

Consolidated Financial Results for the Nine Months Ended December 31, 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: February 14, 2014
 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 Nine months ended December 31, 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 Nine months ended December 31, 2013 | 307,748 | 13.8 | 19,042 | 1.2 | 19,010 | (1.9) | 11,346 | (6.0) |
| For the Nine months ended December 31, 2012 | 270,433 | 56.7 | 18,816 | 18.3 | 19,385 | 22.3 | 12,069 | 39.6 |

Note: Comprehensive Income: the nine months ended December 31, 2013: 12,084 million yen / (28.8%)
 the nine months ended December 31, 2012: 16,978 million yen / 141.5%

| | Net income per share | Fully diluted net income per share |
|---|----------------------|------------------------------------|
| | Yen | Yen |
| For the Nine months ended December 31, 2013 | 43.80 | - |
| For Nine months ended December 31, 2012 | 46.59 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2013 | 449,871 | 197,353 | 43.4 |
| As of March 31, 2013 | 435,379 | 189,356 | 43.3 |

Reference: Equity As of December 31, 2013: 195,275 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 : 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 : 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 December 31, 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 December 31, 2013 | 1,303,470 shares |
| As of March 31, 2013 | 1,279,223 shares |
 - c. Average number of shares during the period

| | |
|---|--------------------|
| For the Nine months ended December 31, 2013 | 259,034,745 shares |
| For the Nine months ended December 31, 2012 | 259,055,499 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 nine months of this fiscal year, we saw a continuing sense of uncertainty in the world economy due to the future policy trends of USA and increasing geo-political concerns. However, a number of investment plans in gas related facilities remain active, encouraged by the long-lasting increase in energy demand, the Shale Revolution and the tide of Gas Shift.

The Japanese economy has gradually recovered, largely due to the measures taken under the government's new growth strategy to pull Japan out of deflation and correct the yen's appreciation.

The Chiyoda Group entered into the U.S. market as part of its drive to become involved in the planned construction of numerous LNG projects throughout the world, especially in North America. While the Group continued to strengthen its core business in the fields of oil and gas, it is also accelerating its expansion into new business fields such as offshore and upstream, Chiyoda's own technologies for a Hydrogen Supply Chain as well as expanding further into the areas of new and renewable energy, including solar power generation.

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.

Consolidated new orders for the period amounted to 137,163 million yen (22.4% decrease year on year). The backlog and revenues were 764,206 million yen (15.1% decrease compared to the end of the previous fiscal year results) and 307,748 million yen (13.8% increase) respectively. The operating income amounted to 19,042 million yen (1.2% increase), ordinary income to 19,010 million yen (1.9% decrease), and net income resulted in 11,346 million yen (6.0% decrease).

The highlights of Chiyoda Group's achievements during this period are summarized hereunder:

LNG Plants / Other Gas Related Works

The Group entered into the North American market by participating in the Engineering, Procurement and Construction (EPC) of an LNG plant in the United States and is executing the EPC work of an LNG plant in Papua New Guinea and another LNG project in Australia. The Group is also carrying out the Front End Engineering Design (FEED) 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 existing LNG and gas processing plants built mainly by the Group. In Japan, several EPC works are ongoing on LNG receiving terminals as well as the expansion / modification works for existing plants.

LNG Plants and other gas-related works constitute our core business and, in this regard, we will pursue any such project whether onshore / offshore, overseas / domestic or conventional / unconventional.

Petroleum, Petrochemicals and Gas Chemicals

EPC works are ongoing globally for a refinery and petrochemical complex in Vietnam and a refinery project in Qatar, as well as the Engineering, Procurement support and Construction management (EPsCm) services for a petroleum and petrochemical refinery in Singapore under an Enterprise Framework Agreement for downstream projects within Asia. The Group completed the EPC work for a heavy oil cracking unit in Saudi Arabia, while the EPsCm services for heavy crude oil upgrading facilities in Venezuela continue. Additionally, our subsidiary in Singapore is executing the EPC work for a petrochemical plant. In Japan, we continued to perform the EPC work for a Trans-Alkylation Unit, the diagnosis of existing facilities, maintenance and upgrading studies, and construction works aimed at improving the competitiveness of and energy saving in existing facilities.

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

As a part of the Group's Medium-Term Management Plan to expand our business fields, we are aiming to receive new orders and are steadily executing backlog contracts, both overseas and domestically, for offshore and upstream projects, and non-hydrocarbon projects. We have formed a strategic alliance with Xodus Group, UK, and have acquired the majority of shares, which provides us with various services in the offshore and upstream area such as studies, planning, conceptual definition and FEED works. The Group is expanding its business fields and started providing

integrated services to enhance the value for energy resource development including that for domestic customers.

We have been reinforcing our efforts and developing our sales activities to respond to the needs of Japanese companies expanding their operations into Southeast Asia. As a part of this, the Group is executing the EPC work for a polycrystalline silicon plant in Malaysia.

We are operating a demonstration plant in Italy for a Concentrating Solar Power (CSP) system, and accelerating our efforts to prove this technology in order to develop business opportunities for the CSP system, including EPC projects.

The Group is moving forward with the EPC execution of a new international airport in Mongolia and is aiming to win orders for further airport and/or railway projects. We are now entering the construction phase for a water recycling system in Saudi Arabia and are preparing bids for several other projects, mainly in the Middle East.

In Japan, we won a number of EPC works for large-scale photovoltaic power generation systems and are expanding our sales activities by our group operation in this field.

We are also active in the pharmaceutical field, having completed the construction of a bulk vaccine plant and we are executing the EPC works for several pharmaceutical facilities such as in vitro diagnostics, fluid infusion facilities and nanotechnology research development facilities in cooperation with industry, government and academia.

Our aim of achieving a hydrogen-based society went one step further when we successfully verified our own "Large-Scale Hydrogen Storage and Transportation System" at our demonstration plant.

Our ultimate ambition is to establish a hydrogen supply chain where hydrogen can be delivered economically and safely in large volumes from any part of the world to any part of the world.

Note: See Page 9 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 31,2013 | As of December 31,2013 |
|---|---------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 59,956 | 39,482 |
| Notes receivable, accounts receivable from completed construction contracts | 65,394 | 59,585 |
| Securities | 122,899 | 111,499 |
| Costs on uncompleted construction contracts | 15,295 | 30,081 |
| Jointly controlled assets of joint venture | 94,696 | 118,429 |
| Other | 24,968 | 23,984 |
| Allowance for doubtful accounts | (3) | (4) |
| Total current assets | 383,206 | 383,058 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 6,203 | 6,893 |
| Land | 5,375 | 5,265 |
| Other, net | 2,967 | 2,638 |
| Total property, plant and equipment | 14,547 | 14,798 |
| Intangible assets | | |
| Goodwill | 675 | 11,690 |
| Other | 6,095 | 6,868 |
| Total intangible assets | 6,770 | 18,558 |
| Investments and other assets | | |
| Investment securities | 28,427 | 29,674 |
| Other | 2,508 | 3,861 |
| Allowance for doubtful accounts | (80) | (80) |
| Total investments and other assets | 30,854 | 33,455 |
| Total noncurrent assets | 52,172 | 66,812 |
| Total assets | 435,379 | 449,871 |

(Millions of yen)

As of March 31,2013 As of December 31,2013

| | As of March 31,2013 | As of December 31,2013 |
|--|---------------------|------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts | 117,769 | 109,210 |
| Current portion of long-term loans payable | 88 | 149 |
| Income taxes payable | 8,500 | 793 |
| Advances received on uncompleted construction contracts | 79,210 | 95,523 |
| Provision for warranties for completed construction | 480 | 434 |
| Provision for loss on construction contracts | 1,291 | 2,792 |
| Provision for bonuses | 4,379 | 2,609 |
| Other | 18,711 | 24,713 |
| Total current liabilities | 230,431 | 236,226 |
| Noncurrent liabilities | | |
| Long-term loans payable | 10,132 | 10,020 |
| Provision | 2,675 | 2,405 |
| Other | 2,783 | 3,864 |
| Total noncurrent liabilities | 15,591 | 16,290 |
| Total liabilities | 246,023 | 252,517 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 43,396 | 43,396 |
| Capital surplus | 37,112 | 37,112 |
| Retained earnings | 100,988 | 107,413 |
| Treasury stock | (1,349) | (1,379) |
| Total shareholders' equity | 180,147 | 186,542 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6,584 | 5,678 |
| Deferred gains or losses on hedges | 2,890 | 2,588 |
| Foreign currency translation adjustment | (1,235) | 466 |
| Total accumulated other comprehensive income | 8,239 | 8,732 |
| Minority interests | 969 | 2,077 |
| Total net assets | 189,356 | 197,353 |
| Total liabilities and net assets | 435,379 | 449,871 |

(2) Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

| | Nine months ended December 31, 2012 | Nine months ended December 31, 2013 |
|---|--|--|
| Net sales of completed construction contracts | 270,433 | 307,748 |
| Cost of sales of completed construction contracts | 239,437 | 274,584 |
| Gross profit on completed construction contracts | 30,996 | 33,163 |
| Selling, general and administrative expenses | 12,180 | 14,120 |
| Operating income | 18,816 | 19,042 |
| Non-operating income | | |
| Interest income | 869 | 1,043 |
| Dividends income | 992 | 1,178 |
| Equity in earnings of affiliates | 70 | 17 |
| Other | 94 | 61 |
| Total non-operating income | 2,027 | 2,300 |
| Non-operating expenses | | |
| Interest expenses | 154 | 166 |
| Foreign exchange losses | 1,131 | 2,033 |
| Other | 171 | 132 |
| Total non-operating expenses | 1,457 | 2,332 |
| Ordinary income | 19,385 | 19,010 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 1,767 | — |
| Total extraordinary income | 1,767 | — |
| Extraordinary loss | | |
| Retirement benefit expenses | — | 161 |
| Loss on retirement of noncurrent assets | 243 | — |
| Loss on valuation of investment securities | 129 | — |
| Total extraordinary losses | 373 | 161 |
| Income before income taxes and minority interests | 20,779 | 18,849 |
| Income taxes-current | 5,446 | 5,023 |
| Income taxes-deferred | 3,083 | 2,160 |
| Total income taxes | 8,530 | 7,184 |
| Income before minority interests | 12,248 | 11,664 |
| Minority interests in income | 179 | 317 |
| Net income | 12,069 | 11,346 |

Consolidated quarterly statements of comprehensive income

| | (Millions of yen) | |
|--|--|--|
| | Nine months ended December 31, 2012 | Nine months ended December 31, 2013 |
| Income before minority interests | 12,248 | 11,664 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,808 | (906) |
| Deferred gains or losses on hedges | 1,641 | (301) |
| Foreign currency translation adjustment | 290 | 1,584 |
| Share of other comprehensive income of associates accounted for using equity method | (10) | 42 |
| Total other comprehensive income | 4,729 | 419 |
| Comprehensive income | 16,978 | 12,084 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 16,791 | 11,682 |
| Comprehensive income attributable to minority interests | 186 | 402 |

7. Production, Contracts and Sales

(Millions of yen)

| Reporting segments | Apr. 1, 2012 — Dec. 31, 2012 | | | Apr. 1, 2013 — Dec. 31, 2013 | | |
|---|---------------------------------|---------------------------|------------------------------------|---------------------------------|---------------------------|------------------------------------|
| | New contracts (ratio) | Net sales (ratio) | Backlog of contracts (ratio) | New contracts (ratio) | Net sales (ratio) | Backlog of contracts (ratio) |
| Engineering | 172,103 97.4% | 264,839 97.9% | 759,932 99.9% | 133,837 97.6% | 304,309 98.9% | 763,932 100.0% |
| LNG Plants | 21,040 11.9% | 89,424 33.1% | 494,843 65.1% | 31,770 23.2% | 126,310 41.0% | 436,076 57.1% |
| Other Gas Related Works | 4,376 2.5% | 45,000 16.6% | 72,298 9.5% | 8,176 6.0% | 35,466 11.5% | 27,464 3.6% |
| Petroleum/Petrochemicals/ Gas Chemicals | 44,249 25.0% | 35,232 13.0% | 55,848 7.3% | 36,990 27.0% | 53,412 17.4% | 213,669 28.0% |
| Mining/ Mineral Refining/Offshore | 205 0.1% | 4,608 1.7% | 4,879 0.6% | 310 0.2% | 4,289 1.4% | 43 0.0% |
| General chemicals/ Industrial Facilities | 94,725 53.6% | 83,281 30.8% | 117,649 15.5% | 17,429 12.7% | 74,952 24.4% | 36,090 4.7% |
| Environment/New Energy/ Infrastructure | 6,283 3.6% | 6,518 2.4% | 13,290 1.7% | 34,140 24.9% | 8,382 2.7% | 46,593 6.1% |
| Others | 1,221 0.7% | 773 0.3% | 1,123 0.2% | 5,019 3.6% | 1,495 0.5% | 3,993 0.5% |
| Other Business | 4,550 2.6% | 5,594 2.1% | 546 0.1% | 3,326 2.4% | 3,438 1.1% | 274 0.0% |
| Total | 176,653 100.0% | 270,433 100.0% | 760,479 100.0% | 137,163 100.0% | 307,748 100.0% | 764,206 100.0% |
| Domestic | 82,714 46.8% | 103,795 38.4% | 145,929 19.2% | 66,674 48.6% | 96,391 31.3% | 97,523 12.8% |
| Overseas | 93,938 53.2% | 166,638 61.6% | 614,549 80.8% | 70,488 51.4% | 211,356 68.7% | 666,683 87.2% |

Note1: The backlog of contracts for the nine months ended December 31, 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.

Note2: The total amount of the above table does not include consumption tax.

Note3: The classification of the segments within the engineering business was restructured, starting from this fiscal Year. Therefore this quarter's and previous quarter's accumulated consolidated financial results are disclosed under the new classification. There is no change in the handling of the reporting segments.