

Financial Results for FY2015

The Fiscal Year Ended March 31, 2016

May 12, 2016

Chiyoda Corporation

1. Financial Summary

(Billions of Yen)

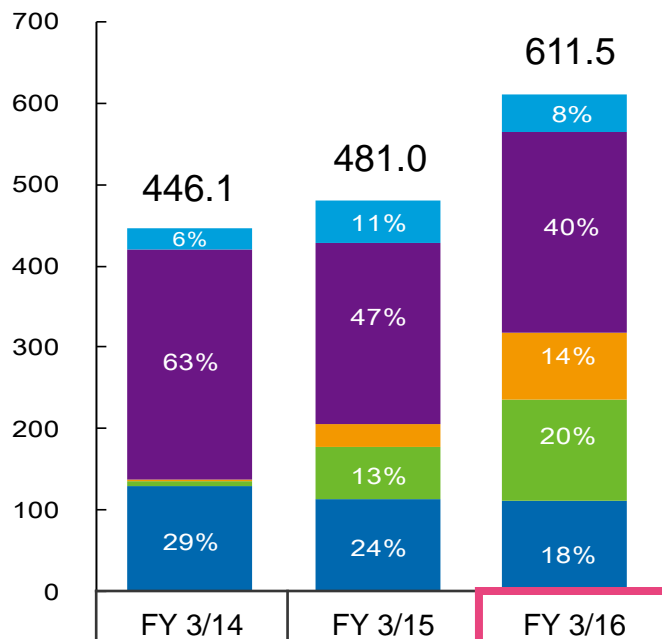
	FY ended March 2015	FY ended March 2016	Difference	Difference (%)	Revised Full Year Forecast	Results (%)
New Orders	746.8	403.6	(343.2)	(46.0%)	350.0	115.3%
Revenues	481.0	611.5	130.6	27.1%	580.0	105.4%
Operating Income	21.5	16.0	(5.5)	(25.4%)	11.0	145.6%
Ordinary Income	22.3	16.2	(6.1)	(27.2%)	14.5	111.8%
Profit attributable to owners of parent	11.0	3.4	(7.7)	(69.4%)	2.5	135.0%
Comprehensive Income	15.1	(2.9)	(18.0)	-		
Dividend per Share	JPY 13.0	JPY 10.0			8 JPY	
Exchange Rate	JPY 120/\$	JPY 113/\$			115 JPY \$	

Revenues: Highest revenue in the history. Ichthys LNG, Yamal LNG, Nghi Son refinery, US LNG projects are in progress.
 Profits: Improved compared to the downward revised forecast in March 2016; decline compared to last FY income items.

2. Revenues

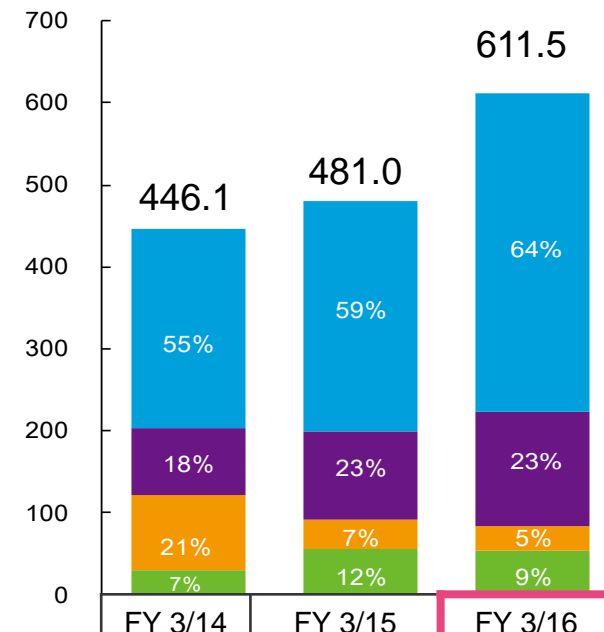
(Billions of Yen)

By Region



■ ME & Africa	26.3	51.8	47.3
■ SEA & Oceania	282.0	224.5	245.9
■ Americas region	3.3	27.4	83.3
■ Others	5.8	64.0	123.7
Overseas Total	317.4	367.6	500.1
■ Domestic Total	128.7	113.3	111.5

By Field



■ LNG Plant, Gas Related Work	244.3	282.0	388.9
■ Refinery, Petrochemical, Metal	80.3	108.6	138.8
■ Pharmaceutical, Biochemistry, Chemical	91.4	34.4	31.0
■ Environment, New Energy, Infrastructure	30.3	56.0	52.8

By Region: SEA & Oceania; Ichthys LNG, Nghi Son refinery are in progress. Others; Amount and ratio is increased by the progress of Yamal LNG.
 By Field: LNG pursuing further growth. Australia, Russia, North American projects are in smooth progress.

3. Income-related Items

(Billions of Yen)

	FY ended March 2015	FY ended March 2016	Difference
Gross Profit	45.7 9.5%	41.5 6.8%	(4.1) (2.7 pt)
SG&A expenses	(24.2)	(25.5)	(1.3)
Operating Income	21.5 4.5%	16.0 2.6%	(5.5) (1.9 pt)
Non-operating income and expenses	0.8	0.2	(0.6)
Ordinary Income	22.3 4.6%	16.2 2.6%	(6.1) (2.0 pt)
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	(11.2)	(12.8)	(1.6)
Profit attributable to owners of parent	11.0 2.3%	3.4 0.6%	(7.7) (1.7 pt)

Gross profit margin decline:

SG&A expenses increase:

Extraordinary income (loss):

Low profitability in overseas refinery projects, significantly influenced by the slump in overseas subsidiaries.

Recognition and Allowance for Doubtful Accounts

Goodwill Impairment for a Group Company in England

4. Balance Sheet

(Billions of Yen)

	March 31, 2015	March 31, 2016	Difference
Current assets	444.6	455.0	10.5
Cash and deposits*1	113.3	144.7	31.4
Operating assets *2	113.5	104.3	(9.2)
Jointly controlled assets of joint venture *3	182.9	179.4	(3.5)
Other	34.9	26.6	(8.3)
Non-current assets	71.3	73.2	1.9
Property, plant and equipment	14.8	13.9	(0.9)
Intangible assets	19.5	11.1	(8.4)
Investment and other assets	37.0	48.2	11.2
Total assets	515.8	528.2	12.4

	March 31, 2015	March 31, 2016	Difference
Current liabilities	294.3	311.1	16.8
Short-term loans payable	1.0	0.3	(0.7)
Operating liabilities *4	261.5	285.7	24.2
Provision for loss on construction contracts	4.0	3.2	(0.8)
Others	27.8	21.9	(6.0)
Non-current liabilities	13.1	15.0	1.9
Long-term loans payable	10.0	10.0	(0.0)
Other	3.1	5.0	1.9
Net assets	208.4	202.1	(6.3)
Liabilities and net assets	515.8	528.2	12.4

Shareholders' equity	206.4	200.2	(6.2)
Shareholders' equity ratio	40.0%	37.9%	(2.1pt)

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

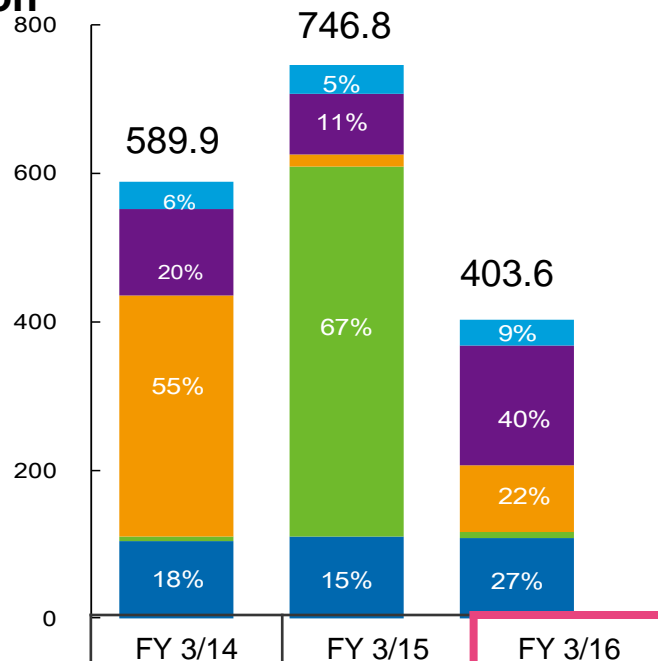
*4. Operating liabilities = Notes payable, accounts payable for construction contracts + Advances received on uncompleted construction contracts

Cash and deposits increase: Gain on sale of shares and others.
 Investments increase: Establishment of EMAS CHIYODA Subsea.
 Net assets decrease: Decrease in the value of shares held.

5. New Orders

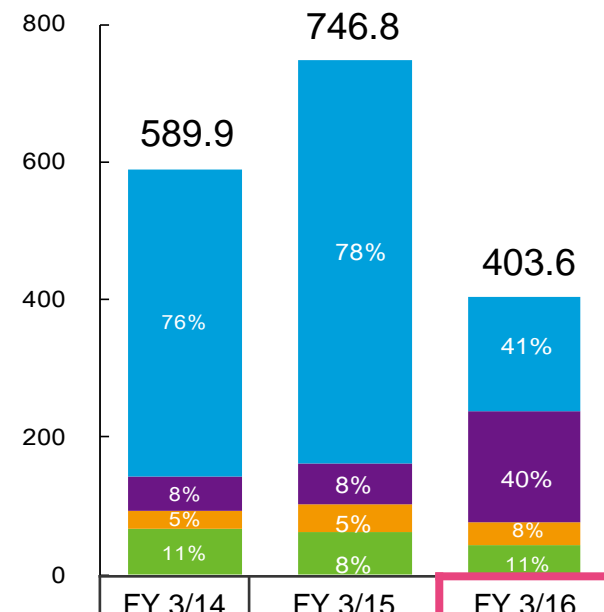
(Billions of Yen)

By Region



	FY 3/14	FY 3/15	FY 3/16
ME & Africa	37.9	38.6	35.1
SEA & Oceania	117.1	82.4	161.3
Americas region	324.4	16.7	90.2
Others	5.8	498.2	9.2
Overseas Total	485.2	635.8	295.7
Domestic Total	104.7	111.0	107.9

By Field



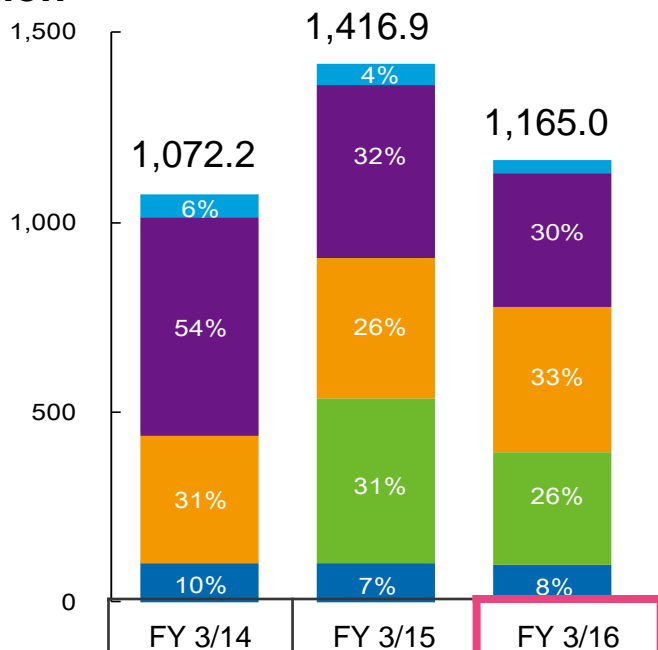
	FY 3/14	FY 3/15	FY 3/16
LNG Plant, Gas Related Work	447.0	585.4	166.6
Refinery, Petrochemical, Metal	49.5	60.1	161.5
Pharmaceutical, Biochemistry, Chemical	27.2	38.6	32.7
Environment, New Energy, Infrastructure	66.2	62.6	42.8
Overseas Total	485.2	635.8	295.7
Domestic Total	104.7	111.0	107.9

LNG Plant, Gas Related Work: U.S. Freeport Tr. 3, Helium project in Qatar, additional orders for projects under execution.
 Refinery, Petrochemical, Metal: Indonesia copper smelting (EP).

6. Backlog of Contracts

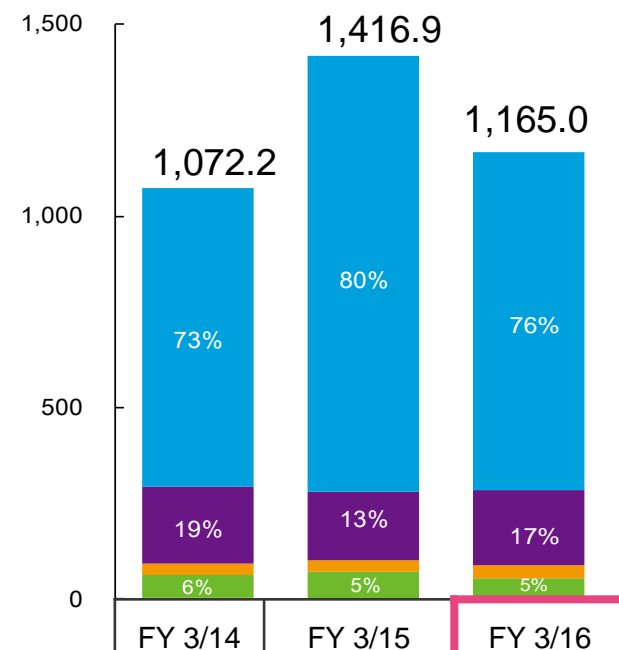
(Billions of Yen)

By Region



■ ME & Africa	61.2	54.9	35.5
■ SEA & Oceania	572.9	456.5	353.2
■ Americas region	334.8	370.9	383.5
■ Others	0.1	434.3	296.7
Overseas Total	969.0	1,316.7	1,068.9
■ Domestic Total	103.2	100.2	96.1

By Field



■ LNG Plant, Gas Related Work	779.2	1,136.1	880.0
■ Refinery, Petrochemical, Metal	203.5	180.2	198.6
■ Pharmaceutical, Biochemistry, Chemical	26.9	31.7	32.4
■ Environment, New Energy, Infrastructure	62.6	68.9	53.9

Maintains highest level, strong contribution from LNG projects.

Balance of the region: SEA &Oceania, Americas region and Others (including Russia).

7. Forecasts for FY ending March 2017

(Billions of Yen)

	Results for FY ended March 2016	Forecast for FY ending March 2017	Difference	Difference (%)
New Orders	403.6	470.0	66.4	16.5%
Revenues	611.5	550.0	(61.5)	(10.1%)
Operating Income	16.0	18.0	2.1	12.5%
Ordinary Income	16.2	14.0	(2.2)	(13.6%)
Profit attributable to owners of parent	3.4	5.0	1.6	47.1%
Dividend per Share	10.0 JPY	6.0 JPY	(4.0JPY)	
Exchange Rate	113 JPY/ \$	110 JPY /\$		

8. Breakdown of Forecasts for FY ending March 2017

(Billions of Yen)

	Results for FY ended March 2016	Forecasts for FY ending March 2017	Difference
New Orders	403.6	470.0	66.4
Overseas	295.7	360.0	64.3
Domestic	107.9	110.0	2.1
Revenues	611.5	550.0	△61.5
Overseas	500.1	430.0	△70.0
Domestic	111.5	120.0	8.5
Gross Profit	41.5	42.0	0.5
SG&A Expenses	(25.5)	(24.0)	1.5
Operating Income	16.0	18.0	2.0
Non-operating Income and Expenses	0.2	(4.0)	(4.2)
Ordinary Income	16.2	14.0	(2.2)
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	(12.8)	(9.0)	3.8
Profit attributable to owners of parent	3.4	5.0	1.6

9. Performance Indicators

(Billions of Yen)

	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	Forecast FY ending March 2017
Gross profit margin (%)	10.7	9.3	9.5	6.8	7.6
SG&A expenses to revenues (%)	4.4	4.6	5.0	4.2	4.4
Operating income to revenues (%)	6.3	4.7	4.5	2.6	3.3
Ordinary income to revenues (%)	6.4	5.1	4.6	2.6	2.5
Net income to revenues (%)	4.0	3.0	2.3	0.6	0.9
Return on assets (ROA) (%)	6.4	5.0	4.5	3.1	
Return on equity (ROE) (%)	9.0	7.0	5.5	1.7	
Net income per share (EPS) (JPY)	62.06	51.91	42.58	13.03	
Book value per share (BPS) (JPY)	727.24	758.31	796.89	772.89	
Shareholders' equity ratio (%)	43.3	41.3	40.0	37.9	
Current ratio (%)	166.3	156.3	151.0	146.3	
Fixed ratio (%)	27.7	33.7	34.5	36.6	
Debt-to-equity ratio <DER> (Times)	0.05	0.06	0.05	0.05	

Business Overview

Important Measurements for the FY 2016

◆ Unfavorable Business Environment

- Prudent industry practice in LNG projects and O&U fields due to prolonged low oil and gas prices
- Continuous efforts to develop new business areas for the sustainable growth, while bearing the costs for the time being
- Implementation of measurements to secure reasonable profit while expanding the new business fields under the current unfavorable circumstances

◆ Important Measurements for the FY 2016

- Earn profit through stable execution of abundant LNG backlog projects
- Improve profitability of the ongoing projects by receiving additional change orders
- Examine profitability when receiving new orders and decline high risk projects
- Reinforce management for business operation of the affiliated companies invested in
- Secure and enlarge company's future profit sources

Major Projects included in FY2015 Revenues

◆ LNG / Gas

- Australia, U.S.A. and Russia / LNG Plant / EPC*1
- LNG Study and Basic Design
- Qatar / Chiyoda Almana / EPCm*2 under Long Term Service Contracts
- Indonesia / Floating Gas Facilities/ EPCI
- Japan / LNG Receiving Terminals / EPC

◆ Petroleum / Petrochemical / Metal

- Vietnam / Refinery and Petrochemical Complex / EPC
- Qatar / Refinery / EPC
- Saudi Arabia / Titanium Sponge Plant / EPC
- Japan / Refinery & Chemical Plant / Renewal / EPC

◆ New Energy / Environment / Infrastructure / Others

- Mongolia / The Philippines / Airport / EPC
- Japan / Life Science, Regenerative Medicine Facilities / EPC
- Japan / Mega Solar Projects / EPC
- Diagnosis and Consulting / Countermeasures against Disaster, O&M*3
- Offshore & Upstream / Study, Consulting Service

*1 EPC; Engineering, Procurement and Construction

*2 EPCm; Engineering, Procurement and Construction management

*3 O&M; Operation & Maintenance

Major Projects included in FY2015 New Orders

◆ LNG / Gas

- U.S.A. / LNG Plant / EPC / Freeport LNG Train 3
- LNG Study and Basic Design
- Additional Work for ongoing LNG Projects
- Qatar / Chiyoda Almana / Helium Recovery Facilities / EPC

◆ Petroleum / Petrochemical / Metal

- Indonesia / Copper Smelting Project / EP
- Japan / Refinery & Chemical Plants / Expansion and Renewal

◆ New Energy / Environment / Infrastructure / Others

- Japan / Life Science, Regenerative Medicine Facilities / EPC
- Japan / Mega Solar Projects / EPC
- Diagnosis and Consulting / Countermeasures against Disaster, O&M
- Offshore & Upstream / Study, Consulting Service
- Renewable jet and diesel fuels production demonstration plant / EPC

Medium-Term Management Plan in the final year

- Seize the moment, Open up new frontiers-

◆ Results and Progress – final year review

Current status & priority measures for each business area

● LNG

Favorable progress in core business, backlog on constant highest level, stable project execution to ensure profit

● Petroleum / Petrochemical / Metal

Successful completion of projects in the climax of execution

Execution of large-scale projects and new orders in the Metal field

● Offshore / Upstream / Subsea

Establishment of EMAS CHIYODA Subsea JV which can perform EPCI

● Life Science

Growth expected for the facilities of regenerative medicine and generic medicine.

Contribution to the rapid commercialization of production which requires technical innovation and construction of those manufacturing facilities

Projects expected in FY2016 and thereafter (1/2)

◆ New Order Strategy

- Target new orders of 470 billion yen in FY2016 while ascertaining the risk of each project. Continue efforts to earn reasonable profit through stable execution of backlog projects.
- Secure new projects with planned final investment decision in FY2017
- Expand and strengthen Non-LNG business fields

◆ LNG / Gas

- Several FEED and EPC for LNG projects in USA, Southeast Asia and Russia
- Regional Operations (Qatar, North America and others) / EPCm and EPC
- EPC for Mozambique LNG and LNG Canada (already selected EPC contractor)

◆ Petroleum / Petrochemical / Metal

- Non Ferrous project in Southeast Asia
- Regional Operations (Singapore, Indonesia and others) / EPCm and EPC
- Investment overseas by Japanese clients / FEED and EPC
- Domestic opportunities for Revamping & Renewal / FEED and EPC

Projects expected in FY2016 and thereafter (2/2)

◆ New Energy / Environment / Infrastructure / Others

- Solar Power Generation (Japan and Overseas)
- Conservation of Environment (Japan and India)
- Industrial facilities (Japan)

◆ Offshore and Upstream

- Study and Consulting Business
- FEED / EPCI * (Middle East and Southeast Asia)

◆ Pharmaceutical / Life Science

- Manufacturing Facilities related to Regenerative Medicine,
Active Pharmaceutical Ingredient, Bio-medicine and Generic Medicine

* As an equity method company, new EPCI contracts to EMAS CHIYODA Subsea not to be consolidated.

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Forward-looking Statements

The forecasts and plans in this presentation are based on information available to management on May 12 2016, 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.



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