



**Financial Results for the First Quarter of
FY2011/3**

August 5, 2010



All Rights Reserved. CHIYODA 2010

Supplemental remarks to

- The financial results for 1Q ended June 30, 2010
of FY ending March 2011

and

- Revisions to the forecasts for the 1st half

1. Financial Data

(Billions of yen)

	11/3 1Q	10/3 1Q	Difference	Difference (%)	11/3 Full Year Forecast	Progress
New Orders	19.6	54.3	(34.7)	(63.9%)	440.0	4.5%
Revenues	53.5	82.7	(29.2)	(35.3%)	240.0	22.3%
Operating Income	2.9	2.9	0.0	1.4%	6.0	48.5%
Ordinary Income	1.3	3.8	(2.6)	(66.9%)	6.5	19.6%
Net Income	1.3	2.1	(0.8)	(37.2%)	4.0	32.7%
Exchange Rate	JPY 88/\$	JPY 96/\$			JPY 90/\$	

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

New Orders:

- Most of targeted EPC contracts expected in the 2nd half. 1Q results as forecasted.

Revenues:

- 4 out of 6 large LNG trains in Qatar completed by the previous FY.
- New orders in the previous FY not contributing much yet.

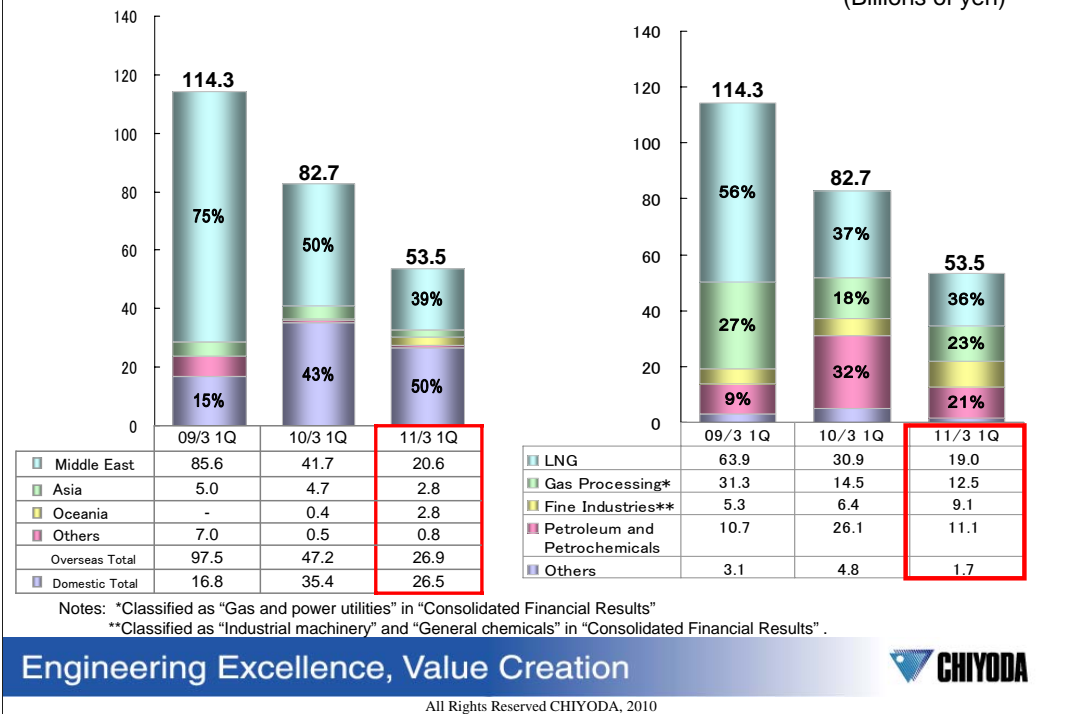
Operating Income:

- Gross profit margin improved.
- Maintain the same level on year on year basis.

Ordinary Income:

- Decreased on year on year basis due to decrease in interests received and foreign exchange losses.

2. Revenues



Decline in share of Middle East due to completion of most of the large projects in Qatar.

Steady growth of fine industry projects including pharmaceutical.

Execution of construction backlog mostly as planned.

3. Income-related Items

(Billions of yen)

	11/3 1Q	10/3 1Q	Difference
Gross Profit	6.1 11.4%	5.9 7.1%	0.3 4.3pt
SG&A expenses	(3.2)	(3.0)	(0.2)
Operating Income	2.9 5.4%	2.9 3.5%	0.0 1.9pt
Non-operating income and expenses	(1.6)	1.0	(2.6)
Ordinary Income	1.3 2.4%	3.8 4.7%	(2.6) (2.3pt)
Extraordinary gain/loss, Tax, and Minority shareholders' income	0.0	(1.8)	1.8
Net Income	1.3 2.4%	2.1 2.5%	(0.8) (0.1pt)

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Gross Profit Margin:

- Improvement in domestic projects realized in 1Q, which was expected in the 2nd half.
- Decrease in cost of revenues in overseas projects due to JPY appreciation.
(Meanwhile, foreign exchange losses incurred accordingly due to revaluation of foreign exchange contracts placed for risk hedge)

Increase in SG&A Expenses :

- Expenses for newly consolidated subsidiaries

Non-operating Income and Expenses:

- Decrease in interests received due to declining jointly controlled assets of JV and lower interest rate
- Foreign exchange losses incurred by JPY appreciation whereas gross profit margin improved.

4. Balance Sheet

(Billions of yen)

	10/6	10/3	Difference		10/6	10/3	Difference
Current assets	273.5	290.7	(17.2)	Current liabilities	147.5	166.0	(18.5)
Cash and deposits*	122.8	139.8	(17.0)	Short-term loans payable	0.0	0.0	-
Operating assets**	64.3	58.6	5.7	Operating liabilities****	125.2	137.7	(12.5)
Jointly controlled assets of joint venture***	62.6	69.9	(7.3)	Provision for loss on construction contracts	2.9	4.4	(1.5)
Other	23.8	22.4	1.5	Others	19.4	23.8	(4.5)
Non-current assets	36.9	37.5	(0.6)	Non-current liabilities	13.5	13.0	0.5
Property, plant and equipment	21.3	21.5	(0.2)	Long-term loans payable	10.2	10.0	0.2
Intangible assets	5.0	5.1	(0.1)	Other	3.3	3.0	0.4
Investment and other assets	10.6	10.9	(0.2)	Net assets	149.4	149.3	0.2
Total assets	310.4	328.2	(17.8)	Liabilities and net assets	310.4	328.2	(17.8)
				Shareholders' equity	148.9	148.7	0.2
				Shareholders' equity ratio	48.0%	45.3%	2.7pt

Notes:

*Cash and deposits = Cash and deposits + Short-term investment securities

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

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

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

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Jointly Controlled Assets of JV:

- Decreasing according to progress of large JV projects.

Provision for Loss on Construction Contracts:

- Decreasing according to progress of LNG Trains 6 and 7 for Qatargas.

5. Cash Flow

(Billions of yen)

	11/3 1Q	10/3 1Q
Net cash provided by operating activities	(16.1)	(9.0)
Income before income taxes	1.2	3.8
Depreciation	0.5	0.5
Operating Funds	(18.4)	(10.1)
Operating assets	(5.6)	(7.2)
Operating liabilities	(12.8)	(3.0)
Decrease in jointly controlled assets of joint venture	7.3	3.0
Income taxes paid	(4.7)	(5.1)
Other	(2.1)	(1.2)
Net cash provided by investment activities	(0.4)	(0.5)
Net cash provided by financing activities	(0.7)	(1.7)
Dividend distribution	(0.8)	(1.7)
Other	0.2	0.0
Foreign currency translation adjustments, etc.	0.1	0.6
Total	(17.0)	(10.6)

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Net cash provided by operating activities:

- Affected by short of cash flow on operating funds, etc.

Net cash provided by investment activities:

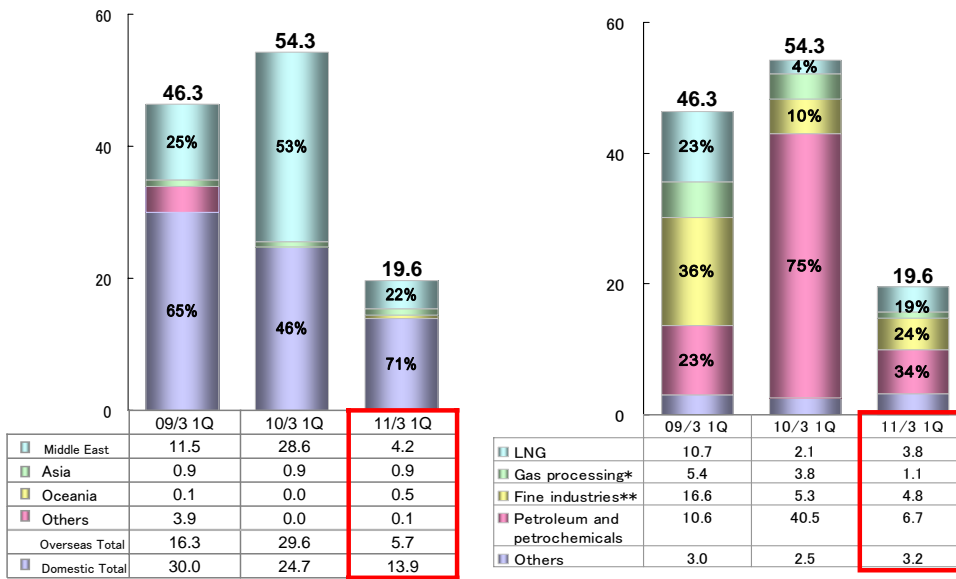
- Affected by acquiring software, etc.

Net cash provided by financing activities:

- Affected by dividend distribution, etc.

6. New Orders

(Billions of yen)



Notes: *Classified as "Gas and power utilities" in "Consolidated Financial Results"

**Classified as "Industrial machinery" and "General chemicals" in "Consolidated Financial Results"

Engineering Excellence, Value Creation



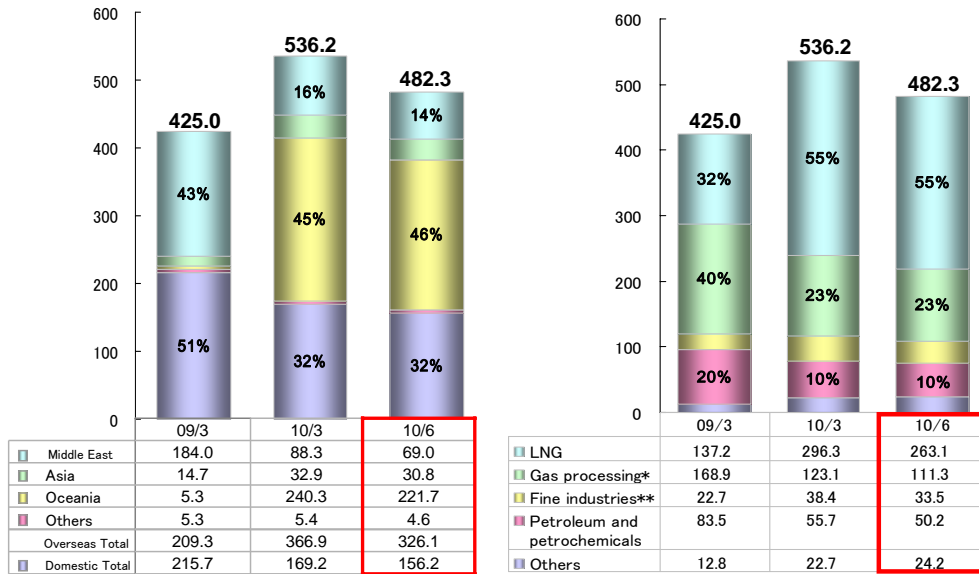
All Rights Reserved CHIYODA, 2010

No significant delay nor suspension on clients' investment plans and schedule.

Aiming to secure targeted contracts.

7. Backlog of Contracts

(Billions of yen)



Notes: *Classified as "Gas and power utilities" in "Consolidated Financial Results"

**Classified as "Industrial machinery" and "General chemicals" in "Consolidated Financial Results"

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

New Orders added on: 19.6 billion yen

Revenues: 53.5 billion yen

↓ Decreased

Current Backlog of Contracts : 482.3 billion yen

8. Revisions to the Forecast for the First Half of FY 2011/3

(Billions of yen)

	1Q Actual	The first half of 11/3			11/3 Full Year Forecast (Unchanged)
		Previous Forecast	Revised Forecast	Difference	
Revenues	53.5	115.0	120.0	5.0 4.3%	240.0
Operating Income	2.9	2.0	3.5	1.5 75.0%	6.0
Ordinary Income	1.3	1.9	2.5	0.6 31.6%	6.5
Net income	1.3	1.0	2.0	1.0 100.0%	4.0

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Reasons for revisions

Revenues:

- Smooth execution of construction backlog.

Operating Income:

- Improvements in domestic projects originally expected in 2nd half.

Ordinary Income:

- increase in operating income vs. loss in foreign exchange.

Net Income:

- Tax charge decrease by application of foreign dividend exemption from overseas subsidiaries.

Full Year Forecasts:

- Remain unchanged at this moment due to remaining contingent factors.

Reference Materials

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Breakdown of Full Year Forecasts for FY ending March 2011

Appendix 1

(Billions of yen)

	11/3 Forecast	10/3 Actual	Difference
New Orders	440.0	429.4	10.6
Overseas	350.0	331.6	18.4
Domestic	90.0	97.8	(7.8)
Revenues	240.0	313.0	(73.0)
Overseas	120.0	169.1	(49.1)
Domestic	120.0	143.9	(23.9)
Gross Profit	19.0	14.2	4.8
SG&A Expenses	(13.0)	(12.5)	(0.5)
Operating Income	6.0	1.7	4.3
Non-operating Income and Expenses	0.5	3.1	(2.6)
Ordinary Income	6.5	4.8	1.7
Extraordinary income/loss, Tax and Minority Interests in Income	(2.5)	(1.9)	(0.6)
Net Income	4.0	3.0	1.0

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Performance Indicators

Appendix 2

	07/3	08/3	09/3	10/3	11/3 Forecast
Gross profit margin (%)	8.2	3.4	4.3	4.5	7.9
SG&A expenses to revenues (%)	2.3	1.9	2.7	4.0	5.4
Operating income to revenues (%)	5.9	1.5	1.6	0.5	2.5
Ordinary income to revenues (%)	7.6	3.2	2.6	1.5	2.7
Net income to revenues (%)	4.9	1.6	1.5	0.9	1.7
Return on assets (ROA) (%)	10.2	4.7	3.1	1.4	
Return on equity (ROE) (%)	35.5	12.2	5.7	2.0	
Net income per share (EPS) (JPY)	122.41	50.15	25.58	11.39	
Book value per share (BPS) (JPY)	400.56	422.44	561.12	573.61	
Shareholders' equity ratio (%)	17.4	21.4	40.7	45.3	
Current ratio (%)	118.9	115.0	161.1	175.2	
Fixed ratio (%)	32.3	50.0	25.4	25.2	
Debt-to-equity ratio (DER) (Times)	0.13	0.12	0.07	0.07	

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010

Please address inquiries to:

IR and Public Relations Office

TEL +81-45-506-7538

FAX +81-45-506-7085

URL <https://ssl.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 August 5, 2010, the date these materials were 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.

Engineering Excellence, Value Creation



All Rights Reserved CHIYODA, 2010