

# Financial Results for the 1<sup>st</sup> Quarter of Fiscal Year Ending March 31, 2019

August 8, 2018

**Chiyoda Corporation**



**CHIYODA  
CORPORATION**

© Chiyoda Corporation 2018, All Rights Reserved.

# Index

---

1. Results Highlights	2
2. Financial Summary	3
3. New Orders	4
4. Backlog	5
5. Income-related Items	6
6. Revenues	7
7. Balance Sheet	8
8. Forecast Breakdown	9
9. Reference Material (Performance Indicators)	10

# 1. Results Highlights

---

- ◆ Environment for New Orders turning positive
  - Overseas Petrochemical projects and Environmental Business orders are on track
  - Large-scale LNG project orders are expected to be received later in the fiscal year
  
- ◆ Revenue
  - Achieved approx. 25% of the full-year forecast
  
- ◆ Additional costs at Cameron LNG project led to Operating Loss
  - Additional construction costs (approx. Yen 5 billion) hit Profit & Loss Statement
  - Maintaining the agreed schedule has caused construction-related costs to rise
  - Project execution plan is currently under review
  
- ◆ Initial full-year forecast is unchanged
  - Considering the total book of business, full-year forecast can be maintained

## 2. Financial Summary

(Billions of Yen)

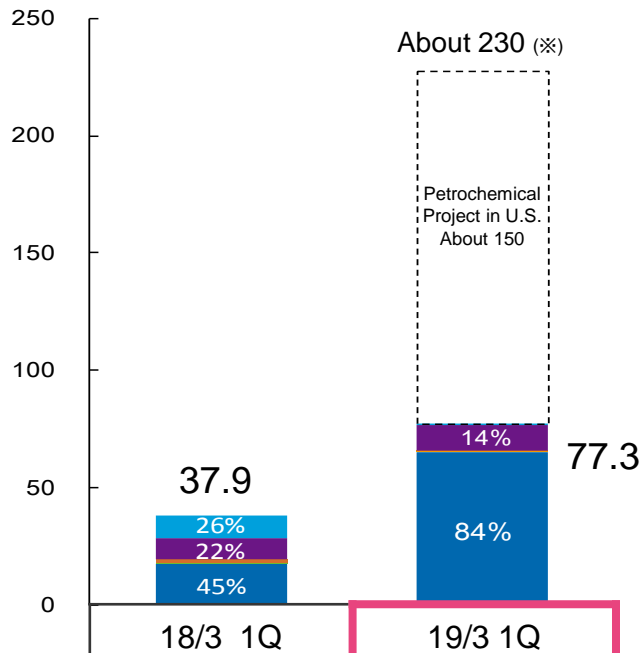
	18/3 1Q	19/3 1Q	Difference	Difference (%)
New Orders	37.9	77.3	39.4	103.7%
Backlog	783.3	624.9	(158.4)	(20.2%)
Revenues	117.9	93.6	(24.3)	(20.6%)
Operating Income	0.6	(3.4)	(4.0)	—
Ordinary Income	1.0	(3.2)	(4.2)	—
Profit (Loss)*	0.2	(3.7)	(3.9)	—
Exchange Rate	JPY112/\$	JPY111/\$		

Full Year Forecast	Progress (%)
800.0	9.7%
400.0	23.4%
11.5	—
12.5	—
6.5	—
Assumption	
JPY105 /\$	

\* Profit (Loss) attributable to owners of parent

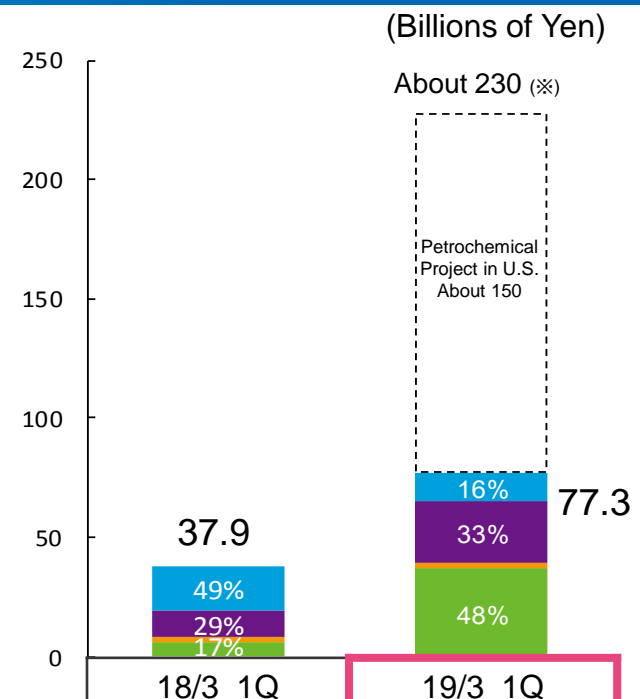
# 3. New Orders

## By Region



	18/3 1Q	19/3 1Q
ME & Africa	9.9	0.9
SEA & Oceania	8.5	10.4
Americas	1.3	0.9
Others	1.1	0.0
Overseas Total	20.7	12.3
Domestic Total	17.2	65.0

## By Field

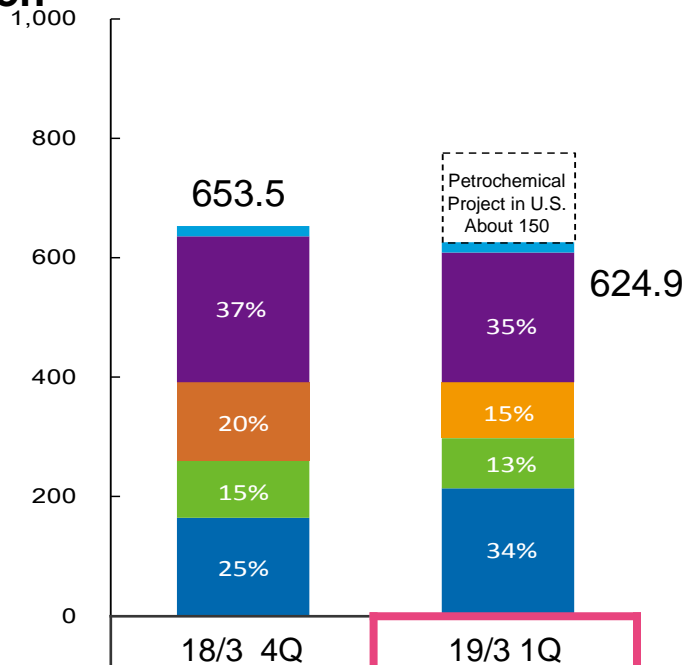


	18/3 1Q	19/3 1Q
Energy		
LNG Plant, Gas Related Work	18.7	12.1
Refinery, Petrochemical, Metal	11.2	25.8
Environment		
Pharmaceutical, Biochemistry, Chemical	1.7	2.2
Environment, New Energy Infrastructure	6.4	37.1

Note: While the US subsidiary has already been awarded a new Petrochemical order (approx. Yen 150 billion), due to accounting methodology, this order will be booked in the second quarter of this fiscal year.

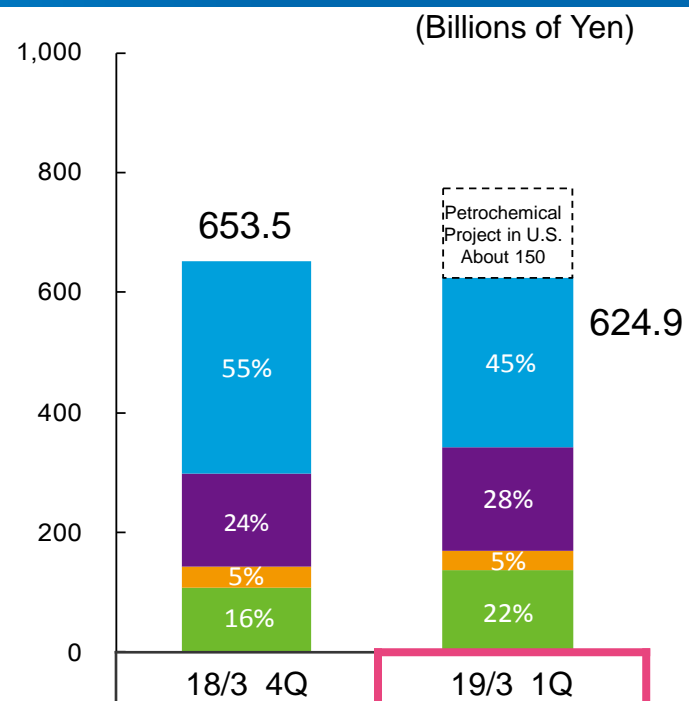
# 4. Backlog

## By Region



	18/3 4Q	19/3 1Q
ME & Africa	19.2	16.2
SEA & Oceania	242.3	218.7
Americas	131.0	93.8
Others	97.8	83.8
Overseas Total	490.3	412.5
Domestic Total	163.2	212.4

## By Field



	18/3 4Q	19/3 1Q
Energy	356.6	283.3
Environment	155.0	173.0
	36.1	32.3
	105.8	136.3

# 5. Income-related Items

(Billions of Yen)

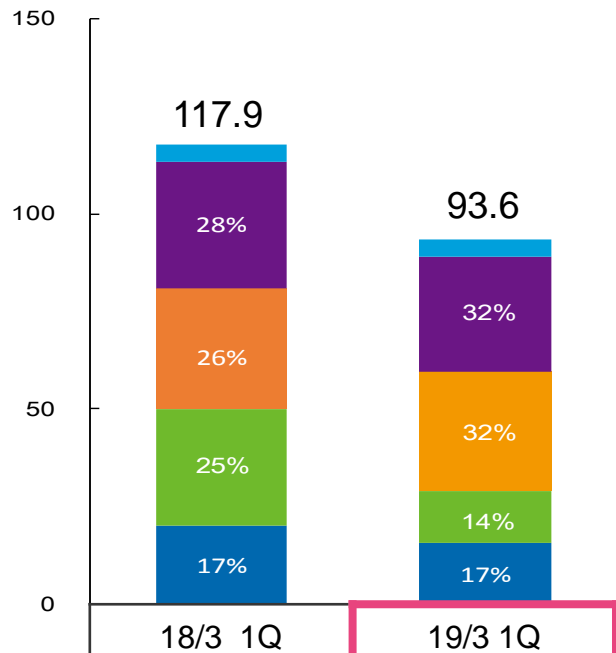
	18/3 1Q	19/3 1Q	Difference	Full Year Forecast
Revenue	117.9	93.6	(24.3)	400.0
Gross Profit	5.5 4.6%	0.9 0.9%	(4.6) (3.7 pt)	30.0 7.5%
SG&A expenses	(4.9)	(4.2)	0.7	(18.5)
Operating Income	0.6 0.5%	(3.4) (3.6%)	(4.0) (4.1 pt)	11.5 2.9%
Non-operating income and expenses	0.4	0.2	(0.2)	1.0
Ordinary Income	1.0 0.8%	(3.2) (3.4%)	(4.2) (4.2 pt)	12.5 3.1%
Extraordinary income, Income taxes, Profit attribute to non-controlling interests	(0.8)	(0.5)	(0.3)	(6.0)
Profit (Loss)*	0.2 0.1%	(3.7) (4.0%)	(3.9) (4.1 pt)	6.5 1.6%

- Considering the profitability of all ongoing projects, the full-year forecast can be maintained.
- Decrease of SG&A cost by 0.7 billions of yen by progressing structural reform.

\*Profit (Loss) attribute to owners of parent.

# 6. Revenues

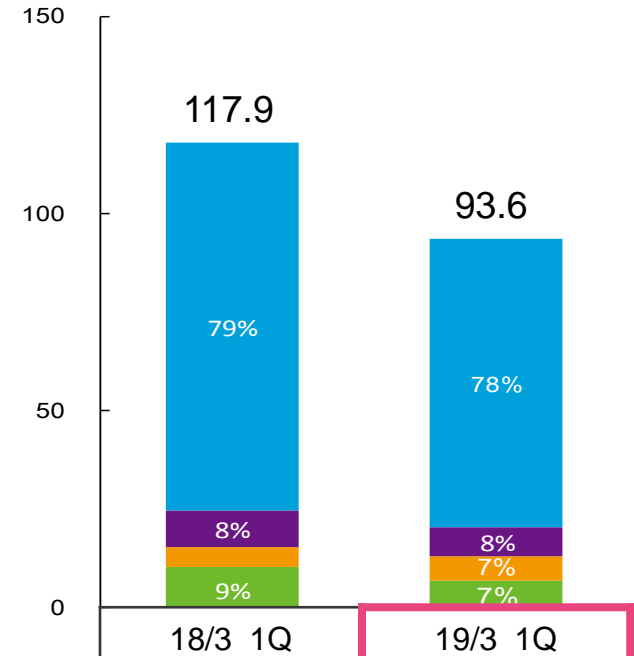
## By Region



ME & Africa	4.6	4.5
SEA & Oceania	32.5	29.6
Americas	30.9	30.6
Others	29.7	13.2
Overseas Total	97.7	77.9
Domestic Total	20.2	15.7

## By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	93.3	73.2
	Refinery, Petrochemical, Metal	9.3	7.7
Environment	Pharmaceutical, Biochemistry, Chemical	5.0	6.1
	Environment, New Energy Infrastructure	10.3	6.7

Note: Due to continued to progress toward completion of the Yamal LNG project in Russia, revenues have decreased 21%, achieving approx. 25% of the full-year forecast. “



# 7. Balance Sheet

(Billions of Yen)

	Mar 31, 2018	Jun 30, 2018	Difference
<b>Current assets</b>	<b>374.5</b>	<b>348.5</b>	<b>(25.9)</b>
Cash and deposits*1	104.0	86.2	(17.8)
Operating assets *2	92.8	79.7	(13.1)
Accounts receivable - other	42.0	40.3	(1.6)
Jointly controlled assets of joint venture *3	131.4	137.5	6.1
Other	4.3	4.8	0.4
<b>Non-current assets</b>	<b>45.9</b>	<b>44.5</b>	<b>(1.4)</b>
Property, plant & equipment	12.1	11.9	(0.2)
Intangible assets	5.7	5.6	(0.1)
Investment and other assets	28.1	27.0	(1.1)
<b>Total assets</b>	<b>420.3</b>	<b>393.0</b>	<b>(27.3)</b>

\*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

	Mar 31, 2018	Jun 30, 2018	Difference
<b>Current liabilities</b>	<b>247.8</b>	<b>222.8</b>	<b>(25.1)</b>
Short-term loans payable	-	-	-
Operating liabilities *4	223.9	205.7	(18.2)
Provision for loss on construction contracts	3.3	3.2	(0.1)
Others	20.6	13.8	(6.8)
<b>Non-current liabilities</b>	<b>13.1</b>	<b>17.9</b>	<b>4.9</b>
Long-term loans payable	10.0	15.0	5.0
Other	3.1	2.9	(0.1)
<b>Net assets</b>	<b>159.4</b>	<b>152.4</b>	<b>(7.1)</b>
<b>Liabilities and net assets</b>	<b>420.3</b>	<b>393.0</b>	<b>(27.3)</b>

<b>Shareholders' equity</b>	<b>157.6</b>	<b>150.5</b>	<b>(7.1)</b>
<b>Shareholders' equity ratio</b>	<b>37.5%</b>	<b>38.3%</b>	<b>0.8 pt</b>

## 8. Forecast Breakdown

(Billions of Yen)

	Results FY 2017	Forecasts FY 2018	Difference
<b>New Orders</b>	<b>301.2</b>	<b>800.0</b>	<b>498.8</b>
Overseas	149.5	600.0	450.5
Domestic	151.7	200.0	48.3
<b>Revenues</b>	<b>510.9</b>	<b>400.0</b>	<b>(110.9)</b>
Overseas	401.1	300.0	(101.1)
Domestic	109.8	100.0	(9.8)
<b>Gross Profit</b>	<b>8.6</b>	<b>30.0</b>	<b>21.4</b>
SG&A Expenses	(20.9)	(18.5)	2.4
<b>Operating Income</b>	<b>(12.3)</b>	<b>11.5</b>	<b>23.8</b>
Non-operating Income and Expenses	2.2	1.0	(1.2)
<b>Ordinary Income</b>	<b>(10.1)</b>	<b>12.5</b>	<b>22.6</b>
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	16.5	(6.0)	(22.5)
<b>Net Income*</b>	<b>6.4</b>	<b>6.5</b>	<b>0.1</b>

\*Profit attribute to owners of parent.

## 9. Performance Indicators

	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended March 2018	Forecast FY ending March 2019
Gross profit margin (%)	9.5	6.8	6.3	1.7	7.5
SG&A expenses to revenues (%)	5.0	4.2	3.7	4.1	4.6
Operating income to revenues (%)	4.5	2.6	2.6	(2.4)	2.9
Ordinary income to revenues (%)	4.6	2.6	(0.5)	(2.0)	3.1
Profit to revenues (%)	2.3	0.6	(6.8)	1.3	1.6
Return on assets <ROA> (%)	4.5	3.1	(0.6)	(2.3)	
Return on equity <ROE> (%)	5.5	1.7	(23.1)	4.1	
Profit per share <EPS> (JPY)	42.6	13.0	(158.8)	24.9	
Book value per share <BPS> (JPY)	796.9	772.9	599.8	608.4	
Shareholders' equity ratio (%)	40.0	37.9	33.7	37.5	
Current ratio (%)	151.0	146.3	141.2	153.0	
Fixed ratio (%)	34.5	36.6	23.2	25.6	
Debt-to-equity ratio <DER> (Times)	0.05	0.05	0.07	0.06	

## Forward-Looking Statements

Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investor are recommended not to depend solely on these projections for making investment decisions.

Please address inquiries to:

**IR, PR & CSR Department**

Tel +81-45-225-7734

<https://www.chiyodacorp.com/en/>



© Chiyoda Corporation 2018, All Rights Reserved.

