

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011

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 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6366  
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(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated performance for the Third quarter of the fiscal year ending March 31, 2011 (from April 1, 2010 to December 31, 2010)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q ended December 31, 2010	184,314	(16.7)	12,897	-	10,653	353.3	5,427	860.6
3Q ended December 31, 2009	221,310	(35.7)	(525)	-	2,349	(63.6)	565	(83.5)

	Net income per share	Fully diluted net income per share
	Yen	Yen
3Q ended December 31, 2010	20.94	-
3Q ended December 31, 2009	2.18	2.18

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2010	331,696	152,933	46.0	588.23
As of March 31, 2010	328,174	149,253	45.3	573.61

Reference: Equity As of December 31, 2010: 152,420 million yen As of March 31, 2010: 148,683 million yen

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	-	-	-	3.50	3.50
Fiscal year ending March 31, 2011	-	-	-		
Fiscal year ending March 31, 2011 (Forecast)				5.00	5.00

Note: Revision of the forecast in the Third quarter of the fiscal year ending March 31, 2011: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2011	240,000	(23.3)	16,000	840.0	13,000	168.7	4,000	35.4	15.43

Note: Revision of the forecasts in the Third quarter of the fiscal year ending March 31, 2011: None

## 4. Others

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of simplified accounting as well as specific accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")
  - a. Changes due to revisions to accounting standards: Yes
  - b. Changes due to other reasons: None

- (4) Number of issued shares (common stock)
- |    |   |                    |
|----|---|--------------------|
| a. | Total number of issued shares at the end of the period (including treasury stock)             |                    |
|    | As of December 31, 2010   | 260,324,529 shares |
|    | As of March 31, 2010  | 260,324,529 shares |
| b. | Number of treasury stock at the end of the period   |                    |
|    | As of December 31, 2010   | 1,204,834 shares   |
|    | As of March 31, 2010  | 1,117,239 shares   |
| c. | Average number of shares during the period (cumulative from the beginning of the fiscal year) |                    |
|    | For the Third quarter of the fiscal year ending March 31, 2011                                | 259,185,548 shares |
|    | For the Third quarter of the fiscal year ended March 31, 2010                                 | 259,330,800 shares |

\* Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to a number of factors.

## 5. Qualitative Information related to Consolidated Performance

### (1) Qualitative Information on Business Performance

During the cumulative third quarter of the current consolidated fiscal year, the market environment surrounding the Chiyoda Group was characterized by the realization of large-scale investment projects in various locales against the backdrop of growth in future oil and gas demand. At the same time, however, the business was affected by the continuing appreciation of yen, and the Group was exposed to sharp competition from major contractors.

Given these circumstances, the Chiyoda Group continued to focus on activities aimed at securing orders for projects that enable the Group to take maximum advantage of its technological superiority. The Chiyoda Group also worked to execute backlog projects, including construction work on an LNG (Liquefied Natural Gas) plant in Papua New Guinea, and completed Qatargas LNG Plant Trains 6 and 7.

Consolidated new contracts for the cumulative third quarter of the current consolidated fiscal year amounted to ¥153.503 billion (year-on-year decrease of 59.4 %), while the consolidated backlog of contracts amounted to ¥473.413 billion (year-on-year decrease of 17.9%).

Consolidated net sales amounted to ¥184.314 billion (year-on-year decrease of 16.7%), operating income amounted to ¥12.897 billion (operating loss of ¥0.525 billion for the same cumulative quarter in the prior consolidated fiscal year) and ordinary income amounted to ¥10.653 billion (year-on-year increase of 353.3%). Net income for the cumulative consolidated third quarter amounted to ¥5.427 billion (year-on-year increase of 860.6%).

A summary of the operating results for the engineering business, which is the Chiyoda Group's main business segment, is provided below.

#### (Natural Gas, Electric Power)

Overseas, the Chiyoda Group continued to execute EPC (Engineering/Procurement/Construction) activities for an LNG plant in Papua New Guinea and LNG/gas processing plants in Qatar. It also continued basic design services for a floating LNG plant in Brazil and for other projects and focused on business activities to secure the same kind of orders for new projects. In addition, the Group's subsidiary in Qatar is providing EPCm (Engineering/Procurement/Construction management) activities under a long-term service contract for remodeling and renovation projects at the LNG/gas processing plants constructed by the Chiyoda Group, and developing business operations to provide similar services for other LNG/gas processing plants in Qatar. Domestically, the Chiyoda Group proceeded smoothly with the execution of existing contracts, including construction work for four LNG receiving terminal projects in Niigata, Okayama and Fukuoka prefectures.

#### (Petroleum, Petrochemicals, Gas Chemicals)

Overseas, the Chiyoda Group directed its concerted efforts toward investment plans for refinery projects in the Middle East and Southeast Asia. We engaged ourselves in diligently executing an EPC project for a heavy oil cracking unit in Saudi Arabia. In Singapore, the Group initiated EPCm activities for a desulfurization plant which the Group had executed the basic design work as well as proceeding EPC activities for a tank terminal. We aim to drive our global operations by strengthening the group companies through execution of these projects.

On the domestic front, the movement for refinery restructuring is accelerating which follows the law enacted in 2009 entitled "Sophisticated Methods of Energy Supply Structures" for enhancement of energy supply systems. Therefore, projects for reinforcing heavy oil cracking capacities and facilities integration and/or demolition are undertaken. Against this background, the Group is developing business operations for projects following clients' needs for enhancement of efficiency and competitiveness of refineries, and the reduction of energy consumption. In addition, from an execution perspective, the Group proceeded as planned with efforts such as HS-FCC (High Severity Fluid Catalytic Cracking) semi-commercial unit construction work (for fiscal year 2010) and a cooperative project for hydrogen within an industrial complex.

(General Chemicals, Industrial Machinery, Environment, and Other)

In the General Chemicals, Industrial Machinery and Environment sector the Chiyoda Group is smoothly executing construction works for a plant in Malaysia to produce polycrystalline silicon, a basic material for photovoltaic cells, and for a facility in Japan related to lithium ion batteries. The Group continues to aim at securing new orders mainly for Japanese companies advancing to overseas backed up by appreciation of yen, and orders related to low carbon technology field.

In the pharmaceutical field, the Chiyoda Group executed basic design works for biotechnology based medicine (antibody/vaccine) and for highly bioactive pharmaceuticals such as anti cancer drugs. The Group aggressively pursued sales activities in response to increasing investment demands in this field.

(Note) See Page 10 for more information about segment New Orders, Revenues, and Contract Backlog.

(2) Supplement

- i. The forecasts for the financial results of current fiscal year released on November 11, 2010 remain unchanged. The Chiyoda Group estimates that the consolidated New Contracts for the current fiscal year will be ¥240.0 billion.
- ii. Chiyoda Corporation decided to forward its office integration plan in the board meeting held in December 2010. This decision is in line with the Mid-term Management Plan announced on May 13, 2009, which mentions our investment plan for “information technology, office and other infrastructure to strengthen our management foundation”. As a result of this decision, the Chiyoda Group incurred extraordinary losses of ¥3,955 million regarding the office integration, out of which ¥3,409 million for non-recurring depreciation on tangible assets to be disposed and ¥545 million for termination of lease contracts.

## 6. Consolidated quarterly financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
Assets		
Current assets		
Cash and deposits	21,192	43,002
Notes receivable, accounts receivable from completed construction contracts	56,159	51,318
Short-term investment securities	93,841	96,841
Costs on uncompleted construction contracts	15,214	7,283
Jointly controlled assets of joint venture	79,863	69,917
Other	28,610	22,357
Allowance for doubtful accounts	(2)	(2)
Total current assets	294,879	290,719
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,569	8,042
Land	11,938	11,938
Other, net	1,004	1,468
Total property, plant and equipment	18,513	21,450
Intangible assets	4,785	5,142
Investments and other assets		
Investment securities	8,557	7,855
Other	5,294	3,339
Allowance for doubtful accounts	(333)	(333)
Total investments and other assets	13,518	10,861
Total noncurrent assets	36,816	37,454
Total assets	331,696	328,174

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010 (Summary)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts	93,497	89,523
Current portion of long-term loans payable	-	4
Income taxes payable	1,766	4,675
Advances received on uncompleted construction contracts	51,941	48,168
Provision for warranties for completed construction	3,911	4,486
Provision for loss on construction contracts	518	4,427
Provision for bonuses	2,733	3,252
Other	8,642	11,421
<b>Total current liabilities</b>	<b>163,013</b>	<b>165,960</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	10,214	10,000
Provision	2,924	2,428
Other	2,611	532
<b>Total noncurrent liabilities</b>	<b>15,750</b>	<b>12,960</b>
<b>Total liabilities</b>	<b>178,763</b>	<b>178,921</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	75,280	70,759
Treasury stock	(1,281)	(1,215)
<b>Total shareholders' equity</b>	<b>154,507</b>	<b>150,053</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(132)	102
Deferred gains or losses on hedges	(164)	(156)
Foreign currency translation adjustment	(1,789)	(1,315)
<b>Total valuation and translation adjustments</b>	<b>(2,086)</b>	<b>(1,369)</b>
<b>Minority interests</b>	<b>512</b>	<b>569</b>
<b>Total net assets</b>	<b>152,933</b>	<b>149,253</b>
<b>Total liabilities and net assets</b>	<b>331,696</b>	<b>328,174</b>

**(2) Consolidated statement of income**

(Millions of yen)

	Third quarter ended December 31, 2009 (From April 1, 2009 to December 31, 2009)	Third quarter ended December 31, 2010 (From April 1, 2010 to December 31, 2010)
Net sales of completed construction contracts	221,310	184,314
Cost of sales of completed construction contracts	212,714	161,472
Gross profit on completed construction contracts	8,596	22,841
Selling, general and administrative expenses	9,121	9,943
Operating income (loss)	(525)	12,897
Non-operating income		
Interest income	843	466
Dividends income	972	374
Equity in earnings of affiliates	112	50
Foreign exchange gains	1,030	-
Real estate rent	108	100
Other	174	196
Total non-operating income	3,241	1,188
Non-operating expenses		
Interest expenses	188	192
Foreign exchange losses	-	3,082
Rent expenses on real estates	71	70
Other	105	87
Total non-operating expenses	366	3,432
Ordinary income	2,349	10,653
Extraordinary income		
Surrender value of insurance	-	109
Total extraordinary income	-	109
Extraordinary loss		
Office integration expenses	-	3,955
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	146
Total extraordinary losses	-	4,101
Income before income taxes and minority interests	2,349	6,661
Income taxes-current	2,740	4,571
Income taxes-deferred	(994)	(3,294)
Total income taxes	1,746	1,276
Income before minority interests	-	5,385
Minority interests in income (loss)	38	(42)
Net income	565	5,427

**(3) Consolidated statement of cash flows**

(Millions of yen)

	Third quarter ended December 31, 2009 (From April 1, 2009 to December 31, 2009)	Third quarter ended December 31, 2010 (From April 1, 2010 to December 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,349	6,661
Depreciation and amortization	1,530	1,909
Office integration expenses	-	3,955
Increase (decrease) in provision for loss on construction contracts	-	(3,906)
Interest and dividends income	(1,816)	(841)
Decrease (increase) in notes and accounts receivable-trade	3,858	4,997
Decrease (increase) in costs on uncompleted construction contracts	230	(7,936)
Increase (decrease) in notes and accounts payable-trade	(10,869)	4,153
Increase (decrease) in advances received on uncompleted construction contracts	(20,732)	3,812
Decrease (increase) in jointly controlled asset of joint venture	29,499	(9,945)
Other, net	1,358	(6,890)
Subtotal	5,408	(14,024)
Interest and dividends income received	1,263	482
Interest expenses paid	(192)	(186)
Income taxes paid	(7,477)	(7,469)
Net cash provided by (used in) operating activities	(998)	(21,197)
Net cash provided by (used in) investing activities		
Payments into time deposits	(528)	(36)
Purchase of property, plant and equipment	(752)	(776)
Purchase of intangible assets	(715)	(634)
Purchase of investment securities	-	(961)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(388)	-
Other, net	15	53
Net cash provided by (used in) investing activities	(2,369)	(2,355)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	-	214
Repayment of long-term loans payable	(14)	(4)
Proceeds from issuance of common stock	7	-
Cash dividends paid	(1,939)	(905)
Cash dividends paid to minority shareholders	(7)	(9)
Other, net	(89)	(76)
Net cash provided by (used in) financing activities	(2,042)	(782)
Effect of exchange rate change on cash and cash equivalents	(6)	(511)
Net increase (decrease) in cash and cash equivalents	(5,417)	(24,846)
Cash and cash equivalents at beginning of period	135,536	139,790
Increase in cash and cash equivalents from newly consolidated subsidiary	290	-
Cash and cash equivalents at end of period	130,409	114,943

## 7. Production, Contracts and Sales (Consolidated)

<i>Millions of Yen</i>						
Apr. 1, 2010 — December. 31, 2010						
	<i>New contracts</i>		<i>Net sales</i>		<i>Backlog of contracts</i>	
	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plants .....	28,437	18.5	71,099	38.6	227,173	48.0
Gas and power utilities.....	38,110	24.8	32,976	17.9	127,605	26.9
Gas chemicals .....	107	0.1	80	0.0	611	0.1
Petroleum and petrochemicals .....	35,197	22.9	39,874	21.6	48,251	10.2
General chemicals.....	35,556	23.2	14,860	8.1	36,373	7.7
Industrial machinery .....	8,369	5.5	15,714	8.5	14,504	3.1
Environment and other.....	3,386	2.2	5,516	3.0	18,303	3.9
<b>Total Engineering</b>	<b>149,165</b>	<b>97.2</b>	<b>180,122</b>	<b>97.7</b>	<b>472,824</b>	<b>99.9</b>
Other.....	4,338	2.8	4,192	2.3	588	0.1
Domestic .....	77,475	50.5	87,136	47.3	159,101	33.6
Overseas .....	76,028	49.5	97,178	52.7	314,312	66.4
<b>Total.....</b>	<b>153,503</b>	<b>100.0</b>	<b>184,314</b>	<b>100.0</b>	<b>473,413</b>	<b>100.0</b>

<i>Millions of Yen</i>						
Apr. 1, 2009 - December. 31, 2009						
	<i>New contracts</i>		<i>Net sales</i>		<i>Backlog of contracts</i>	
	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plants .....	251,552	66.6	73,317	33.1	312,080	54.2
Gas and power utilities.....	13,753	3.6	40,101	18.1	141,004	24.5
Gas chemicals .....	156	0.0	214	0.1	788	0.1
Petroleum and petrochemicals .....	51,411	13.6	70,508	31.9	64,145	11.1
General chemicals.....	11,133	3.0	20,667	9.3	11,348	2.0
Industrial machinery .....	23,293	6.2	1,769	0.8	23,259	4.0
Environment and other.....	22,811	6.0	10,840	4.9	23,034	4.0
<b>Total Engineering</b>	<b>374,111</b>	<b>99.0</b>	<b>217,419</b>	<b>98.2</b>	<b>575,661</b>	<b>99.9</b>
Other.....	3,664	1.0	3,890	1.8	646	0.1
Domestic .....	71,511	18.9	106,473	48.1	180,336	31.3
Overseas .....	306,264	81.1	114,836	51.9	395,971	68.7
<b>Total.....</b>	<b>377,775</b>	<b>100.0</b>	<b>221,310</b>	<b>100.0</b>	<b>576,308</b>	<b>100.0</b>

Note: The backlog of contracts for the nine months ended December 31, 2010 includes a decrease due to changes in construction contracts acquired in prior fiscal years, an increase due to adjustments in new contract amounts, and an increase due to foreign exchange translation adjustments.