

The Tele-Conference was held in Japanese.
This document is a translation/ summary for
reference only.

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Transcript (Translation) of the Tele-Conference

Financial Results for the Third Quarter of the Year Ending March 31, 2019

Chiyoda Corporation (“Chiyoda”, TSE:6366; ISIN: JP3528600004) released the financial results of its 3rd Quarter of the Fiscal Year Ending March 31, 2018, on February 13, 2019. A conference call to present the Company's Operations and Finance update was held on the same day at 16:45 (Japan Standard Time).The following is the transcript (translation) of the tele-conference.

Page 2 : Results Highlights

- We recognized a deficit of 19.5 billion yen in the third quarter. The reason for this is that we recognized additional costs for the Cameron LNG project in the U.S. and the Tangguh LNG project in Indonesia to comply with the schedule.
- The full-year forecast remains unchanged since we are conducting negotiations with the customer to get these additional costs reimbursed.
- We got awarded a new contract for the Golden Pass LNG Project in the U.S. The value of the order received by the joint venture between the three companies (Chiyoda, McDermott, Zachry) is around 1 trillion Japanese yen. The amount of new order for Chiyoda's scope of work is expected to be around 300.0 billion yen, while the exact order amount is currently examined by the auditor as this time the method of participation in the project differs to previous LNG projects. The order of the Golden Pass LNG Project will be booked in the fourth quarter.
- The review of the Medium-term Management Plan is progressing as planned. In December 2018, we established an office for preparation on the formation of the new “Strategy and Risk Integration Division” to further strengthen the corporate risk management. From January this year, we started mobilization of external risk management specialists. This Division will start to fully operate from April 2019. At the same time we have ongoing discussions with our largest shareholder Mitsubishi Corporation as well as other stakeholders to strengthen our financial position.

Page 3 : Financial Summary

- New orders amounted to 390.4 billion yen, revenues 306.1 billion yen and net loss came to 128.2 billion yen.

Page 4 : New Orders

- New orders totaled 390.4 billion yen, with 210.6 billion yen from overseas and 179.8 billion yen from domestic business. Major contracts are an ethylene project in the U.S., a biomass power generation project and the construction of an energy storage system in Japan. The order for the Golden Pass LNG Project will be booked in the fourth quarter.
- New orders in the field of the environment amounted to 128.3 billion yen, including 18.1 billion yen for “Pharmaceuticals, Biochemistry, Chemicals” and 110.2 billion yen for “Environment, New energy, Infrastructure, Others”. The “Environment” field accounts for around one-third of total new orders, with a trend of gradually increasing orders.

Page 5 : Backlog

- Backlog at the end of the third quarter was 728.1 billion yen and is expected to reach around one trillion yen at the end of the current fiscal year by the addition of the Golden Pass LNG Project.

Page 6 : Income-related items

- Revenues amounted to 306.1 billion yen, which is around 77% of the full-year forecast of 400.0 billion yen.
- Gross profit (loss) accumulated to 94.2 billion yen under the adverse effects of additional costs.
- As measurements to reduce fixed costs are being implemented as planned, SG&A Cost at 13.6 billion yen reached to around 74% of the full-year forecast. .

Page 8 : Balance Sheet

- The position “Cash and deposits” fell 46.0 billion yen from the end of March 2018, to 58.1 billion yen and 18.4 billion yen from the balance in September 2018 at the end of the second quarter.
- “Accounts Receivable-other” accumulated to 59.7 billion yen mainly due to an increase in advances paid for the Ichthys LNG project.
- Provision for Loss on construction projects rose to 43.4 billion yen at the end of the third quarter, which is an increase of 17.3 billion yen from the end of the second quarter. This increase is due to provisions for the additional costs recognized this quarter.

Page 9 : Forecast Breakdown

- We made no change to the earnings forecasts for the fiscal year ending March 31, 2019.

Note: Some additions and corrections were made to make the content easier for readers to understand.

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.