

# Financial Results for the 2<sup>nd</sup> Quarter of Fiscal Year Ending March 31, 2020

November 5, 2019

**Chiyoda Corporation**

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# 1. Highlights

(Billions of Yen)

## ◆ **Stable profits from ongoing projects at core business**

- Revenue : 174.9 bn (approx. 45% of the full year forecast)
- Operating Income: 14.1 bn (exceeding full year forecast by 12.1 bn)
- Net profit: 4.8 bn (approx. 80% of the full year forecast)

## ◆ **Upward Revision: Full-year forecast operating income to 19bn (+7bn)**

- Due to appreciation of the JPY, foreign exchange losses\* on trade receivables denominated in foreign currencies resulted in decrease of non-operating income (-7.2 bn yen)
- 3Q onwards Profit is conservatively estimated based on ongoing project execution and expected changes in business management environment

\* Effects of foreign exchanges changes in the financial statements: Non-consolidated base: currency-denominated receivable amounts are recognized in the P/L. Consolidated subsidiaries: currency-denominated debt amounts are recognized in the "FX adjustment account" in the B/S. The impact on the company's financial valuation from Foreign Exchange Gains & Losses may be relatively minor.

## 2. Financial Summary

(Billions of Yen)

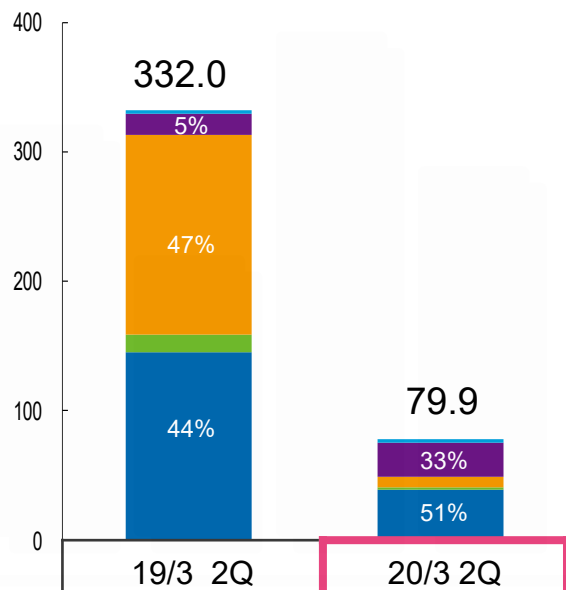
	19/3 2Q	20/3 2Q	Difference	Difference (%)	Revised* Full Year Forecast	Progress (%)	Initial Full Year Forecast
New Orders	332.0	79.9	(252.1)	(75.9%)	550.0	14.5%	550.0
Backlog	832.7	904.5	71.8	8.6%			
Revenues	146.4	174.9	28.5	19.5%	390.0	44.8%	390.0
Operating Income	(96.3)	14.1	110.3	—	19.0	74.0%	12.0
Ordinary Income	(96.3)	6.9	103.2	—	12.0	57.4%	12.0
Profit (Loss)**	(108.6)	4.8	113.4	—	6.0	79.8%	6.0
Exchange Rate JPY/USD	114	108			105		110

\* Full Year Forecast revised on November 1, 2019

\*\* Profit (Loss) attributable to owners of parent

# 3. New Orders

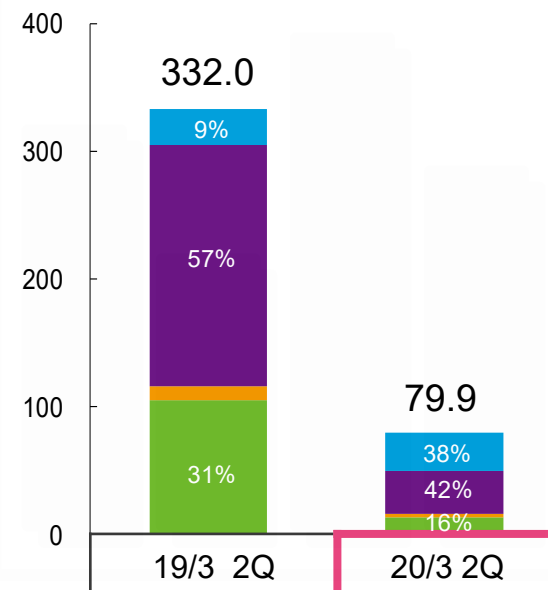
## By Region



	19/3 2Q	20/3 2Q
ME & Africa	2.7	3.1
SEA & Oceania	15.9	26.1
Americas	154.4	8.1
Others	14.3	1.9
Overseas Total	187.3	39.2
Domestic Total	144.7	40.7

## By Field

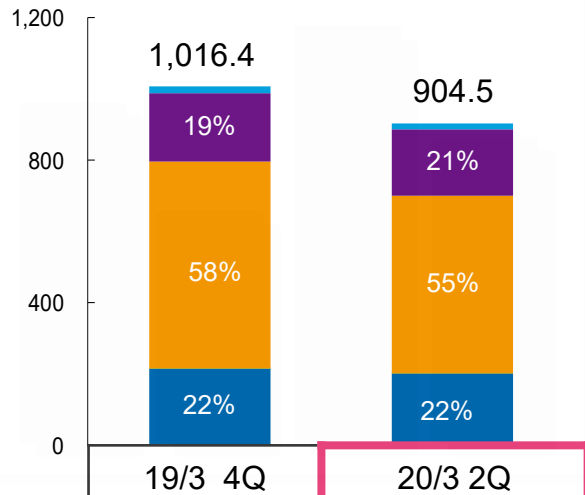
(Billions of Yen)



	19/3 2Q	20/3 2Q
Energy	217.1	64.0
Environment	114.9	15.7

# 4. Backlog

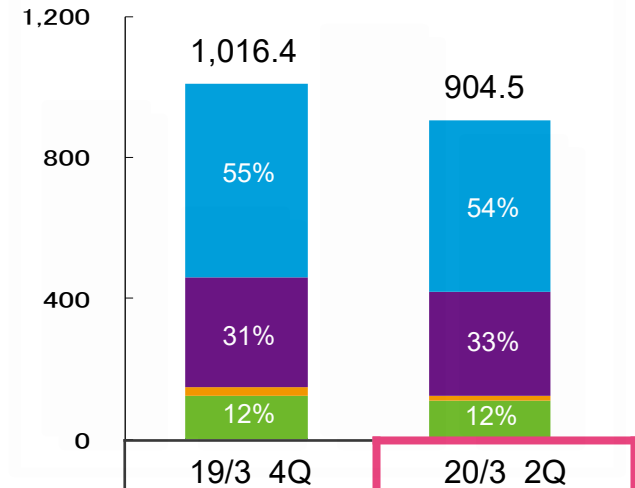
## By Region



ME & Africa	19.4	17.4
SEA & Oceania	191.5	186.0
Americas	587.9	499.4
Others	0.1	0.1
Overseas Total	798.9	702.9
Domestic Total	217.5	201.6

## By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	557.5	485.6
	Refinery, Petrochemical, Metal	311.1	294.0
Environment	Pharmaceutical, Biochemistry, Chemical	24.0	14.0
	Environment, New Energy, Infrastructure	123.8	110.9

## Major Projects

	Over 100 billions of Yen	Over 50 billion of Yen	Over 10 billions of Yen
Overseas	Golden Pass LNG, Texas Ethylene	Tangghu LNG	Cameron LNG
Domestic	-	-	Biomass, Energy Storage System, Petrochemical Project

# 5. Income-related Items

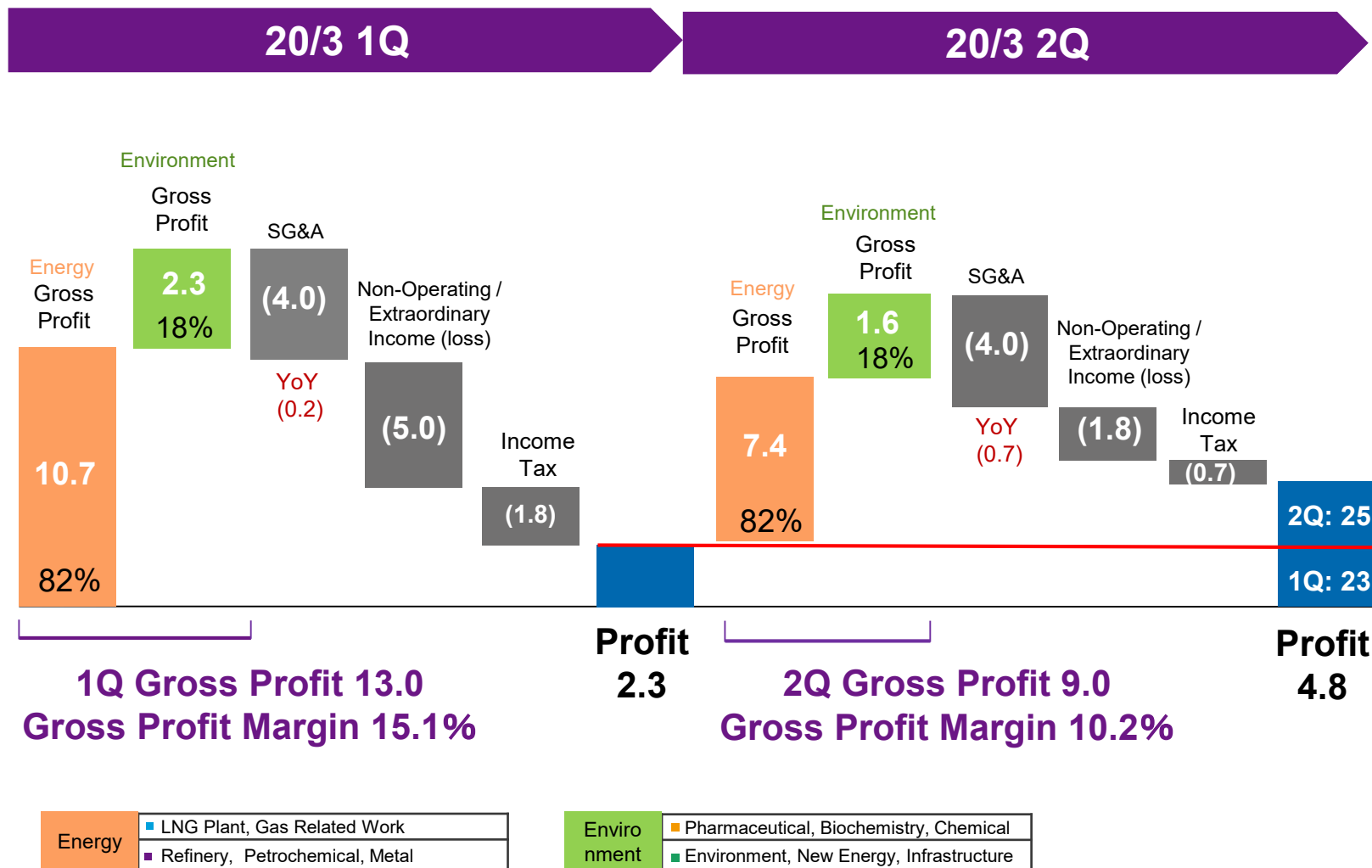
(Billions of Yen)

	19/3 2Q	20/3 2Q	Difference	Revised Full Year Forecast as of Nov.1, 2019	Initial Full Year Forecast
Revenue	146.4	174.9	28.5	390.0	390.0
Gross Profit	<b>(87.4)</b> (59.7%)	<b>22.0</b> 12.6%	<b>109.4</b> (72.3pt)	36.0 9.2%	29.0 7.4%
SG&A expenses	(8.9)	(8.0)	0.9	(17.0)	(17.0)
Operating Income	<b>(96.3)</b> (65.8%)	<b>14.1</b> 8.0%	<b>110.3</b> 73.8pt	19.0 4.9%	12.0 3.1%
Non-operating income and expenses*	(0.0)	(7.2)	(7.2)	(7.0)	0.0
Ordinary Income	<b>(96.3)</b> (65.8%)	<b>6.9</b> 3.9%	<b>(103.2)</b> (69.7pt)	12.0 3.1%	12.0 3.1%
Extraordinary income ( loss) taxes, net income attributable to non-controlling shareholders	(12.3)	(2.1)	10.2	(6.0)	(6.0)
Profit (loss)	<b>(108.6)</b> (74.2%)	<b>4.8</b> 2.7%	<b>113.4</b> 76.9pt	6.0 1.5%	6.0 1.5%

\* Effects of foreign exchanges changes in the financial statements: Non-consolidated base: currency-denominated receivable amounts are recognized in the P/L. Consolidated subsidiaries: currency-denominated debt amounts are recognized in the "FX adjustment account" in the B/S. The impact on the company's financial valuation from Foreign Exchange Gains & Losses may be relatively minor.

# 6. Profit Analysis

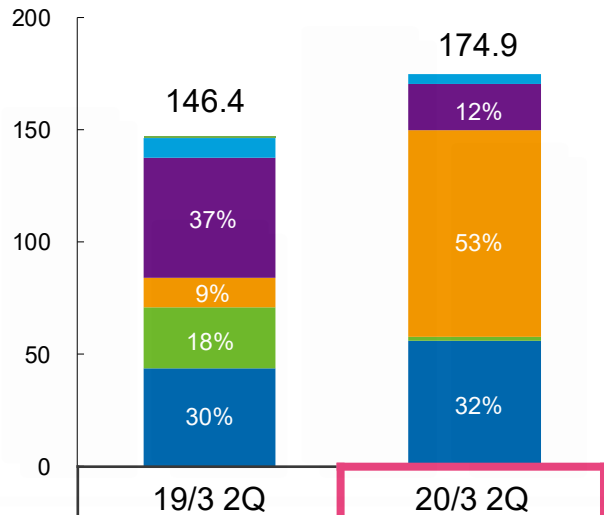
(Billions of Yen)





# 7. Revenues

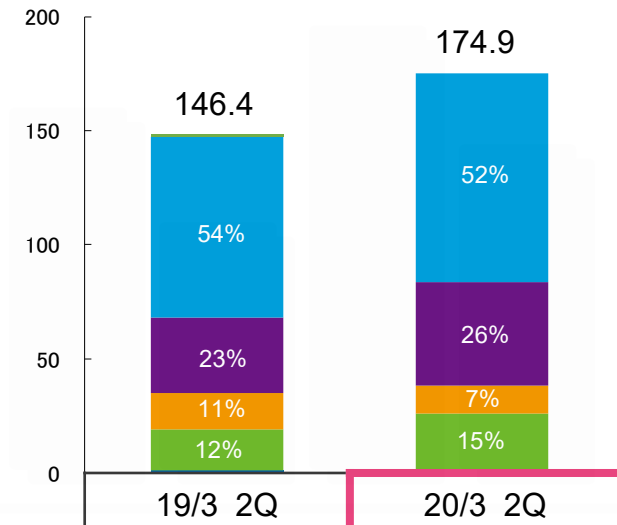
## By Region



ME & Africa	8.6	4.4
SEA & Oceania	53.7	20.5
Americas	13.2	92.1
Others	27.0	1.9
Overseas Total	102.5	118.9
Domestic Total	43.9	56.0

## By Field

(Billions of Yen)



Energy	LNG Plant, Gas Related Work	79.5	91.3
	Refinery, Petrochemical, Metal	33.1	45.4
Environment	Pharmaceutical, Biochemistry, Chemical	15.7	12.4
	Environment, New Energy, Infrastructure	18.1	25.8

## Major Projects

	Over 100 billions of Yen	Over 50 billion of Yen	Over 10 billions of Yen
Overseas	-	-	Cameron LNG, Texas Ethylene

# 8. Balance Sheet

(Billions of Yen)

	Mar 31, 2019	Sep 30, 2019	Difference
<b>Current assets</b>	<b>326.9</b>	<b>362.3</b>	<b>35.4</b>
Cash and deposits*1	69.5	100.0	30.5
Operating assets *2	76.1	64.6	(11.6)
Accounts receivable - other	65.9	69.0	3.1
Jointly controlled assets of JV	111.0	89.0	(22.0)
Other	4.4	39.8	35.4
<b>Non-current assets</b>	<b>25.4</b>	<b>25.6</b>	<b>0.2</b>
Property, plant & equipment	11.7	12.8	1.1
Intangible assets	5.3	4.7	(0.6)
Investment and other assets	8.4	8.2	(0.2)
<b>Total assets</b>	<b>352.3</b>	<b>387.9</b>	<b>35.6</b>

	Mar 31, 2019	Sep 30, 2019	Difference
<b>Current liabilities</b>	<b>392.5</b>	<b>328.8</b>	<b>(63.7)</b>
Short-term loans payable	0.1	0.1	0.0
Operating liabilities *4	297.5	260.4	(37.2)
Provision for loss on construction contracts	67.6	45.1	(22.5)
Others	27.2	23.2	(4.0)
<b>Non-current liabilities</b>	<b>19.0</b>	<b>39.6</b>	<b>20.6</b>
Long-term loans payable	15.9	35.8	19.9
Others	3.1	3.8	0.7
<b>Net Assets</b>	<b>(59.2)</b>	<b>19.5</b>	<b>78.7</b>
Capital Stock	(60.9)	13.9	74.8
Others	1.7	5.6	3.9
<b>Liabilities and net assets</b>	<b>352.3</b>	<b>387.9</b>	<b>35.6</b>

Shareholders' equity	(60.1)	<b>19.0</b>	<b>79.1</b>
Shareholders' equity ratio	(17.1)%	<b>4.9%</b>	<b>22.0pt</b>

- \*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 JV = 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

# 9. Forecast Breakdown

(Billions of Yen)

	Results FY2018	Revised Forecast FY 2019	Difference
<b>New Orders</b>	<b>771.6</b>	<b>550.0</b>	<b>(221.6)</b>
Overseas	575.0	430.0	(145.0)
Domestic	196.5	120.0	(76.5)
<b>Revenues</b>	<b>342.0</b>	<b>390.0</b>	<b>48.0</b>
Overseas	221.6	250.0	28.4
Domestic	120.4	140.0	19.6
<b>Gross Profit</b>	<b>(181.1)</b>	<b>36.0</b>	<b>217.1</b>
SG&A Expenses	(18.6)	(17.0)	1.6
<b>Operating Income</b>	<b>(199.8)</b>	<b>19.0</b>	<b>218.8</b>
Non-operating Income and Expenses	6.8	(7.0)	(13.8)
<b>Ordinary Income</b>	<b>(193.0)</b>	<b>12.0</b>	<b>205.0</b>
Extraordinary income, Income taxes, Profit attributable to non-controlling interests	(21.9)	(6.0)	15.9
<b>Net Income*</b>	<b>(214.9)</b>	<b>6.0</b>	<b>220.9</b>

## 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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