

# Financial Results for the 2<sup>nd</sup> Quarter of Fiscal Year Ending March 31, 2015

November 11, 2014

**Chiyoda Corporation**

# 1. Financial Summary

(Billions of Yen)

	2Q of FY ended March 2014	2Q of FY ending March 2015	Difference	Difference (%)
New Orders	96.1	587.6	491.5	511.3%
Revenues	199.7	207.2	7.4	3.7%
Operating Income	11.1	9.8	(1.3)	(11.5%)
Ordinary Income	12.4	10.2	(2.3)	(18.2%)
Net Income	7.4	5.9	(1.5)	(20.4%)
Comprehensive Income	6.4	7.5	1.1	17.8%
Exchange Rate	JPY 98/\$	JPY 109/\$		

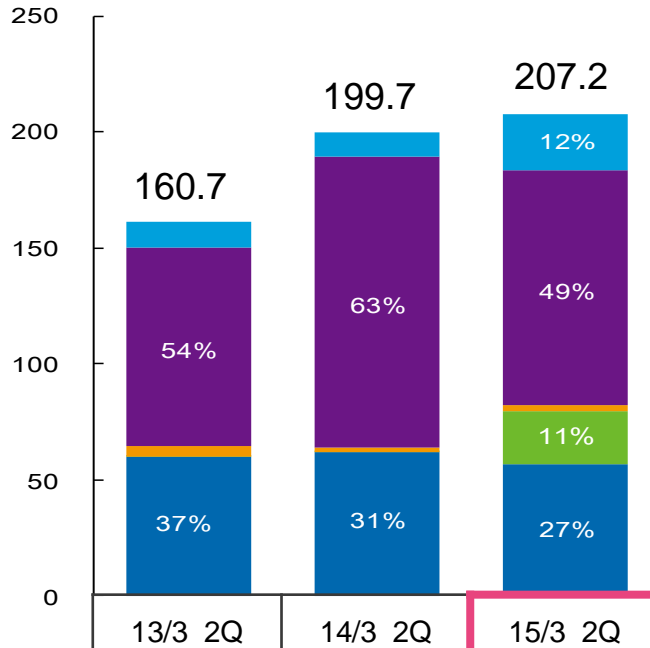
Full Year Forecast	Progress (%)
800.0	73.4%
465.0	44.6%
19.0	51.7%
21.0	48.5%
13.5	43.7%

JPY 100/\$

Full Year Forecast maintained including expected contributions of North American projects from 3Q.

# 2. Revenues

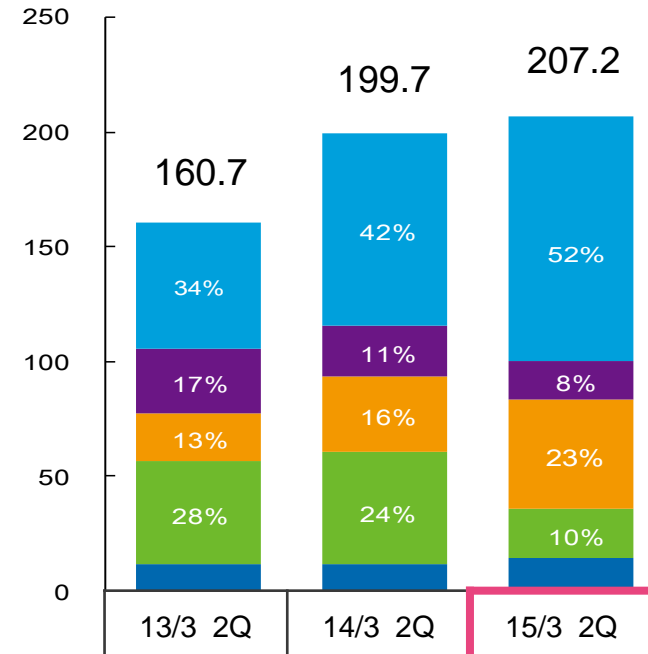
## By Region



■ ME & Africa	10.6	10.8	24.1
■ SEA & Oceania	86.1	125.4	101.0
■ Americas	4.2	2.0	2.7
■ Others	0.1	0.2	22.8
Overseas Total	101.0	138.3	150.6
Domestic Total	59.8	61.4	56.6

## By Field

(Billions of Yen)



■ LNG	55.3	84.2	106.8
■ Other Gas related	27.8	21.9	16.6
■ Petroleum & Petrochemicals	21.0	32.8	48.0
■ Chem. & Industries	45.1	48.8	21.2
■ Others	11.5	11.9	14.5

Year on Year Increase: "Others" region and "LNG" field grew.

Note: New classifications at "By Region" and new wordings at "By Field"

### 3. Income-related Items

(Billions of Yen)

	2Q of FY ended March 31, 2014	2Q of FY ending March 31, 2015	Difference
Gross Profit	<b>19.5</b> 9.8%	<b>21.3</b> 10.3%	<b>1.7</b> 0.5pt
SG&A Expenses	(8.4)	(11.4)	(3.0)
Operating Income	<b>11.1</b> 5.6%	<b>9.8</b> 4.7%	<b>(1.3)</b> (0.9) pt
Non-Operating Income and Expenses	1.3	0.4	(1.0)
Ordinary Income	<b>12.4</b> 6.2%	<b>10.2</b> 4.9%	<b>(2.3)</b> (1.3)pt
Extraordinary Gain/ Loss, Tax and Minority Shareholders' Income	(5.0)	(4.3)	0.7
Net Income	<b>7.4</b> 3.7%	<b>5.9</b> 2.8%	<b>(1.5)</b> (0.9)pt

Gross profit increase: Improved in several projects.

SG&A increase: Consolidations and goodwill depreciation as scheduled.

Non-Operating Income and Expenses: Hedge cost increased to avoid exchange loss.

# 4. Balance Sheet

(Billions of Yen)

	March 31, 2014	Sept. 30, 2014	Difference
<b>Current assets</b>	<b>409.1</b>	<b>416.1</b>	<b>7.0</b>
Cash and deposits*1	145.4	110.9	(34.5)
Operating assets *2	106.8	102.6	(4.2)
Jointly controlled assets of joint venture *3	127.5	171.7	44.3
Other	29.4	30.9	1.5
<b>Non-current assets</b>	<b>66.2</b>	<b>68.4</b>	<b>2.2</b>
Property, plant and equipment	15.0	15.0	0.1
Intangible assets	19.5	19.2	(0.3)
Investment and other assets	31.7	34.2	2.5
<b>Total assets</b>	<b>475.3</b>	<b>484.6</b>	<b>9.3</b>

	March 31, 2014	Sept. 30, 2014	Difference
<b>Current liabilities</b>	<b>261.7</b>	<b>266.8</b>	<b>5.2</b>
Short-term loans payable	1.3	1.2	(0.1)
Operating liabilities *4	225.6	236.5	10.9
Provision for loss on construction contracts	4.0	2.7	(1.3)
Others	30.8	26.5	(4.3)
<b>Non-current liabilities</b>	<b>15.6</b>	<b>16.9</b>	<b>1.4</b>
Long-term loans payable	10.0	10.0	(0.0)
Other	5.6	6.9	1.4
<b>Net assets</b>	<b>198.0</b>	<b>200.8</b>	<b>2.7</b>
<b>Liabilities and net assets</b>	<b>475.3</b>	<b>484.6</b>	<b>9.3</b>

Notes:

\*1. Cash and deposits = Cash and deposits + Short-term investment securities, incl. negotiable deposit

\*2. Operating assets = Notes receivable, accounts receivable from completed construction contracts + Costs on uncompleted construction contracts

\*3. Jointly controlled assets of joint venture = Cash and deposits of joint venture proportional to Chiyoda's interest

\*4. Operating liabilities = Notes payable, accounts payable for construction contracts + Advances received on uncompleted construction contracts

<b>Shareholders' equity</b>	<b>196.4</b>	<b>199.0</b>	<b>2.6</b>
<b>Shareholders' equity ratio</b>	<b>41.3%</b>	<b>41.1%</b>	<b>(0.2)pt</b>

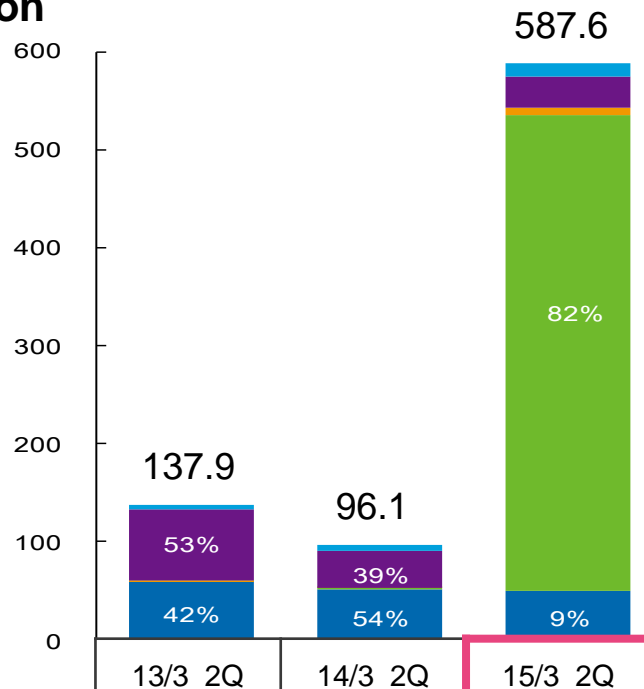
Cash and deposits decrease: Balance after payment of dividends and tax.

JV assets increase: Incorporated newly awarded contracts.

Net assets: Increase in retained earnings and comprehensive income.

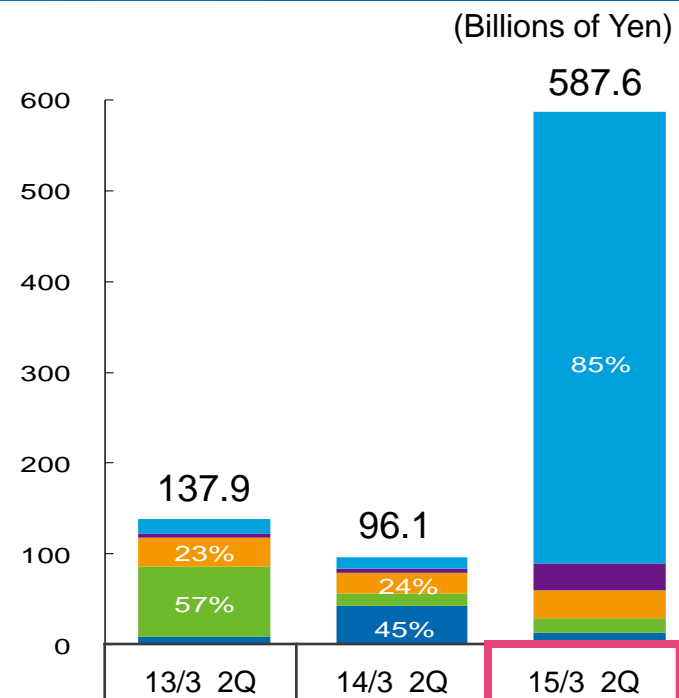
# 5. New Orders

## By Region



ME & Africa	5.3	5.9	14.0
SEA & Oceania	72.4	37.7	31.6
Americas	1.7	0.4	7.7
Others	0.1	0.1	484.2
Overseas Total	79.5	44.1	537.5
Domestic Total	58.4	52.0	50.1

## By Field

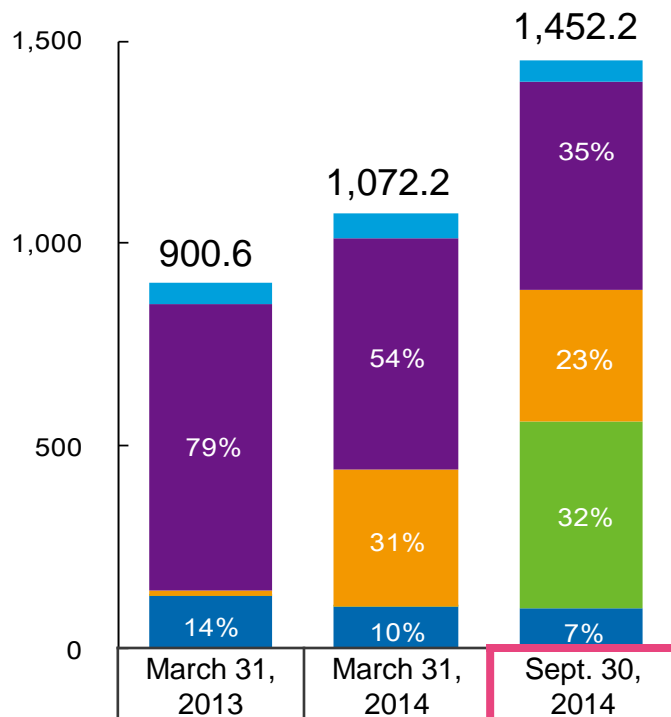


LNG	16.0	12.7	497.6
Other Gas related	3.6	4.3	29.6
Petroleum & Petrochemicals	32.1	22.7	31.4
Chem. & Industries	78.2	13.3	15.4
Others	8.0	43.2	13.5

Russian project booked at "Other" (By Region) and "LNG" (By Field).  
Offshore EPCI\* contract in Indonesia booked at "Other Gas related".

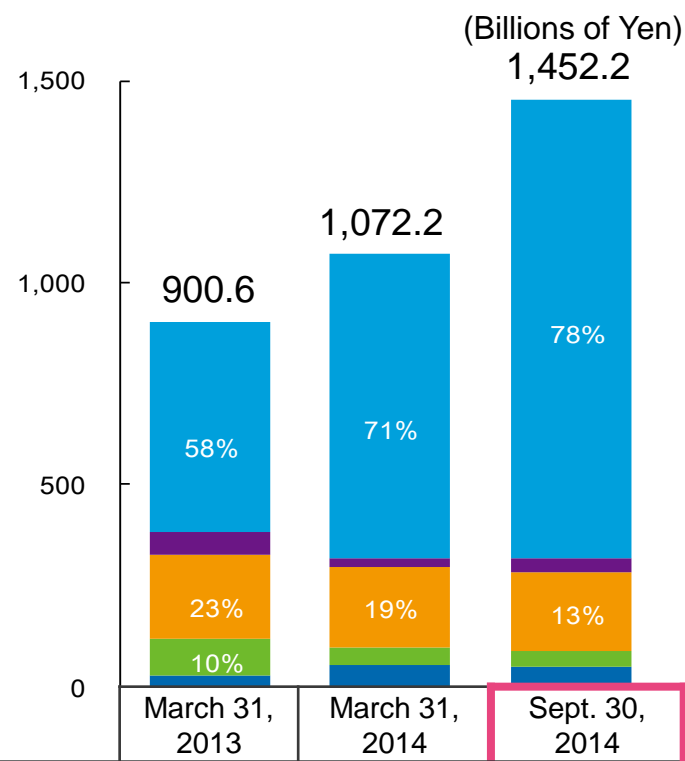
# 6. Backlog of Contracts

## By Region



	March 31, 2013	March 31, 2014	Sept. 30, 2014
ME & Africa	50.2	61.2	52.0
SEA & Oceania	709.0	572.9	514.7
Americas	13.5	334.8	327.6
Others	0.1	0.1	461.5
Overseas Total	772.8	969.0	1,355.8
Domestic Total	127.8	103.2	96.4

## By Field



	March 31, 2013	March 31, 2014	Sept. 30, 2014
LNG	521.2	755.6	1,138.9
Other Gas related	54.7	21.6	33.0
Petroleum & Petrochemicals	208.6	203.4	195.1
Chem. & Industries	90.6	42.6	37.1
Others	25.5	49.1	48.1

Maintained highest level.

Note: New classifications at “By Region” and new wordings at “By Field”

# Reference Materials



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# Breakdown of Forecasts FY ending March 2015

(Billions of Yen)

	Results for FY ended March 2014	Forecasts for FY ending March 2015	Difference
<b>New Orders</b>	<b>589.9</b>	<b>800.0</b>	<b>210.1</b>
Overseas	485.2	700.0	214.8
Domestic	104.7	100.0	(4.7)
<b>Revenues</b>	<b>446.1</b>	<b>465.0</b>	<b>18.9</b>
Overseas	317.4	335.0	17.6
Domestic	128.7	130.0	1.3
<b>Gross Profit</b>	<b>41.5</b>	<b>42.0</b>	<b>0.5</b>
SG&A Expenses	(20.4)	(23.0)	(2.6)
<b>Operating Income</b>	<b>21.1</b>	<b>19.0</b>	<b>(2.1)</b>
Non-operating Income and Expenses	1.8	2.0	0.2
<b>Ordinary Income</b>	<b>22.8</b>	<b>21.0</b>	<b>(1.8)</b>
Extraordinary income/loss, Tax and Minority Interests in Income	(9.4)	(7.5)	1.9
<b>Net income</b>	<b>13.4</b>	<b>13.5</b>	<b>0.1</b>

# Performance Indicators

(Billions of Yen)

	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ended March 2014	Forecast FY ending March 2015
Gross profit margin (%)	12.8	15.3	10.7	9.3	9.0
SG&A expenses to revenues (%)	5.7	5.8	4.4	4.6	4.9
Operating income to revenues (%)	7.1	9.5	6.3	4.7	4.1
Ordinary income to revenues (%)	6.4	9.3	6.4	5.1	4.5
Net income to revenues (%)	3.2	5.6	4.0	3.0	2.9
Return on assets (ROA) (%)	4.6	6.6	6.4	5.0	
Return on equity (ROE) (%)	5.3	8.9	9.0	7.0	
Net income per share (EPS) (JPY)	30.79	55.44	62.06	51.91	
Book value per share (BPS) (JPY)	599.15	648.95	727.24	758.31	
Shareholders' equity ratio (%)	43.9	46.0	43.3	41.3	
Current ratio (%)	173.8	165.5	166.3	156.3	
Fixed ratio (%)	24.0	27.0	27.7	33.7	
Debt-to-equity ratio <DER> (Times)	0.07	0.06	0.05	0.06	

# Major Projects included in FY2014 Revenues

## ◆ LNG / Gas

- Australia / Russia LNG Plant EPC <sup>\*1</sup> / FEED <sup>\*2</sup>
- Japan LNG Receiving Terminal
- Qatar Maintenance and Modification

## ◆ Petroleum & Petrochemicals

- Vietnam / Qatar Oil Refinery Heavy Oil Cracking Unit EPC
- Japan Refinery Revamping & Renewal

## ◆ Chemicals & Industries

- Japan Chemical Plant
- Japan Pharmaceutical

## ◆ New Energy / Environment

- Mongolia New Ulaanbaatar International Airport
- Japan Mega Solar Projects EPC

## ◆ New Business Fields

- Offshore & Upstream Consulting Service

<sup>\*1</sup> EPC: Engineering, Procurement and Construction

<sup>\*2</sup> FEED: Front End Engineering and Design

# Major Projects included in FY2014 New Orders

## ◆ LNG / Gas

- Russia LNG EPC\*1
- U. S. A. / Canada / Mozambique LNG FEED\*2
- Qatar Maintenance and Modification

## ◆ Petroleum & Petrochemical

- Japan Refinery Expansion and Renewal

## ◆ New Energy / Environment

- Japan Mega Solar Projects EPC
- Diagnosis for Existing Plants and Facilities, O&M\*3

## ◆ New Business Fields

- Offshore & Upstream (FPU\*4 EPCI\*5/ Consulting )

\*1 EPC: Engineering, Procurement and Construction

\*2 FEED: Front End Engineering and Design

\*3 O&M: Operation & Maintenance

\*4 FPU : Floating Production Unit

\*5 EPCI: Engineering, Procurement, Construction and Installation

# Projects expected in FY2014 and thereafter

## ◆ LNG / Gas

- North America / Southeast Asia / Africa / Russia LNG EPC\*1 & FEED\*2
- Middle East Maintenance and Modification

## ◆ Petroleum & Petrochemical

- Japan / Middle East / Southeast Asia / Central & South America EPC & EPCm\*3 & FEED

## ◆ Chemicals & Industries

- Japan Bio-Pharmaceutical Plants

## ◆ New Energy / Environment

- Japan Mega Solar Projects
- Southeast Asia Social Infrastructure
- Overseas Non-Ferrous Plant
- Japan Development of Advanced Analysis and Systemization Technologies

## ◆ New Business Fields

- Offshore & Upstream Consulting / FEED

\*1 EPC: Engineering, Procurement and Construction

\*2 FEED: Front End Engineering and Design

\*3 EPCm: Engineering, Procurement and Construction management

# Progress of Medium-Term Management Plan

## - Seize the moment, Open up new frontiers -

- ◆ **Growth Strategy: Strengthening of core business (LNG / Gas / HC\*1)**
  - North America LNG EPC\*2 (2 Projects), FEED\*3 (2 Projects) under execution  
(Expansion of Houston Base)
  - Russia LNG EPC, East Africa LNG FEED under execution  
(Pursuing further LNG business opportunities)
  - Asia and Middle East Enhancement of Regional Operation in HC Business
  
- ◆ **Growth Strategy: Expansion into New Business Fields**
  - Offshore & Upstream: Launch of subsea engineering company  
(Seabed and Subsea)
  - Hydrogen: Establishment of Hydrogen Supply Chain along governmental policy  
(Basic Energy Plan, Roadmap)
  - Investment Strategy: Close investigation in due course
  
- ◆ **Operating Foundation: Human Resource Management**
  - Launch of Chiyoda Human Resources International (Singapore)  
Global Human Resources: Mobilization, Development and Optimum Allocation

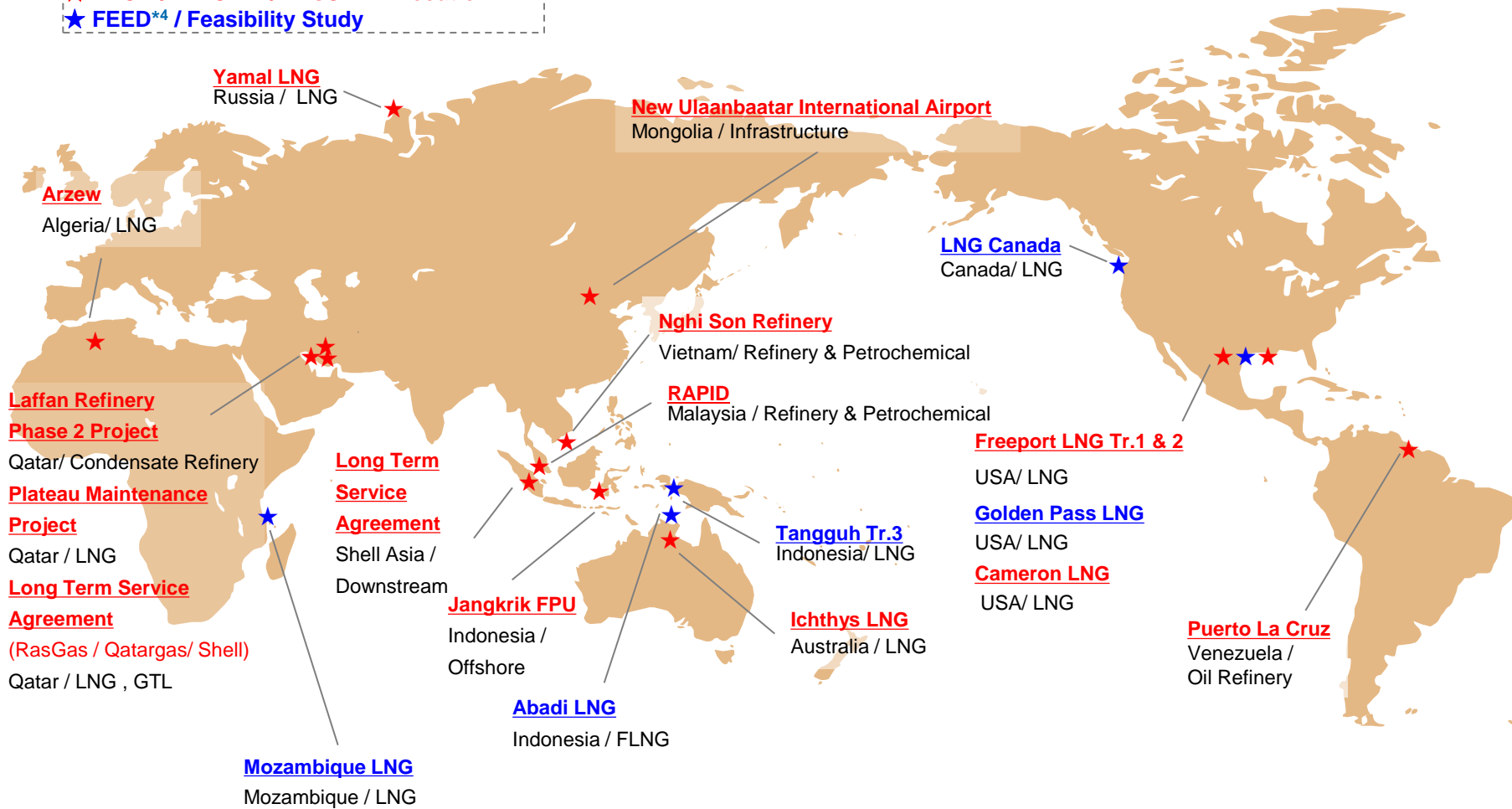
\*1 HC: Hydro Carbon

\*2 EPC: Engineering, Procurement and Construction

\*3 FEED: Front End Engineering and Design

# Major Projects Under Execution - Overseas

★ EPC\*1 / EPCm\*2 / EPsCm\*3 Execution  
 ★ FEED\*4 / Feasibility Study



- \*1 EPC: Engineering, Procurement and Construction
- \*2 EPCm: Engineering, Procurement and Construction management
- \*3 EPsCm: Engineering, Procurement support and Construction management
- \*4 FEED: Front End Engineering and Design

As of November, 2014

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**Forward-looking Statements**

The forecasts and plans in this presentation are based on information available to management on November 11, 2014, the date this material was prepared. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to changes in economic conditions and operation environment in Japan and overseas.