

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012

Company name: **CHIYODA CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6366
 URL: <http://www.chiyoda-corp.com/>
 Representative: Takashi Kubota, President & CEO
 Inquiries: Nobuo Sekita, General Manager, Accounting Department
 TEL: +81-45-506-9410 (from overseas)

Scheduled date to file Quarterly Report: August 15, 2011
 Preparation of Quarterly Supplementary Explanation Material: Yes
 Quarterly Financial Results Presentation Held: Yes (for Analysts and Institutional Investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the First quarter of the fiscal year ending March 31, 2012 (from April 1, 2011 to June 30, 2011)

(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	%
1Q ended June 30, 2011	55,384	3.6	4,447	52.8	4,772	275.0	1,618	23.8
1Q ended June 30, 2010	53,475	(35.3)	2,909	1.4	1,272	(66.9)	1,308	(37.2)

Note: Comprehensive Income: 1Q FY2011: 1,492 million yen (35.5%) ; 1Q FY2010: 1,101 million yen (- %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
1Q ended June 30, 2011	6.25	-
1Q ended June 30, 2010	5.05	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2011	334,570	154,391	46.0
As of March 31, 2011	353,392	155,758	43.9

Reference: Equity As of June 30, 2011: 153,850 million yen As of March 31, 2011: 155,242 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, 2011	-	-	-	11.00	11.00
Fiscal year ending March 31, 2012	-				
Fiscal year ending March 31, 2012 (Forecast)		-	-	10.00	10.00

Note: Revision of the forecast in the First quarter of the fiscal year ending March 31, 2012: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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
2Q ending September 30, 2011	110,000	(1.7)	6,500	22.0	6,000	98.4	4,000	38.6	15.44
Fiscal year ending March 31, 2012	250,000	1.2	11,000	(37.3)	12,000	(23.7)	8,000	0.3	30.88

Note: Revision of the forecasts in the First quarter of the fiscal year ending March 31, 2012: None

4. Others

- (1) Changes in Significant Subsidiaries during the Period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None
- (2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies and Accounting Estimates / Restatements
 - a. Changes in accounting policies due to revisions of accounting standards, etc.: None
 - b. Changes in accounting policies other than a. above: None
 - c. Changes in accounting estimates: None
 - d. Restatements: 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 June 30, 2011	260,324,529 shares
As of March 31, 2011	260,324,529 shares
 - b. Number of treasury stock at the end of the period

As of June 30, 2011	1,225,017 shares
As of March 31, 2011	1,222,540 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the First quarter of the fiscal year ending March 31, 2012	259,100,022 shares
For the First quarter of the fiscal year ended March 31, 2011	259,200,391 shares

*Presentation of Implementation Status of Quarterly Review Procedure

The review procedure of quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these Consolidated Financial Statements.

*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

The business environment facing the Chiyoda Group during the consolidated first quarter was characterized by uncertainty in Japan over the impact of the Great East Japan Earthquake in March of this year. However demand in the world economy for energy and resources, especially liquefied natural gas (LNG), bottomed out and there were definite signs of major investments. On the other hand, the yen remained high and Chiyoda continued to face fierce competition in its existing business fields.

Under these conditions, the Chiyoda Group directed its efforts into winning contracts where we could take advantage of our technical superiority and advanced our global operations using our overseas bases in Southeast Asia, which resulted in two new contracts in the region. One of those projects involves providing support to a Japanese customer aiming to install new facilities in Indonesia, while the other is the fruit of our collaboration with Toyo-Thai Corporation PCL, a company of which we became shareholder last year. We are also performing steadily in existing projects.

We continue to carry out backlog projects in Japan and, moreover, we are helping customers in various fields (petroleum, gas, chemicals, pharmaceuticals and more) to restore facilities damaged by the Earthquake. The result of these efforts during the consolidated first quarter was 26,007 million yen in consolidated new contracts (32.6% increase compared to the same period of the previous fiscal year), 467,268 million yen in consolidated contract backlog (3.1% decrease year on year) and 55,384 million yen (3.6% increase year on year) in consolidated revenues. Smooth execution of projects resulted in increase of incomes; operating income 4,447 million yen (52.8% increase year on year), ordinary income 4,772 million yen (275.0% increase year on year) and net income 1,618 million yen (23.8% increase year on year).

The general situation in our key business segment, engineering, can be summarized as follows:

a. LNG plants/other gas/electric power

Outside Japan, we continued to execute engineering, procurement and construction (EPC) work on an LNG plant in Papua New Guinea and a gas processing plant in Qatar, as well as undertaking the basic design of an LNG plant in Australia whilst, at the same time, aggressively marketing to secure new basic design contracts.

We entered into a partnership with Saipem S.p.A to develop onshore LNG and upstream projects and have begun marketing initiatives in this regard.

Our Qatari subsidiary has a long term service contract under which it executes the maintenance and modification work to LNG and gas processing plants built by the Chiyoda Group, and performs engineering, procurement and construction management (EPCm) work for helium extraction facilities. It is also marketing itself to provide such services for other similar plants in Qatar.

In Japan, we continue to make steady progress on existing projects, including the construction of three LNG receiving terminals in Niigata and Fukuoka prefectures. We are also marketing to obtain new contracts for several LNG receiving terminals.

b. Petroleum/petrochemicals/gas chemicals

Outside Japan, the Group is working together on various investment plans, including oil refineries in the Middle East and Southeast Asia. We continue to execute EPC work for a heavy oil cracking facility in Saudi Arabia and EPCm works for oil refineries in Singapore and Malaysia. We are also actively marketing our services to win further contracts for oil refineries in Southeast Asia and the Middle East.

In Japan, we completed the partial replacement of an atmospheric distillation tower by applying a unique construction method newly-developed by the Chiyoda Group and are steadily progressing with other projects, such as construction of a benzene extraction unit awarded in the previous fiscal year.

c. General chemicals/industrial machinery/environment/other

In new fields for Chiyoda, we are efficiently constructing a plant in Malaysia that will produce polycrystalline silicon (used in solar cells), a nickel refining plant in the Philippines and, in Japan, a lithium ion battery production plant and the expansion of a nonferrous metals plant. In Saudi Arabia, in addition to executing a study on the recycling and reuse of industrial wastewater for a large industrial area, we are studying the feasibility of conducting future business in the Kingdom. Moreover, because of the high yen and uncertainty about future supplies and cost of electric power in Japan, we are seeing a growing number of Japanese companies wishing to divert some of their domestic production capacity to other countries.

As investment plans related to lithium ion batteries are also increasing, we are actively marketing in these fields. In the field of solar energy, we are developing and marketing a new generation technology (molten salt parabolic trough solar energy) and have sealed a cooperation agreement with an Italian company, the front-runner in the production of solar receiver tubes, to jointly explore business opportunities for concentrated solar power plant projects

In the pharmaceuticals sector, we are executing EPC works for high-bioactive drug production facilities, such as bioactive medicines (antibodies and vaccines) and anticancer drugs.

(Note) See Page 9 for more information about segment New Orders, Revenues, and Contract Backlog.

6. Consolidated quarterly financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Assets		
Current assets		
Cash and deposits	33,855	28,023
Notes receivable, accounts receivable from completed construction contracts	56,033	49,062
Short-term investment securities	96,841	100,341
Costs on uncompleted construction contracts	12,648	14,932
Jointly controlled assets of joint venture	88,662	82,123
other	28,158	23,238
Allowance for doubtful accounts	(3)	(2)
Total current assets	316,196	297,719
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,215	4,976
Land	11,938	11,938
Other, net	1,867	1,922
Total property, plant and equipment	19,021	18,837
Intangible assets	4,733	4,709
Investments and other assets		
Investment securities	8,505	8,230
Other	5,022	5,159
Allowance for doubtful accounts	(87)	(87)
Total investments and other assets	13,441	13,303
Total noncurrent assets	37,196	36,850
Total assets	353,392	334,570

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	97,417	89,931
Income taxes payable	5,986	459
Advances received on uncompleted construction contracts	62,571	58,784
Provision for warranties for completed construction	1,190	1,164
Provision for loss on construction contracts	1,057	1,361
Provision for bonuses	3,944	1,744
Other	9,720	10,614
Total current liabilities	181,887	164,060
Noncurrent liabilities		
Long-term loans payable	10,208	10,212
Provision	2,940	3,441
Other	2,598	2,463
Total noncurrent liabilities	15,746	16,117
Total liabilities	197,633	180,178
Net assets		
Shareholders' equity		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	77,832	76,601
Treasury stock	(1,295)	(1,297)
Total shareholders' equity	157,046	155,812
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(229)	(515)
Deferred gains or losses on hedges	345	212
Foreign currency translation adjustment	(1,919)	(1,658)
Total accumulated other comprehensive income	(1,804)	(1,962)
Minority interests	516	540
Total net assets	155,758	154,391
Total liabilities and net assets	353,392	334,570

(2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	First quarter ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	First quarter ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Net sales of completed construction contracts	53,475	55,384
Cost of sales of completed construction contracts	47,366	47,515
Gross profit on completed construction contracts	6,109	7,868
Selling, general and administrative expenses	3,199	3,421
Operating income	2,909	4,447
Non-operating income		
Interest income	156	222
Dividends income	51	84
Equity in earnings of affiliates	9	—
Foreign exchange gains	—	24
Real estate rent	33	30
Other	150	58
Total non-operating income	402	420
Non-operating expenses		
Interest expenses	62	50
Equity in losses of affiliates	—	1
Foreign exchange losses	1,933	—
Rent expenses on real estates	25	16
Other	17	26
Total non-operating expenses	2,039	95
Ordinary income	1,272	4,772
Extraordinary income		
Surrender value of insurance	109	—
Total extraordinary income	109	—
Extraordinary loss		
Loss on adjustment for changes of accounting standard for asset retirement obligations	146	—
Total extraordinary losses	146	—
Income before income taxes and minority interests	1,235	4,772
Income taxes-current	101	347
Income taxes-deferred	(153)	2,768
Total income taxes	(51)	3,115
Income before minority interests	1,287	1,656
Minority interests in income (loss)	(20)	37
Net income	1,308	1,618

(Consolidated statement of comprehensive income)

(Millions of yen)

	First quarter ended June 30, 2010 (From April 1, 2010 to June 30, 2010)	First quarter ended June 30, 2011 (From April 1, 2011 to June 30, 2011)
Income before minority interests	1,287	1,656
Other comprehensive income		
Valuation difference on available-for-sale securities	(211)	(286)
Deferred gains or losses on hedges	(56)	(132)
Foreign currency translation adjustment	126	268
Share of other comprehensive income of associates accounted for using equity method	(44)	(12)
Total other comprehensive income	(186)	(163)
Comprehensive income	1,101	1,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,112	1,460
Comprehensive income attributable to minority interests	(11)	31

7. Production, Contracts and Sales

(Millions of yen)

	1Q FY2011					
	Apr. 1, 2011 — Jun. 30, 2011					
	<i>New contracts</i>		<i>Revenues</i>		<i>Backlog of contracts</i>	
	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>
Business Segment						
Engineering						
LNG plants	5,975	23.0	25,238	45.6	204,492	43.8
Gas and power utilities	5,396	20.7	6,305	11.4	125,931	26.9
Gas chemicals	35	0.1	-	-	35	0.0
Petroleum and petrochemicals	7,031	27.0	8,321	15.0	37,975	8.1
General chemicals	4,566	17.6	7,377	13.3	68,330	14.6
Industrial machinery	602	2.3	5,487	9.9	3,256	0.7
Environment and other	533	2.1	1,286	2.3	25,093	5.4
Total Engineering	24,141	92.8	54,016	97.5	465,114	99.5
Other	1,866	7.2	1,367	2.5	2,154	0.5
Domestic	16,749	64.4	21,039	38.0	150,069	32.1
Overseas	9,258	35.6	34,344	62.0	317,198	67.9
Total	26,007	100.0	55,384	100.0	467,268	100.0

(Millions of yen)

	1Q FY2010					
	Apr. 1, 2010 — Jun. 30, 2010					
	<i>New contracts</i>		<i>Revenue</i>		<i>Backlog of contracts</i>	
	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>
Business Segment						
Engineering						
LNG plants	3,763	19.2	18,997	35.5	263,061	54.6
Gas and power utilities	1,123	5.7	12,486	23.4	111,336	23.1
Gas chemicals	55	0.3	28	0.1	611	0.1
Petroleum and petrochemicals	6,706	34.2	11,130	20.8	50,173	10.4
General chemicals	3,410	17.4	3,161	5.9	16,218	3.4
Industrial machinery	1,386	7.1	5,930	11.1	17,307	3.6
Environment and other	1,614	8.2	393	0.7	22,846	4.7
Total Engineering	18,060	92.1	52,127	97.5	481,554	99.9
Other	1,557	7.9	1,348	2.5	704	0.1
Domestic	13,869	70.7	26,528	49.6	156,154	32.4
Overseas	5,748	29.3	26,946	50.4	326,104	67.6
Total	19,618	100.0	53,475	100.0	482,259	100.0

Note: The backlog of contracts for the three months ended June 30, 2011 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.