
2017	33.7 %	--	--
Notes	(Shareholders' equity – minority interests) / Total assets	Interest-bearing debt / Net cash provided by operating activities	Net cash provided by operating activities / Interest expense

Note: The debt repayment period and interest coverage ratio for the period both ended March 31, 2014 and 2015 are omitted due to there being a negative cash flow from operating activities.

(3) Outlook for the Next Fiscal Year

1) Preview of Next Fiscal Year

The consolidated backlog of contracts currently stands at approximately 900 billion yen. The Chiyoda Group will steadily advance construction projects on hand, including LNG projects in progress in Australia, the United States, Russia and Indonesia, under slightly delayed new investment in large-scale LNG projects. The Chiyoda Group will also focus on fields such as pharmaceuticals, the environment and alternative forms of energy.

Under these operating conditions, the Company forecasts that it will achieve consolidated new contracts of 350,000 million yen, consolidated net sales of completed construction contracts of 430,000 million yen, consolidated operating income of 8,500 million yen, consolidated ordinary income of 10,000 million yen and consolidated profit attributable to owners of parent of 5,000 million yen in the fiscal year ending March 31, 2018, assuming an exchange rate of 110 yen per U.S. dollar.

2) Management Policy,

In the energy field, a sector well served by the businesses of the Chiyoda Group, major capital investments are planned by customers in several regions, responding to the predicted increase in demand for energy over the medium- to long-term and taking advantage of the shale “revolution” and the global shift to gas.

However, the timing of such investment decisions in large-scale projects has become more difficult to predict in the short-term, due to the continued adverse effects of LNG oversupply and the weak price of crude oil. Geopolitical instability adds another element of uncertainty to long-term investment planning.

Thus, appropriate actions by management, judging the effects of these variables are needed at all times. Despite the harsh conditions, the Chiyoda Group will continue to offer the services required by industry and the values sought by society, to leverage its advantages while taking into account the impact of these difficult times.

To that end, the Chiyoda Group has created policy priorities.

Under the previous Medium Term Management Plan (fiscal 2013-2016), the Chiyoda Group faced a drastic change in business environment which prevented the Company from achieving its stated goals. However, in the final year of the Plan, the Chiyoda Group won a major new contract in Indonesia in the core LNG field, illustrating that while the Company is working on several large-scale projects underway in Australia, the United States & Russia, the Group is constantly reinforcing its operational capabilities of executing multiple large projects worldwide simultaneously and smoothly.

For example, the Group has also won contracts in new fields such as bio-jet fuel and other environment-related fields plus for facilities in regenerative medicine and other life sciences. Other diverse operations include a revolutionary approach to hydrogen supply chain management and new initiatives for cutting edge technologies that employ artificial intelligence and Big Data techniques.

In the fiscal year 2017 under the Chiyoda philosophy of “Harmony between Energy and the Environment”, a new Medium Term Management Plan is being developed, including the establishment of an energy value chain business, centered on Chiyoda’s core LNG activities. In launching this new entity, the Group looks to strengthen the risk management system, develop a more diverse human resource culture and strengthen the consolidated management system, all intended to enhance Chiyoda’s corporate value. Critically, the Group will reinforce the corporate governance system, allowing prompt and bold decision making, in a fair and transparent manner, while respecting the needs of shareholders, clients, employees, local communities and other stakeholders.

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

Our basic policy for dividends is set to meet a payout ratio of 30% or above of consolidated net income. This policy supports our desire to return profits to our shareholders, while building a stronger financial base by which we can finance our business growth.

We have set the dividend at 6.0 yen per share for the fiscal year ended March 31, 2017 after having set aside the loss caused by investment. As for the next fiscal year, we plan a year-end dividend per share of 6.0 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, economic sanctions, 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, 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 areas where materials and/or adequately qualified labor are scarce 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 based on its Code of Conduct by establishing a Compliance Committee under the direct control of the Executive Committee and the Compliance Committee of the Chiyoda Group under its wing, consisting of 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 such as the establishment of a new company or the purchase of the existing company to construct a new business model including offshore and upstream fields. 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 financial statements

(1) Consolidated balance sheets (1/2)

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	137,715	135,373
Notes receivable, accounts receivable from completed construction contracts	69,296	59,865
Securities	6,999	7,999
Costs on uncompleted construction contracts	35,053	24,220
Deferred tax assets	12,889	9,586
Jointly controlled assets of joint venture	179,360	164,283
Other	16,000	25,457
Allowance for doubtful accounts	(2,285)	(1,541)
Total current assets	455,030	425,244
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,887	13,892
Accumulated depreciation	(6,750)	(7,265)
Buildings and structures, net	7,137	6,627
Machinery and vehicles	635	547
Accumulated depreciation	(348)	(328)
Machinery and vehicles, net	287	218
Tools, furniture and fixtures	7,439	7,236
Accumulated depreciation	(6,210)	(6,212)
Tools, furniture and fixtures, net	1,229	1,023
Land	5,266	5,266
Construction in progress	22	22
Total property, plant and equipment	13,942	13,158
Intangible assets	11,068	8,098
Investments and other assets		
Investment securities	43,071	7,707
Net defined benefit asset	94	84
Differed Tax Assets	2,894	4,967
Other	2,498	2,405
Allowance for doubtful accounts	(379)	(336)
Total investments and other assets	48,178	14,830
Total non-current assets	73,189	36,086
Total assets	528,219	461,331

Consolidated balance sheets (2/2)

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	150,078	160,096
Short-term loans payable	333	203
Current portion of long-term loans payable	5	10,004
Income taxes payable	2,841	668
Advances received on uncompleted construction contracts	135,667	85,187
Provision for warranties for completed construction	337	319
Provision for loss on construction contracts	3,160	3,315
Provision for bonuses	3,527	3,156
Provision for loss on business of subsidiaries and associates	--	22,919
Other	15,155	15,311
Total current liabilities	311,106	301,182
Non-current liabilities		
Long-term loans payable	10,009	4
Provision for treatment of PCB waste	340	338
Net defined benefit liability	2,134	1,522
Other	2,500	1,158
Total non-current liabilities	14,985	3,023
Total liabilities	326,091	304,206
Net assets		
Shareholders' equity		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	115,839	72,132
Treasury shares	(1,422)	(1,431)
Total shareholders' equity	194,926	151,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,386	379
Deferred gains or losses on hedges	(1,618)	499
Foreign currency translation adjustment	4,171	2,656
Remeasurements of defined benefit plans	300	592
Total accumulated other comprehensive income	5,240	4,128
Non-controlling interests	1,961	1,785
Total net assets	202,128	157,125
Total liabilities and net assets	528,219	461,331

(2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Net sales of completed construction contracts	611,548	603,745
Cost of sales of completed construction contracts	570,028	565,521
Gross profit on completed construction contracts	41,520	38,223
Selling, general and administrative expenses	25,505	22,543
Operating income	16,015	15,680
Non-operating income		
Interest income	1,472	1,554
Dividend income	1,011	933
Other	180	357
Total non-operating income	2,664	2,844
Non-operating expenses		
Interest expenses	216	209
Share of loss of entities accounted for using equity method	1,318	17,106
Foreign exchange losses	665	3,455
Other	274	834
Total non-operating expenses	2,474	21,605
Ordinary income	16,205	(3,080)
Extraordinary income		
Gain on sales of investment securities	2,686	1,937
Total extraordinary income	2,686	1,937
Extraordinary losses		
Provision for loss on business of subsidiaries and associates	—	22,919
Loss on sales of subsidiaries securities	—	1,146
Impairment loss	4,431	766
Valuation loss of investment securities	—	393
Total extraordinary losses	4,431	25,225
Profit before income taxes	14,460	(26,368)
Income taxes - current	8,708	15,026
Income taxes - deferred	2,255	(143)
Total income taxes	10,963	14,883
Profit	3,496	(41,251)
Profit attributable to non-controlling interests	121	(135)
Profit attributable to owners of parent	3,375	(41,116)

(Consolidated statement of comprehensive income) (Millions of yen)

	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Profit	3,496	(41,251)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,831)	(2,006)
Deferred gains or losses on hedges	441	2,129
Foreign currency translation adjustment	(1,135)	(1,102)
Remeasurements of defined benefit plans, net of tax	(775)	291
Share of other comprehensive income of entities accounted for using equity method	(83)	(451)
Total other comprehensive income	(6,385)	(1,139)
Comprehensive income	(2,888)	(42,391)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,844)	(42,228)
Comprehensive income attributable to non-controlling interests	(44)	(162)

(4) Consolidated statement of cash flows (1/2)

(Millions of yen)

	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit before income taxes	14,460	(26,368)
Depreciation	3,589	3,643
Impairment loss	4,431	766
Amortization of goodwill	1,256	547
Increase (decrease) in allowance for doubtful accounts	2,387	(701)
Increase (decrease) in provision for warranties for completed construction	(21)	(15)
Increase (decrease) in provision for loss on construction contracts	(826)	154
Increase (decrease) in provision for bonuses	(377)	(368)
Increase (decrease) in provision for loss on business of subsidiaries and associates	-	22,919
Increase (decrease) in net defined benefit liability	(117)	(428)
Interest and dividend income	(2,484)	(2,487)
Interest expenses	216	209
Foreign exchange losses (gains)	813	(186)
Share of (profit) loss of entities accounted for using equity method	1,318	17,106
Loss (gain) on valuation of investment securities	―	393
Loss (gain) on sales of investment securities	(2,686)	(1,937)
Loss (gain) on sales of subsidiaries securities	-	1,146
Decrease (increase) in notes and accounts receivable - trade	(16,491)	8,141
Decrease (increase) in costs on uncompleted construction contracts	24,543	10,786
Increase (decrease) in notes and accounts payable - trade	13,293	11,401
Increase (decrease) in advances received on uncompleted construction contracts	12,184	(48,668)
Decrease (increase) in accounts receivable - other	5,158	(1,901)
Decrease (increase) in jointly controlled asset of joint venture	3,501	13,666
Other, net	(8,401)	376
Subtotal	55,746	8,194
Interest and dividend income received	1,671	1,458
Interest expenses paid	(218)	(205)
Income taxes paid	(1,673)	(13,821)
Net cash provided by (used in) operating activities	55,526	(4,375)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(7,739)	3,043
Purchase of property, plant and equipment	(806)	(649)
Purchase of intangible assets	(1,801)	(1,451)
Purchase of investment securities	(21,998)	(351)
Proceeds from sales of investment securities	5,463	15,554
Payments of loans receivable	(382)	(12,188)
Collection of loans receivable	489	6,382
Other, net	25	95
Net cash provided by (used in) investing activities	(26,750)	10,433

Consolidated statement of cash flows (2/2)

(Millions of yen)

	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)	Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(498)	(50)
Repayments of long-term loans payable	(4)	(3)
Cash dividends paid	(3,362)	(2,586)
Other, net	(76)	(52)
Net cash provided by (used in) financing activities	(3,942)	(2,693)
Effect of exchange rate change on cash and cash equivalents	(1,159)	(1,395)
Net increase (decrease) in cash and cash equivalents	23,673	1,969
Cash and cash equivalents at beginning of period	113,246	136,919
Cash and cash equivalents at end of period	136,919	138,889

4. Production, Contracts and Sales

Millions of yen

	From Apr. 1, 2015 To Mar. 31, 2016			From Apr. 1, 2016 To Mar. 31, 2017		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	399,861	607,693	1,164,991	348,279	600,244	876,819
	99.1%	99.4%	100.0%	99.0%	99.4%	100.0%
LNG Plant	155,175	366,766	860,305	190,252	415,199	605,274
	38.5%	60.0%	73.8%	54.1%	68.8%	69.0%
Gas Development/ Processing/Receiving	11,394	22,139	19,738	6,825	14,353	11,739
	2.8%	3.6%	1.7%	1.9%	2.4%	1.4%
Refinery/Petrochemical/ Metal	161,502	138,811	198,622	57,316	101,133	153,548
	40.0%	22.7%	17.0%	16.3%	16.7%	17.5%
Pharmaceutical/Biochemistry/ Chemical	32,679	31,035	32,377	35,705	29,663	35,312
	8.1%	5.1%	2.8%	10.2%	4.9%	4.0%
Environment/New Energy/ Infrastructure	32,128	43,178	50,856	47,268	33,592	63,402
	8.0%	7.1%	4.4%	13.4%	5.6%	7.2%
Others	6,981	5,762	3,090	10,910	6,301	7,540
	1.7%	0.9%	0.3%	3.1%	1.0%	0.9%
Other Business	3,733	3,855	-	3,501	3,501	-
	0.9%	0.6%	-	1.0%	0.6%	-
Total	403,595	611,548	1,164,991	351,780	603,745	876,819
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Domestic	107,856	111,464	96,104	130,492	102,434	122,046
	26.7%	18.2%	8.2%	37.1%	17.0%	13.9%
Overseas	295,738	500,084	1,068,887	221,287	501,311	754,772
	73.3%	81.8%	91.8%	62.9%	83.0%	86.1%