

Consolidated Financial Results for the Three Months Ended June 30, 2013

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: August 14, 2013
 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, 2013

(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, 2013	97,174	32.2	4,736	3.8	5,485	8.7	2,617	(9.5)
For the three months ended June 30, 2012	73,506	32.7	4,562	2.6	5,044	5.7	2,891	78.6

Note: Comprehensive Income: the three months ended June 30, 2013: 2,736 million yen / 0.2%
 the three months ended June 30, 2012: 2,731 million yen / 83.0%

	Net income per share	Fully diluted net income per share
	Yen	Yen
For the three months ended June 30, 2013	10.10	-
For the three months ended June 30, 2012	11.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	418,844	187,757	44.5
As of March 31, 2013	435,379	189,356	43.3

Reference: Equity As of June 30, 2013: 186,286 million yen As of March 31, 2013: 188,386 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, 2013	-	-	-	19.00	19.00
Fiscal year ending March 31, 2014	-				
Fiscal year ending March 31, 2014 (Forecast)		-	-	19.00	19.00

Note: Revision to the latest forecast announcement 2013: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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, 2014	470,000	17.8	24,000	(4.4)	26,000	1.9	16,000	(0.5)	61.77

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.: 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, 2013	260,324,529 shares
As of March 31, 2013	260,324,529 shares
 - b. Number of treasury stock at the end of the period

As of June 30, 2013	1,284,013 shares
As of March 31, 2013	1,279,223 shares
 - c. Average number of shares during the period

For the three months ended June 30, 2013	259,041,960 shares
For the three months ended June 30, 2012	259,061,629 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 three months of this fiscal year, we saw a continuing sense of uncertainty in the world economy but preparations for investment in numerous gas related facilities were being encouraged by the enduring increase in demand for energy, the shale revolution and the tide of the shift to gas.

The correction of the yen's appreciation has raised expectations for bailout deflation in Japan and many renewable energy projects are planned under the Feed-in Tariff scheme.

The Chiyoda Group established its Medium-Term Management Plan for the period covering Fiscal Years 2013-2016 with the slogan "Seize the moment, Open up new frontiers" and initiated the plan to achieve new targets. While the Chiyoda Group continued to pursue its operation in the hydrocarbon field, mainly in LNG (Liquefied Natural Gas), the Group was awarded a contract for construction of new international airport in Mongolia and also made inroads into new business fields including 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.

The result of these efforts during the consolidated first quarter was 65,248 million yen in consolidated new contracts (39.1% decrease compared to the same period of the previous fiscal year), 878,179 million yen in consolidated contract backlog (3.5% increase year on year) and 97,174 million yen in consolidated revenues (32.2% increase year on year). Smooth execution of projects resulted in incomes; operating income 4,736 million yen (3.8% increase year on year), ordinary income 5,485 million yen (8.7% increase year on year) and net income 2,617 million yen (9.5% decrease year on year).

Highlights during this period for each segment are summarized hereunder:

LNG Plants / Other Gas Related Works

The Group is progressing the EPC (Engineering, Procurement and Construction) execution of an LNG plant in Papua New Guinea and another LNG project in Australia, as well as the FEED (Front End Engineering and Design) works for an onshore natural gas liquefaction facility in Mozambique and a Floating Liquefied Natural Gas (FLNG) facility in Indonesia.

Our Qatari subsidiary is working on the maintenance and modification works for the existing LNG and gas processing plants, the majority of which were built mainly by the Group.

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

LNG Plants and Other Gas Related Works are our core business field and we are focusing on onshore / offshore and overseas / domestic gas projects, either conventional or unconventional.

Petroleum, Petrochemicals and Gas Chemicals

Globally, the Group is undertaking the EPC works for a refinery and petrochemical complex in Vietnam and a refinery project in Qatar, and the EPC works for a heavy oil cracking unit in Saudi Arabia and petrochemical plant in Singapore are progressing favorably. The EPsCm (Engineering, Procurement support and Construction management) services for heavy crude oil upgrading facilities in Venezuela and for a petroleum refinery in Singapore are progressing as well. Additionally, our subsidiary in Singapore is executing the related works under an Enterprise Framework Agreement for downstream projects within Asia.

In Japan, we continued to perform the EPC work for a TransAlkylation Unit, the diagnosis of existing facilities, maintenance and upgrading works, studies, and construction works aimed at improving the competitiveness of and energy saving in the facilities of heavy users of energy.

Mining/ Mineral Refining/Offshore/ General Chemicals/Environment/ Other Facilities

As part of the Medium-Term Management Plan to expand our business fields, we plan on becoming heavily involved in offshore and upstream projects and are looking to receive orders and execute works for overseas and domestic non-hydrocarbon projects.

We have formed a strategic alliance with and have acquired the majority of shares in Xodus Group, UK, which provides various services in the offshore and upstream area such as studies, planning,

conceptual definition and FEED works. The Chiyoda Group is expanding its business fields and providing integrated services to enhance the value for energy resource developers including domestic concerns.

We have been reinforcing our efforts and developing our sales activities to meet the needs of Japanese companies expanding their operations into Southeast Asia. EPC works were executed for polycrystalline silicon plants in Malaysia and a nickel refinery in the Philippines.

We have invested in an Italian company that is the only manufacturer of the solar collector tubes used in the Molten Salt Parabolic Trough – Concentrated Solar Power (CSP) system, and are accelerating our efforts to prove the technology at our demonstration plant in Italy and to develop the business opportunities for the CSP system including EPC projects.

We were awarded a contract for the construction of new international airport in Mongolia and are aiming to win orders for other airport and railway projects. We are now entering the construction phase in the works for a demonstration project on water recycling system in Saudi Arabia and several projects, mainly in the Middle East, are under preparation for bidding.

In Japan, we won a number of EPC works for large-scale photovoltaic power generation systems and are executing and expanding our sales activities by enhancing our group operation in this field. We are also active in the pharmaceutical field, having completed the construction of a bulk vaccine plant, and have executed EPC works for several facilities such as in vitro diagnostics and newly awarded EPC works, based on industry-government-academia cooperation, for nanotechnology research development facilities.

In line with our aim of achieving a hydrogen-based society, we have successfully proved our own “Large-Scale Hydrogen Storage and Transportation System” at a demonstration plant.

We are planning to build a hydrogen supply chain, both at home and abroad, by cooperating with experts and relevant parties.

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 31,2013	As of June 30,2013
Assets		
Current assets		
Cash and deposits	59,956	72,081
Notes receivable, accounts receivable from completed construction contracts	65,394	50,144
Securities	122,899	97,399
Costs on uncompleted construction contracts	15,295	22,063
Jointly controlled assets of joint venture	94,696	92,597
Other	24,968	23,774
Allowance for doubtful accounts	(3)	(3)
Total current assets	383,206	358,056
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	6,203	7,024
Land	5,375	5,344
Other, net	2,967	2,797
Total property, plant and equipment	14,547	15,167
Intangible assets		
Goodwill	675	9,293
Other	6,095	6,323
Total intangible assets	6,770	15,616
Investments and other assets		
Investment securities	28,427	27,394
Other	2,508	2,690
Allowance for doubtful accounts	(80)	(80)
Total investments and other assets	30,854	30,003
Total noncurrent assets	52,172	60,787
Total assets	435,379	418,844

(Millions of yen)

As of March 31,2013 As of June 30,2013

	As of March 31,2013	As of June 30,2013
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	117,769	120,767
Current portion of long-term loans payable	88	144
Income taxes payable	8,500	517
Advances received on uncompleted construction contracts	79,210	68,047
Provision for warranties for completed construction	480	407
Provision for loss on construction contracts	1,291	1,374
Provision for bonuses	4,379	1,687
Other	18,711	21,972
Total current liabilities	230,431	214,917
Noncurrent liabilities		
Long-term loans payable	10,132	10,020
Provision	2,675	3,093
Other	2,783	3,054
Total noncurrent liabilities	15,591	16,168
Total liabilities	246,023	231,086
Net assets		
Shareholders' equity		
Capital stock	43,396	43,396
Capital surplus	37,112	37,112
Retained earnings	100,988	98,683
Treasury stock	(1,349)	(1,354)
Total shareholders' equity	180,147	177,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,584	6,728
Deferred gains or losses on hedges	2,890	1,989
Foreign currency translation adjustment	(1,235)	(269)
Total accumulated other comprehensive income	8,239	8,448
Minority interests	969	1,470
Total net assets	189,356	187,757
Total liabilities and net assets	435,379	418,844

(2) Consolidated statement of income and comprehensive income

(Consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales of completed construction contracts	73,506	97,174
Cost of sales of completed construction contracts	64,690	88,243
Gross profit on completed construction contracts	8,816	8,930
Selling, general and administrative expenses	4,253	4,194
Operating income	4,562	4,736
Non-operating income		
Interest income	212	359
Dividends income	602	767
Equity in earnings of affiliates	49	7
Other	34	17
Total non-operating income	899	1,150
Non-operating expenses		
Interest expenses	50	51
Foreign exchange losses	339	280
Other	26	70
Total non-operating expenses	417	402
Ordinary income	5,044	5,485
Extraordinary loss		
Retirement benefit expenses	—	161
Total extraordinary losses	—	161
Income before income taxes and minority interests	5,044	5,323
Income taxes-current	485	772
Income taxes-deferred	1,621	1,942
Total income taxes	2,107	2,715
Income before minority interests	2,937	2,608
Minority interests in income (loss)	45	(9)
Net income	2,891	2,617

(Consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income before minority interests	2,937	2,608
Other comprehensive income		
Valuation difference on available-for-sale securities	93	144
Deferred gains or losses on hedges	(956)	(900)
Foreign currency translation adjustment	712	890
Share of other comprehensive income of associates accounted for using equity method	(55)	(5)
Total other comprehensive income	(206)	128
Comprehensive income	2,731	2,736
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,661	2,668
Comprehensive income attributable to minority interests	69	67

7. Production, Contracts and Sales

Millions of yen

	Apr. 1, 2012 — Jun. 30, 2012			Apr. 1, 2013 — Jun. 30, 2013		
	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)	New contracts (ratio)	Net sales (ratio)	Backlog of contracts (ratio)
Engineering	105,618 98.5%	71,151 96.8%	847,663 99.9%	64,096 98.2%	96,173 99.0%	877,642 99.9%
LNG Plants	11,235 10.5%	28,909 39.3%	503,800 59.4%	5,266 8.1%	40,771 42.0%	478,090 54.4%
Other Gas Related Works	448 0.4%	12,451 16.9%	100,882 11.9%	1,130 1.7%	10,522 10.8%	45,347 5.2%
Petroleum/Petrochemicals/ Gas Chemicals	14,264 13.3%	8,613 11.7%	53,252 6.3%	13,060 20.0%	12,442 12.8%	223,106 25.4%
Mining/ Mineral Refining/Offshore	115 0.1%	2,268 3.1%	7,084 0.8%	50 0.1%	1,340 1.4%	2,731 0.3%
General chemicals/ Industrial Facilities	78,072 72.8%	17,565 23.9%	168,348 19.8%	9,989 15.3%	28,435 29.3%	75,101 8.5%
Environment/New Energy/ Infrastructure	1,163 1.1%	1,161 1.6%	13,806 1.6%	28,021 42.9%	2,382 2.4%	46,342 5.3%
Others	317 0.3%	182 0.3%	488 0.1%	6,578 10.1%	278 0.3%	6,922 0.8%
Other Business	1,606 1.5%	2,354 3.2%	1,015 0.1%	1,151 1.8%	1,000 1.0%	537 0.1%
Total	107,224 100.0%	73,506 100.0%	848,678 100.0%	65,248 100.5%	97,174 100.0%	878,179 100.0%
Domestic	40,277 37.6%	23,514 32.0%	184,782 21.8%	31,873 48.8%	26,593 27.4%	132,898 15.1%
Overseas	66,946 62.4%	49,992 68.0%	663,895 78.2%	33,374 51.2%	70,581 72.6%	745,281 84.9%

Note: The backlog of contracts for the three months ended June 30, 2013 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.