

## Consolidated Financial Results for the Three Months Ended June 30, 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, SL, Accounting Section  
 TEL: +81-45-225-7745 (from overseas)

Scheduled date to file Quarterly Report: August 13, 2012  
 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 three months ended June 30, 2012

#### (1) Consolidated operating results

(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	%
For the three months ended June 30, 2012	73,506	32.7	4,562	2.6	5,044	5.7	2,891	78.6
For the three months ended June 30, 2011	55,384	3.6	4,447	52.8	4,772	275.6	1,618	23.8

Note: Comprehensive Income: the three months ended June 30, 2012: 2,731 million yen / 83.0%  
 the three months ended June 30, 2011: 1,492 million yen / 35.5 %

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the three months ended June 30, 2012	11.16	-
For the three months ended June 30, 2011	6.25	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2012	384,088	167,021	43.3
As of March 31, 2012	365,795	168,737	46.0

Reference: Equity As of June 30, 2012: 166,341 million yen As of March 31, 2012: 168,120 million yen

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2012	Yen -	Yen -	Yen -	Yen 17.00	Yen 17.00
Fiscal year ending March 31, 2013	-				
Fiscal year ending March 31, 2013 (Forecast)		-	-	17.50	17.50

Note: Revision to the latest forecast announcement 2012: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(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, 2013	430,000	68.8	22,500	(7.0)	23,000	(3.3)	15,000	4.4	57.90

Note: Revision to the latest forecast announcement 2013: 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.: Yes
  - b. Changes in accounting policies other than a. above: None
  - c. Changes in accounting estimates: Yes
  - 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, 2012	260,324,529 shares
As of March 31, 2012	260,324,529 shares
  - b. Number of treasury stock at the end of the period
 

As of June 30, 2012	1,264,225 shares
As of March 31, 2012	1,259,891 shares
  - c. Average number of shares during the period
 

For the three months ended June 30, 2012	259,061,629 shares
For the three months ended June 30, 2011	259,100,022 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

### Qualitative Information on Business Performance

The Business environment facing the Chiyoda Group during the consolidated first quarter was even more uncertain due to the continuing effect on the global economy such as the prolonged debt crisis in Europe. However, capital expenditure projects planned to meet the growing energy demand were not heavily affected. While Japanese manufacturers continue to expand their overseas operations due to the strong yen and electric power situation, measures were taken to establish a Feed-in Tariff Scheme for Renewable Energy in Japan.

The Chiyoda Group continued its sales efforts under these conditions by responding to the global shift to natural gas as a source of clean energy and transfer by Japanese clients of their operations overseas. At the same time, the Group directed its efforts to expand into new business fields such as overseas infrastructure and new energy including investment and operation in these fields.

The result of these efforts during the consolidated first quarter was 107,224 million yen in consolidated new contracts (312.3% increase compared to the same period of the previous fiscal year), 848,678 million yen in consolidated contract backlog (81.6% increase year on year) and 73,560 million yen (32.7% increase year on year) in consolidated revenues. Smooth execution of projects resulted in increase of incomes; operating income 4,562 million yen (2.6% increase year on year), ordinary income 5,044 million yen (5.7% increase year on year) and net income 2,891 million yen (78.6% increase year on year).

A summary of operating results of our engineering business, the Group's reportable segment, is as follows:

#### LNG Plants/Gas and Power Utilities

The Group is earnestly working outside Japan on the execution of the EPC (Engineering, Procurement and Construction) work for LNG plant in Papua New Guinea and another LNG plant in Australia. Out of the 2 FEED (Front End Engineering and Design) works for LNG projects in Australia under execution, one is completed and the other is to be finished shortly. The Group is now preparing for the EPC bidding for both projects. Our Qatari subsidiary has been receiving orders for the maintenance and modification works to LNG and gas processing plants built by the Chiyoda Group in Qatar, and working on the execution of those projects.

In Japan, we continue to make steady progress on several construction works of LNG receiving terminals including the newly awarded contract, as well as other existing projects.

#### Petroleum, Petrochemicals and Gas Chemicals

The Group steadily executed overseas works such as EPC work for a heavy oil cracking unit in Saudi Arabia, EPsCm (Engineering, Procurement support, and Construction management) services for heavy crude oil upgrading facilities for a petroleum refinery in Venezuela, and EPsCm works for petroleum refineries in Singapore.

Our subsidiary in Singapore signed an Enterprise Framework Agreement with Shell to provide a full range of services covering FEED and EPCm (Engineering, Procurement, and Construction management) for downstream projects within Asia.

Steady progress has been made in Japan on the execution of works aimed at improving the competitiveness and energy saving of petroleum refineries. The Group is also working on the remaining restoration works for facilities that had been damaged by the Great East Japan Earthquake.

#### Industrial Machinery/Environment/General Chemicals and Other Fields

The Group smoothly executed projects such as EPC work for polycrystalline silicon plants in Malaysia, the product of which is used for photovoltaic cells, and a nickel refinery in the Philippines. We have been reinforcing efforts to meet the needs of Japanese companies expanding their operations in Southeast Asia.

Following the launch of the Feed-in Tariff Scheme for Renewable Energy in Japan, the Group is expanding its sales activities in the photovoltaic power generation field including investment and operation in addition to winning the related EPC contracts.

In the pharmaceutical field, the Group has made earnest efforts to execute EPC work for the manufacturing facilities of highly bioactive pharmaceuticals, such as anti-cancer drugs, and EPC work for a bulk vaccine plant and pharmaceutical formulation plant.

The Group is working on infrastructure projects overseas, including a feasibility study for an

integrated wastewater treatment project at a large industrial complex in Saudi Arabia, and on a project to investigate energy savings in a large industrial complex in Thailand. We have been strengthening our approach to the new business fields by making sales efforts for water related business in the Middle East, and participating in the Study on a Masterplan for Establishing a Metropolitan Priority Area for Investment and Industry in the Jabodetabek Area in Indonesia.

Note: See Page 9 for more information on segment New Contracts, Net Sales and Backlog of Contracts.

## 6. Consolidated quarterly financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31,2012	As of June 30,2012
<b>Assets</b>		
Current assets		
Cash and deposits	35,577	44,511
Notes receivable, accounts receivable from completed construction contracts	43,840	40,445
Short-term investment securities	138,499	136,499
Costs on uncompleted construction contracts	13,419	19,652
Jointly controlled assets of joint venture	65,794	69,859
Other	23,354	24,213
Allowance for doubtful accounts	(6)	(9)
Total current assets	320,478	335,173
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	4,360	6,717
Land	12,736	12,736
Other, net	1,903	2,257
Total property, plant and equipment	19,001	21,711
Intangible assets	4,600	5,234
Investments and other assets		
Investment securities	18,190	18,479
Other	3,614	3,580
Allowance for doubtful accounts	(88)	(90)
Total investments and other assets	21,715	21,969
Total noncurrent assets	45,317	48,914
Total assets	365,795	384,088

(Millions of yen)

	As of March 31,2012	As of June 30,2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts	86,211	83,522
Current portion of long-term loans payable	10,000	10,209
Income taxes payable	1,162	549
Advances received on uncompleted construction contracts	76,533	94,756
Provision for warranties for completed construction	289	302
Provision for loss on construction contracts	568	551
Provision for bonuses	4,054	1,641
Other	14,868	20,900
<b>Total current liabilities</b>	<b>193,687</b>	<b>212,435</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	198	—
Provision	2,609	3,326
Other	561	1,304
<b>Total noncurrent liabilities</b>	<b>3,369</b>	<b>4,631</b>
<b>Total liabilities</b>	<b>197,057</b>	<b>217,066</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	89,346	87,802
Treasury stock	(1,328)	(1,332)
<b>Total shareholders' equity</b>	<b>168,527</b>	<b>166,979</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,509	1,602
Deferred gains or losses on hedges	442	(514)
Foreign currency translation adjustment	(2,358)	(1,725)
<b>Total accumulated other comprehensive income</b>	<b>(407)</b>	<b>(637)</b>
<b>Minority interests</b>	<b>617</b>	<b>680</b>
<b>Total net assets</b>	<b>168,737</b>	<b>167,021</b>
<b>Total liabilities and net assets</b>	<b>365,795</b>	<b>384,088</b>

## (2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net sales of completed construction contracts	55,384	73,506
Cost of sales of completed construction contracts	47,515	64,690
Gross profit on completed construction contracts	7,868	8,816
Selling, general and administrative expenses	3,421	4,253
Operating income	4,447	4,562
Non-operating income		
Interest income	222	212
Dividends income	84	602
Equity in earnings of affiliates	—	49
Foreign exchange gains	24	—
Other	88	34
Total non-operating income	420	899
Non-operating expenses		
Interest expenses	50	50
Equity in losses of affiliates	1	—
Foreign exchange losses	—	339
Other	42	26
Total non-operating expenses	95	417
Ordinary income	4,772	5,044
Income before income taxes and minority interests	4,772	5,044
Income taxes-current	347	485
Income taxes-deferred	2,768	1,621
Total income taxes	3,115	2,107
Income before minority interests	1,656	2,937
Minority interests in income	37	45
Net income	1,618	2,891

(Consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Income before minority interests	1,656	2,937
Other comprehensive income		
Valuation difference on available-for-sale securities	(286)	93
Deferred gains or losses on hedges	(132)	(956)
Foreign currency translation adjustment	268	712
Share of other comprehensive income of associates accounted for using equity method	(12)	(55)
Total other comprehensive income	(163)	(206)
Comprehensive income	1,492	2,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,460	2,661
Comprehensive income attributable to minority interests	31	69



## 7. Production, Contracts and Sales

Millions of yen

	Apr. 1, 2011 — Jun. 30, 2011			Apr. 1, 2012 — Jun. 30, 2012		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	24,141 92.8%	54,016 97.5%	465,114 99.5%	105,618 98.5%	71,151 96.8%	847,663 99.9%
LNG plants	5,975 23.0%	25,238 45.6%	204,492 43.8%	11,235 10.5%	28,909 39.3%	503,800 59.4%
Gas and power utilities	5,396 20.7%	6,305 11.4%	125,931 26.9%	507 0.5%	12,919 17.6%	105,294 12.4%
Gas chemicals	35 0.1%	— —	35 0.0%	21 0.0%	46 0.0%	540 0.1%
Petroleum and petrochemicals	7,031 27.0%	8,321 15.0%	37,975 8.1%	13,045 12.2%	7,560 10.3%	50,740 6.0%
General chemicals	4,566 17.6%	7,377 13.3%	68,330 14.6%	76,417 71.3%	18,506 25.2%	167,253 19.7%
Industrial machinery	602 2.3%	5,487 9.9%	3,256 0.7%	2,852 2.6%	64 0.1%	3,066 0.3%
Environment and others	533 2.1%	1,286 2.3%	25,093 5.4%	1,537 1.4%	3,144 4.3%	16,967 2.0%
Others	1,866 7.2%	1,367 2.5%	2,154 0.5%	1,606 1.5%	2,354 3.2%	1,015 0.1%
<b>Total</b>	<b>26,007 100.0%</b>	<b>55,384 100.0%</b>	<b>467,268 100.0%</b>	<b>107,224 100.0%</b>	<b>73,506 100.0%</b>	<b>848,678 100.0%</b>
Domestic	16,749 64.4%	21,039 38.0%	150,069 32.1%	40,277 37.6%	23,514 32.0%	184,782 21.8%
Overseas	9,258 35.6%	34,344 62.0%	317,198 67.9%	66,946 62.4%	49,992 68.0%	663,895 78.2%

Note: The backlog of contracts for the three months ended June 30, 2012 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.