

**CHIYODA CORPORATION**  
**Financial Results**  
**for Fiscal 2006 Third Quarter Ended December 31, 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 Third 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 nine-month operating results

- (1) Application of simple method: Yes  
(See Page 10)
- (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 10)

### 2. Results of operations for the nine-month period ended December 2006 (April 1, 2006–December 31, 2006)

#### 1) Consolidated Business Results

	<i>Millions of Yen</i>				
	Apr. 1, 2006— Dec. 31, 2006	Change (%)	Apr. 1, 2005 — Dec. 31, 2005	Change (%)	(Reference) Apr. 1, 2005 — Mar. 31, 2006
Revenues .....	334,417	29.2	258,834	41.8	390,875
Operating Income .....	21,038	49.7	14,052	99.5	20,729
Ordinary Income .....	26,485	69.2	15,650	108.8	23,161
Net Income .....	16,802	(0.4)	16,877	124.5	19,400
Net Income per Share (¥) .....	87.41		88.18		101.27
Fully Diluted Net Income per Share (¥) ...	87.31		87.70		100.80

Note: Percentage change figures are comparisons with the same period of the previous fiscal year.

#### 2) Changes in Consolidated Financial Position

	<i>Millions of Yen</i>		
	As of Dec. 31, 2006	As of Dec. 31, 2005	(Reference) As of Mar. 31, 2006
Total Assets .....	419,536	261,238	279,721
Net Assets .....	70,689	52,823	55,508
Net Worth Ratio .....	16.8%	20.2%	19.8%
Net Assets per Share(¥) .....	365.70	275.23	288.88

### 3) Consolidated Cash Flow

	<i>Millions of Yen</i>		
	Apr. 1, 2006 — Dec. 31, 2006	Apr. 1, 2005 — Dec. 31, 2005	(Reference) Apr. 1, 2005 — Mar. 31, 2006
Net cash provided by operating activities.....	26,856	3,485	5,237
Net cash provided by(used in) investing activities....	(2,429)	562	1,051
Net cash used in financing activities.....	(2,069)	(1,226)	(1,338)
Cash and cash equivalents at end of period.....	69,332	44,655	46,878

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

	<i>Millions of Yen</i>
	Apr. 1, 2006 – Mar. 31, 2007
Revenues.....	460,000
Ordinary Income.....	34,000
Net Income.....	21,000

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

109.21yen

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

### 1. Consolidated Results of Operations

In the market environment for the Chiyoda Group during the nine months ended December 31, 2006, in the overseas market for plants, natural gas producing countries and Energy Majors continued to invest on a worldwide scale, including in the upstream sector, reflecting growing demand for gas. In the domestic market, oil companies invested in expansion of light oil production, and are also investing aggressively in petrochemical facilities to maximize the added value of crude oil. The Chiyoda Group received a number of contracts related to these investments.

Currently, Chiyoda is executing three large-scale LNG projects and two gas processing plant projects in Qatar. In November 2006, Chiyoda successfully completed the RasGas (II) LNG Plant (Train 5) in Qatar just 28 months after signing the contract.

Under these conditions, new contracts for the nine-month period on a consolidated basis were 485,246 million yen, a 35.4% decrease compared to the same period of the previous year, bringing the backlog of contracts to 1,129,744 million yen, an 8.8% increase over the same period in the previous year. Revenues increased 29.2% to 334,417 million yen, ordinary income increased 69.2% percent to 26,485 million yen, and net income decreased 0.4% to 16,802 million yen.

### 2. Financial Condition

Retained earnings increased 14,792 million yen compared to the end of the previous fiscal year due to factors including net income for the nine-month period. As a result, net assets totaled 70,689 million yen. However, the net worth ratio was down 3.0 points from the end of the previous fiscal year to 16.8%, mainly because total assets rose 139,815 million yen due to increases in advance receipts on construction contracts, cash and time deposits and Chiyoda's share of jointly controlled assets of joint ventures, reflecting an increase in new contracts.

Cash flow provided by operating activities was 26,856 million yen.

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

In view of recent performance trends and other factors, Chiyoda has revised its performance forecast for the year ending March 31, 2007, replacing the forecast announced on November 13, 2006, as follows.

(Millions of Yen)

Outlook for year ending March 31, 2007	Consolidated		
	Revised forecast	Previous forecast announced on November 13, 2006	Difference
New contracts	<b>530,000</b>	400,000	32.5 %
Revenues	<b>460,000</b>	420,000	9.5 %
Operating income	<b>27,000</b>	25,000	8.0 %
Ordinary income	<b>34,000</b>	28,000	21.4 %
Net income	<b>21,000</b>	16,500	27.3 %

The forecast for new contracts has been revised upward against the backdrop of a strong environment for orders.

The revenue forecast has been increased because Chiyoda adjusted its exchange rate assumption to US\$1=120 yen, as the yen has weakened from the rate of US\$1=110 yen assumed at the time of the previous announcement, and because of a higher-than-projected increase in new contracts. Chiyoda also expects an increase in operating income due to growth in revenues reflecting strong orders, and increases in ordinary income and net income due to the increase in revenues as well as higher interest income reflecting an increase in jointly controlled assets of joint venture.

In view of the upward revision of the performance forecast, Chiyoda plans to pay a year-end dividend of 15 yen per share, 1 yen higher than the previously announced forecast of 14 yen per share.

For reference:

(Millions of Yen)

Outlook for year ending March 31, 2007	Non-consolidated		
	Revised forecast	Previous forecast announced on November 13, 2006	Difference (%)
New contracts	470,000	350,000	34.3 %
Revenues	400,000	370,000	8.1 %
Operating income	23,000	22,000	4.5 %
Ordinary income	30,000	25,000	20.0 %
Net income	19,000	15,000	26.7 %

#### Forward Looking Statements

The Chiyoda Group expects to smoothly implement ongoing projects. However, project completions may be pushed back by delays in the delivery of equipment and materials caused by shortages of supplies or shortages of construction workers. 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				
	3Q FY2006 As of Dec. 31, 2006		3Q FY2005 As of Dec. 31, 2005		As of Mar. 31, 2006
		%		%	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and time deposits.....	69,487		44,804		47,033
Notes and accounts receivable-trade .....	39,454		44,849		46,976
Costs of construction contracts in process .....	32,975		26,700		17,923
Deferred tax assets .....	1,499		4,079		1,750
Jointly controlled asset of joint venture.....	239,528		111,084		131,336
Other .....	12,492		9,978		11,769
Allowance for doubtful accounts .....	(67)		(396)		(167)
<b>Total Current Assets .....</b>	<b>395,369</b>	<b>94.2</b>	<b>241,101</b>	<b>92.3</b>	<b>256,623</b>
<b>Fixed Assets</b>					
Property, plant and equipment .....	7,403		7,151		7,085
Intangible fixed assets.....	3,195		2,909		3,168
Investments and other assets					
Investment securities .....	7,569		4,971		5,701
Deferred tax assets .....	2,814		746		4,157
Other .....	3,734		6,134		4,718
Reserves .....	(550)		(1,776)		(1,732)
<b>Total investments and other assets .....</b>	<b>13,567</b>		<b>10,076</b>		<b>12,844</b>
<b>Total Fixed Assets .....</b>	<b>24,166</b>	<b>5.8</b>	<b>20,137</b>	<b>7.7</b>	<b>23,097</b>
<b>Total Assets .....</b>	<b>419,536</b>	<b>100.0</b>	<b>261,238</b>	<b>100.0</b>	<b>279,721</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Current Liabilities</b>					
Notes and accounts payable-trade .....	84,035		82,583		85,901
Current portion of long-term debt .....	71		10,079		46
Income taxes payable.....	7,161		405		3,989
Advance receipts on construction contracts ...	226,824		95,202		101,979
Reserves.....	4,557		4,270		5,873
Other .....	10,316		8,822		7,402
<b>Total Current Liabilities .....</b>	<b>332,967</b>	<b>79.4</b>	<b>201,363</b>	<b>77.1</b>	<b>205,192</b>
<b>Non-Current Liabilities</b>					
Long-term debt .....	10,102		173		10,168
Liability for retirement benefits .....	4,051		6,490		8,392
Other liabilities .....	1,724		93		136
<b>Total Non-Current Liabilities .....</b>	<b>15,879</b>	<b>3.8</b>	<b>6,757</b>	<b>2.6</b>	<b>18,698</b>
<b>Total Liabilities .....</b>	<b>348,846</b>	<b>83.2</b>	<b>208,121</b>	<b>79.7</b>	<b>223,890</b>
<b>Minority Interests .....</b>	<b>—</b>	<b>—</b>	<b>294</b>	<b>0.1</b>	<b>322</b>
<b>Shareholders' Equity</b>					
Common stock .....	—	—	12,869	4.9	12,901
Additional paid-in capital.....	—	—	6,653	2.5	6,684
Retained earnings .....	—	—	34,355	13.2	36,877
Net unrealized loss on available-for-sale securities.....	—	—	41	0.0	44
Foreign currency translation adjustments.....	—	—	(539)	(0.2)	(323)
Treasury stock.....	—	—	(557)	(0.2)	(676)
<b>Total Shareholders' Equity .....</b>	<b>—</b>	<b>—</b>	<b>52,823</b>	<b>20.2</b>	<b>55,508</b>
<b>Liabilities, Minority Interests and     Shareholders' Equity .....</b>	<b>—</b>	<b>—</b>	<b>261,238</b>	<b>100.0</b>	<b>279,721</b>

**Summary of Consolidated Balance Sheets (continued)**

	<i>Millions of Yen</i>					
	3Q FY2006 As of Dec. 31, 2006		3Q FY2005 As of Dec. 31, 2005		As of Mar. 31, 2006	
		%		%		%
<b>Net Assets</b>						
<b>Shareholders' Equity</b>						
Common stock .....	12,924		—		—	
Additional paid-in capital .....	6,707		—		—	
Retained earnings.....	51,669		—		—	
Treasury stock .....	(836)		—		—	
<b>Total Shareholders' Equity.....</b>	<b>70,464</b>	<b>16.8</b>	—	—	—	—
<b>Valuation and Exchange Rate Adjustments</b>						
Net unrealized loss on available-for-sale securities .....	62		—		—	
Deferred hedging losses .....	(91)		—		—	
Foreign currency translation adjustments .....	(117)		—		—	
Total valuation and exchange rate adjustments .....	(147)	(0.1)	—	—	—	—
Minority interests .....	371	0.1	—	—	—	—
<b>Total Net Assets .....</b>	<b>70,689</b>	<b>16.8</b>	—	—	—	—
<b>Total Liabilities and Net Assets.....</b>	<b>419,536</b>	<b>100.0</b>	—	—	—	—

## 2. Summary of Consolidated Statements of Income

	<i>Millions of Yen</i>					
	3Q FY2006 Apr. 1, 2006– Dec. 31, 2006		3Q FY2005 Apr. 1, 2005– Dec. 31, 2005		Apr. 1, 2005– Mar. 31, 2006	
		%		%		%
<b>Construction Contracts</b> .....	<b>334,417</b>	<b>100.0</b>	<b>258,834</b>	<b>100.0</b>	<b>390,875</b>	<b>100.0</b>
<b>Cost of Construction Contracts</b> .....	<b>305,173</b>	<b>91.3</b>	<b>237,682</b>	<b>91.8</b>	<b>360,322</b>	<b>92.2</b>
Gross profit .....	29,243	8.7	21,151	8.2	30,552	7.8
<b>Selling, General and Administrative Expenses</b> .....	<b>8,204</b>	<b>2.4</b>	<b>7,098</b>	<b>2.8</b>	<b>9,823</b>	<b>2.5</b>
Operating income .....	21,038	6.3	14,052	5.4	20,729	5.3
<b>Other Income</b>						
Interest .....	5,755		1,660		2,638	
Dividend income .....	36		18		29	
Equity in earnings of associated companies .....	243		101		193	
Other .....	379		293		420	
<b>Total Other Income</b> .....	<b>6,415</b>	<b>1.9</b>	<b>2,074</b>	<b>0.8</b>	<b>3,280</b>	<b>0.8</b>
<b>Other Expenses</b>						
Interest expense .....	237		224		302	
Other .....	730		251		546	
<b>Total Other Expenses</b> .....	<b>968</b>	<b>0.3</b>	<b>476</b>	<b>0.2</b>	<b>848</b>	<b>0.2</b>
Ordinary income .....	26,485	7.9	15,650	6.0	23,161	5.9
<b>Extraordinary Gain</b>						
Reversal of allowance for doubtful accounts .....	716		1,105		1,367	
Reversal of allowance for investment loss .....	263		—		—	
Other .....	124		47		223	
<b>Total Extraordinary Gain</b> .....	<b>1,104</b>	<b>0.3</b>	<b>1,153</b>	<b>0.4</b>	<b>1,590</b>	<b>0.4</b>
<b>Extraordinary Loss</b>						
Loss on devaluation of investment securities .....	14		95		—	
Loss on termination of certain retirement benefit plans .....	—		—		1,995	
Settlement of construction contract Other .....	—		—		469	
	3		14		381	
<b>Total Extraordinary Loss</b> .....	<b>18</b>	<b>0.0</b>	<b>109</b>	<b>0.0</b>	<b>2,845</b>	<b>0.7</b>
Profit before income taxes and minority interests .....	27,571	8.2	16,693	6.4	21,906	5.6
Total tax .....	10,722	3.2	(212)	(0.1)	2,467	0.6
Minority interests in net income (loss) .....	47	(0.0)	28	(0.0)	39	(0.0)
<b>Net income</b> .....	<b>16,802</b>	<b>5.0</b>	<b>16,877</b>	<b>6.5</b>	<b>19,400</b>	<b>5.0</b>



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

	<i>Millions of Yen</i>		
	3Q FY2006 Apr. 1, 2006– Dec. 31, 2006	3Q FY2005 Apr. 1, 2005– Dec. 31, 2005	Apr. 1, 2005– Mar. 31, 2006
<b>Cash Flow from Operating Activities</b>			
Profit before income			
taxes and minority interests.....	27,571	16,693	21,906
Depreciation and amortization .....	1,154	1,076	1,468
Decrease (increase) in trade notes and accounts receivable.....	7,534	(7,101)	(9,100)
Decrease (increase) in costs of construction contracts in process.....	(15,054)	(1,696)	7,095
Increase in trade notes and accounts payable .....	(1,674)	8,134	11,122
Increase in advance receipts on construction contracts .	124,831	50,751	57,479
Increase in jointly controlled assets of joint ventures ....	(108,191)	(61,130)	(81,382)
Other .....	(3,437)	(2,081)	(2,424)
<b>Subtotal .....</b>	<b>32,734</b>	<b>4,646</b>	<b>6,163</b>
Interest and dividend income.....	231	270	321
Interest paid.....	(239)	(223)	(303)
Settlement of construction contract paid.....	(469)	—	—
Income taxes paid.....	(5,401)	(1,207)	(944)
<b>Net Cash Provided by Operating Activities.....</b>	<b>26,856</b>	<b>3,485</b>	<b>5,237</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from refunds of time deposits with maturities.....	—	674	703
Purchase of fixed assets .....	(1,388)	(1,320)	(1,854)
Payment for purchase of investment securities.....	(1,682)	(623)	(1,272)
Payment for purchase of consolidated subsidiary stock.....	—	(121)	(121)
Long-term loans .....	(15)	(33)	(33)
Proceeds from collections of long-term loans.....	596	1,934	3,340
Other .....	59	51	289
<b>Net Cash (Used in) Provided by Investing Activities....</b>	<b>(2,429)</b>	<b>562</b>	<b>1,051</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from long-term debt.....	—	—	10,000
Repayments of long-term debt .....	(41)	(63)	(10,101)
Proceeds from new stock issue.....	45	294	357
Cash dividends paid.....	(1,914)	(1,139)	(1,139)
Cash dividends paid to minority shareholders.....	—	(19)	(36)
Other .....	(160)	(298)	(417)
<b>Net Cash Used in Financing Activities .</b>	<b>(2,069)</b>	<b>(1,226)</b>	<b>(1,338)</b>
<b>Foreign Currency Translation Adjustments on Cash and Cash Equivalents .....</b>	<b>163</b>	<b>240</b>	<b>333</b>
<b>Net Increase in Cash and Cash Equivalents .....</b>	<b>22,520</b>	<b>3,061</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 due to Elimination From Consolidation .....</b>	<b>(66)</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalents at End of Period .....</b>	<b>69,332</b>	<b>44,655</b>	<b>46,878</b>

#### 4. Basis of Presenting the Consolidated Financial Statements for the Nine-month Period Ended December 2006 (April 1, 2006–December 31, 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 nine-month) balance sheets:

3Q FY 2006 As of Dec. 31, 2006		3Q FY 2005 As of Dec. 31, 2005		As of Mar. 31, 2006	
	Millions of Yen		Millions of Yen		Millions of Yen
Fixed assets		Fixed assets		Fixed assets	
Allowance for doubtful accounts	(550)	Allowance for doubtful accounts	(1,513)	Allowance for doubtful accounts	(1,469)
		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	1,496	Indemnity allowance for completed construction	2,065	Indemnity allowance for completed construction	1,870
Accrued bonuses	3,050	Accrued bonuses	2,068	Accrued bonuses	3,856
Allowance for investment loss	10	Allowance for investment loss	135	Allowance for investment loss	146
Long-term liabilities		Long-term liabilities		Long-term liabilities	
Liability for retirement benefits	3,599	Liability for retirement benefits	6,093	Liability for retirement benefits	7,962
Liability for retirement benefits to directors	451	Liability for retirement benefits to directors	396	Liability for retirement benefits to directors	430

(3) Change in the scope of consolidation

Beginning with the third 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>						
3Q FY2006 Apr. 1, 2006 — Dec. 31, 2006						
	<i>New contracts</i>		<i>Revenues</i>		<i>Backlog</i>	
		%		%		%
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plant .....	71,960	14.8	244,309	73.1	692,852	61.3
Gas and power utilities .....	296,950	61.2	17,156	5.1	311,868	27.6
Gas chemicals .....	482	0.1	1,251	0.4	1,840	0.2
Petroleum and petrochemicals .....	70,721	14.6	46,452	13.9	80,200	7.1
General chemicals .....	17,715	3.7	11,657	3.5	25,370	2.2
Industrial machinery .....	13,189	2.7	4,808	1.4	10,084	0.9
Environment and other .....	8,898	1.8	3,453	1.0	7,527	0.7
<b>Total Engineering</b>	<b>479,918</b>	<b>98.9</b>	<b>329,089</b>	<b>98.4</b>	<b>1,129,744</b>	<b>100.0</b>
Other .....	5,328	1.1	5,328	1.6	—	—
Domestic .....	133,937	27.6	65,648	19.6	165,139	14.6
Overseas .....	351,308	72.4	268,769	80.4	964,604	85.4
<b>Total</b> .....	<b>485,246</b>	<b>100.0</b>	<b>334,417</b>	<b>100.0</b>	<b>1,129,744</b>	<b>100.0</b>

<i>Millions of Yen</i>						
3Q FY2005 Apr. 1, 2005 — Dec. 31, 2005						
	<i>New contracts</i>		<i>Revenues</i>		<i>Backlog</i>	
		%		%		%
<b>Business Segment</b>						
<b>Engineering</b>						
LNG plant .....	647,525	86.2	143,965	55.6	905,065	87.1
Gas and power utilities .....	13,357	1.8	37,308	14.4	45,702	4.4
Gas chemicals .....	459	0.0	7,069	2.7	3,422	0.3
Petroleum and petrochemicals .....	62,224	8.3	40,344	15.6	57,482	5.6
General chemicals .....	13,583	1.8	18,973	7.3	18,407	1.8
Industrial machinery .....	5,018	0.7	2,662	1.0	5,214	0.5
Environment and other .....	5,445	0.7	5,001	2.0	3,465	0.3
<b>Total Engineering</b>	<b>747,614</b>	<b>99.5</b>	<b>255,326</b>	<b>98.6</b>	<b>1,038,760</b>	<b>100.0</b>
Other .....	3,507	0.5	3,507	1.4	—	—
Domestic .....	89,312	11.9	69,100	26.7	110,301	10.6
Overseas .....	661,809	88.1	189,733	73.3	928,459	89.4
<b>Total</b> .....	<b>751,122</b>	<b>100.0</b>	<b>258,834</b>	<b>100.0</b>	<b>1,038,760</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>Revenues</i>		<i>Backlog</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 as of the end of the nine-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.