

Financial Results

for the six-month period
ended September 30, 2004

November 11, 2004



1. Consolidated Statement of Income

(¥ billion)

	03/9	04/9	Difference	Initial 04/9 forecasts	Difference
Net sales	88.6	116.3	27.7	100.0	16.3
Operating profit	2.4	4.7	2.3	3.3	1.4
Ordinary profit	3.0	5.1	2.1	3.3	1.8
Net profit	2.1	5.0	2.9	3.4	1.6
Retained earnings (non-consolidated)	(04/3) (0.3)	4.3	4.6		



**Accumulated loss (non-consolidated)
also eliminated**

[Net sales and Operating Profit]

(¥ billion)

	03/9	04/9	Difference
Net sales	88.6	116.3	27.7
Operating profit margin	2.8%	4.1%	1.3%
Operating profit	2.4	4.7	2.3

1. Factors driving operating profit growth (and their contribution ratio)

Increase in completed construction contracts	¥0.9 billion (39%)
Improvement of operating profit margin (operating profit/net sales)	¥1.4 billion (61%)
Total	¥2.3 billion (100%)

2. Increase in net sales by business segments

(¥ billion)

	03/9	04/9	Difference [YoY]
Gas & Power	33.1	68.4	35.2 [106%]
LNG	27.8	48.6	20.8 [75%]
Gas development	0.6	14.1	13.5 [2163%]
Receiving terminals and others	4.7	5.6	0.9 [20%]
Petroleum and petrochemicals	20.0	26.1	6.1 [30%]
Fine industries and others *1	8.3	11.7	3.4 [41%]
Gas chemicals *2	27.1	10.0	(17.0) [(63%)]
Total	88.6	116.3	27.7 [31%]

*1: Fine industries are included in the General industries segment in the Summary of Interim Financial Results

*2: Included in the petrochemicals segment in the Summary of Interim Financial Results

3. Factors contributing to improvement in operating profit margin (¥ billion)

	03/9	04/9	Difference [contribution ratio]
Gross profit ratio	7.4%	7.6%	0.2% [15%]
SG&A ratio	4.6%	3.5%	1.1% [85%]
Operating profit margin	2.8%	4.1%	1.3% [100%]

[Other Income and Expenses]

(¥ million)

	03/9	04/9
Other Income		
Interest and dividend income *	222	281
Foreign exchange gain	303	63
Equity in earnings of associated companies	171	98
Rent income	86	121
Others	99	124
Other Expenses		
Interest expense *	(202)	(153)
Cost of rent income	(49)	(84)
Others	(115)	(51)

* Interest balance: Interest and dividend income (¥281 million) less Interest expense (¥153 million) = ¥128 million

[Extraordinary Gain and Loss]

(¥ million)

	03/9	04/9
Extraordinary Gain		
Reversal of allowance for doubtful accounts	199	282
Others	0	10
Extraordinary Loss		
Loss on sale of fixed assets *	—	(388)
Impairment loss *	—	(233)
Loss on removal of fixed assets	—	(99)
Allowance for contingency loss	(1,346)	—
Others	(78)	(70)

* Actual impairment loss adjusted for loss on sale of property, plant and equipment was ¥621million. Impairment loss was largely written off in the current interim period.

2. Consolidated Balance Sheets

(¥ billion)

	04/3	04/9	Difference		04/3	04/9	Difference
Current assets	120.5	138.1	17.6	Current liabilities	104.8	116.2	11.4
Cash and time deposit	41.6	38.9	(2.6)	Short-term loans	0.1	0.1	0.0
Trade receivables and costs of construction contracts in progress	43.5	56.2	12.7	Trade payables and advance receipts on construction contracts	89.9	103.5	13.5
Jointly controlled asset of joint venture	28.4	37.1	8.7	Others	14.7	12.6	(2.1)
Others	6.9	5.8	(1.1)				
Fixed assets	22.3	22.2	(0.0)	Non-current liabilities	15.2	15.6	0.4
Property, plant and equipment	6.9	6.7	(0.1)	Long-term debt	10.3	10.2	(0.0)
Intangible fixed assets	2.6	2.6	0.0	Others	4.9	5.4	0.4
Investments and other assets	12.7	12.8	0.1	Total Shareholders' Equity	22.7	28.4	5.7
Assets	142.8	160.4	17.5	Total Liabilities and Shareholders' Equity	142.8	160.4	17.5

[Notes]

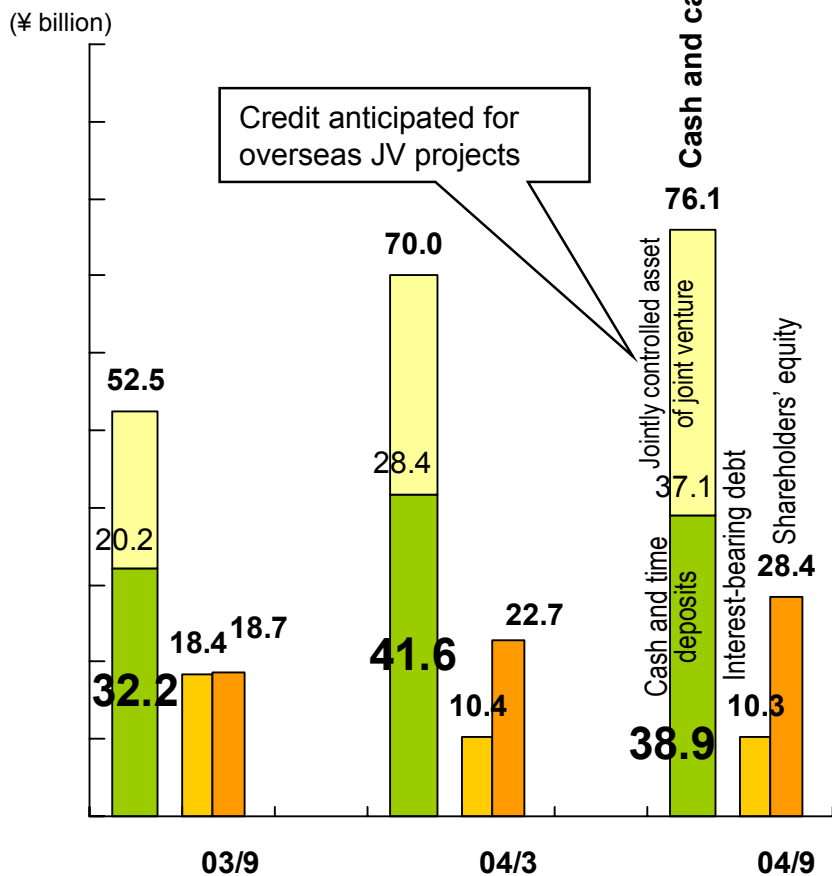
Trade receivables and costs of construction contracts in progress): Notes receivable + Trade receivables (completed construction contracts) + Costs of construction contracts in progress

Trade payables and advance receipts on construction contracts : Notes payable + Trade payables (construction contracts) + Advance receipts on construction contracts

Jointly controlled assets of joint venture: Cash and time deposits of joint venture proportional to Chiyoda's interest.

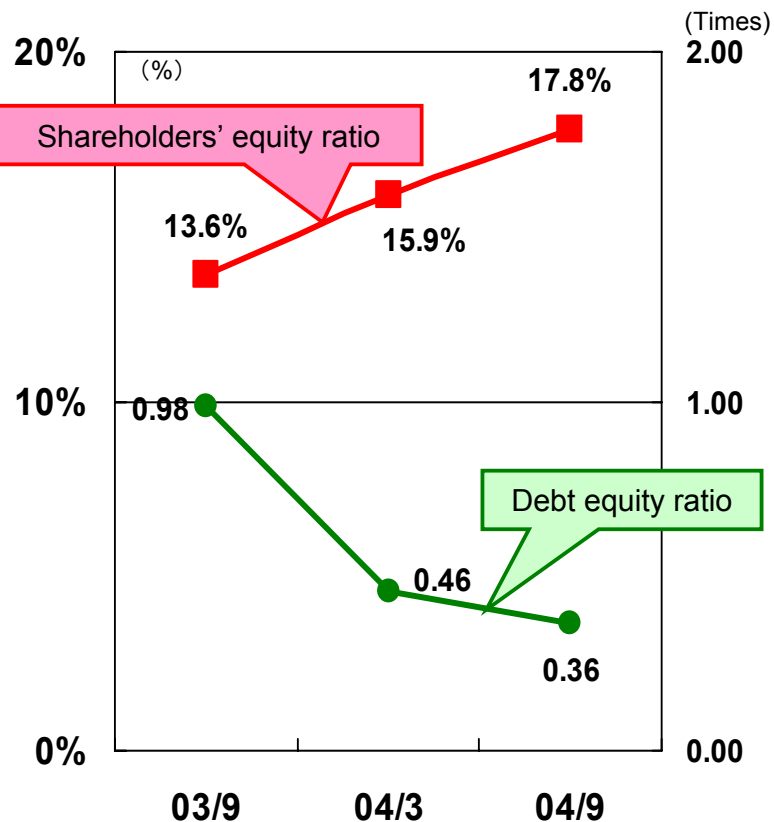
[Stability]

Cash and cash equivalents



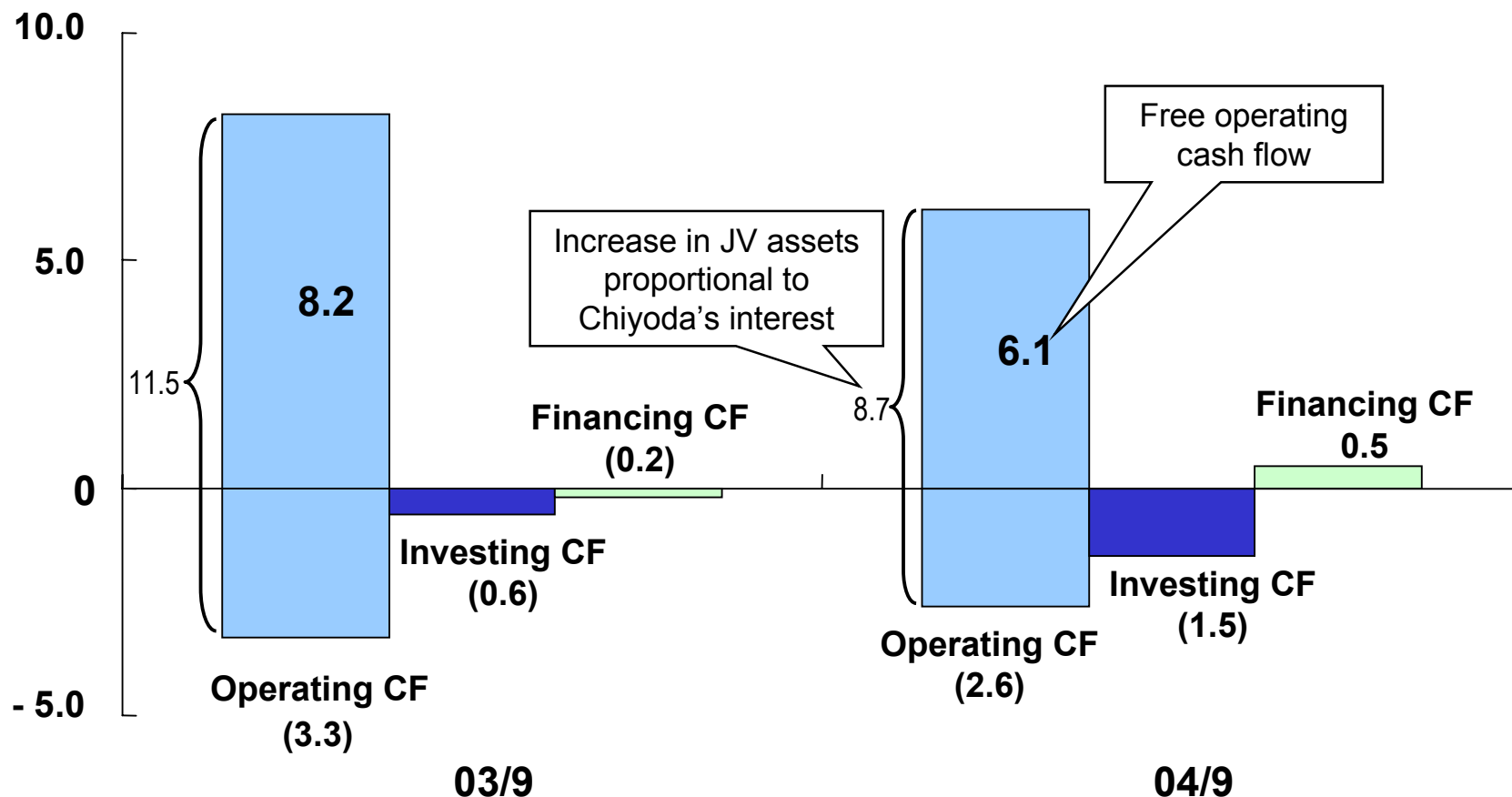
Cash and cash equivalents = Cash and time deposits +
Jointly controlled asset of joint venture

Shareholders' equity ratio / Debt equity ratio

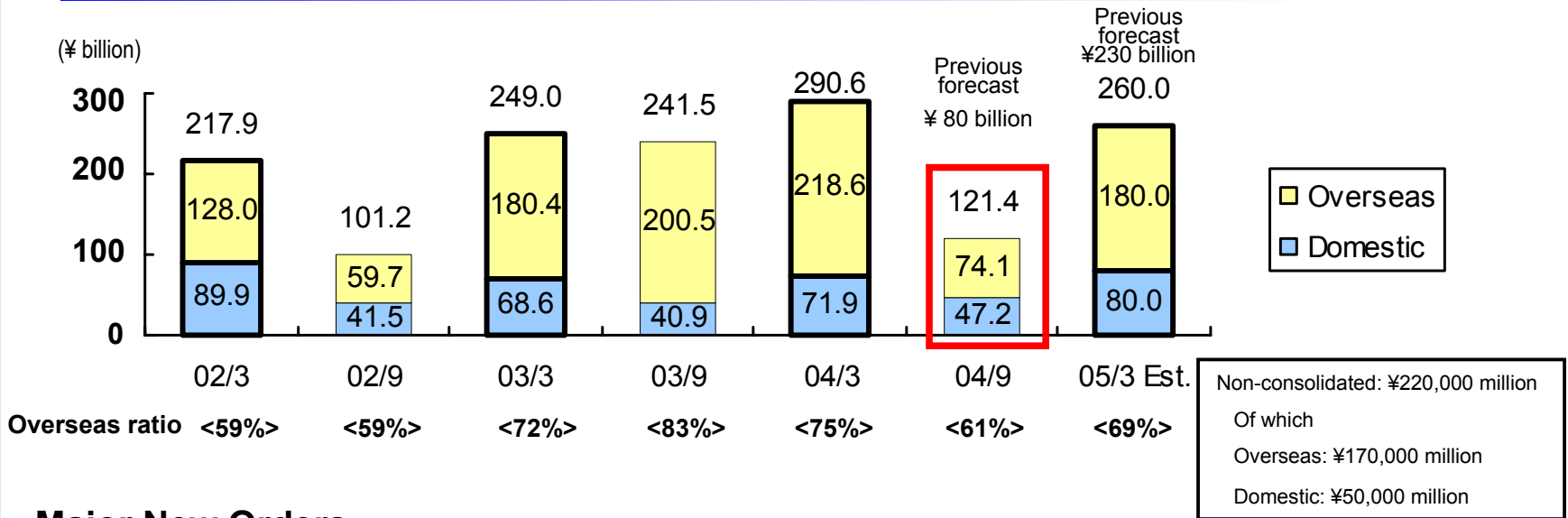


3. Consolidated Cash Flow

(¥ billion)



4. Consolidated New Orders

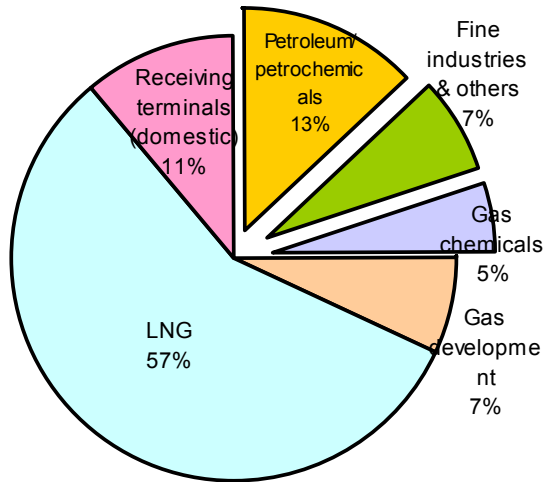


Major New Orders

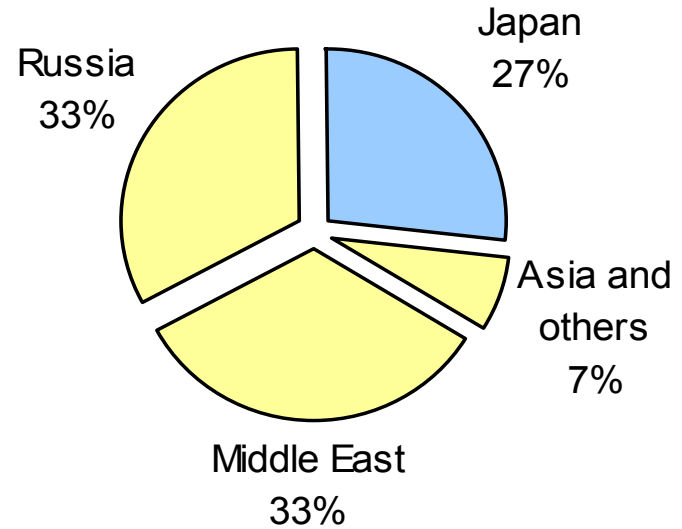
	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> LNG plant train 5 (Qatar/Ras Laffan Liquefied Natural Gas) 	
Under 10 billion yen	<ul style="list-style-type: none"> Fertilizer plant (Iran) Ethylene plant additional work (Saudi Arabia) 	<ul style="list-style-type: none"> Ethylene cracker (Mitsubishi Chemical Engineering and Mitsubishi Chemical) Mixed xylene plant (Seibu Oil) Synthesizing plant for clinical trial (Eisai) E-6 (Circuit Board Materials) Plant (Nippon Steel Chemical)

5. Consolidated Backlog of Orders

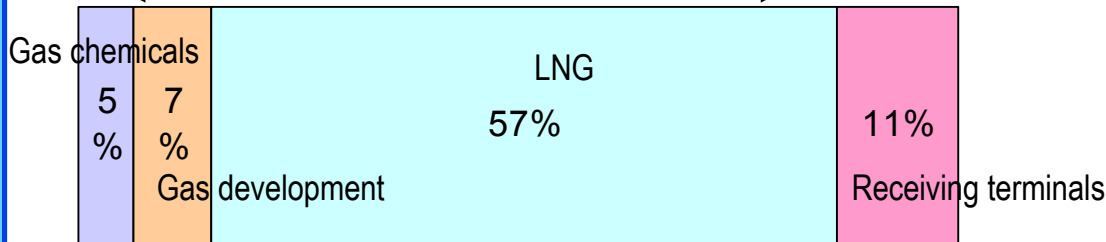
Breakdown by Business Segment



Breakdown by Geographic Region



Gas Value Chain (overseas) 69%



Gas Value Chain 80%

Consolidated Backlog of Orders

¥392.8 billion

(As of September 2004)

4. Forecasts for the fiscal year ending March 31, 2005 (consolidated)

12/12

(¥ billion)

	04/3	05/3 Forecasts	YoY	Initial 05/3 forecasts	Difference
Net sales	206.8	250.0	43.2	220.0	30.0
Operating profit	5.8	8.3	2.5	7.1	1.2
Ordinary profit	6.3	8.7	2.4	7.1	1.6
Net profit	6.6	8.3	1.7	7.3	1.0
Dividend	—	5 yen	Resumption of dividend	3–5 yen	
Exchange rate	¥105/\$	¥105/\$	—	¥105/\$	

Note: Exchange rate for the interim period ended Sept. 2004: ¥111/\$

Forward-looking Statements

The forecasts and plans in this presentation are based on information available to management on May 18, 2004, the date these materials were prepared. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to changes in economic conditions and operating environment in Japan and overseas.

[Consolidated Performance Indicators]

Indicators	03/9	04/3	04/9	05/3 est.
Gross profit rate (%)	7.4	6.8	7.6	—
SG&A expenses to net sales (%)	4.6	4.0	3.5	—
Operating profit to net sales (%)	2.8	2.8	4.1	3.3
Ordinary profit to net sales (%)	3.4	3.1	4.4	3.5
Net profit to net sales (%)	2.4	3.2	4.4	3.3
Return on assets (ROA) (%)	2.2	4.8	3.4	—
Return on equity (ROE) (%)	12.2	33.7	19.9	—
Net profit per share (EPS) (Yen)	11.68	35.91	27.44	44.22
Book-value per share (BPS) (Yen)	101.11	123.04	151.79	—
Equity ratio (%)	13.6	15.9	17.8	—
Current ratio (%)	110.0	115.0	118.8	—
Fixed ratio (%)	122.8	98.0	78.1	—
Debt-to-equity ratio (DER) (Times)	0.98	0.46	0.36	—

[Consolidated Segment Information]

		Net Sales (%)				New Orders (%)				Backlog of Contracts (%)				
		03/3	04/3	04/9	05/3 Est.	03/3	04/3	04/9	05/3 Est.	03/3	04/3	04/9	05/3 Est.	
Segment	Gas & Power	29	45	59	/	59	69	51	/	63	77	75	/	
	Petroleum/ petrochemicals	31	28	25	/	11	16	32	/	18	12	14	/	
	Fine industries/ others	40	27	16	/	30	15	17	/	19	11	11	/	
Area	Domestic		50	31	30	32	28	25	39	31	26	24	27	22
	Overseas	Middle East	28	44	41	/	46	16	59	/	52	28	33	/
		Russia	1	11	14	68	8	50	0	69	6	37	33	78
		Asia and others	21	14	15	/	18	9	2	/	16	11	7	/

Major Completed Construction Contracts (*) completed portion

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> • LNG plant (Oman) (*) • Sakhalin II LNG project (Russia) (*) • LNG plant train 4 (Qatar/Ras Laffan Liquefied Natural Gas) (*) 	
Under 10 billion yen	<ul style="list-style-type: none"> • Gas development project phase I additional work (Qatar/ ExxonMobil) (*) • Natural gas development (Indonesia) (*) • Methanol plant (Saudi Arabia) (*) 	<ul style="list-style-type: none"> • Flue gas desulfurization plant for Maizuru Thermal Power Station 1 (Kansai Electric Power) • LNG receiving terminal (Mizushima LNG) (*) • LPG storage terminals in Kamisu, Fukushima and Namikata (Japan LPG Storage) (*) • Capacity increase of fluid catalytic cracking (FCC) plant at Keihin refinery (TOA Oil) • Ultra low sulfur gasoline project (Fuji Oil) • Ultra low sulfur gasoline project (Nippon Petroleum Refining)

Major Contracts Carried Over

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> • Sakhalin II LNG project (Russia) • LNG plant train 4 & 5 (Qatar/Ras Laffan Liquefied Natural Gas) • Gas development project phase I additional work (Qatar/ ExxonMobil) • LNG plant (Oman) 	<ul style="list-style-type: none"> • Mizushima LNG terminal (Mizushima LNG) • LPG storage terminals in Kamisu, Fukushima and Namikata (Japan LPG Storage)
Under 10 billion yen	<ul style="list-style-type: none"> • Fertilizer plant (Iran) • Ethylene plant additional work (Saudi Arabia) 	<ul style="list-style-type: none"> • Pharmaceutical laboratory (Mitsubishi Pharma) • Ethylene cracker (Mitsubishi Chemical Engineering and Mitsubishi Chemical) • Ultra low sulfur gasoline project (Showa Yokkaichi Sekiyu) • Mixed xylene plant (Seibu Oil) • Ultra low sulfur gasoline project (Seibu Oil)