

Financial Results for FY2017

The Fiscal Year Ended March 31, 2018

May 11, 2018

Chiyoda Corporation

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1. Results Highlights

- ◆ Net Income reached 6.4 billion yen
 - 129% of revised forecast*

- ◆ Growth of New Orders in Environmental Business
 - 41% of total New Orders
 - 26% increase YoY

- ◆ Structural reform introduced in FY 2017 lead to decreased SG&A costs
 - 7% decrease YoY

- ◆ Incremental cost increase at U.S. LNG projects lead to losses at Operating Income and Ordinary Income

* As revised on November 10, 2017

2. Financial Summary

(Billions of Yen)

	17/3 4Q	18/3 4Q	Difference	Difference (%)
New Orders	351.8	301.2	(50.6)	(14.4%)
Backlog of Contracts	876.8	653.5	(223.3)	(25.5%)
Revenues	603.7	510.9	(92.9)	(15.4%)
Operating Income	15.7	(12.3)	(28.0)	-
Ordinary Income	(3.1)	(10.1)	(7.0)	-
Profit (Loss)*1	(41.1)	6.4	47.6	-
Dividend per Share	JPY 6.0	JPY 7.5		
Exchange Rate	JPY112/\$	JPY106/\$		

Full Year Forecast *2	Progress (%)
350.0	86.1%
500.0	102.2%
(9.5)	-
(8.0)	-
5.0	128.9%

Assumption

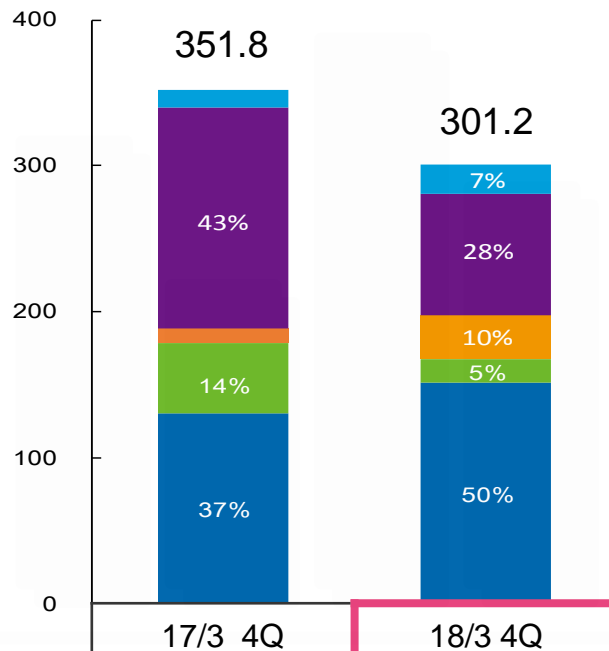
JPY 110 / \$

*1 Profit (Loss) attributable to owners of parent

*2 As revised on November 10, 2017

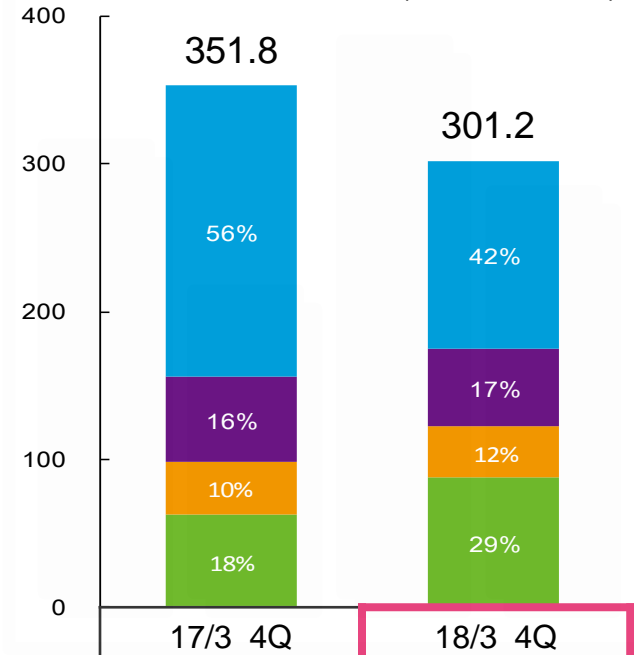
3. New Orders

By Region



By Field

(Billions of Yen)



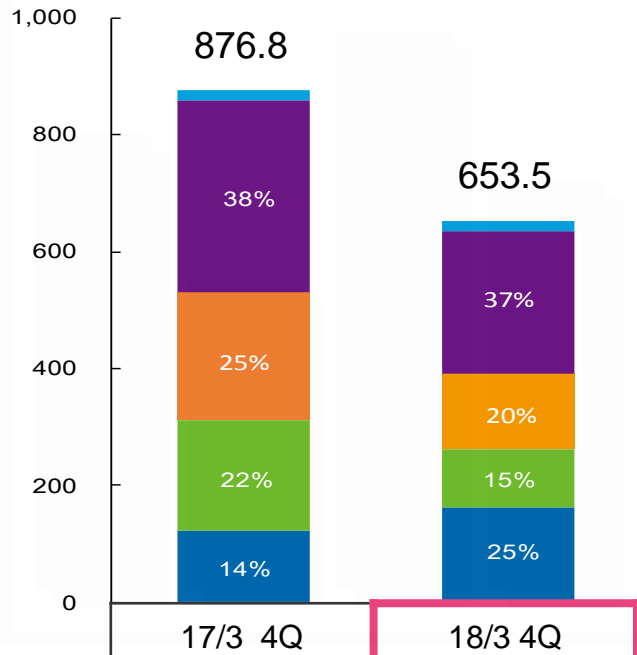
ME & Africa	12.0	20.5
SEA & Oceania	151.6	83.1
Americas	10.0	30.7
Others	47.7	15.2
Overseas Total	221.3	149.5
Domestic Total	130.5	151.7

Energy	LNG Plant, Gas Related Work	197.1	125.9
	Refinery, Petrochemical, Metal	57.3	52.6
Environment	Pharmaceutical, Biochemistry, Chemical	35.7	35.1
	Environment, New Energy Infrastructure	61.7	87.6

- By Region: Domestic Order reached 117% of initial forecast of JPY130Bln.
- By Field: “Environment, New Energy and Infrastructure” business growing as expected.

4. Backlog

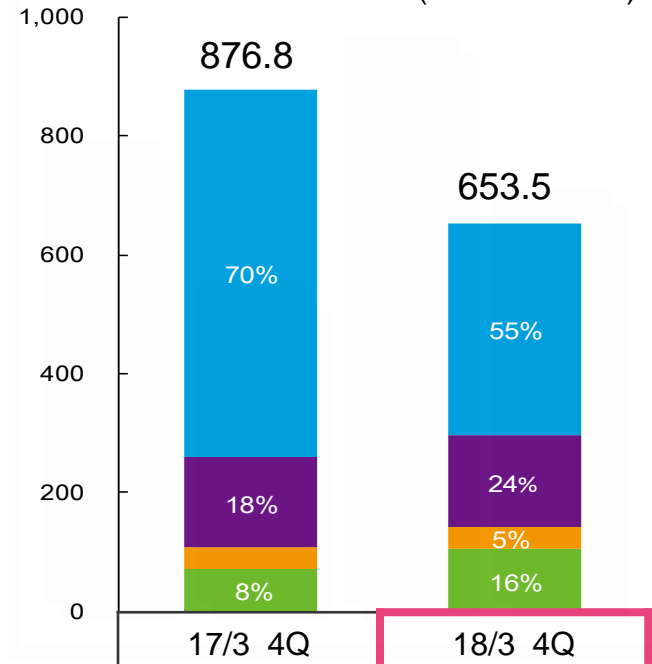
By Region



■ ME & Africa	16.7	19.2
■ SEA & Oceania	329.3	242.3
■ Americas	219.1	131.0
■ Others	189.7	97.8
Overseas Total	754.8	490.3
■ Domestic Total	122.0	163.2

By Field

(Billions of Yen)



Energy	■ LNG Plant, Gas Related Work	617.0	356.6
	■ Refinery, Petrochemical, Metal	153.5	155.0
Environment	■ Pharmaceutical, Biochemistry, Chemical	35.3	36.1
	■ Environment, New Energy Infrastructure	70.9	105.8

- By Region: “Overseas” decreased due to steady project execution of ongoing projects, “Domestic” total increased.
- By Field: “LNG Plant, Gas, Related Work” decreased due to delayed FID of LNG projects.

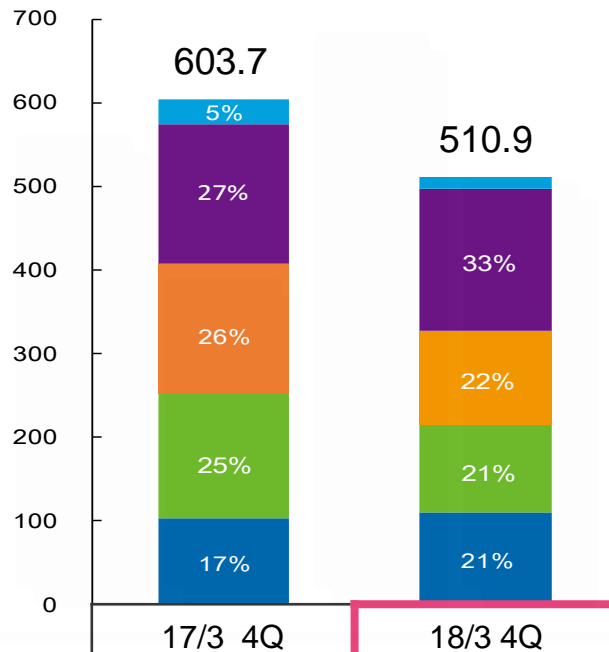
5. Income-related Items

	17/3 4Q	18/3 4Q	Difference	(Billions of Yen)
				Full Year Forecast
Revenue	603.7	510.9	(92.9)	500.0
Gross Profit	38.2 6.3%	8.6 1.7%	(29.6) (4.6pt)	11.0 2.2%
SG&A expenses	(22.5)	(20.9)	1.6	(20.5)
Operating Income	15.7 2.6%	(12.3) (2.4%)	(28.0) (5.0pt)	(9.5) (1.9%)
Non-operating income and expenses	(18.8)	2.2	21.0	1.5
Ordinary Income	(3.1) (0.5%)	(10.1) (2.0%)	(7.0) (1.5pt)	(8.0) (1.6%)
Extraordinary income (loss)	(23.3)	15.0	38.3	
Profit (loss) before income taxes	(26.4)	4.9	31.2	
Income taxes	(14.7)	1.6	16.3	
Profit attributable to owners of parent	(41.1) (6.8%)	6.4 1.3%	47.6 8.1pt	5.0 1.0%

- GPM bottomed out at 1.7% due to incremental cost increase of U.S. LNG Projects.

6. Revenues

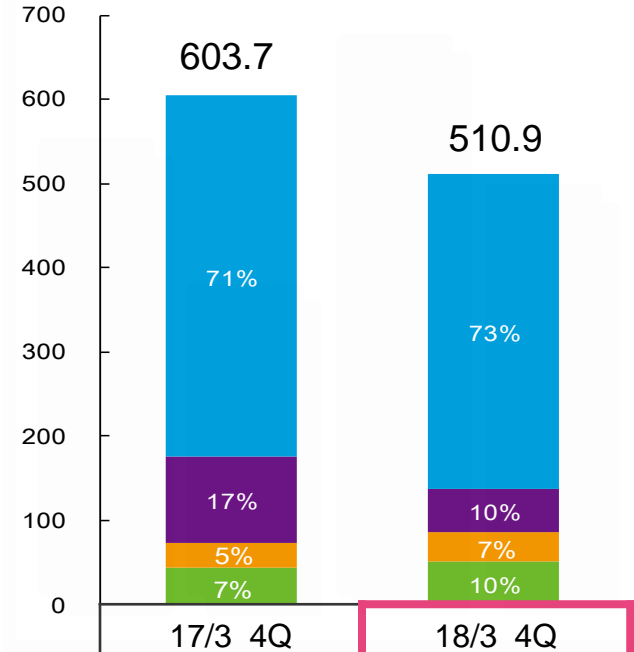
By Region



ME & Africa	28.8	14.5
SEA & Oceania	166.1	169.3
Americas	156.0	112.3
Others	150.3	105.0
Overseas Total	501.3	401.1
Domestic Total	102.4	109.8

By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	429.6	372.8
	Refinery, Petrochemical, Metal	101.1	52.7
Environment	Pharmaceutical, Biochemistry, Chemical	29.7	33.7
	Environment, New Energy Infrastructure	43.4	51.7

- By Region: Decrease in “Overseas” as large scale projects peaked-out with steady growth in environment field.
- By Field: Decrease in “Energy” due to completion of refinery projects and steady progress in ongoing LNG projects.

7. Balance Sheet

(Billions of Yen)

	March 31, 2017	March 31, 2018	Difference
Current assets	425.2	380.4	(44.8)
Cash and deposits*1	143.4	104.0	(39.4)
Operating assets *2	84.1	92.8	8.7
Jointly controlled assets of joint venture *3	164.3	131.4	(32.9)
Other	33.5	52.2	18.7
Non-current assets	36.1	40.3	4.2
Property, plant & equipment	13.2	12.1	(1.1)
Intangible assets	8.1	5.7	(2.4)
Investment and other assets	14.8	22.5	7.7
Total assets	461.3	420.7	(40.6)

*1. Cash and deposits = Cash and deposits + Short-term investment securities, incl. negotiable deposit

*2. Operating assets = Notes receivable, accounts receivable from completed construction contracts + Costs on uncompleted construction contracts

*3. Jointly controlled assets of joint venture = Cash and deposits of joint venture proportional to Chiyoda's interest

*4. Operating liabilities = Notes payable, accounts payable for construction contracts + Advances received on uncompleted construction contracts

	March 31, 2017	March 31, 2018	Difference
Current liabilities	301.2	248.7	52.5
Short-term loans payable	10.2	0	(10.2)
Operating liabilities *4	245.3	223.9	(21.3)
Provision for loss on construction contracts	3.3	3.3	(0)
Provision for loss on business of subsidiaries and associates	22.9	0	(22.9)
Others	19.5	21.4	2.0
Non-current liabilities	3.0	12.6	9.6
Long-term loans payable	0	10.0	10.0
Other	3.0	2.6	(0.4)
Net assets	157.1	159.4	2.3
Liabilities and net assets	461.3	420.7	(40.6)

Shareholders' equity	155.3	157.6	2.2
Shareholders' equity ratio	33.7%	37.5%	3.8pt

8. Forecast Breakdown

(Billions of Yen)

	Results FY 2017	Forecasts FY 2018	Difference
New Orders	301.2	800.0	498.8
Overseas	149.5	600.0	450.5
Domestic	151.7	200.0	48.3
Revenues	510.9	400.0	(110.9)
Overseas	401.1	300.0	(101.1)
Domestic	109.8	100.0	9.8
Gross Profit	8.6	30.0	21.4
SG&A Expenses	(20.9)	(18.5)	2.4
Operating Income	(12.3)	11.5	23.8
Non-operating Income and Expenses	2.2	1.0	(1.2)
Ordinary Income	(10.1)	12.5	22.6
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	16.5	(6.0)	(22.5)
Profit attributable to owners of parent	6.4	6.5	0.1

Reference Material

9. Performance Indicators

	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended March 2018	Forecast FY ending March 2019
Gross profit margin (%)	9.5	6.8	6.3	1.7	7.5
SG&A expenses to revenues (%)	5.0	4.2	3.7	4.1	4.6
Operating income to revenues (%)	4.5	2.6	2.6	(2.4)	2.9
Ordinary income to revenues (%)	4.6	2.6	(0.5)	(2.0)	3.1
Profit to revenues (%)	2.3	0.6	(6.8)	1.3	1.6
Return on assets (ROA) (%)	4.5	3.1	(0.6)	(2.3)	
Return on equity (ROE) (%)	5.5	1.7	(23.1)	4.1	
Profit per share (EPS) (JPY)	42.6	13.0	(158.8)	24.9	
Book value per share (BPS) (JPY)	796.9	772.9	599.8	608.4	
Shareholders' equity ratio (%)	40.0	37.9	33.7	37.5	
Current ratio (%)	151.0	146.3	141.2	153.0	
Fixed ratio (%)	34.5	36.6	23.2	25.6	
Debt-to-equity ratio <DER> (Times)	0.05	0.05	0.07	0.06	

Forward-Looking Statements

Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investor are recommended not to depend solely on these projections for making investment decisions.

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