

**CHIYODA CORPORATION**  
**Financial Results**  
**for Fiscal 2006 First Quarter Ended June 30, 2006**



This document has been prepared as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. This document is a translation of excerpts taken from the Japanese language original. All numbers are rounded down to the nearest unit in accordance with standard Japanese practice. Please be advised that the Company cannot accept responsibility for investment decisions made based on the information contained in this report.

## Summary of Financial Statements (Consolidated) for Fiscal 2006 First Quarter

Listed Exchanges	Tokyo
Head Office	Kanagawa, Japan
Stock Code	6366
President & CEO	Nobuo Seki
Inquiries	Shinji Kusunoki, General Manager, Accounting Department
Telephone	+81-45-506-9410

### 1. Notes on presentation of three-month operating results

- (1) Application of the simple method: Yes  
(See Page 6 of Attachments)
- (2) Changes in accounting treatment from the most recent consolidated fiscal year: No
- (3) Changes in the scope of the consolidation and the application of the equity method: Yes  
(See Page 6 of Attachments)

### 2. Results of operation for the three-month period ended June 2006 (April 1, 2006–June 30, 2006)

#### 1) Consolidated Business Results

	<i>Millions of Yen</i>				
	Apr. 1, 2006— Jun. 30, 2006	Apr. 1, 2005 — Jun. 30, 2005	(reference) Apr. 1, 2005 — Mar. 31, 2006		
		<i>Change (%)</i>		<i>Change (%)</i>	
Revenues .....	91,170	33.6%	68,261	—	390,875
Operating Income .....	6,654	74.5%	3,814	—	20,729
Ordinary Income .....	7,721	86.4%	4,141	—	23,161
Net Income .....	4,399	(9.0%)	4,832	—	19,400
Net Income per Share (¥) .....	22.89		25.30		101.27
Fully Diluted Net Income per Share (¥) ...	22.86		25.12		100.80

- (Notes) 1. Percentage change figures are comparisons with the same quarter of the previous fiscal year.  
2. Previous fiscal year three-month data and year-on-year comparisons are not presented since this is the first three-month financial report for Chiyoda.

#### 2) Changes in Consolidated Financial Position

	<i>Millions of Yen</i>		
	As of Jun. 30, 2006	As of Jun. 30, 2005	(reference) As of Mar. 31, 2006
Total Assets .....	316,561	192,296	279,721
Net Assets .....	57,905	40,745	55,508
Equity Ratio .....	18.2%	21.2%	19.8%
Net Assets per Share(¥) .....	299.47	213.14	288.88

### 3) Consolidated Cash Flows

	<i>Millions of Yen</i>		
	Apr. 1, 2006 — Jun. 30, 2006	Apr. 1, 2005 — Jun. 30, 2005	(reference) Apr. 1, 2005 — Mar. 31, 2006
Net cash provided by operating activities .....	3,580	1,195	5,237
Net cash used in investing activities .....	(551)	(80)	1,051
Net cash used in financing activities .....	(1,659)	(947)	(1,338)
Cash and cash equivalents at end of period .....	48,363	40,766	46,878

### 3. Consolidated Operations Forecast for the Year Ending March 31, 2007

	<i>Millions of Yen</i>	
	Apr. 1, 2006 – Mar. 31, 2007	
	<i>Interim period</i>	<i>Full term</i>
Revenues .....	190,000	420,000
Ordinary Income .....	12,000	28,000
Net Income .....	7,000	16,500

(Note) Projected net income per share for the year ending March 31, 2007

85.85yen

## Results of Operations and Financial Condition for FY2006 First Quarter

### 1. Consolidated Results of Operations

In the first quarter of the current fiscal year, the three-month period that ended on June 30, 2006, prices of crude oil and natural gas remained high due to increasing global demand for energy. Due to expectations for continued growth in demand for natural gas, gas-producing nations and major energy companies continue to raise investments worldwide in gas-related projects, including upstream activities. In Japan, oil companies are investing in petrochemical facilities to target opportunities in Asia and in facilities targeting the growing gap between prices of heavy and light grades of oil. These companies are also conducting large-scale energy-conservation projects. The result is a high volume of large-scale projects using sophisticated technologies to make refineries in Japan more competitive.

First quarter consolidated new contracts totaled 171,738 million yen, 79.3% more than in the first quarter of the previous fiscal year. A large order from ExxonMobil Middle East Gas Marketing Limited for the Al Khaleej gas development project in Qatar was a major component of first quarter new contracts. As a result, the backlog of contracts rose 86.1% to 1,035,846 million yen. Revenues increased 33.6% to 91,170 million yen, ordinary income increased 86.4% to 7,721 million yen and net income decreased 9.0% to 4,399 million yen.

### 2. Financial Condition

Net assets increased 2,397 million yen, causing the equity ratio to decline 1.6 percentage points compared with March 31, 2006 to 18.2%. This is a temporary decline caused by a 36,840 million yen increase in total assets associated with the high volume of new contracts. These contracts raised the volume of Chiyoda's share of jointly controlled assets at joint ventures due to the receipt of advance payments.

Operating cash flows were positive, providing net cash of 3,580 million yen.

### 3. Outlook for the Year Ending March 31, 2007

Due to strong market conditions in Japan and overseas, Chiyoda is raising its forecasts for new contracts from ¥320 billion to ¥400 billion for consolidated results and from ¥280 billion to ¥350 billion for non-consolidated results. Although operating results are generally strong, Chiyoda is making no revisions at this time to its consolidated and non-consolidated forecasts announced on May 15, 2006 for the first half of the current fiscal year and the entire fiscal year. Forecasts continue to assume an exchange rate of 110 yen to the U.S. dollar. The fiscal year dividend forecast is unchanged at 14 yen per share.

### Forward Looking Statements

Chiyoda expects to smoothly implement ongoing projects. However, project completions may be pushed back by substantial increases in prices of materials and equipment or delays in the delivery of materials and equipment caused by shortages or other factors. Regarding future projects, any substantial increases in equipment and material prices and foreign exchange rate movements may significantly affect the Group's operating results.

## 1. Summary Consolidated Balance Sheets

	Millions of Yen				
	1Q FY2006 As of Jun. 30, 2006		1Q FY2005 As of Jun. 30, 2005		As of Mar. 31, 2006
		%		%	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and time deposits.....	48,517		41,325		47,033
Notes and accounts receivable-trade .....	28,143		30,594		46,976
Costs of construction contracts in process .....	33,532		31,260		17,923
Deferred tax assets .....	1,868		3,803		1,750
Jointly controlled asset of joint venture.....	170,512		59,786		131,336
Other .....	11,284		5,354		11,769
Allowance for doubtful accounts .....	(61)		(202)		(167)
<b>Total Current Assets .....</b>	<b>293,797</b>	<b>92.8</b>	<b>171,922</b>	<b>89.4</b>	<b>256,623</b>
<b>Fixed Assets</b>					
Property, plant and equipment .....	7,026		6,947		7,085
Intangible fixed assets.....	3,046		2,752		3,168
Investments and other assets					
Investment securities .....	5,501		4,292		5,701
Deferred tax assets .....	4,162		110		4,157
Other .....	4,525		8,384		4,718
Reserves .....	(1,497)		(2,114)		(1,732)
<b>Total investments and other assets .....</b>	<b>12,691</b>		<b>10,673</b>		<b>12,844</b>
<b>Total Fixed Assets .....</b>	<b>22,764</b>	<b>7.2</b>	<b>20,373</b>	<b>10.6</b>	<b>23,097</b>
<b>Total Assets .....</b>	<b>316,561</b>	<b>100.0</b>	<b>192,296</b>	<b>100.0</b>	<b>279,721</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Current Liabilities</b>					
Notes and accounts payable-trade .....	86,415		77,152		85,901
Current portion of long-term debt .....	76		10,094		46
Income taxes payable.....	3,558		294		3,989
Advance receipts on construction contracts ...	139,906		48,942		101,979
Reserves.....	3,649		2,207		5,873
Other .....	7,749		6,270		7,402
<b>Total Current Liabilities .....</b>	<b>241,355</b>	<b>76.2</b>	<b>144,961</b>	<b>75.4</b>	<b>205,192</b>
<b>Non-Current Liabilities</b>					
Long-term debt .....	10,133		209		10,168
Liability for retirement benefits .....	5,393		5,925		8,392
Other liabilities .....	1,772		87		136
<b>Total Non-Current Liabilities .....</b>	<b>17,300</b>	<b>5.5</b>	<b>6,222</b>	<b>3.2</b>	<b>18,698</b>
<b>Total Liabilities .....</b>	<b>258,655</b>	<b>81.7</b>	<b>151,184</b>	<b>78.6</b>	<b>223,890</b>
<b>Minority Interests .....</b>			<b>366</b>	<b>0.2</b>	<b>322</b>
<b>Shareholders' Equity</b>					
Common stock .....			12,765	6.6	12,901
Additional paid-in capital.....			6,549	3.4	6,684
Retained earnings .....			22,310	11.6	36,877
Net unrealized loss on available-for-sale securities.....			33	0.0	44
Foreign currency translation adjustments.....			(616)	(0.3)	(323)
Treasury stock.....			(296)	(0.1)	(676)
<b>Total Shareholders' Equity .....</b>			<b>40,745</b>	<b>21.2</b>	<b>55,508</b>
<b>Liabilities, Minority Interests and Shareholders' Equity .....</b>			<b>192,296</b>	<b>100.0</b>	<b>279,721</b>

## Summary of Consolidated Balance Sheets ( continued )

	<i>Millions of Yen</i>				
	1Q FY2006 As of Jun. 30, 2006		1Q FY2005 As of Jun. 30, 2005		As of Mar. 31, 2006
		%		%	
<b>Net Assets</b>					
<b>Shareholders' Equity</b>					
Common stock .....	12,909				
Additional paid-in capital .....	6,692				
Retained earnings .....	39,266				
Treasury stock .....	(724)				
<b>Total Shareholders' Equity</b> .....	<b>58,143</b>	<b>18.4</b>			
<b>Valuation and Exchange Rate Adjustments</b>					
Net unrealized loss on available-for-sale securities .....	(195)				
Deferred hedging losses .....	(173)				
Foreign currency translation adjustments	(214)				
Total valuation and exchange rate adjustments	(584)	(0.2)			
Minority interests .....	346	0.1			
<b>Total Net Assets</b> .....	<b>57,905</b>	<b>18.3</b>			
<b>Total Liabilities and Net Assets</b> .....	<b>316,561</b>	<b>100.0</b>			

## 2. Summary of Consolidated Statements of Income

	<i>Millions of Yen</i>					
	1Q FY2006 Apr. 1, 2006– Jun. 30, 2006	%	1Q FY2005 Apr. 1, 2005– Jun. 30, 2005	%	Apr. 1, 2005– Mar. 31, 2006	%
<b>Construction Contracts</b> .....	<b>91,170</b>	<b>100.0</b>	<b>68,261</b>	<b>100.0</b>	<b>390,875</b>	<b>100.0</b>
<b>Cost of Construction Contracts</b> .....	<b>81,796</b>	<b>89.7</b>	<b>62,139</b>	<b>91.0</b>	<b>360,322</b>	<b>92.2</b>
Gross profit .....	9,373	10.3	6,121	9.0	30,552	7.8
<b>Selling, General and Administrative Expenses</b> .....	<b>2,719</b>	<b>3.0</b>	<b>2,307</b>	<b>3.4</b>	<b>9,823</b>	<b>2.5</b>
Operating income .....	6,654	7.3	3,814	5.6	20,729	5.3
<b>Other Income</b>						
Interest .....	1,271		375		2,638	
Dividend income .....	16		16		29	
Equity in earnings of associated companies.....	—		—		193	
Other .....	173		108		420	
<b>Total Other Income</b> .....	<b>1,461</b>	<b>1.6</b>	<b>500</b>	<b>0.7</b>	<b>3,280</b>	<b>0.8</b>
<b>Other Expenses</b>						
Interest expense .....	73		72		302	
Equity in losses of associated companies.....	41		3			
Other.....	279		96		546	
<b>Total Other Expenses</b> .....	<b>394</b>	<b>0.4</b>	<b>172</b>	<b>0.2</b>	<b>848</b>	<b>0.2</b>
Ordinary income.....	7,721	8.5	4,141	6.1	23,161	5.9
<b>Extraordinary Gain</b>						
Reversal of allowance for doubtful accounts .....	122		947		1,367	
Other.....	52		1		223	
<b>Total Extraordinary Gain</b> .....	<b>174</b>	<b>0.2</b>	<b>949</b>	<b>1.4</b>	<b>1,590</b>	<b>0.4</b>
<b>Extraordinary Loss</b>						
Loss on termination of certain retirement benefit plans .....	—		—		1,995	
Settlement of construction contract Impairment loss .....	—		—		469	
Loss on sale of fixed assets .....	—		—		127	
Other .....	—		—		20	
<b>Total Extraordinary Loss</b> .....	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,845</b>	<b>0.7</b>
Profit before income taxes and minority interests .....	7,896	8.7	5,091	7.5	21,906	5.6
Total tax .....	3,478	3.9	249	0.4	2,467	0.6
Minority interests in net income (loss).....	18	(0.0)	8	(0.0)	39	(0.0)
<b>Net income</b> .....	<b>4,399</b>	<b>4.8</b>	<b>4,832</b>	<b>7.1</b>	<b>19,400</b>	<b>5.0</b>

### 3. Summary of Consolidated Statements of Cash Flow

	<i>Millions of Yen</i>		
	1Q FY2006 Apr. 1, 2006– Jun. 30, 2006	1Q FY2005 Apr. 1, 2005– Jun. 30, 2005	Apr. 1, 2005– Mar. 31, 2006
<b>Cash Flow from Operating Activities</b>			
Profit before income			
taxes and minority interests .....	7,896	5,091	21,906
Depreciation and amortization .....	378	327	1,468
Impairment loss .....	—	—	127
Decrease (increase) in trade notes and accounts receivable .....	18,847	7,054	(9,100)
Decrease (increase) in costs of construction contracts in process.....	(15,606)	(6,282)	7,095
Increase in trade notes and accounts payable .....	725	2,737	11,122
Increase in advance receipts on construction contracts ..	37,923	4,558	57,479
Increase in jointly controlled assets of joint ventures ....	(39,175)	(9,832)	(81,382)
Other .....	(3,238)	(1,954)	(2,552)
<b>Subtotal .....</b>	<b>7,750</b>	<b>1,698</b>	<b>6,163</b>
Interest and dividend income .....	97	70	321
Interest paid.....	(72)	(73)	(303)
Settlement of construction contract paid.....	(469)	—	—
Income taxes paid.....	(3,725)	(500)	(944)
<b>Net Cash Provided by Operating Activities .....</b>	<b>3,580</b>	<b>1,195</b>	<b>5,237</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from refunds of time deposits with maturities.....	—	250	703
Purchase of fixed assets .....	(440)	(361)	(1,854)
Payment for purchase of investment securities.....	(139)	—	(1,272)
Payment for purchase of consolidated subsidiary stock .....	—	—	(121)
Long-term loans .....	(15)	—	(33)
Proceeds from collections of long-term loans.....	29	—	3,340
Other .....	14	30	289
<b>Net Cash Used in Investing Activities .</b>	<b>(551)</b>	<b>(80)</b>	<b>1,051</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from long-term debt.....	—	—	10,000
Repayments of long-term debt .....	(5)	(12)	(10,101)
Proceeds from new stock issue.....	16	86	357
Cash dividends paid.....	(1,621)	(974)	(1,139)
Cash dividends paid to minority shareholders.....	—	—	(36)
Other .....	(48)	(46)	(417)
<b>Net Cash Provided by (Used in) Financing Activities .....</b>	<b>(1,659)</b>	<b>(947)</b>	<b>(1,338)</b>
<b>Foreign Currency Translation Adjustments on Cash and Cash Equivalents.....</b>	<b>181</b>	<b>(995)</b>	<b>333</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>1,551</b>	<b>(828)</b>	<b>5,284</b>
<b>Cash and Cash Equivalents at Beginning of Period .....</b>	<b>46,878</b>	<b>41,594</b>	<b>41,594</b>
<b>Decrease in Cash and Cash Equivalents Elimination From Consolidation .....</b>	<b>(66)</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalents at End of Period .....</b>	<b>48,363</b>	<b>40,766</b>	<b>46,878</b>

#### 4. Basis of presenting the consolidated financial statements for the three-month period ended June 2006 (April 1, 2006–June 30, 2006)

(1) Matters concerning significant accounting policies

The Company applies the simple method for the calculation of certain items while assuring compliance with the Standards for Preparation of Quarterly Financial Statements and avoiding material misrepresentation of information that would affect the judgment of interested parties, including investors.

Scope of application of the simple method

The Company calculates its tax liabilities on the basis of the estimated annual tax rate, calculated by the simple method using the effective tax rate. The Company also uses the simple method for calculating certain expense items.

(2) Recognition of significant reserves

The following reserves are included in the summary (consolidated three-month) balance sheets:

1Q FY 2006 As of Jun. 30, 2006		1Q FY 2005 As of Jun. 30, 2005		As of Mar. 31, 2006	
<i>Millions of Yen</i>		<i>Millions of Yen</i>		<i>Millions of Yen</i>	
Fixed assets		Fixed assets		Fixed assets	
Allowance for doubtful accounts	(1,234)	Allowance for doubtful accounts	(1,851)	Allowance for doubtful accounts	(1,469)
Allowance for capital loss on investments	(263)	Allowance for capital loss on investments	(263)	Allowance for capital loss on investments	(263)
Current liabilities		Current liabilities		Current liabilities	
Indemnity allowance for completed construction	1,546	Indemnity allowance for completed construction	782	Indemnity allowance for completed construction	1,870
Accrued bonuses	2,009	Accrued bonuses	1,425	Accrued bonuses	3,856
Allowance for investment loss	93			Allowance for investment loss	146
Long-term liabilities		Long-term liabilities		Long-term liabilities	
Liability for retirement benefits	5,007	Liability for retirement benefits	5,595	Liability for retirement benefits	7,962
Liability for retirement benefits to directors	386	Liability for retirement benefits to directors	330	Liability for retirement benefits to directors	430

(3) Change in scope of consolidation

Beginning with the first quarter of the current fiscal year, PT Asian Engineering Contractors Indonesia is no longer included in the scope of consolidation because this company does not have a material impact on the consolidated financial statements.

(4) Other significant accounting policies

The Company has engaged Deloitte Touche Tohmatsu as its advisor on matters concerning the disclosure of quarterly financial information.

## 5. Production, Orders and Sales Situation (Consolidated)

<i>Millions of Yen</i>						
1Q FY2006 Apr. 1, 2006 — Jun. 30, 2006						
	<i>New contracts</i>		<i>Construction Contracts</i>		<i>Backlog</i>	
		%		%		%
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plant .....	22,699	13.2	73,876	81.0	790,537	76.3
Gas and power utilities .....	117,015	68.1	3,711	4.1	145,303	14.0
Gas chemicals .....	351	0.2	358	0.4	2,599	0.3
Petroleum and petrochemicals .....	16,681	9.7	7,912	8.7	64,454	6.2
General chemicals .....	5,337	3.1	2,714	3.0	22,098	2.1
Industrial machinery .....	6,649	3.9	325	0.3	8,033	0.8
Environment and other .....	1,492	0.9	759	0.8	2,820	0.3
<b>Total Engineering</b>	<b>170,226</b>	<b>99.1</b>	<b>89,658</b>	<b>98.3</b>	<b>1,035,846</b>	<b>100.0</b>
Other .....	1,511	0.9	1,511	1.7	—	—
Domestic .....	32,849	19.1	10,356	11.4	119,933	11.6
Overseas .....	138,889	80.9	80,814	88.6	915,913	88.4
<b>Total</b> .....	<b>171,738</b>	<b>100.0</b>	<b>91,170</b>	<b>100.0</b>	<b>1,035,846</b>	<b>100.0</b>

<i>Millions of Yen</i>						
1Q FY2005 Apr. 1, 2005 — Jun. 30, 2005						
	<i>New contracts</i>		<i>Construction Contracts</i>		<i>Backlog</i>	
		%		%		%
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plant .....	71,575	74.7	38,487	56.4	417,672	75.1
Gas and power utilities .....	1,997	2.1	9,292	13.6	61,557	11.1
Gas chemicals .....	73	0.1	3,669	5.4	6,402	1.1
Petroleum and petrochemicals .....	14,272	14.9	9,714	14.2	39,834	7.2
General chemicals .....	2,335	2.4	4,068	6.0	22,537	4.0
Industrial machinery .....	2,562	2.7	810	1.2	4,610	0.8
Environment and other .....	1,781	1.9	1,026	1.5	3,850	0.7
<b>Total Engineering</b>	<b>94,599</b>	<b>98.8</b>	<b>67,069</b>	<b>98.3</b>	<b>556,465</b>	<b>100.0</b>
Other .....	1,191	1.2	1,191	1.7	—	—
Domestic .....	19,493	20.4	14,554	21.3	95,565	17.2
Overseas .....	76,297	79.6	53,707	78.7	460,899	82.8
<b>Total</b> .....	<b>95,791</b>	<b>100.0</b>	<b>68,261</b>	<b>100.0</b>	<b>556,465</b>	<b>100.0</b>

<i>Millions of Yen</i>						
FY2005 Apr. 1, 2005 — Mar. 31, 2006						
<i>Business Segment</i>	<i>New contracts</i>		<i>Construction Contracts</i>		<i>Backlog</i>	
		<i>%</i>		<i>%</i>		<i>%</i>
<b>Engineering</b>						
LNG plant .....	675,208	83.9	230,227	58.9	846,922	88.2
Gas and power utilities .....	16,848	2.1	54,278	13.9	32,070	3.3
Gas chemicals .....	515	0.1	7,952	2.0	2,606	0.3
Petroleum and petrochemicals .....	73,328	9.1	53,733	13.8	55,624	5.8
General chemicals .....	19,990	2.5	24,298	6.2	19,477	2.0
Industrial machinery .....	6,483	0.8	7,602	1.9	1,738	0.2
Environment and other .....	7,134	0.9	8,061	2.1	2,098	0.2
<b>Total Engineering .....</b>	<b>799,509</b>	<b>99.4</b>	<b>386,153</b>	<b>98.8</b>	<b>960,538</b>	<b>100.0</b>
Other .....	4,721	0.6	4,721	1.2		
Domestic .....	112,720	14.0	105,329	26.9	97,484	10.1
Overseas .....	691,510	86.0	285,545	73.1	863,054	89.9
<b>Total .....</b>	<b>804,231</b>	<b>100.0</b>	<b>390,875</b>	<b>100.0</b>	<b>960,538</b>	<b>100.0</b>

(Note) The amount of the backlog of contracts as of the end of the three-month period is adjusted for any decreases in contract amounts due to changes in contracts and increases due to adjustments in contracts booked before the previous fiscal year and the effect of foreign currency translation adjustments on foreign currency-denominated contracts.

## 1. Summary of Non-consolidated Balance Sheets

	<i>Millions of Yen</i>					
	1Q FY2006 As of Jun. 30, 2006	%	1Q FY2005 As of Jun. 30, 2005	%	As of Mar. 31, 2006	%
<b>Assets</b>						
<b>Current Assets</b>						
Cash and time deposits.....	31,645		32,385		33,491	
Notes receivable-trade.....	152		251		35	
Accounts receivable-trade.....	19,331		20,725		34,565	
Costs of construction contracts in process.....	18,392		22,043		11,198	
Jointly controlled asset of joint venture.....	170,512		59,786		131,336	
Other .....	11,173		8,348		12,444	
Allowance for doubtful accounts.....	(58)		(167)		(123)	
<b>Total Current Assets .....</b>	<b>251,150</b>	<b>91.6</b>	<b>143,374</b>	<b>87.3</b>	<b>222,947</b>	<b>90.5</b>
<b>Fixed Assets</b>						
Property, plant and equipment.....	4,491		4,250		4,553	
Intangible fixed assets .....	2,977		2,697		3,103	
Investments and other assets						
Affiliate company stock.....	7,679		7,150		7,540	
Deferred tax assets.....	3,710				3,710	
Other .....	6,313		10,094		6,854	
Reserves.....	(2,125)		(3,405)		(2,480)	
Total investments and other assets.....	15,577		13,838		15,625	
<b>Total Fixed Assets .....</b>	<b>23,046</b>	<b>8.4</b>	<b>20,786</b>	<b>12.7</b>	<b>23,281</b>	<b>9.5</b>
<b>Total Assets .....</b>	<b>274,196</b>	<b>100.0</b>	<b>164,160</b>	<b>100.0</b>	<b>246,229</b>	<b>100.0</b>
<b>Liabilities and Shareholders' Equity</b>						
<b>Current Liabilities</b>						
Notes payable-trade.....	4,125		5,412		4,596	
Accounts payable-trade .....	57,338		55,625		61,627	
Current portion of long-term debt .....	50		10,050		25	
Advance receipts on construction contracts ...	129,313		44,046		97,160	
Reserves.....	2,928		1,769		4,666	
Other .....	15,380		8,486		13,869	
<b>Total Current Liabilities.....</b>	<b>209,137</b>	<b>76.3</b>	<b>125,390</b>	<b>76.4</b>	<b>181,945</b>	<b>73.9</b>
<b>Non-Current Liabilities</b>						
Long-term debt .....	10,111		161		10,136	
Reserves.....	4,297		4,806		7,266	
Other liabilities .....	1,725		84		90	
<b>Total Non-Current Liabilities .....</b>	<b>16,133</b>	<b>5.9</b>	<b>5,052</b>	<b>3.1</b>	<b>17,492</b>	<b>7.1</b>
<b>Total Liabilities .....</b>	<b>225,270</b>	<b>82.2</b>	<b>130,442</b>	<b>79.5</b>	<b>199,437</b>	<b>81.0</b>
<b>Shareholders' Equity</b>						
Common stock .....			12,765	7.8	12,901	5.3
Additional paid-in capital.....			6,549	4.0	6,684	2.7
Retained earnings .....			14,699	8.9	27,901	11.3
Treasury stock.....					(18)	(0.0)
Net unrealized loss on available-for-sale securities .....			(296)	(0.2)	(676)	(0.3)
<b>Total Shareholders' Equity .....</b>			<b>33,718</b>	<b>20.5</b>	<b>46,791</b>	<b>19.0</b>
<b>Liabilities and Shareholders' Equity .....</b>			<b>164,160</b>	<b>100.0</b>	<b>246,229</b>	<b>100.0</b>

## Summary of Non-consolidated Balance Sheets ( continued )

	<i>Millions of Yen</i>				
	1Q FY2006 As of Jun. 30, 2006		1Q FY2005 As of Jun. 30, 2005		As of Mar. 31, 2006
		%		%	
<b>Net Assets</b>					
<b>Shareholders' Equity</b>					
Common stock .....	12,909				
Additional paid-in capital.....	6,692				
Retained earnings .....	30,476				
Treasury stock.....	(724)				
<b>Total Shareholders' Equity .....</b>	<b>49,353</b>	<b>18.0</b>			
<b>Valuation and Exchange Rate Adjustments</b>					
Net unrealized loss on available-for-sale securities .....	(253)				
Deferred hedging losses .....	(173)				
Total valuation and exchange rate adjustments.....	(426)	(0.2)			
<b>Total net assets .....</b>	<b>48,926</b>	<b>17.8</b>			
<b>Total liabilities and net assets.....</b>	<b>274,196</b>	<b>100.0</b>			

## 2. Summary of Non-consolidated Statements of Income

	<i>Millions of Yen</i>					
	1Q FY2006 Apr. 1, 2006– Jun. 30, 2005		1Q FY2005 Apr. 1, 2005– Jun. 30, 2005		Apr. 1, 2005– Mar. 31, 2006	
		%		%		%
<b>Construction Contracts</b> .....	<b>82,515</b>	<b>100.0</b>	<b>60,347</b>	<b>100.0</b>	<b>341,599</b>	<b>100.0</b>
<b>Cost of Construction Contracts</b> .....	<b>74,398</b>	<b>90.2</b>	<b>55,730</b>	<b>92.3</b>	<b>315,919</b>	<b>92.5</b>
Gross profit .....	8,117	9.8	4,616	7.7	25,680	7.5
<b>Selling, General and Administrative Expenses</b> .....	<b>2,036</b>	<b>2.4</b>	<b>1,734</b>	<b>2.9</b>	<b>7,134</b>	<b>2.1</b>
Operating income .....	6,080	7.4	2,881	4.8	18,545	5.4
<b>Other Income</b> .....	<b>1,733</b>	<b>2.1</b>	<b>747</b>	<b>1.2</b>	<b>3,440</b>	<b>1.0</b>
<b>Other Expenses</b> .....	<b>317</b>	<b>0.4</b>	<b>140</b>	<b>0.2</b>	<b>773</b>	<b>0.2</b>
Ordinary income.....	7,495	9.1	3,488	5.8	21,211	6.2
<b>Extraordinary Gain</b> .....	<b>234</b>	<b>0.3</b>	<b>870</b>	<b>1.4</b>	<b>2,047</b>	<b>0.6</b>
<b>Extraordinary Loss</b> .....	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,990</b>	<b>1.2</b>
Profit before income taxes and minority interests .....	7,730	9.4	4,358	7.2	19,268	5.6
Total tax .....	3,234	3.9	42	0.0	1,750	0.5
<b>Net income</b> .....	<b>4,496</b>	<b>5.5</b>	<b>4,316</b>	<b>7.2</b>	<b>17,517</b>	<b>5.1</b>

### 3. Production, Orders and Sales Situation (Non-consolidated)

Millions of Yen						
1Q FY2006 Apr. 1, 2006 — Jun. 30, 2006						
Business Segment	New contracts		Construction Contracts		Backlog	
		%		%		%
LNG plant .....	22,592	14.4	73,858	89.5	788,882	78.9
Gas and power utilities .....	116,116	74.0	3,440	4.2	139,638	14.0
Gas chemicals .....	46	0.0	191	0.2	2,426	0.3
Petroleum and petrochemicals .....	7,236	4.6	3,240	3.9	42,136	4.2
General chemicals .....	3,725	2.4	1,300	1.6	16,429	1.6
Industrial machinery .....	6,418	4.1	233	0.3	7,816	0.8
Environment and other .....	769	0.5	251	0.3	2,005	0.2
Domestic .....	19,824	12.6	4,955	6.0	88,914	8.9
Overseas .....	137,080	87.4	77,560	94.0	910,420	91.1
<b>Total .....</b>	<b>156,905</b>	<b>100.0</b>	<b>82,515</b>	<b>100.0</b>	<b>999,334</b>	<b>100.0</b>

Millions of Yen						
1Q FY2005 Apr. 1, 2005 — Jun. 30, 2005						
Business Segment	New contracts		Construction Contracts		Backlog	
		%		%		%
LNG plant .....	71,575	87.5	38,487	63.8	417,672	79.2
Gas and power utilities .....	1,228	1.5	7,915	13.1	56,539	10.7
Gas chemicals .....	0	0.0	3,452	5.7	6,294	1.2
Petroleum and petrochemicals .....	5,638	6.9	6,471	10.7	24,292	4.6
General chemicals .....	692	0.8	2,835	4.7	16,390	3.1
Industrial machinery .....	2,380	2.9	729	1.2	4,296	0.8
Environment and other .....	305	0.4	454	0.8	1,846	0.4
Domestic .....	9,525	11.6	9,738	16.1	77,497	14.7
Overseas .....	72,295	88.4	50,608	83.9	449,835	85.3
<b>Total .....</b>	<b>81,821</b>	<b>100.0</b>	<b>60,347</b>	<b>100.0</b>	<b>527,332</b>	<b>100.0</b>

Millions of Yen						
FY2006 Apr. 1, 2005 — Mar. 30, 2006						
Business Segment	New contracts		Construction Contracts		Backlog	
		%		%		%
LNG plant .....	673,282	90.0	229,664	67.2	845,356	90.9
Gas and power utilities .....	11,129	1.5	48,023	14.1	27,024	2.9
Gas chemicals .....	134	0.0	7,342	2.1	2,571	0.3
Petroleum and petrochemicals .....	40,834	5.5	27,929	8.2	38,141	4.1
General chemicals .....	12,916	1.7	17,464	5.1	14,005	1.5
Industrial machinery .....	5,654	0.8	6,644	2.0	1,655	0.2
Environment and other .....	4,021	0.5	4,540	1.3	1,487	0.1
Domestic .....	66,660	8.9	70,307	20.6	74,068	8.0
Overseas .....	681,310	91.1	271,291	79.4	856,174	92.0
<b>Total .....</b>	<b>747,971</b>	<b>100.0</b>	<b>341,599</b>	<b>100.0</b>	<b>930,243</b>	<b>100.0</b>

(Note) The amount of the backlog of contracts as of the end of the three-month period is adjusted for any decreases in contract amounts due to changes in contracts booked before the previous fiscal year and the effect of foreign currency translation adjustments on foreign currency-denominated contracts.