

# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending March 31, 2017

February 9, 2017

**Chiyoda Corporation**

# 1. Financial Summary

(Billions of Yen)

	3Q of FY ended Mar. 2016	3Q of FY ending Mar. 2017	Difference	Difference (%)
New Orders	234.5	285.8	51.3	21.9%
Revenues	443.9	435.1	(8.8)	(2.0%)
Operating Income	15.3	10.4	(4.8)	(31.8%)
Ordinary Income	14.5	(5.6)	(20.1)	-
Profit attributable to owners of parent	8.2	(34.0)	(42.2)	-
Comprehensive Income	2.5	(39.9)		
Exchange Rate	JPY 121/\$	JPY 116 /\$		

Full Year Forecast ※	Progress (%)
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470	60.8%
610	71.3%
18	57.8%
0	-
(36)	-

※ Data reflects Revision to the Consolidated Financial Forecast for the Fiscal Year ending March, announced on Feb 9<sup>th</sup>, 2017

Dividend per share: JPY 6.00

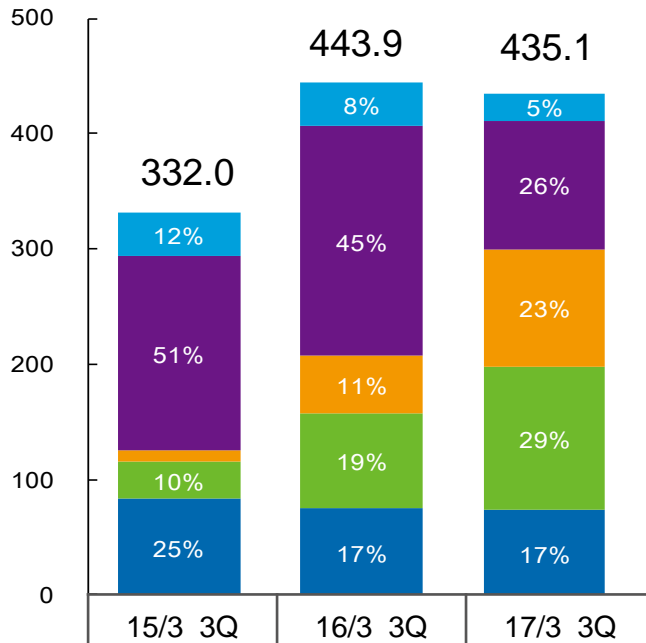
JPY 115/\$

Revenue forecast revised upward owing to progress of reimbursable portion of large LNG projects.

Loss in Ordinary Income and Net Loss due to Non-Operation expenses and Extraordinary Loss related to ECS.

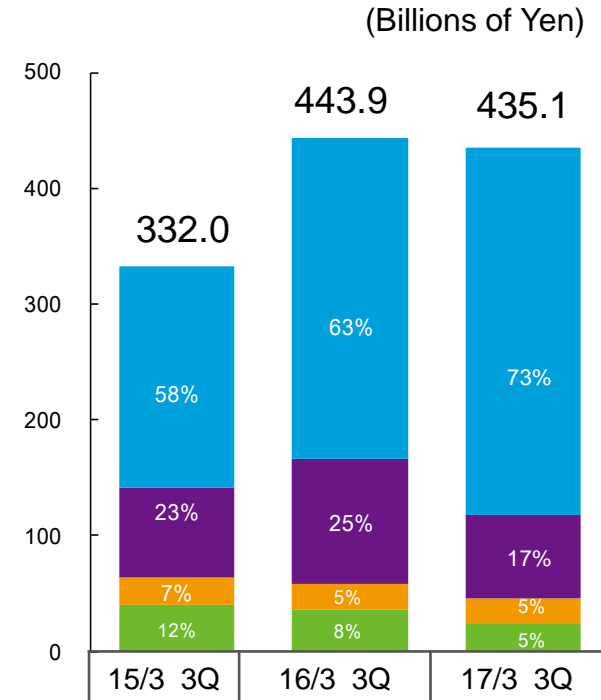
# 2. Revenues

## By Region



■ ME & Africa	38.5	37.5	23.7
■ SEA & Oceania	168.4	199.2	111.3
■ Americas region	9.1	49.2	101.8
■ Others	33.0	82.8	125.0
Overseas Total	249.1	368.7	361.8
■ Domestic Total	82.9	75.2	73.3

## By Field



■ LNG Plant, Gas Related Work	190.9	277.0	316.6
Refinery, Petrochemical, Metal	77.1	108.6	73.3
Pharmaceutical, Biochemistry, Chemical	23.9	21.8	21.7
Environment, New Energy, Infrastructure	40.1	36.6	23.4

LNG projects in America and Russia have had a good progress, which has brought a gain in Revenue. YoY declined as LNG projects in Australia has reached to a full completion.

### 3. Income-related Items

(Billions of Yen)

	3Q of FY Mar 31, 2016	3Q of FY Mar 31, 2017	(Ref) 4Q 2017 [3 months]	Forecast Full Year 2017	Diff. (3Q YoY)
Gross Profit	<b>32.4</b> 7.3%	<b>26.4</b> 6.1%	<b>15.6</b> 8.9%	<b>42.0</b> 6.9%	△6.0 △1.2pt
SG&A expenses	(17.1)	(16.0)	(8.0)	(24.0)	1.1
Operating Income	<b>15.3</b> 3.4%	<b>10.4</b> 2.4%	<b>7.6</b> 4.3%	<b>18.0</b> 3.0%	△4.8 △1.0pt
Non-operating income and expenses	(0.8)	(16.0)	(2.0)	(18.0)	△15.2
Ordinary Income	<b>14.5</b> 3.3%	<b>(5.6)</b> (1.3%)	<b>5.6</b> 3.2%	<b>0.0</b> -	△20.1 △4.6pt
Extraordinary income, Income taxes, Profit attributable to non- controlling interests	(6.2)	(28.4)	(7.6)	(36.0)	△22.2
Profit attributable to owners of parent	<b>8.2</b> 1.9%	<b>(34.0)</b> (7.8%)	<b>(2.0)</b> (1.1%)	<b>(36.0)</b> (6.0%)	△42.2 △9.7pt

Decline of Gross Profit is mainly due to yen depreciation. Gross Profit is expected to recover in 4Q as the loss of refinery projects in Qatar and Vietnam will be decreased.

# 4. Balance Sheet

(Billions of Yen)

	Mar. 31, 2016	Dec. 31, 2016	Diff.
<b>Current assets</b>	<b>455.0</b>	<b>433.1</b>	<b>(21.9)</b>
Cash and deposits*1	144.7	123.5	(21.2)
Operating assets *2	104.3	106.8	2.5
Jointly controlled assets of JV *3	179.4	169.2	(10.1)
Other	26.6	33.5	6.9
<b>Non-current assets</b>	<b>73.2</b>	<b>38.8</b>	<b>(34.4)</b>
Property, plant and equipment	13.9	13.2	(0.8)
Intangible assets	11.1	8.9	(2.2)
Investment and other assets	48.2	16.7	(31.5)
<b>Total assets</b>	<b>528.2</b>	<b>471.8</b>	<b>(56.4)</b>

	Mar. 31, 2016	Dec. 31, 2016	Diff.
<b>Current liabilities</b>	<b>311.1</b>	<b>298.8</b>	<b>(12.3)</b>
Short-term loans payable	0.3	0.3	(0.0)
Operating liabilities *4	285.7	250.1	(35.6)
Provision for loss on construction contracts	3.2	3.7	0.5
Provision for loss on business of subsidiaries and associates	-	23.8	23.8
Others	21.9	20.9	(0.9)
<b>Non-current liabilities</b>	<b>15.0</b>	<b>13.4</b>	<b>(1.6)</b>
Long-term loans payable	10.0	10.0	(0.0)
Other	5.0	3.4	(1.6)
<b>Net assets</b>	<b>202.1</b>	<b>159.7</b>	<b>(42.5)</b>
<b>Liabilities and net assets</b>	<b>528.2</b>	<b>471.8</b>	<b>(56.4)</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

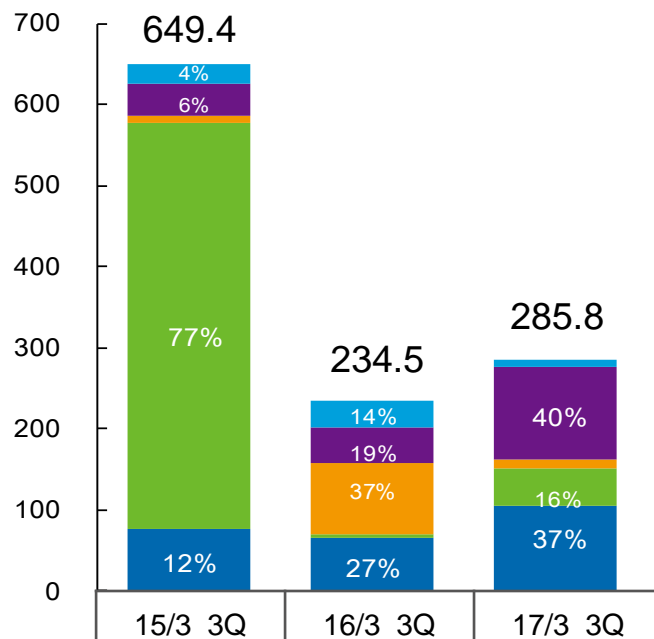
<b>Shareholders' equity</b>	<b>200.2</b>	<b>157.8</b>	<b>(42.3)</b>
<b>Shareholders' equity ratio</b>	<b>37.9%</b>	<b>33.5%</b>	<b>(4.4 pt)</b>

Investments decreased 31.5 bln yen mainly due to ECS devaluation.

# 5. New Orders

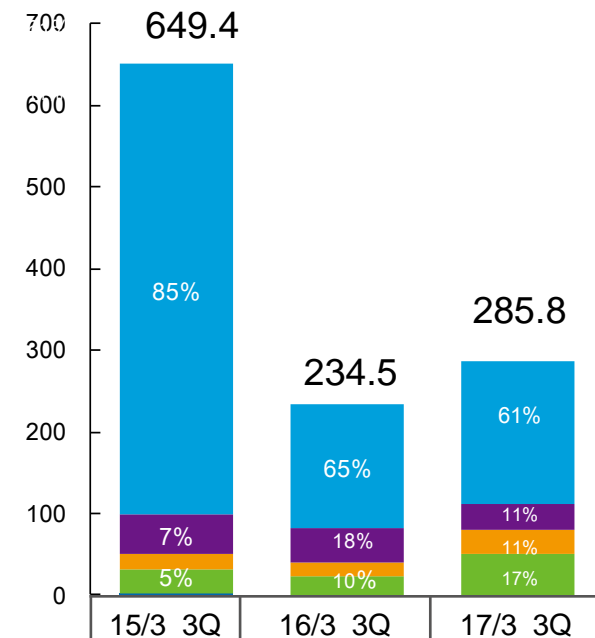
(Billions of Yen)

## By Region



	15/3 3Q	16/3 3Q	17/3 3Q
ME & Africa	24.8	32.4	10.2
SEA & Oceania	37.6	45.0	114.4
Americas region	9.6	87.2	9.8
Others	501.9	5.8	46.2
Overseas Total	573.9	170.5	180.6
Domestic Total	75.5	64.0	105.2

## By Field



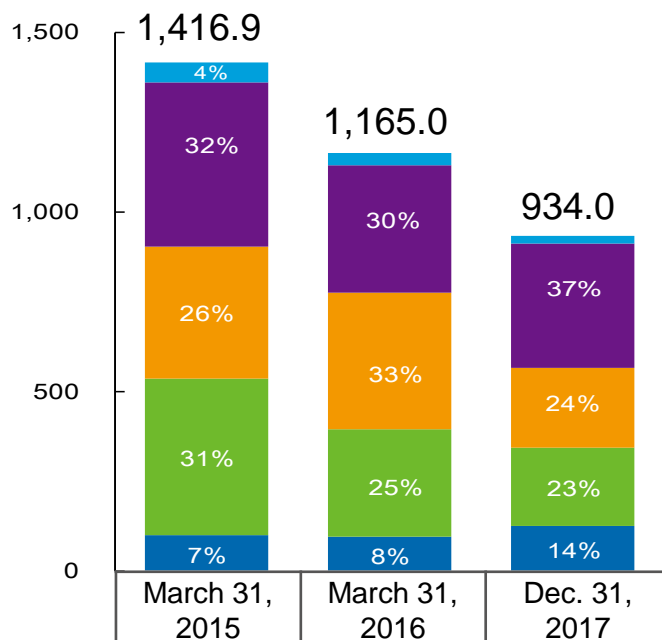
	15/3 3Q	16/3 3Q	17/3 3Q
LNG Plant, Gas Related Work	552.3	152.2	173.3
Refinery, Petrochemical, Metal	47.2	42.9	32.3
Pharmaceutical, Biochemistry, Chemical	19.4	15.9	30.8
Environment, New Energy, Infrastructure	30.5	23.4	49.5

Orders in SEA & Oceania are mainly Tangguh (Indonesia) and additional works of Ichthys(AUS). Others are additional works in Yamal(RU).

# 6. Backlog of Contracts

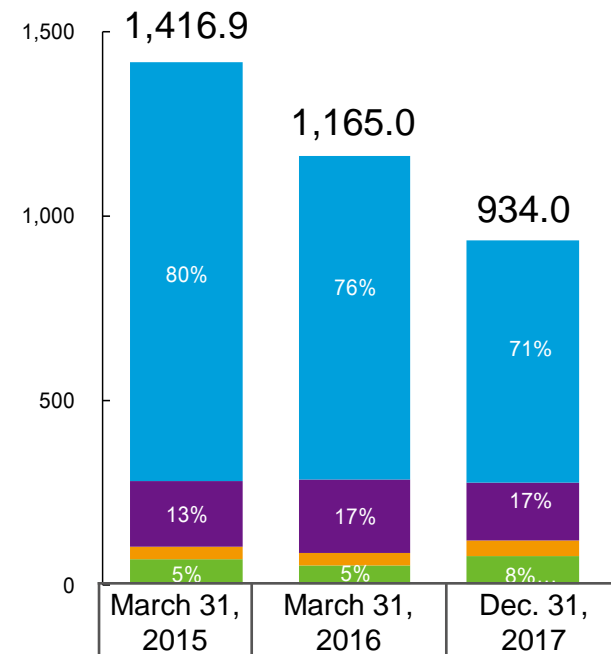
(Billions of Yen)

## By Region



ME & Africa	54.9	35.5	22.1
SEA & Oceania	456.5	353.2	345.5
Americas region	370.9	383.5	223.4
Others	434.3	296.7	216.7
Overseas Total	1,316.7	1,068.9	807.7
Domestic Total	100.2	96.1	126.3

## By Field



LNG Plant, Gas Related Work	1,136.1	880.0	658.7
Refinery, Petrochemical, Metal	180.2	198.6	157.5
Pharmaceutical, Biochemistry, Chemical	31.7	32.4	38.4
Environment, New Energy, Infrastructure	68.9	53.9	79.4

Backlog as of end of 3Q remains the same level as 2Q (JPY955bil).

# Reference Materials



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# Breakdown of Forecasts for FY ending March 2017

(Billions of Yen)

	Results for FY ended March 2016	Forecasts for FY ending March 2017	Difference
<b>New Orders</b>	<b>403.6</b>	<b>470.0</b>	<b>66.4</b>
Overseas	295.7	360.0	64.3
Domestic	107.9	110.0	2.1
<b>Revenues</b>	<b>611.5</b>	<b>610.0</b>	<b>(1.5)</b>
Overseas	500.1	500.0	(0.1)
Domestic	111.5	110.0	(1.5)
<b>Gross Profit</b>	<b>41.5</b>	<b>42.0</b>	<b>0.5</b>
SG&A Expenses	(25.5)	(24.0)	1.5
<b>Operating Income</b>	<b>16.0</b>	<b>18.0</b>	<b>2.0</b>
Non-operating Income and Expenses	0.2	(18.0)	(18.2)
<b>Ordinary Income</b>	<b>16.2</b>	<b>0</b>	<b>(16.2)</b>
Profit (loss) attributable to non-controlling interests	(12.8)	(36.0)	(23.2)
<b>Profit attributable to owners of parent</b>	<b>3.4</b>	<b>(36.0)</b>	<b>(39.4)</b>

# Performance Indicators

	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	6.9
SG&A expenses to revenues (%)	4.4	4.6	5.0	4.2	3.9
Operating income to revenues (%)	6.3	4.7	4.5	2.6	3.0
Ordinary income to revenues (%)	6.4	5.1	4.6	2.6	-
Profit* to revenues (%)	4.0	3.0	2.3	0.6	-
Return on assets (ROA) (%)	6.4	5.0	4.5	3.1	
Return on equity (ROE) (%)*	9.0	7.0	5.5	1.7	
Profit* 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	

Note: \*Profit attributable to owners of parent

Please address inquiries to:

**IR, PR & CSR Section**  
**Tomoyuki Tsukamoto**

TEL +81-45-225-7734  
FAX +81-45-225-4962

URL <https://www.chiyoda-corp.com/contact/en/index.php>

### **Forward-looking Statements**

The forecasts and plans in this presentation are based on information available to management on February 9, 2017, 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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