

# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending March 31, 2020

February 4, 2020

**Chiyoda Corporation**

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# 1. Highlights

- ◆ 3Q profit items exceeded the full-year forecast mainly due to
  - 1) earlier than expected receipt of the anticipated part of 4Q profit including incentives from US LNG projects and
  - 2) lower foreign exchange rates than expected.
  
- ◆ In the revised full-year forecast\*, revenue remains and profit items below operating income are at or marginally below the 3Q results, mainly due to
  - 1) anticipated part of 4Q profits being booked in the 3Q and
  - 2) potential risks (e.g. effects of the coronavirus, currency fluctuations, etc.).
  
- ◆ The company will promote revitalization efforts and further transform corporate culture towards sustainable business with increased risk sensitivity.

\* Full Year Forecast revised on February 3, 2020

## 2. Financial Summary

(Billions of Yen)

	19/3 3Q	20/3 3Q	Difference	Difference (%)	Revised Full Year Forecast*	Progress (%)	Initial Full Year Forecast**
New Orders	390.4	140.0	(250.4)	(64.1%)	550.0	25.5%	550.0
Backlog	728.1	873.9	145.8	20.0%			
Revenues	306.1	272.7	(33.4)	(10.9%)	390.0	69.9%	390.0
Operating Income	(107.8)	24.5	132.3	—	25.0	98.1%	19.0
Ordinary Income	(107.0)	20.9	127.9	—	20.0	104.4%	12.0
Profit (Loss)***	(128.2)	16.9	145.0	—	15.0	112.4%	6.0
Exchange Rate JPY/USD	111.00	109.56			105.00		105.00

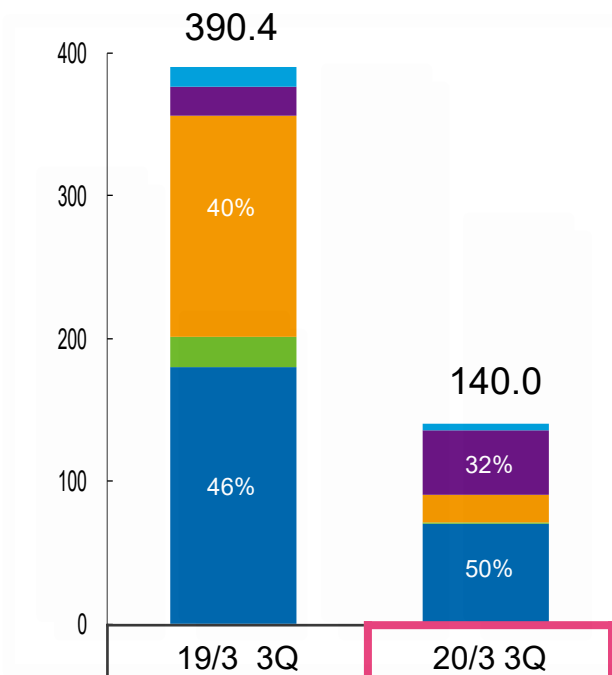
\* Full Year Forecast revised on February 3, 2020

\*\* Initial Full Year Forecast revised on November 1, 2019

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

# 3. New Orders

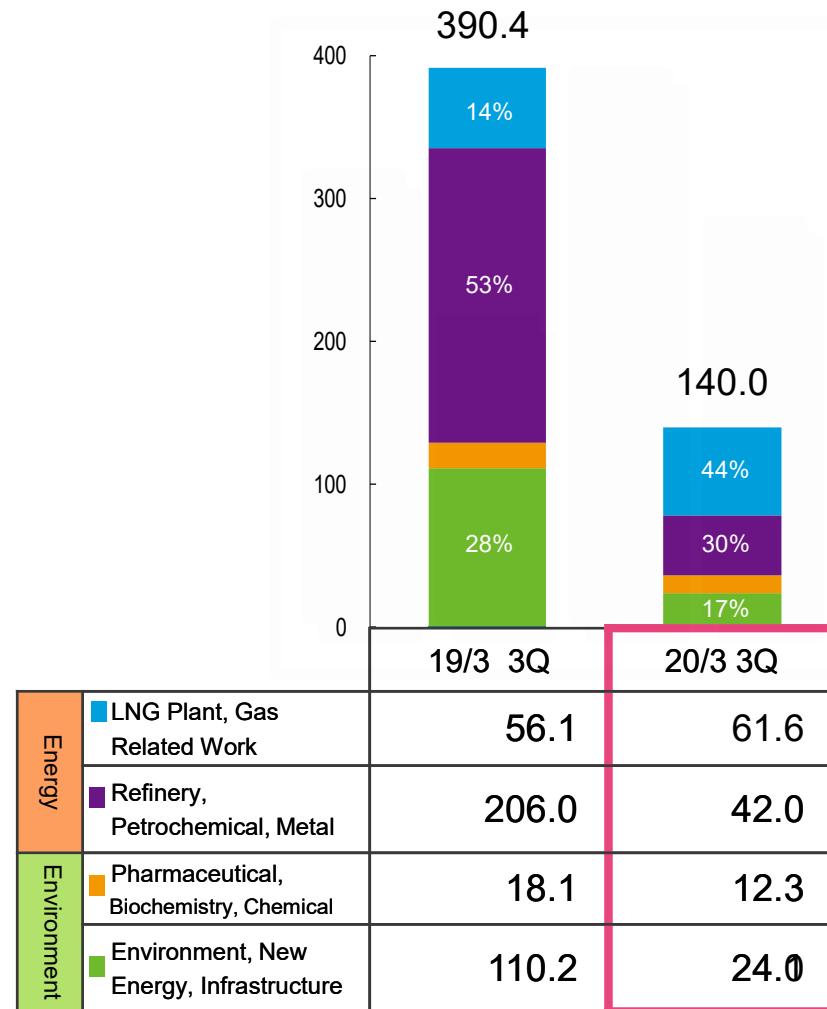
## By Region



ME & Africa	13.6	4.6
SEA & Oceania	20.4	45.1
Americas	155.4	19.7
Others	21.2	0.0
Overseas Total	210.6	69.4
Domestic Total	179.8	70.6

## By Field

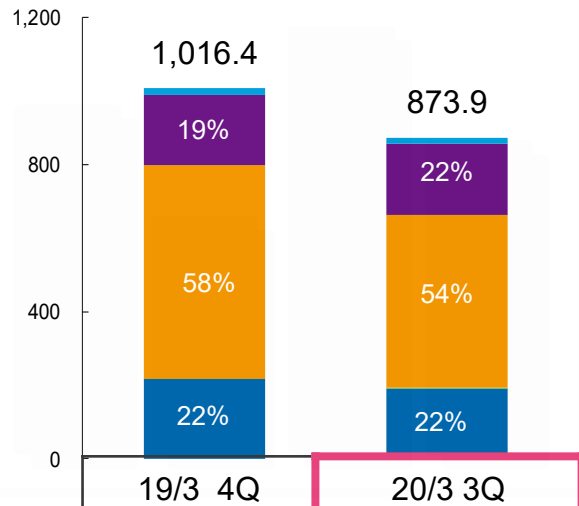
(Billions of Yen)



Energy	LNG Plant, Gas Related Work	56.1	61.6
	Refinery, Petrochemical, Metal	206.0	42.0
Environment	Pharmaceutical, Biochemistry, Chemical	18.1	12.3
	Environment, New Energy, Infrastructure	110.2	24.0

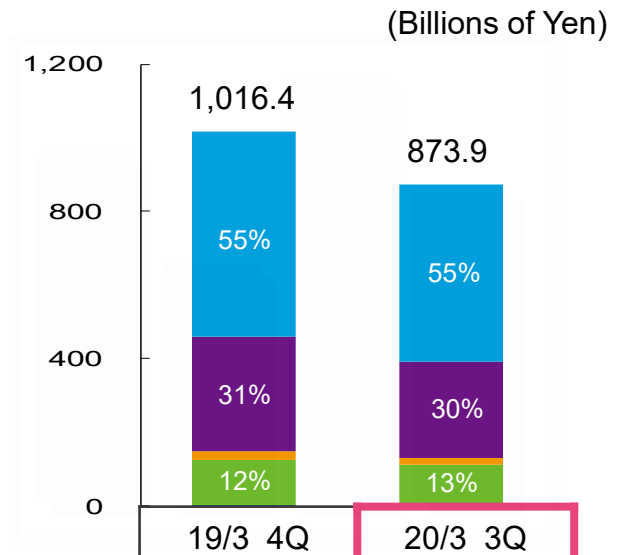
# 4. Backlog

## By Region



ME & Africa	19.4	15.7
SEA & Oceania	191.5	195.2
Americas	587.9	470.6
Others	0.1	0.1
Overseas Total	798.9	681.6
Domestic Total	217.5	192.2

## By Field



Energy	LNG Plant, Gas Related Work	557.5	482.1
	Refinery, Petrochemical, Metal	311.1	261.8
Environment	Pharmaceutical, Biochemistry, Chemical	24.0	18.4
	Environment, New Energy, Infrastructure	123.8	111.6

## 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, Solar Power, Environmental Project

# 5. Income-related Items

(Billions of Yen)

	19/3 3Q	20/3 3Q	Difference	Revised Full Year Forecast	Initial Full Year Forecast
Revenue	306.1	272.7	(33.4)	390.0	390.0
Gross Profit	(94.2) (30.8%)	36.5 13.4%	130.6 44.1pt	42.0 10.8%	36.0 9.2%
SG&A expenses	(13.6)	(11.9)	1.7	(17.0)	(17.0)
Operating Income	(107.8) (35.2%)	24.5 9.0%	132.3 44.2pt	25.0 6.4%	19.0 4.9%
Non-operating income and expenses	0.7	(3.7)	(4.4)	(5.0)	(7.0)
Ordinary Income	(107.0) (35.0%)	20.9 7.7%	127.9 42.6pt	20.0 5.1%	12.0 3.1%
Extraordinary income (loss) taxes, net income**	(21.1)	(4.0)	17.1	(5.0)	(6.0)
Profit (Loss) ***	(128.2) (41.9%)	16.9 6.2%	145.0 48.1pt	15.0 3.8%	6.0 1.5%

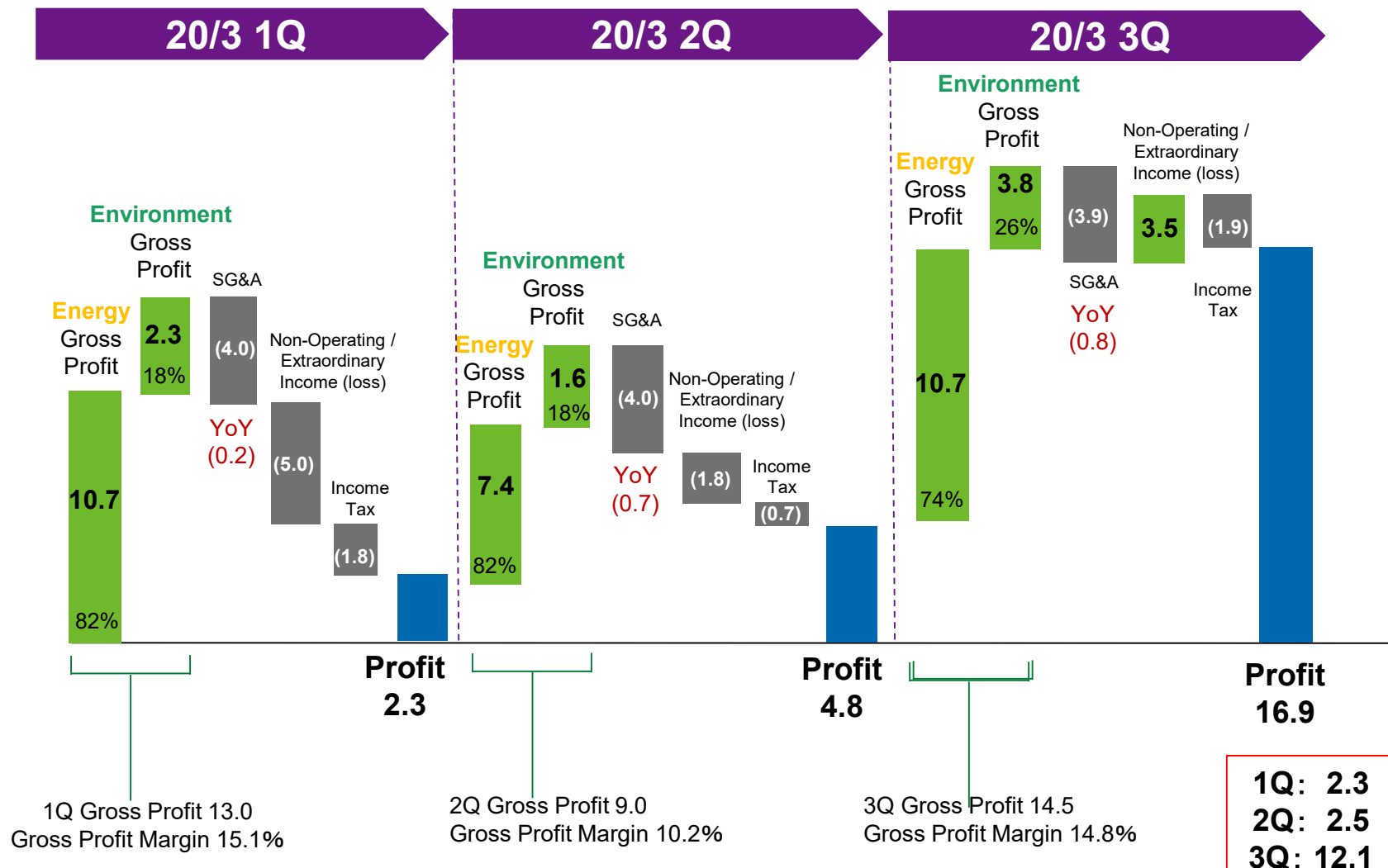
\* Full Year Forecast revised on February 3, 2020

\*\* Attributable to non-controlling shareholders

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

# 6. Profit Analysis

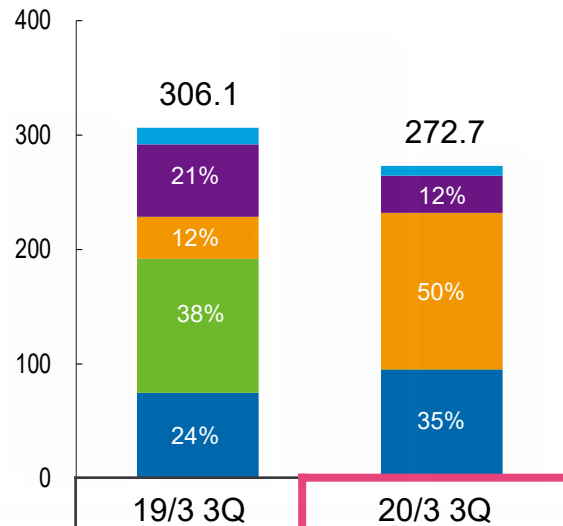
(Billions of Yen)





# 7. Revenues

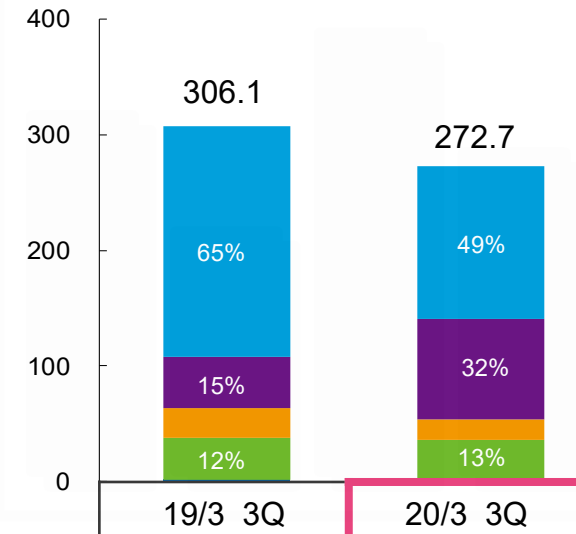
## By Region



	19/3 3Q	20/3 3Q
ME & Africa	13.8	7.9
SEA & Oceania	63.4	32.4
Americas	37.5	137.1
Others	116.8	0.1
Overseas Total	231.5	177.5
Domestic Total	74.6	95.2

## By Field

(Billions of Yen)



	19/3 3Q	20/3 3Q
Energy		
LNG Plant, Gas Related Work	199.5	132.3
Refinery, Petrochemical, Metal	44.2	86.7
Environment		
Pharmaceutical, Biochemistry, Chemical	25.8	17.6
Environment, New Energy, Infrastructure	36.6	36.1

## Major Projects

	Over 100 billions of Yen	Over 50 billion of Yen	Over 10 billions of Yen
Overseas	-	Cameron LNG	Texas Ethylene, Golden Pass LNG Tangghu LNG, Freeport LNG

# 8. Balance Sheet

(Billions of Yen)

	Mar 31, 2019	Dec 31, 2019	Difference
<b>Current assets</b>	<b>326.9</b>	<b>378.5</b>	<b>51.6</b>
Cash and deposits*1	69.5	121.2	51.7
Operating assets *2	76.1	80.9	4.8
Accounts receivable - other	65.9	73.1	7.2
Jointly controlled assets of JV	111.0	98.0	(12.9)
Other	4.4	5.3	0.8
<b>Non-current assets</b>	<b>25.4</b>	<b>24.5</b>	<b>(0.9)</b>
Property, plant & equipment	11.7	12.5	0.8
Intangible assets	5.3	4.7	(0.6)
Investment and other assets	8.4	7.3	(1.1)
<b>Total assets</b>	<b>352.3</b>	<b>403.0</b>	<b>50.7</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

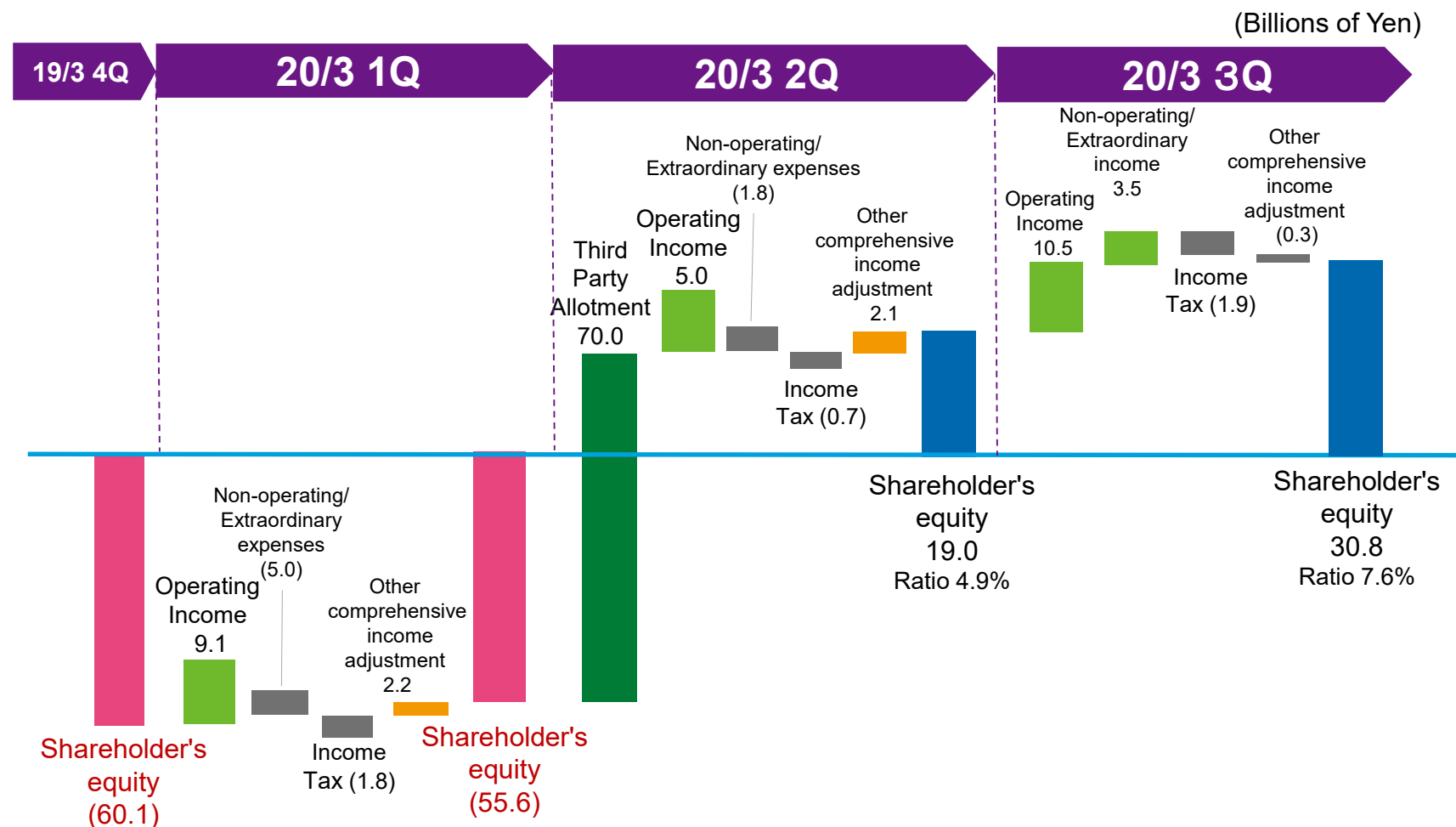
\*4. Operating liabilities = Notes payable, accounts payable for construction contracts + Advances received on uncompleted construction contracts

	Mar 31, 2019	Dec 31, 2019	Difference
<b>Current liabilities</b>	<b>392.5</b>	<b>332.1</b>	<b>(60.4)</b>
Short-term loans payable	0.1	0.1	0.0
Operating liabilities *4	297.5	266.3	(31.3)
Provision for loss on construction contracts	67.6	35.6	(32.0)
Others	27.2	30.1	2.9
<b>Non-current liabilities</b>	<b>19.0</b>	<b>39.6</b>	<b>20.7</b>
Long-term loans payable	15.9	35.8	19.9
Others	3.1	3.9	0.7
<b>Net Assets</b>	<b>(59.2)</b>	<b>31.3</b>	<b>90.4</b>
Capital Stock	(60.9)	26.0	86.9
Others	1.7	5.3	3.6
<b>Liabilities and net assets</b>	<b>352.3</b>	<b>403.0</b>	<b>50.7</b>

Shareholders' equity	(60.1)	<b>30.8</b>	<b>90.9</b>
Shareholders' equity ratio	(17.1)%	<b>7.6%</b>	<b>24.7pt</b>

# 9. Strengthening the Financial Base

Shareholder's equity ratio improved to 7.6%,  
continuous strengthening of the financial base for future growth



# 10. Forecast Breakdown

(Billions of Yen)

	Results FY2018	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>42.0</b>	<b>223.1</b>
SG&A Expenses	(18.6)	(17.0)	1.6
<b>Operating Income</b>	<b>(199.8)</b>	<b>25.0</b>	<b>224.8</b>
Non-operating Income and Expenses	6.8	(5.0)	(11.8)
<b>Ordinary Income</b>	<b>(193.0)</b>	<b>20.0</b>	<b>213.0</b>
Extraordinary income, Income taxes, Profit attrib.to non-controlling interests	(21.9)	(5.0)	16.9
<b>Net Income*</b>	<b>(214.9)</b>	<b>15.0</b>	<b>229.9</b>

\* Full Year Forecast revised on February 3, 2020

# 11. Status of ongoing Major Projects (1/2)

Project	Freeport LNG	Cameron LNG
Client	Freeport LNG	Cameron LNG
Partner	Zachry McDermott	McDermott
Completion Rate	Train-1 & 2: 100% Train-3: Approx. 98%	Approx. 98%
Status (Dec. 2019)	<ul style="list-style-type: none"> <li>✓ Train 1: Commercial operation started in Dec. 2019</li> <li>✓ Train 2 Commercial operation started in Jan. 2020</li> <li>✓ Train 3: Production is scheduled to start in Feb. - Mar. 2020</li> <li>✓ Approx. 2,200 workers on site.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Train 1: Commercial operation started in Aug. 2019</li> <li>✓ Train 2 : Production started in Dec. 2019</li> <li>✓ Train 3: Production is scheduled to start in Apr. - Jun. 2020</li> <li>✓ Approx. 6,900 workers on site.</li> </ul>

# 11. Status of ongoing Major Projects (2/2)

Project	Tangguh LNG	Texas Ethylene	Golden Pass LNG
Client	BP Berau	Gulf Coast Growth Ventures (ExxonMobil-SABIC JV)	Golden Pass Product (ExxonMobil QP JV)
Partner	Saipem Tripatra	Kiewit	Zachry McDermott
Completion Rate	Approx.75%	Approx.47%	Approx.5%
Status (Dec. 2019)	<ul style="list-style-type: none"> <li>✓ Target Completion Jul. - Sep. 2021</li> <li>✓ Construction ongoing; approx. 11,700 workers on site</li> </ul>	<ul style="list-style-type: none"> <li>✓ Target Completion Oct. - Dec. 2021</li> <li>✓ Module construction commenced in China. First ship departed Nov. 2019</li> <li>✓ Construction ongoing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Target completion 2025</li> <li>✓ Engineering and Procurement ongoing</li> <li>✓ Construction commenced on site</li> </ul>

## 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.

Please address inquiries to:

IR, PR & CSR Department

Tel +81-45-225-7734

<https://www.chiyodacorp.com/en/>



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