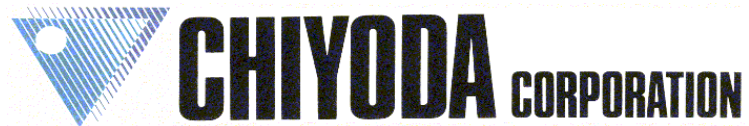




# Financial Results for FY2005

May 15,2006



# 1. Financial Data

(¥ billion)

	2005/3	2006/3	Difference	YoY increase	Forecasts in May 2005	Difference
New contracts	411.2	804.2	393.0	96%	350.0	454.2
Revenues	267.6	390.8	123.2	46%	310.0	80.8
Operating income	11.0	20.7	9.7	87%	14.0	6.7
Ordinary income	11.5	23.1	11.6	100%	14.0	9.1
Net income	12.8	19.4	6.5	51%	14.5	4.9
Dividend	¥6	¥10	¥4		¥8	¥2
Exchange rate	¥107/\$	¥117/\$			¥100/\$	

## 2. Revenues and Operating Income

(¥ billion)

	2005/3	2006/3	Difference
Revenues	267.6	390.8	123.2
Operating income margin	4.1%	5.3%	1.2%
Operating income	11.0	20.7	9.7

(1) Factors driving operating income growth of ¥ 9.7billion

(¥ billion)

	Contribution amount	Contribution ratio
Increase in revenues	5.8	60%
Improvement of operating income margin	3.9	40%
Total	9.7	100%

## 2. Revenues and Operating Income

(2) Breakdown of ¥ 123.2 billion increase in revenues

(¥ billion)

	2005/3	2006/3	Difference	YoY
Gas & Power	162.5	284.5	122.0	75%
LNG	110.8	230.2	119.4	108%
Gas development	33.5	17.4	(16.1)	(48%)
Receiving terminals & others	18.2	36.9	18.7	103%
Gas chemicals	14.7	7.9	(6.8)	(46%)
Petroleum and petrochemicals	57.0	53.7	(3.3)	(6%)
Fine industries and others	33.4	44.7	11.3	34%
Total	267.6	390.8	123.2	46%

(3) Breakdown of ¥ 1.2% increase in operating income margin

	2005/3	2006/3	Difference
Gross margin	7.4%	7.8%	0.4%
SG&A ratio	3.3%	2.5%	(0.8%)
Operating income margin	4.1%	5.3%	1.2%

### 3. Other Income and Expenses

(¥ million)

	2005/3	2006/3
<b>Other Income</b>		
Interest and dividend income	742	2,667
Equity in earnings of associated companies	152	193
Rent income	247	269
Others	141	151
<b>Other Expenses</b>		
Interest expense	(304)	(302)
Foreign exchange loss	(102)	(174)
Cost of rent income	(149)	(148)
Others	(218)	(223)

\* Interest balance: Interest and dividend income (¥2,667 million) less Interest expense (¥302 million) = ¥2,365 million

## 4. Extraordinary Gain and Loss

(¥ million)

	2005/3	2006/3
<b>Extraordinary Gain</b>		
Reversal of allowance for doubtful accounts	1,073	1,367
Reversal of allowance for contingency loss	200	-
Others	34	223
<b>Extraordinary Loss</b>		
Loss on termination of certain retirement benefit plans	-	(1,995)
Settlement of construction contract	-	(469)
Loss on sale of fixed assets	(390)	-
Impairment loss	(233)	(127)
Loss on removal of fixed assets	(98)	-
Others	(124)	(254)

## 5. Balance Sheets

(¥ billion)

	05/3	06/3	Difference		05/3	06/3	Difference
<b>Current assets</b>	162.0	256.6	94.6	<b>Current liabilities</b>	139.7	205.1	65.4
Cash and time deposits	42.3	47.0	4.7	Short-term loans	10.1	0	(10.1)
Trade receivable and costs of revenues in process	62.6	64.8	2.2	Trade payable and advance receipts on revenues	118.7	187.8	69.1
Jointly controlled asset of joint venture	49.9	131.3	81.4	Others	10.8	17.2	6.4
Others	7.0	13.3	6.3				
<b>Fixed assets</b>	20.8	23.0	2.2	<b>Non-current liabilities</b>	6.2	19.0	12.8
Property, plant and equipment	6.7	7.0	0.3	Long-term debt	0.2	10.1	9.9
Intangible fixed assets	2.8	3.1	0.3	Others	6.0	8.8	2.8
Investments and other assets	11.2	12.8	1.6	<b>Total Shareholders' Equity</b>	36.8	55.5	18.7
<b>Assets</b>	182.8	279.7	96.9	<b>Total Liabilities and Shareholders' Equity</b>	182.8	279.7	96.9

### [Note ]

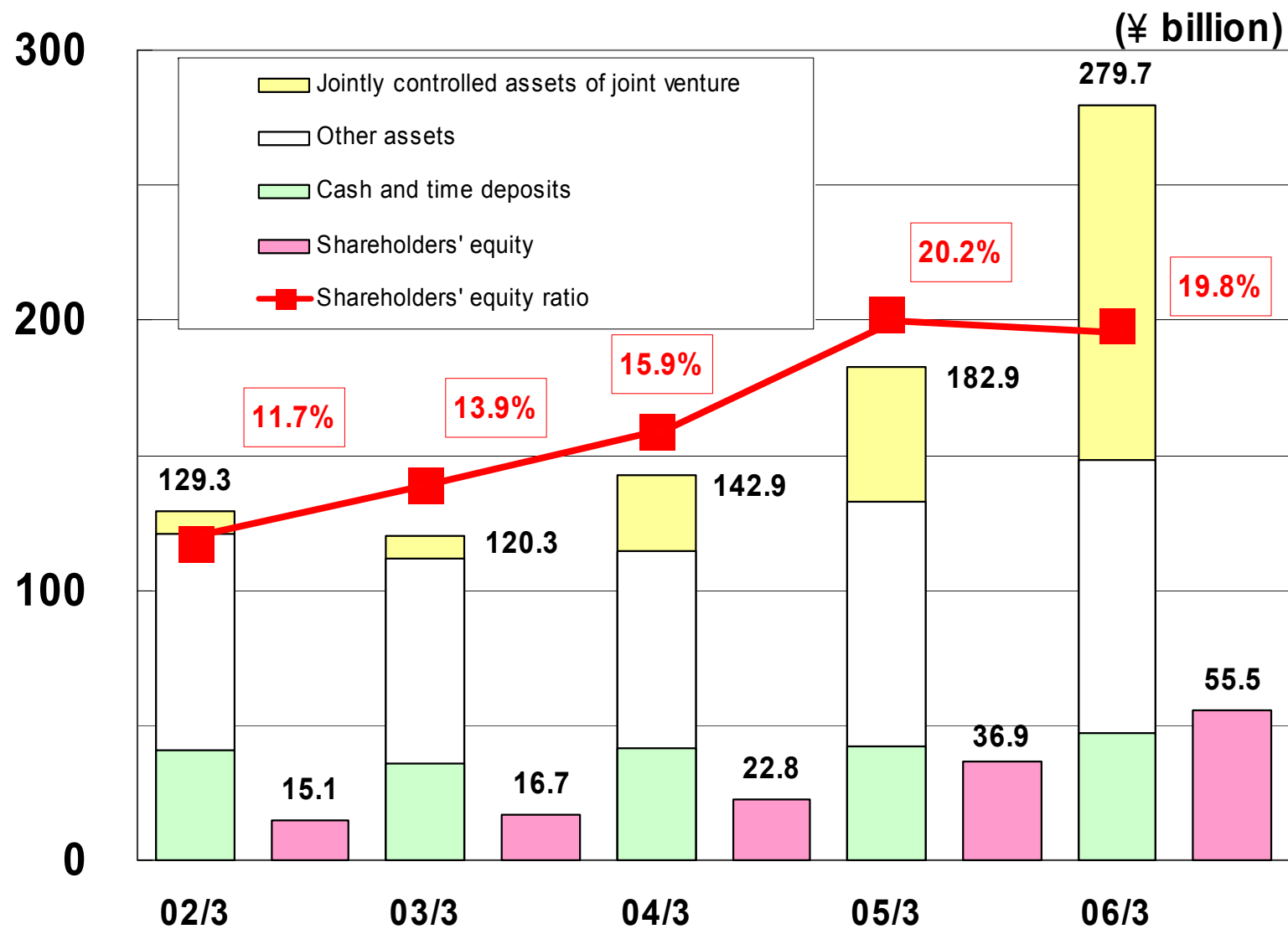
Trade receivable and costs of revenues in process: Notes receivable + Trade receivable (revenues) + Costs of revenues in process

Trade payable and advance receipts on revenues : Notes payable + Trade payable (revenues) + Advance receipts on revenues

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

Cash equivalents: Cash and time deposits 47.0 + Jointly controlled assets of joint venture 131.3 = 178.3P

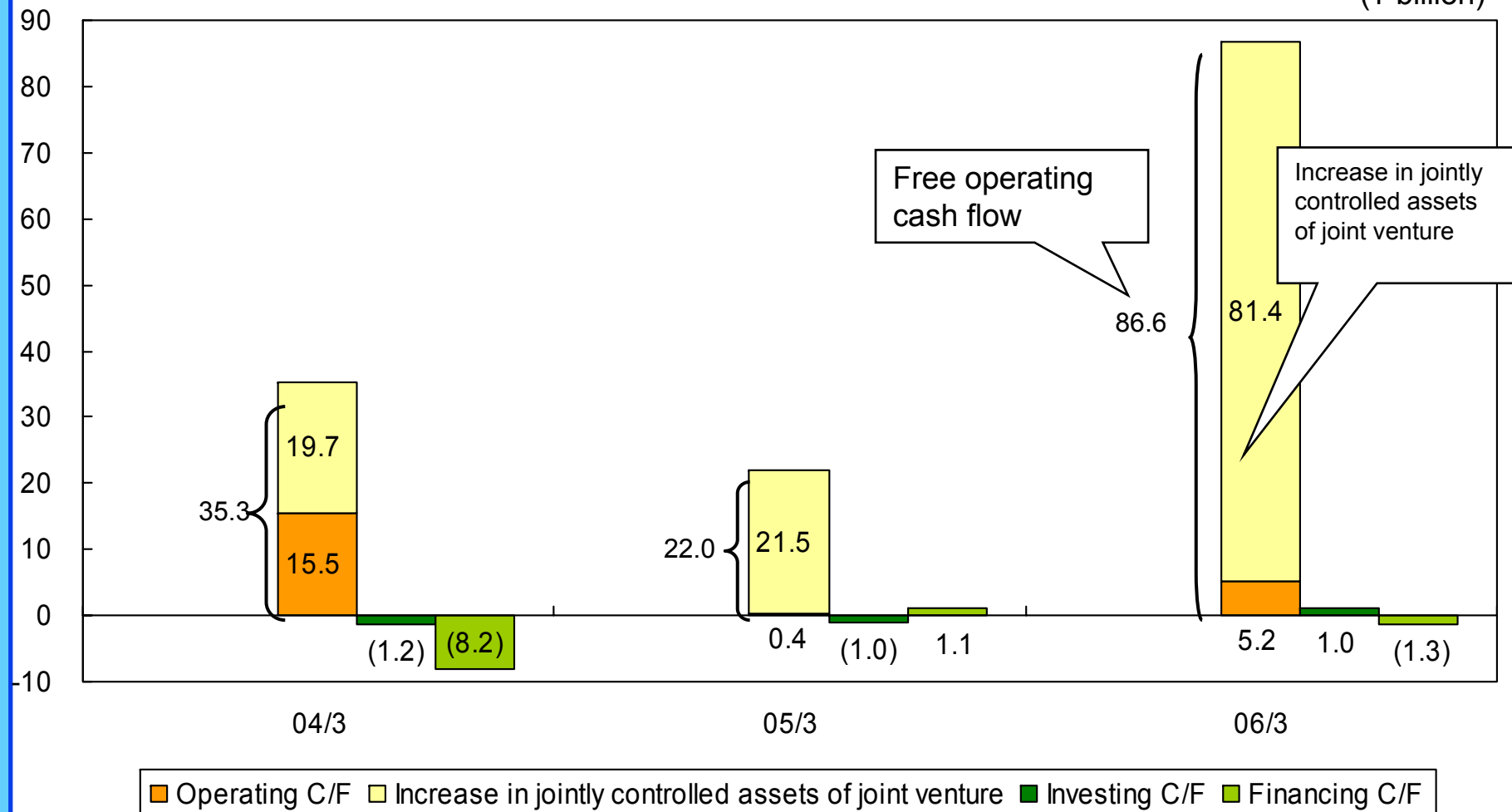
## 6. Stability



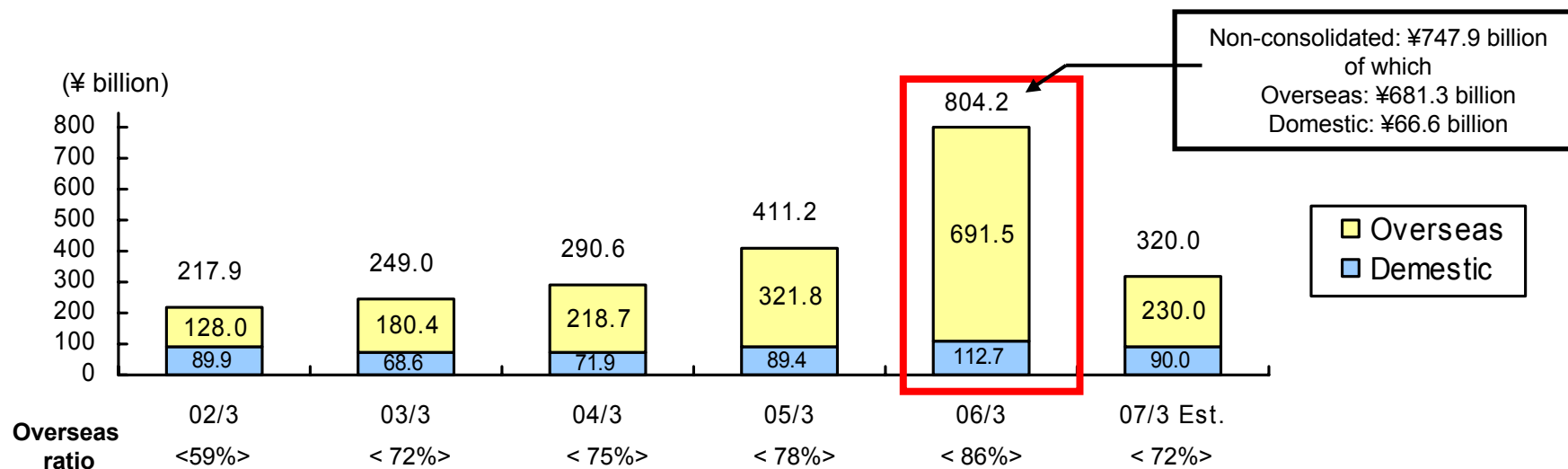


# 7. Cash Flow

(¥ billion)



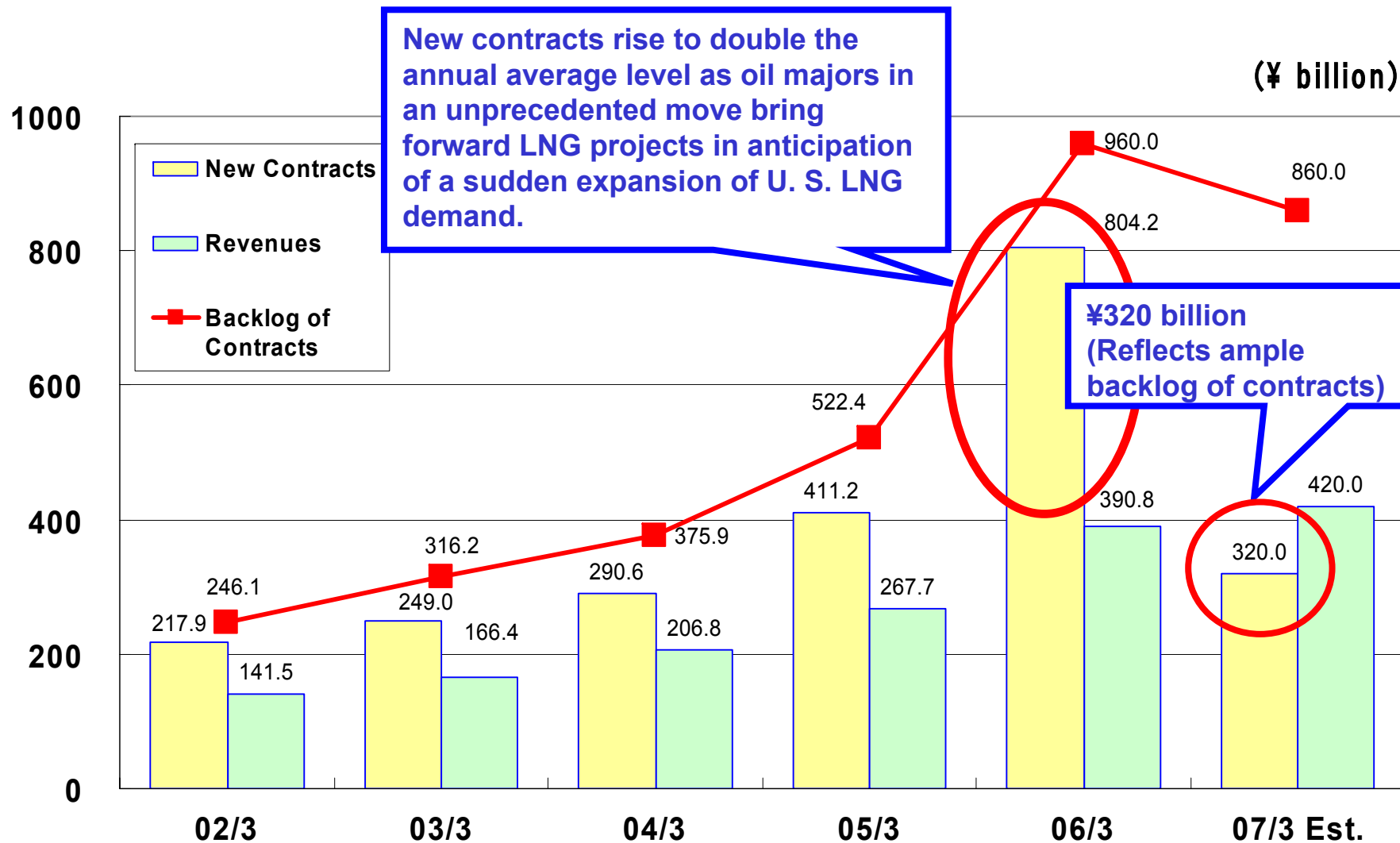
## 8. New Contracts



### New Contracts

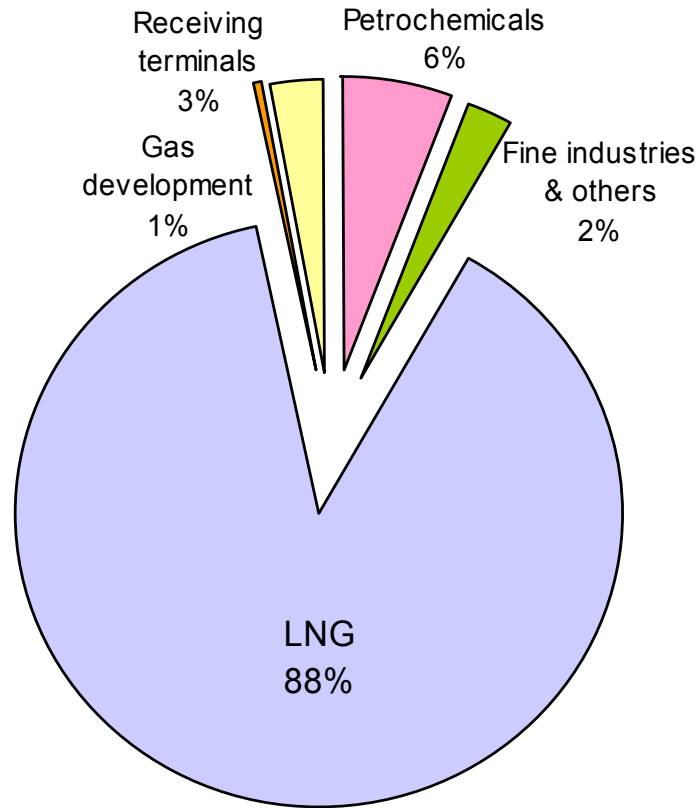
	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>•LNG plant Trains 6 &amp; 7 of Ras Laffan Liquefied Natural Gas (3) in Qatar</li> <li>•LNG plant Trains 4 &amp; 5 for Qatar Liquefied Gas Company Limited (II) in Qatar</li> <li>•LNG plant Trains 6 &amp; 7 of Qatar Liquefied Gas Company Limited (3) &amp; (4) in Qatar</li> </ul>	<ul style="list-style-type: none"> <li>• Aromatics complex for Japan Energy Corporation</li> </ul>
Under 10 billion yen	<ul style="list-style-type: none"> <li>•Licensing to Southern Company Services (U.S.A.) for Southern Company (U.S.A.)</li> <li>•Licensing to Black &amp; Veatch Corporation (U.S.A.) for American Electric Power (U.S.A.) and Alabama Electric Cooperative, Inc. (U.S.A.)</li> </ul>	<ul style="list-style-type: none"> <li>• BTX facility for Taiyo Oil Co., Ltd.</li> <li>• Topper energy-saving operation for Kashima Oil Co., Ltd.</li> <li>• Re-operation of LNR plant for Idemitsu Kosan Co., Ltd.</li> <li>• Regulatory maintenance for Toa Oil Co., Ltd.</li> <li>• Integration of drug formulation plant for Asahi Kasei Pharma Corporation</li> </ul>

# 9. Progress in Last 5 Years

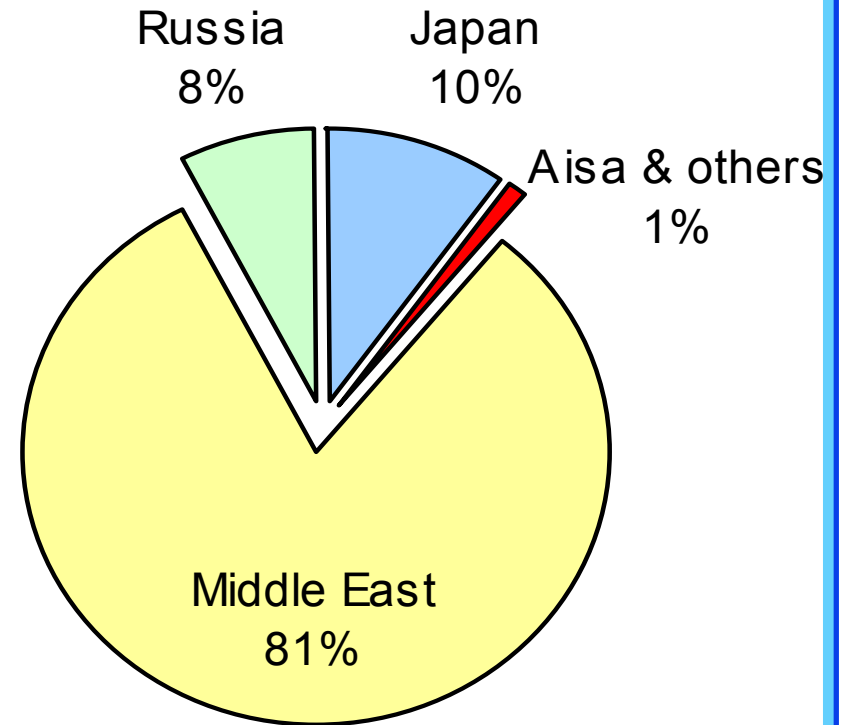


# 10. Backlog of Contracts

**Breakdown by Business Segment**



**Breakdown by Geographic Region**



**Consolidated Backlog of Orders**  
**¥960.5 billion**  
 (As of March 2006)

# 11. Forecasts for FY2006

(¥ billion)

	2006/3	2007/3 forecast	Difference	2006/9 forecast	2005/9 actual
New contracts	804.2	320.0	(484.2)	160.0	442.1
Revenues	390.8	420.0	29.2	190.0	165.5
Operating income	20.7	25.0	4.3	10.5	8.2
Ordinary income	23.1	28.0	4.9	12.0	9.0
Net income	19.4	16.5	(2.9)	7.0	10.6
Dividend	¥ 10	¥ 14	¥ 4		
Exchange rate	¥ 117/\$	¥ 110/\$			

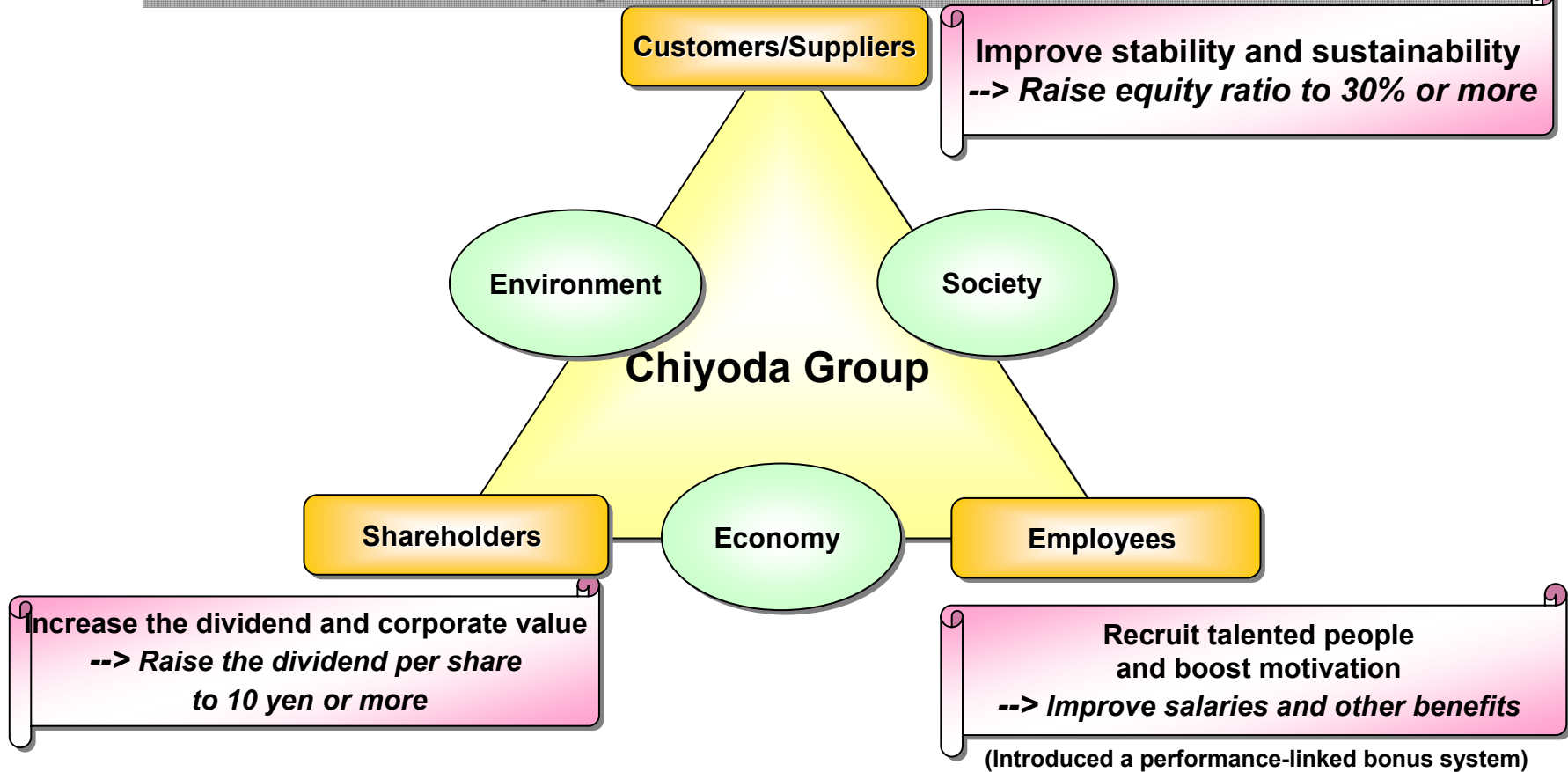
### Forward-looking Statements

The forecasts and plans in this presentation are based on information available to management on May 15, 2006, 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.

# 12. Earnings Distributions

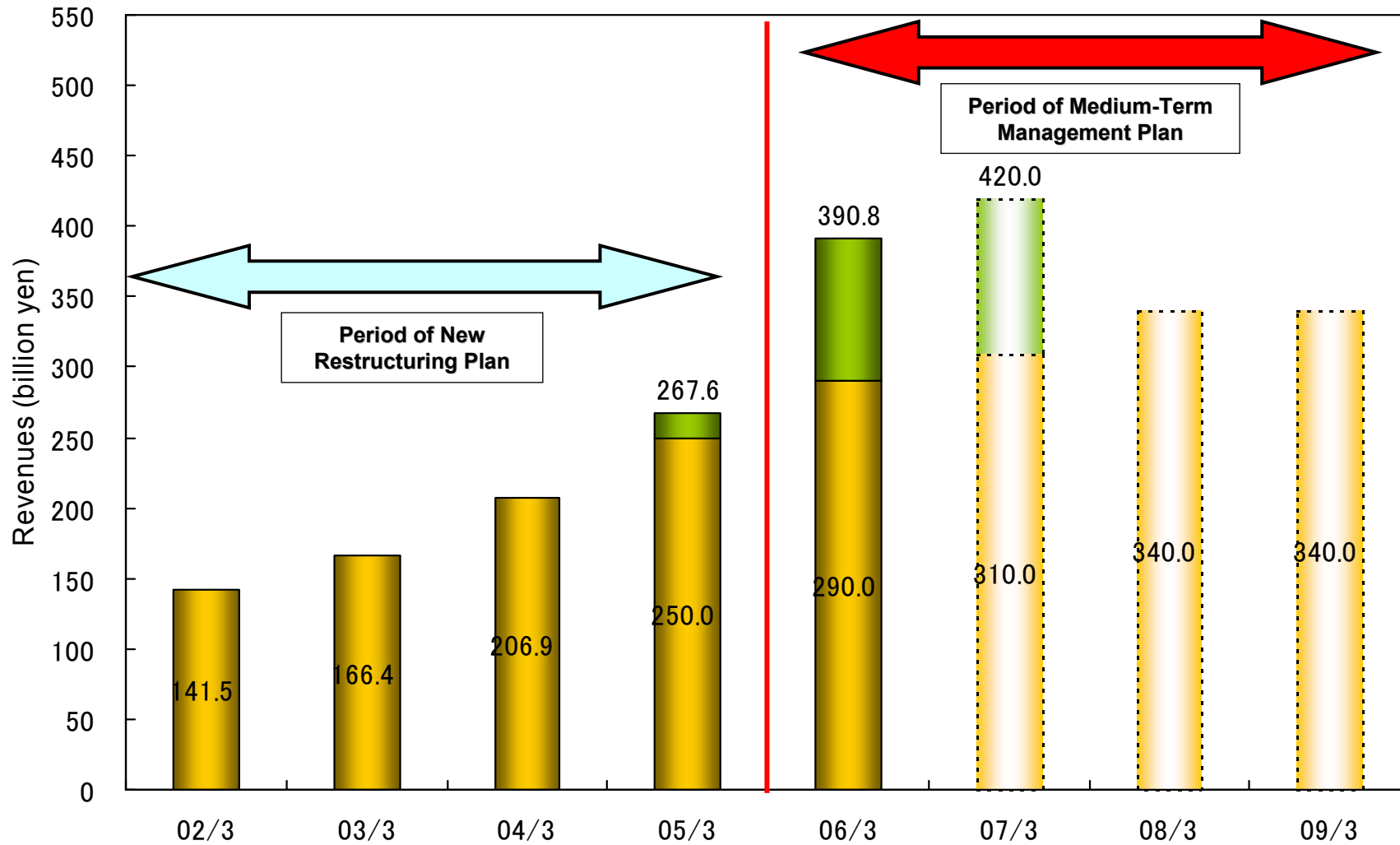
**Medium-Term Management Plan**

**Double Step-Up 2008 aims to achieve sustained satisfaction in a balanced manner among three stakeholder groups: customers/suppliers, shareholders and employees.**



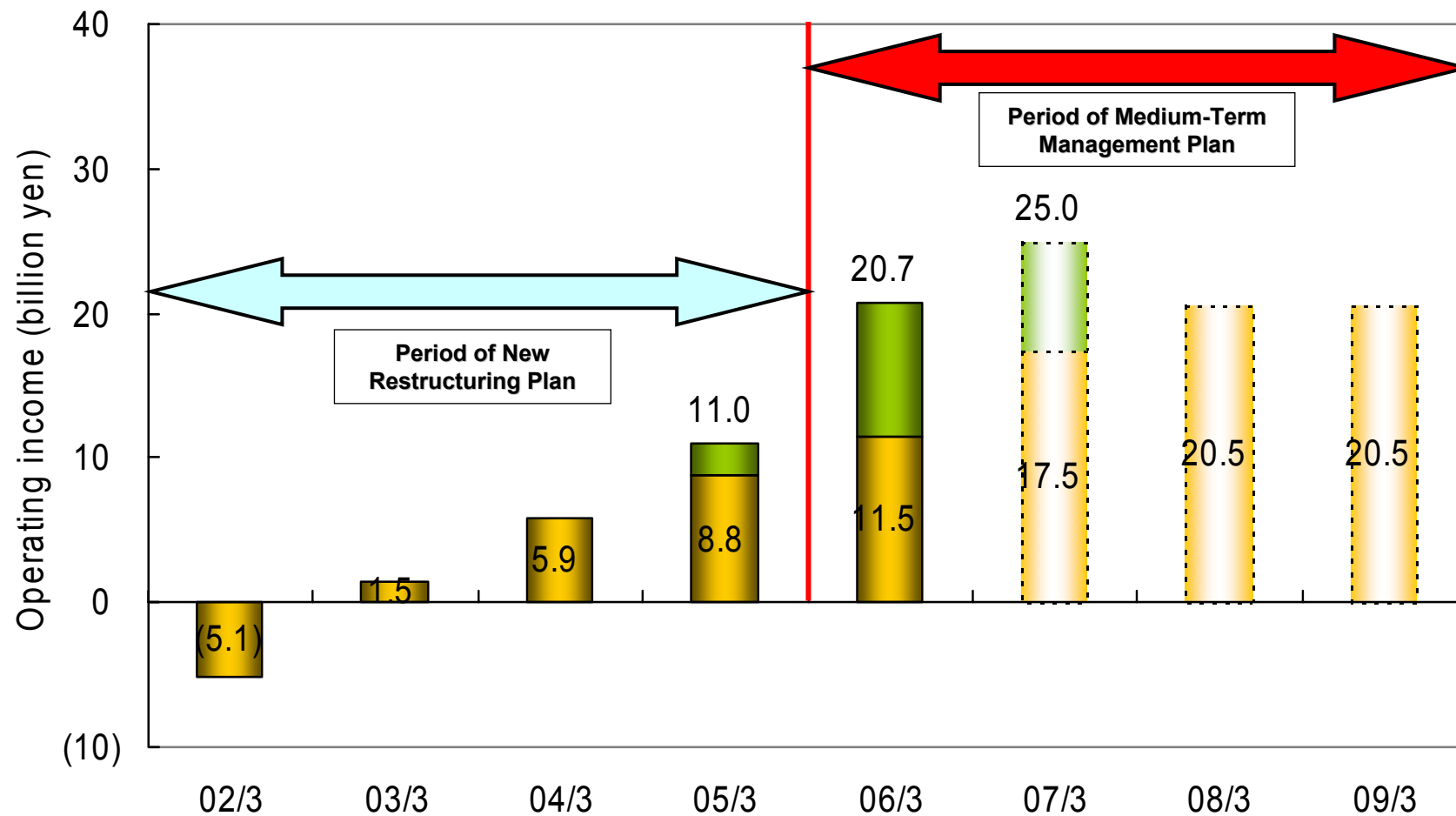
# 13. Growth Projection (Revenues)

**Medium-Term Management Plan**



# 14. Growth Projection (Operating Income)

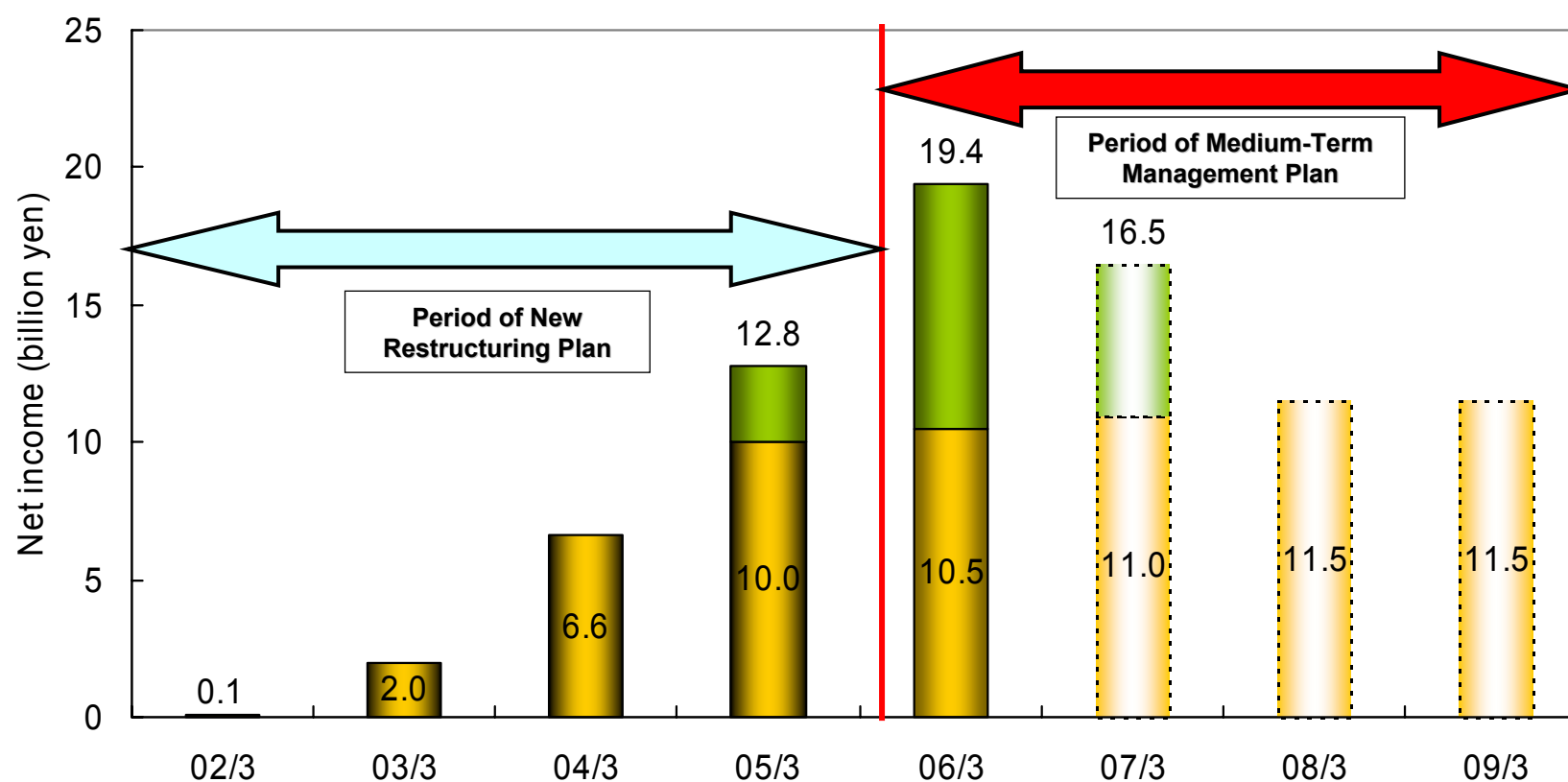
Medium-Term  
Management Plan





# 15. Growth Projection (Net Income)

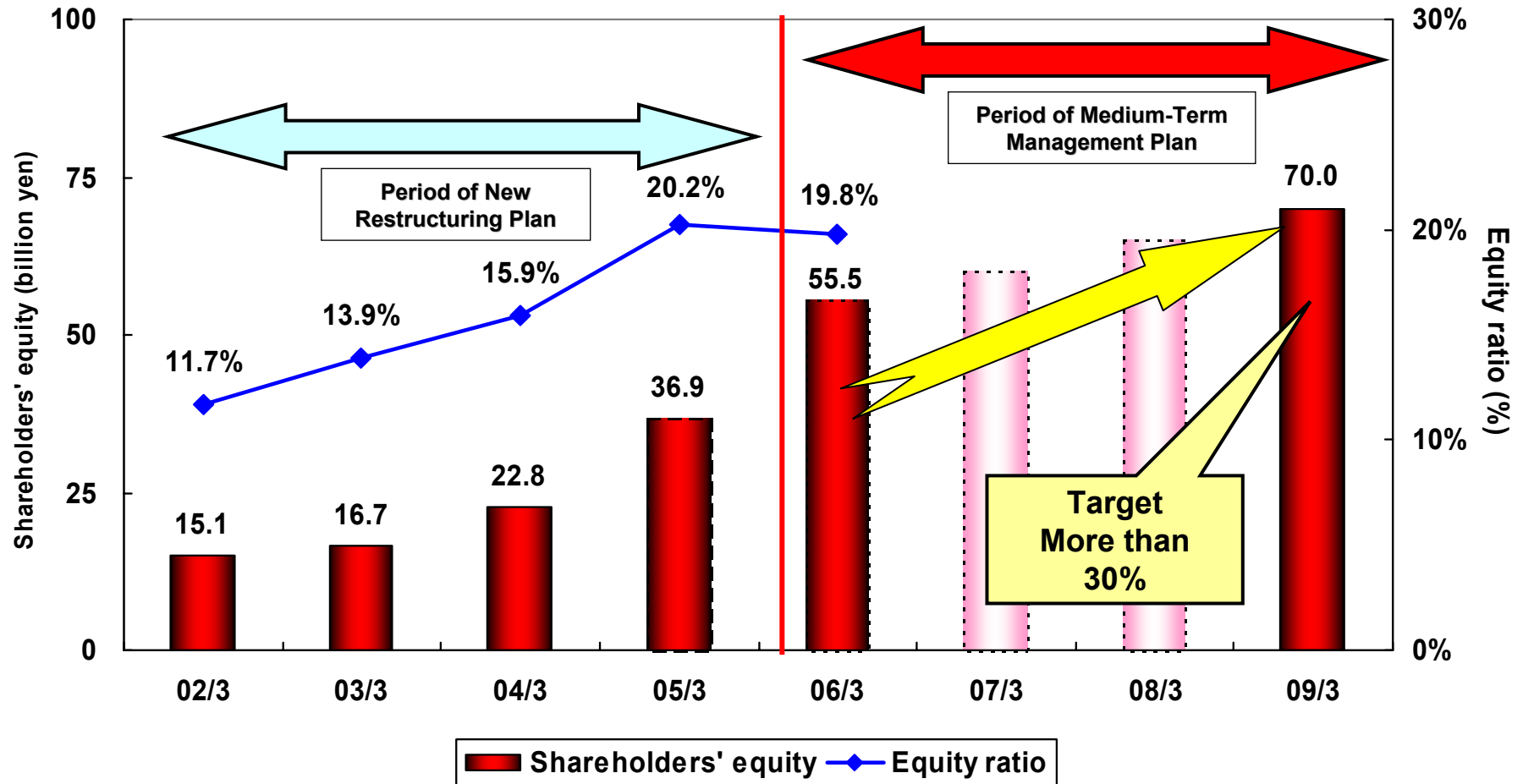
Medium-Term  
Management Plan



- Notes:
1. The ordinary income projection is about the same as for operating income because the plan includes no net non-operating income or expenses.
  2. The only extraordinary item in the plan is a loss resulting from the adoption of a different system for retirement pension plan.
  3. Net income figures after fiscal 2005 will be smoothed because net income in prior years includes the effect of losses carried forward for tax purposes.

# 16. Performance Targets

**Medium-Term Management Plan**



## Consolidated Performance Indicators

	04/3	05/3	06/3	07/3 forecast
Gross profit rate (%)	6.8	7.4	7.8	8.3
SG&A expenses to revenues (%)	4.0	3.3	2.5	2.3
Operating income to revenues (%)	2.8	4.1	5.3	6.0
Ordinary income to revenues (%)	3.1	4.3	5.9	6.7
Net income to revenues (%)	3.2	4.8	5.0	3.9
Return on assets (ROA) (%)	4.8	7.1	10.0	-
Return on equity (ROE) (%)	33.7	43.1	42.0	-
Net income per share (EPS) (Yen)	35.91	68.62	101.27	-
Book-value per share (BPS) (Yen)	123.04	193.22	288.88	-
Equity ratio (%)	15.9	20.2	19.8	-
Current ratio (%)	115.0	115.9	125.1	-
Fixed ratio (%)	98.0	56.6	41.6	-
Debt-to-equity ratio (DER) (Times)	0.46	0.28	0.18	-

## Consolidated Segment Information

		Revenues (%)				New contracts (%)				Backlog of contracts (%)				
		04/3	05/3	06/3	07/3 Est.	04/3	05/3	06/3	07/3 Est.	04/3	05/3	06/3	07/3 Est.	
Business segment	Gas & Power	46	61	73	/	73	74	86	/	80	85	92	/	
	Gas chemicals	19	6	2	/	2	3	0	/	3	2	0	/	
	Petroleum and petrochemicals	19	21	14	/	15	13	9	/	11	7	6	/	
	Fine industries & others	16	12	11	/	10	10	5	/	6	6	2	/	
Geographic segment	Japan	31	33	27	20	25	22	14	30	24	17	10	12	
	Overseas	Middle East	44	36	51	/	16	70	82	/	28	57	81	/
		Russia	11	19	14	80	50	3	2	70	37	20	8	88
		Asia and others	14	12	8	/	9	5	2	/	11	6	1	/

**Revenues**

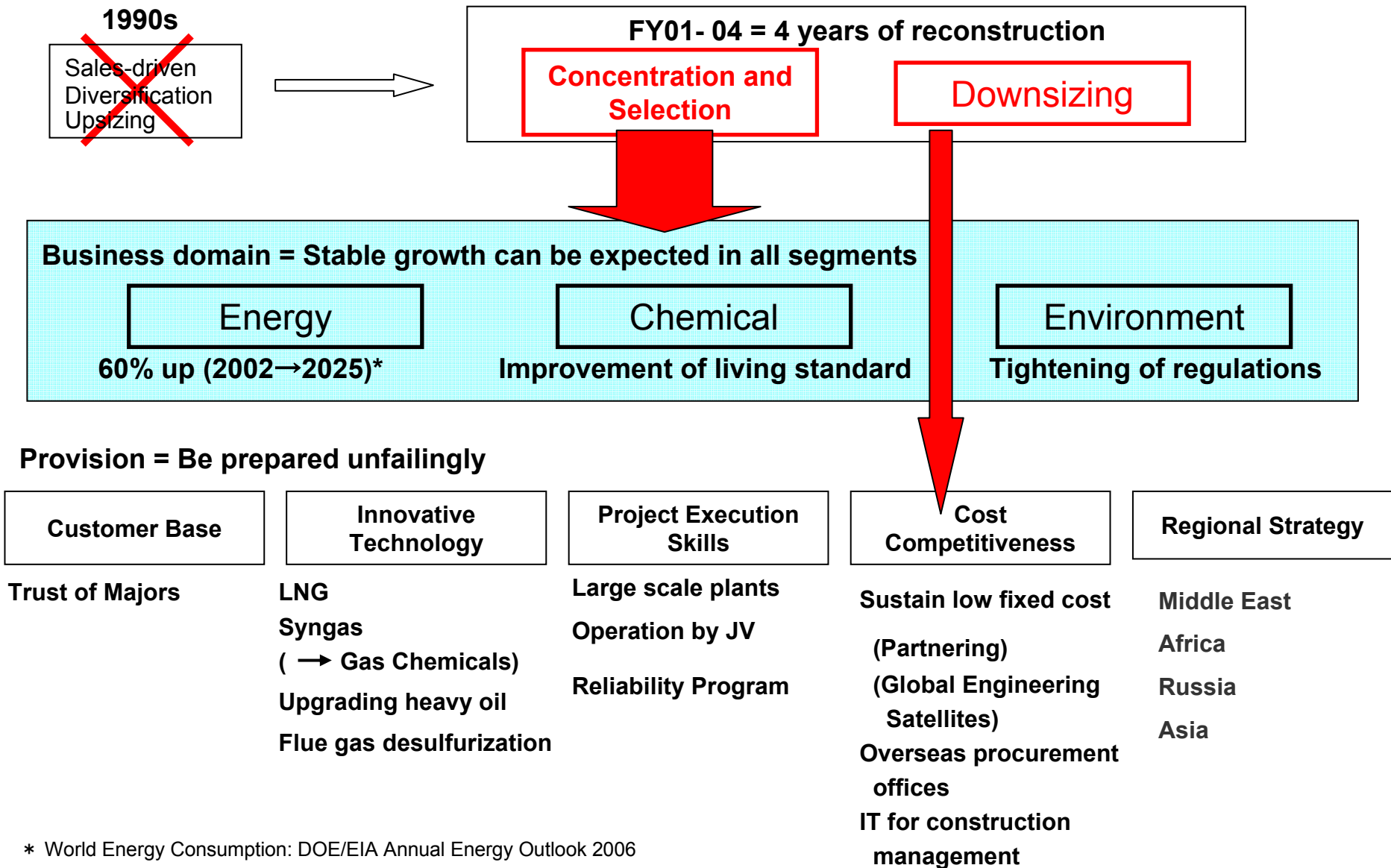
\* completed portion

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>• LNG plant in Oman</li> <li>• LNG plant Trains 3 &amp; 4 for Ras Laffan Liquefied Natural Gas (II) in Qatar</li> <li>• LNG plant Trains 4 &amp; 5 of Qatar Liquefied Gas Company Limited (II) in Qatar (*)</li> <li>• Sakhalin II LNG project in Russia (*)</li> </ul>	
Under 10 billion yen	<ul style="list-style-type: none"> <li>• SMPO/MPG plants in China</li> </ul>	<ul style="list-style-type: none"> <li>• Mizushima LNG terminal</li> <li>• Synthesizing plant for clinical trial for Eisai</li> <li>• Ethylene cracker for Mitsubishi Chemical Engineering and Mitsubishi Chemical</li> <li>• LPG storage terminals in Kamisu, Fukushima and Namikata</li> <li>• Low grade heat generation system for Fuji Oil Company, Ltd.</li> <li>• Mixed xylene plant for Seibu Oil Co., Ltd.</li> <li>• Lube oil/grease mixing and filling plant for Nippon Petroleum Refining (*)</li> </ul>

**Backlog**

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>• LNG plant Trains 6 &amp; 7 for Ras Laffan Liquefied Natural Gas (3) in Qatar</li> <li>• LNG plant Trains 4 &amp; 5 for Qatar Liquefied Gas Company Limited (II) in Qatar</li> <li>• Sakhalin II LNG project in Russia</li> <li>• LNG plant Train 5 for Ras Laffan Liquefied Natural Gas (II) in Qatar</li> <li>• LNG plant Trains 6 &amp; 7 for Qatar Liquefied Gas Company Limited (3) &amp; (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Aromatics complex for Japan Energy Corporation</li> <li>• LPG storage terminals in Kamisu, Fukushima and Namikata</li> </ul>
Under 10 billion yen	<ul style="list-style-type: none"> <li>• Acetic acid plant in China</li> <li>• Gas development project additional work for ExxonMobil in Qatar</li> <li>• Fertilizer plant in Iran</li> <li>• BOG/SRU plants in United Arab Emirates</li> </ul>	<ul style="list-style-type: none"> <li>• BTX facility for Taiyo Oil Co., Ltd.</li> <li>• Lube oil/grease mixing and filling plant for Nippon Petroleum Refining</li> </ul>

Step-up from "Revitalization" to "DPS2008", and toward "Medium to long-term stable growth"  
 We made a position as a competitive enterprise in the market that expects stable growth



\* World Energy Consumption: DOE/EIA Annual Energy Outlook 2006



### **Forward-looking Statements**

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Please address inquiries to: Takuhiro Murata, IR Manager, Corporate Communications Office  
Tel: +81-45-506-7538 Fax: +81-45-506-7085 Cell: 090-3348-3484  
e-Mail: [tamurata@ykh.chiyoda.co.jp](mailto:tamura@ykh.chiyoda.co.jp) URL: <http://www.chiyoda-corp.com/>