

## Consolidated Financial Results for the Six Months Ended September 30, 2012

Company name: **CHIYODA CORPORATION**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6366  
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Scheduled date to file Quarterly Report: November 12, 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 Six months ended September 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 Six months ended September 30, 2012	160,722	46.7	9,949	54.3	10,596	61.8	6,126	93.7
For the Six months ended September 30, 2011	109,551	(2.1)	6,448	21.0	6,547	116.5	3,162	9.6

Note: Comprehensive Income: the six months ended September 30, 2012: 6,542 million yen / 399.8%  
 the six months ended September 30, 2011: 1,308 million yen / (43.4) %

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the Six months ended September 30, 2012	23.65	-
For the Six months ended September 30, 2011	12.21	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2012	391,154	170,827	43.5
As of March 31, 2012	365,795	168,737	46.0

Reference: Equity As of September 30, 2012: 170,124 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 : 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 : 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 September 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 September 30, 2012	1,269,977 shares
As of March 31, 2012	1,259,891 shares
  - c. Average number of shares during the period
 

For the Six months ended September 30, 2012	259,058,828 shares
For the Six months ended September 30, 2011	259,097,734 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

During the first six months of this fiscal year, we saw a continuing sense of uncertainty in the world economy due mainly to the spread of credit unease from Europe and the slowdown in the Chinese economy. Nevertheless, the long-lasting increase in energy demand in emerging countries and the tide of Gas Shift has encouraged the planning of investment in numerous gas related facilities. Many manufacturing companies in Japan are expanding their overseas operations because of the prolonged strong yen and energy shortage stemming from the nuclear power plant shutdowns. Meanwhile, many photovoltaic (PV) power generation projects are planned responding to the Feed-in Tariff scheme in Japan effective in July.

While the Chiyoda Group continued to develop its business operations in conventional fields, the Group also inroads into new business fields such as infrastructure and renewable energy.

Project execution of ongoing projects continued smoothly including LNG plants in Papua New Guinea and Australia, some overseas projects for Japanese clients and LNG receiving terminals in Japan.

Accordingly, consolidated new orders for the period amounted to 137,882 million yen (57.3% increase year on year). The backlog and revenues were 789,155 million yen (73.3% increase), and 160,722 million yen (46.7% increase) respectively.

The operating income amounted to 9,949 million yen (54.3% increase), ordinary income to 10,596 million yen (61.8% increase), and net income resulted in 6,126 million yen (93.7% increase).

Highlights during this period for each segment are summarized hereunder:

#### LNG Plants/Gas and Power Utilities

EPC (Engineering, Procurement and Construction) work for an LNG plant in Papua New Guinea and another LNG project in Australia are progressing as planned. 2 FEED (Front End Engineering and Design) works for other LNG projects both in Australia were completed; one is in the EPC bidding phase and another is under preparation for EPC bidding.

Our Qatari subsidiary is working on the maintenance and modification works for LNG and gas processing plants built by the Group. New long term engineering services contracts were also awarded by several Qatari companies.

In Japan, several EPC works on LNG receiving terminals and other expansion/modification works of existing plants are ongoing parallel.

#### Petroleum, Petrochemicals and Gas Chemicals

EPC works are progressing globally, such as heavy oil cracking unit in Saudi Arabia and petrochemical plant in Singapore, and EPsCm (Engineering, Procurement support and Construction management) services for heavy crude oil upgrading facilities in Venezuela and for petroleum refinery in Singapore as well.

We also licensed our own acetic acid producing technology for grassroots gas-to-chemicals complex planned in Brazil.

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

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

In Japan, we invested and participated in the operation of PV power generation facilities and also won a number of EPC works for such facilities. Furthermore, we are enhancing our group operation in this field.

We are also active in the pharmaceutical field, executing EPC works for several facilities such as highly bioactive pharmaceuticals, anti-cancer drugs, bulk vaccine and pharmaceutical bio-formulation.

We are advancing development of hydrogen related technology. Demonstration plant is under construction to prove the effectiveness of our catalyst. Once proven, transportation and storage of large volumes of hydrogen can be achieved safely and economically, and will pioneer the way to

realize hydrogen-based society.

We also continued to work on a project for energy savings in a large industrial complex in Thailand. In addition, we are strengthening our position by establishing ourselves in new business fields such as water-related projects in the Middle East, concentrated solar power (CSP) and transportation.

Note: See Page 10 for more information on segment New Contracts, Net Sales and Backlog of Contracts.

**6. Consolidated quarterly financial statements**  
**(1) Consolidated quarterly balance sheets**

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	35,577	39,067
Notes receivable, accounts receivable from completed construction contracts	43,840	40,665
Short-term investment securities	138,499	139,399
Costs on uncompleted construction contracts	13,419	24,503
Jointly controlled assets of joint venture	65,794	77,650
Other	23,354	19,698
Allowance for doubtful accounts	(6)	(8)
<b>Total current assets</b>	<b>320,478</b>	<b>340,977</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	4,360	6,286
Land	12,736	12,737
Other, net	1,903	2,167
<b>Total property, plant and equipment</b>	<b>19,001</b>	<b>21,191</b>
<b>Intangible assets</b>	<b>4,600</b>	<b>5,530</b>
<b>Investments and other assets</b>		
Investment securities	18,190	20,703
Other	3,614	2,841
Allowance for doubtful accounts	(88)	(90)
<b>Total investments and other assets</b>	<b>21,715</b>	<b>23,455</b>
<b>Total noncurrent assets</b>	<b>45,317</b>	<b>50,177</b>
<b>Total assets</b>	<b>365,795</b>	<b>391,154</b>

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts	86,211	90,337
Current portion of long-term loans payable	10,000	10,202
Income taxes payable	1,162	808
Advances received on uncompleted construction contracts	76,533	94,340
Provision for warranties for completed construction	289	311
Provision for loss on construction contracts	568	791
Provision for bonuses	4,054	3,273
Other	14,868	15,903
<b>Total current liabilities</b>	<b>193,687</b>	<b>215,968</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	198	—
Provision	2,609	3,039
Other	561	1,319
<b>Total noncurrent liabilities</b>	<b>3,369</b>	<b>4,359</b>
<b>Total liabilities</b>	<b>197,057</b>	<b>220,327</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	91,037
Treasury stock	(1,328)	(1,338)
<b>Total shareholders' equity</b>	<b>168,527</b>	<b>170,208</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,509	2,542
Deferred gains or losses on hedges	442	(501)
Foreign currency translation adjustment	(2,358)	(2,124)
<b>Total accumulated other comprehensive income</b>	<b>(407)</b>	<b>(84)</b>
Minority interests	617	702
<b>Total net assets</b>	<b>168,737</b>	<b>170,827</b>
<b>Total liabilities and net assets</b>	<b>365,795</b>	<b>391,154</b>

**(2) Consolidated quarterly statements of (comprehensive) income**

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales of completed construction contracts	109,551	160,722
Cost of sales of completed construction contracts	96,173	142,570
Gross profit on completed construction contracts	13,378	18,151
Selling, general and administrative expenses	6,929	8,202
Operating income	6,448	9,949
Non-operating income		
Interest income	411	563
Dividends income	101	605
Equity in earnings of affiliates	7	67
Other	135	65
Total non-operating income	656	1,301
Non-operating expenses		
Interest expenses	104	101
Foreign exchange losses	343	462
Other	108	90
Total non-operating expenses	556	654
Ordinary income	6,547	10,596
Extraordinary loss		
Loss on retirement of noncurrent assets	—	229
Loss on valuation of investment securities	250	129
Total extraordinary losses	250	359
Income before income taxes and minority interests	6,297	10,236
Income taxes-current	710	1,484
Income taxes-deferred	2,350	2,537
Total income taxes	3,060	4,021
Income before minority interests	3,236	6,215
Minority interests in income	74	88
Net income	3,162	6,126

Consolidated quarterly statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	3,236	6,215
Other comprehensive income		
Valuation difference on available-for-sale securities	(994)	1,033
Deferred gains or losses on hedges	(971)	(943)
Foreign currency translation adjustment	143	280
Share of other comprehensive income of associates accounted for using equity method	(105)	(43)
Total other comprehensive income	(1,928)	327
Comprehensive income	1,308	6,542
Comprehensive income attributable to Comprehensive income attributable to owners of the parent	1,249	6,450
Comprehensive income attributable to minority interests	59	92



**(3) Consolidated quarterly statements of cash flows**

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,297	10,236
Depreciation and amortization	1,294	1,356
Interest and dividends income	(513)	(1,169)
Decrease (increase) in notes and accounts receivable-trade	17,109	3,312
Decrease (increase) in costs on uncompleted construction contracts	(4,425)	(11,063)
Increase (decrease) in notes and accounts payable-trade	(25,572)	2,842
Increase (decrease) in advances received on uncompleted construction contracts	4,604	17,585
Decrease (increase) in jointly controlled asset of joint venture	22,299	(11,803)
Other, net	(1,263)	(2,113)
Subtotal	19,830	9,183
Interest and dividends income received	214	944
Interest expenses paid	(105)	(103)
Income taxes (paid) refund	(6,350)	1,972
Net cash provided by (used in) operating activities	13,589	11,997
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(193)	261
Purchase of short-term investment securities	—	(2,400)
Purchase of property, plant and equipment	(945)	(1,211)
Purchase of intangible assets	(514)	(1,480)
Purchase of investment securities	(7,559)	(909)
Purchase of investments in subsidiaries	(57)	—
Other, net	19	117
Net cash provided by (used in) investing activities	(9,251)	(5,622)
Net cash provided by (used in) financing activities		
Cash dividends paid	(2,842)	(4,394)
Cash dividends paid to minority shareholders	(7)	(7)
Other, net	(15)	(13)
Net cash provided by (used in) financing activities	(2,865)	(4,415)
Effect of exchange rate change on cash and cash equivalents	66	310
Net increase (decrease) in cash and cash equivalents	1,539	2,270
Cash and cash equivalents at beginning of period	130,618	173,769
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(22)
Cash and cash equivalents at end of period	132,157	176,017

## 7. Production, Contracts and Sales

Millions of yen

	Apr. 1, 2011 — Sept. 30, 2011			Apr. 1, 2012 — Sept. 30, 2012		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	83,989 95.8%	106,594 97.3%	452,889 99.5%	134,518 97.6%	156,271 97.2%	788,479 99.9%
LNG plants	10,736 12.3%	46,093 42.1%	177,592 39.0%	15,970 11.6%	55,259 34.4%	482,592 61.1%
Gas and power utilities	35,942 41.0%	16,340 14.9%	140,384 30.8%	6,111 4.4%	28,718 17.9%	95,258 12.1%
Gas chemicals	66 0.1%	— —	66 0.0%	1,640 1.2%	1,154 0.7%	1,053 0.1%
Petroleum and petrochemicals	13,978 15.9%	17,337 15.8%	35,243 7.8%	23,261 16.9%	19,171 11.9%	48,835 6.2%
General chemicals	20,339 23.2%	15,371 14.0%	74,702 16.4%	81,585 59.2%	45,435 28.3%	142,719 18.1%
Industrial machinery	869 1.0%	7,773 7.1%	1,239 0.3%	3,786 2.7%	347 0.2%	3,718 0.5%
Environment and others	2,057 2.3%	3,678 3.4%	23,659 5.2%	2,161 1.6%	6,185 3.8%	14,301 1.8%
Others	3,660 4.2%	2,956 2.7%	2,355 0.5%	3,363 2.4%	4,450 2.8%	676 0.1%
<b>Total</b>	<b>87,649 100.0%</b>	<b>109,551 100.0%</b>	<b>455,245 100.0%</b>	<b>137,882 100.0%</b>	<b>160,722 100.0%</b>	<b>789,155 100.0%</b>
Domestic	63,880 72.9%	40,780 37.2%	171,561 37.7%	58,391 42.3%	59,768 37.2%	165,554 21.0%
Overseas	23,769 27.1%	68,771 62.8%	283,684 62.3%	79,490 57.7%	100,953 62.8%	623,601 79.0%

Note: The backlog of contracts for the six months ended September 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.