Translation

May 13, 2009

Consolidated Financial Results for the Fiscal Year Ending March 31, 2009

Company name: **CHIYODA CORPORATION**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6366
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(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2009	446,438	(26.0)	7,227	(18.2)	11,449	(40.1)	6,498	(32.6)
Fiscal year ended March 31, 2008	603,559	24.5	8,839	(69.2)	19,121	(48.0)	9,640	(59.0)

	Net income per share	Fully diluted net income per share	Return on Equity (ROE)	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2009	25.58	25.58	5.7	3.1	1.6
Fiscal year ended March 31, 2008	50.15	50.12	12.2	4.7	1.5

Reference: Equity in earnings of associated companies: Fiscal year ended March 31, 2009: 137million yen,
Fiscal year ended March 31, 2008: 435 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2009	357,816	145,917	40.7	561.12
As of March 31, 2008	378,819	81,637	21.4	422.44

Reference: Equity As of March 31, 2009: 145,513 million yen As of March 31, 2008: 81,226 million yen

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2009	8,971	(1,072)	58,548	135,536
Fiscal year ended March 31, 2008	14,274	(3,917)	(17,219)	70,089

2. Cash dividends

	Cash dividends per share					Payment of Cash Dividends	Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2008	-	-	-	10.00	10.00	1,922	19.9	2.4
Fiscal year ending March 31, 2009	-	–	–	7.50	7.50	1,944	29.3	1.5
Fiscal year ending March 31, 2010 (Forecast)	–	-	-	6.00	6.00	–	31.1	–

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2010 (from April 1, 2009 to March 31, 2010)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q ending September 30, 2009	180,000	(25.2)	4,500	(34.8)	5,500	(43.6)	3,000	(50.5)	11.57
Fiscal year ending March 31, 2010	320,000	(28.3)	7,500	(3.8)	9,000	(21.4)	5,000	(23.1)	19.28

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”)

a. Changes due to revisions to accounting standards: Yes

b. Changes due to other reasons: None

(3) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2009	260,292,529 shares
As of March 31, 2008	193,182,529 shares

b. Number of treasury stock at the end of the period

As of March 31, 2009	963,763 shares
As of March 31, 2008	903,520 shares

<u>* Proper use of earnings forecasts, and other special directions</u>

1. The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to a number of factors.
2. Commencing with the current fiscal year, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied. Also, quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial

5. Results of Operations

(1) Analysis of Results

Regarding the market environment for Chiyoda during the year ended March 31, 2009, major crude oil and natural gas producing countries as well as energy majors had planned substantial capital investment. However, with a downturn in the product market, shrinking demand and other effects of the rapidly worsening economy, conditions became uncertain, including a growing trend toward revising timing and other conditions of investment.

Under these circumstances, the Chiyoda Group made concentrated efforts to properly execute ongoing projects. These efforts included completing and handing over the first liquefied natural gas (LNG) plant in Russia and the first of six trains of the ultra-large-scale LNG plants (7.8 million tones per annum) in Qatar. While the prolonged commercial discussions with Qatar Liquefied Gas Co., Ltd. (3) and (4) to extend the construction period and increase the contracted price for construction of Train 6 and Train 7 of the LNG plant have almost concluded, the construction budget could not be maintained because the price increase secured fell short of projected additional costs to be paid to subcontractors and other parties.

As a result, on a consolidated basis, new contracts were 209,422 million yen, a 19.1% decrease compared with the same period of the previous year, and the backlog of contracts was 425,043 million yen, a decrease of 36.6%. Revenues decreased 26.0% to 446,438 million yen, operating income decreased 18.2% to 7,227 million yen, ordinary income decreased 40.1% to 11,449 million yen, and net income decreased 32.6% to 6,498 million yen.

Results by Business Segment

Natural Gas and Electric Power

Overseas, the Chiyoda Group focused on acquiring contracts for research and Front-End Engineering and Design (FEED) under gas-related investment plans by national oil companies and international oil companies. For the fiscal year ended March 31, 2009, in addition to an LNG plant project in Algeria, Chiyoda was awarded contracts including the FEED and executing planning work (FS) for the Barzan onshore gas processing project in Qatar, an EPC competition contract for participation in an EPC design competition for an LNG plant in Papua New Guinea, and the FEED services for the Ichthys LNG project in Australia. In addition, promoting its long-standing plant lifecycle engineering business, Chiyoda was awarded a long-term Engineering, Procurement, Construction management (EPCm) services contract for LNG and gas processing plants through a subsidiary in Qatar. Furthermore, Chiyoda worked to secure contracts for floating LNG facilities, in which investment is expected to grow.

In Japan’s gas and electric power sector, new construction and expansion of large-scale LNG receiving terminals are being planned as a result of the shift to LNG as an energy source for reasons including demands to curb CO_2 emissions and growth in gas-related businesses. Amid these conditions, the Group acquired contracts including for construction of projects including an LNG receiving terminal.

Petroleum, Petrochemicals and Gas Chemicals

In the overseas petroleum sector, despite uncertainty about the future, Chiyoda worked to acquire contracts related to planned investments in petroleum refineries in the Middle East and Southeast Asia.

In Japan’s petroleum sector, Chiyoda steadily promoted ongoing projects and worked to acquire new contracts for various investment projects including for strengthening the competitiveness of industrial areas and environmental measures centered on energy conservation.

In the petrochemicals sector, although some investment projects were delayed due to the economic downturn, the Group focused on acquiring contracts for facility maintenance and repair while promoting development projects including pilot facilities.

General Chemicals and Industrial Machinery
The Group worked to enter the promising fields of solar battery components, reflecting global policies to promote wider use of solar batteries, and lithium batteries for automobiles.

In the pharmaceuticals sector, the Group steadily acquired new contracts due to an increasing drive to invest in new construction and expansion of existing plants in order to adapt to recent changes in the business environment.

Environment and Others
Chiyoda continued to conduct marketing activities in Japan and overseas for its original CT-121 flue gas desulfurization process technology. In Europe, where the environment business is most advanced, Chiyoda licensed its proprietary technologies for use at a major power station in Denmark.

Major Completed Construction (*) Completed portion

Overseas	・Feed gas preparation works of Pearl GTL project for Qatar Shell GTL Ltd. in Qatar **(*)** ・LNG plant Trains 6 & 7 for Ras Laffan Liquefied Natural Gas Co., Ltd. (3) in Qatar **(*)** ・LNG plant Trains 6 & 7 for Qatar Liquefied Gas Company Limited (3) & (4) in Qatar **(*)** ・LNG plant Trains 4 & 5 for Qatar Liquefied Gas Company Limited (2) in Qatar **(*)** ・Al Kahleej Gas Phase 2 project for ExxonMobil in Qatar **(*)** ・Sakhalin II LNG project in Russia
Domestic	・CCR unit for Seibu Oil Co., Ltd. **(*)** ・Expansion of Mizushima LNG receiving terminal for Mizushima LNG Company, Limited **(*)** ・Construction of RFCC complex for Taiyo Oil Company, Limited **(*)**

(2) Outlook for the Year Ending March 31, 2010
Chiyoda will work to promote sales activities and projects that capitalize on the Company's technological advantages. Chiyoda will work to steadily execute ongoing projects in Japan and overseas, including the large-scale projects in Qatar.

Under these conditions, and assuming an exchange rate of 95.0 yen to the U.S. dollar, on a consolidated basis Chiyoda forecasts new contracts of 440.0 billion yen, revenues of 320.0 billion yen, operating income of 7.5 billion yen, ordinary income of 9.0 billion yen and net income of 5.0 billion yen.

(2) Analysis of Financial Condition
(1) Assets, Liabilities and Net Assets
Assets
Current assets decreased 17,359 million yen due to factors including a decrease of 92,256 million yen in jointly controlled assets of joint venture resulting from an increase in payments to vendors and subcontractors due to progress of large-scale joint venture projects, despite an increase in cash and cash equivalents and certificates of deposit (short-term investment securities) of 64,604 million yen due to factors including allocation of new shares to third parties. As a result, total assets decreased 21,003 million yen from the end of the previous fiscal year.

Liabilities
Total liabilities decreased 85,283 million yen. This was mainly due to a 93,360 million yen decrease in the balance of advances received on uncompleted construction contracts.

Net Assets
Total net assets were 145,917 million yen due to a 30,457 million yen increase from the third-party allocation that Chiyoda implemented, and a 65,377 million yen increase in shareholders' equity due to factors including a 30,390 million yen increase in retained earnings. The equity ratio increased 19.3 points compared with the end of the previous fiscal year to 40.7%.

(2) Cash Flow

Cash flow from operating activities

Net cash provided by operating activities was 8,971 million yen. Contributing factors included a decrease of 104,124 million yen in working capital (total notes and accounts receivable – trade, costs on uncompleted construction projects, notes and accounts payable – trade and advances received on uncompleted construction projects), income before income taxes and minority interests of 9,651 million yen and depreciation and amortization of 1,957 million yen, a decrease of 92,256 million yen in jointly controlled assets of joint venture due to the progress of large-scale joint venture projects, and interest and dividend income of 1,347 million yen.

Cash flow from investing activities

Net cash used in investing activities was 1,072 million yen, due to capital investments including purchases of software totaling 1,720 million yen and other factors.

Cash flow from financing activities

Net cash provided by financing activities was 58,548 million yen. Factors included 60,577 million yen from the allocation of new shares to third parties, and cash dividends paid totaling 1,920 million yen.

As a result of the above, net cash and cash equivalents as of March 31, 2009 totaled 135,536 million yen, an increase of 65, 447 million yen from the end of the previous fiscal year.

Cash Flow Indices

Fiscal years ended March 31	Equity ratio (%)	Debt repayment period (Years)	Interest coverage ratio (Times)
2005	20.2%	21.3	1.6
2006	19.8	2.0	17.3
2007	17.4	0.3	114.4
2008	21.4	0.7	35.3
2009	**40.7%**	**1.1**	**26.3**
Notes	(Shareholders' equity – minority interests)/Total assets	Interest-bearing debt/Net cash provided by operating activities	Net cash provided by operating activities/Interest expense

Note: The equity ratios for 2005 and 2006 represent the previous "net asset ratio."

(3) Dividend Policy

Chiyoda's dividend policy emphasizes distributing earnings to shareholders with a target payout ratio of 30% while strengthening the Company's financial structure to accommodate future expansion.

We have set the planned year-end dividend at 7.50 yen per share. Chiyoda plans to pay a year-end dividend of 6.00 yen per share for the fiscal year ending March 31, 2010.

(4) Business Risks and Other Risks

Primary issues that could affect investor decisions regarding investment risk, such as material issues related to the Chiyoda Group's financial position, performance and cash flow and the Chiyoda Group's response to such issues, include but are not limited to the issues outlined below. The Chiyoda Group recognizes the potential occurrence of these risks and works to avoid them to the maximum extent possible. The Chiyoda Group also moves to respond as quickly as possible to minimize the impact of issues that present risks when they occur.

As of March 31, 2009, Chiyoda Group management acknowledges the issues that may present risks in the future outlined below and has made them the focus of risk management.

1) Changes in Exchange Rates
In overseas construction projects, construction payments are often in different currencies than payments for vendors and/or subcontractors and equipment and materials. Foreign currency exchange rates may therefore affect the financial results of the projects. The Chiyoda Group works to avoid and minimize such foreign currency fluctuation risks by using forward foreign exchange contracts and matching planned outlays in multiple currencies with construction payments and receivables.

2) Rapid Changes in Economic Trends
Cancellation, delays or revisions of the investment plans of customers or other factors resulting from changes in economic trends exceeding forecasts could impact the Chiyoda Group's performance. In addition, construction execution plans and budgets and collection of receivables may be affected by the worsening business conditions of business partners involved in plant construction, including subcontractors and suppliers of equipment and materials.

The Group will work to avoid and minimize risk in ways such as sufficiently analyzing the credit standing of business partners to confirm whether and under what conditions to transact business while monitoring economic trends.

3) Terrorism, Conflicts and Other Force Majeure Events
Force majeure events such as terrorism or conflicts may cause direct losses, delays in procuring or delivering materials and equipment, threats to the safety of workers, cessation of construction work, and other problems at construction sites in Japan and overseas.

While placing top priority on the avoidance of human injury, the Chiyoda Group has structured a threat management system that includes cooperation with customers and other related parties to support rapid initial response should such issues occur. In addition, the Chiyoda Group takes other actions to avoid or minimize these risks, including negotiating contractual provisions that rationally allocate additional costs to customers.

4) Plant Accidents
Serious accidents including explosions or fire may occur due to various causes at plants that the Chiyoda Group is constructing or has completed. The Chiyoda Group could be judged responsible for such accidents, including being held liable for damages, which could impact the Chiyoda Group's performance.

The Chiyoda Group works to avoid or minimize this risk in ways such as taking all possible measures to preclude the occurrence of accidents, including quality control and safety management. Other countermeasures include maintaining appropriate insurance coverage and negotiating contracts that rationally allocate customer responsibility for damages.

6. Management Policies

(1) Basic Management Policies
The shared management philosophy of the Chiyoda Group is, "Aim for harmony between energy and the environment in enhancing our business and contribute to the development of a sustainable society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology." We aim for corporate group management that earns the trust and understanding of all stakeholders, including shareholders, customers, business partners, employees and local communities.

In order to further raise corporate value, the Chiyoda Group has formulated and today announced its medium-term management plan "Engineering Excellence, Value Creation 2012," for the period from the year ending March 31, 2010 through the year ending March 31, 2013.

In the medium-term management plan "Engineering Excellence, Value Creation 2012," we will focus on our engineering, procurement and construction (EPC) business, where we are strong, while effectively utilizing our increased shareholders' equity to strengthen our business foundation.

The Chiyoda Group will pursue Engineering Excellence through innovation, create value for clients and society and aim to be a leader in profitability in the industry while contributing to customers and society by emphasizing the following three concepts in the business domain of energy, resource development and the environment
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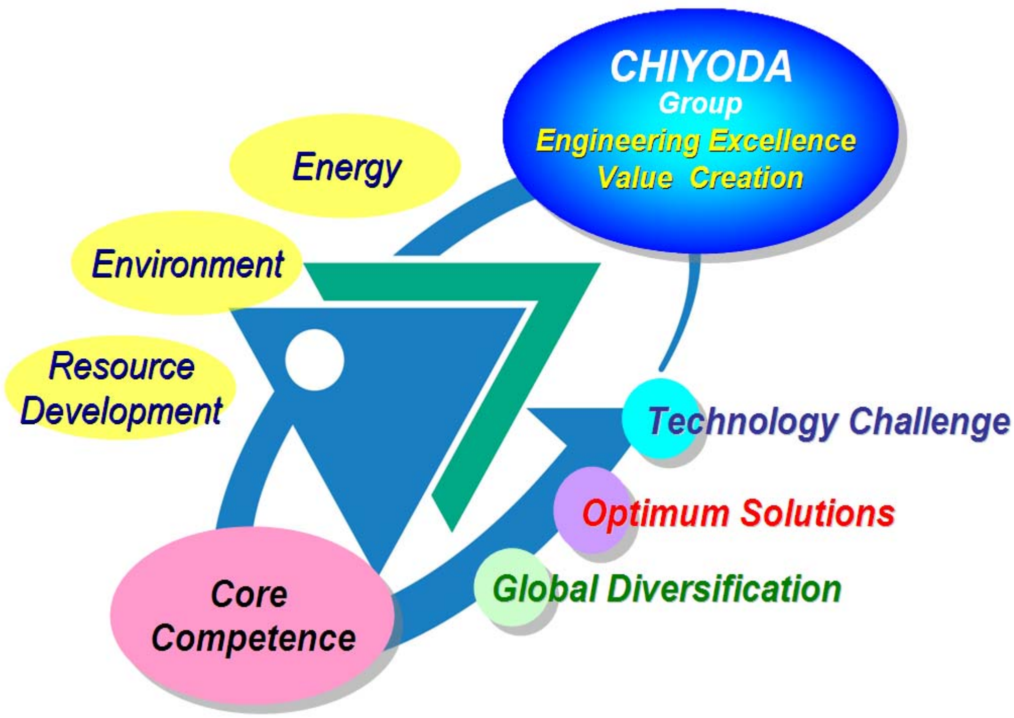
1. Technology Challenge: Study, acquire, accumulate and develop leading-edge technologies
2. Optimum Solutions: Provide environmentally responsible, optimum solutions that meet the needs of customers and society
3. Global Diversification: Further advance global operations



(2) Key Performance Indicator
The earnings target the Chiyoda Group is aiming for in the fiscal year 2012 (the year ending March 31, 2013), the final year of the medium-term management plan "Engineering Excellence, Value Creation 2012," is consolidated net income of 23 billion yen. To achieve this target, we assume that revenues, operating income and ordinary income will be 550 billion yen, 34 billion yen and 38 billion yen, respectively, for the fiscal year 2012.

(3) Medium-to-Long-Term Management Strategies
The Chiyoda Group's management is moving forward based on the fundamental recognition that the Chiyoda Group's core competence is its sophisticated project execution capabilities backed by leading-edge elemental technologies.. In the medium-term plan aimed at the next significant step forward, we must make necessary moves in areas such as strategic business alliances, mergers and acquisitions, and invest in technology research and development, overseas base enhancement, human resources and information technology infrastructure. At the same time, we will establish a solid management foundation for growth. Accordingly, we will promote the following management strategies.

Further Strengthen Chiyoda's Core Businesses

・While maintaining leading position in the LNG and gas business (the gas value chain), the Chiyoda Group will respond to the increasing number of projects executed under harsh environmental conditions. We will establish standardized designs and modular construction methods. Upstream, we will take steps such as concluding business alliances with corporate groups, particularly those that are strong in various types of offshore facilities, and promote initiatives in areas such as floating LNG.

・Through business alliances, mergers and acquisitions with domestic and overseas companies, the Chiyoda Group will expand its business operations with the aim of securing manpower and accommodating for diverse contract configurations, including cost-reimbursement contracts.

・The Chiyoda Group will promote the development of markets in Asia, Oceania and new markets in South America in close cooperation with Mitsubishi Corporation.

・The Chiyoda Group will further strengthen its focus on its safety- and environment-first policy in plant design and construction.

Build a Balanced Business Portfolio for Steady Growth

・The Chiyoda Group will strengthen efforts to acquire petroleum refining, petrochemicals, synthesis gas and other projects in which it can differentiate itself on the basis of technology and execution scheme. In the petroleum refining sector, we will focus on heavy oil cracking technology and large export oil refineries. In the synthesis gas sector, we participated in the Nippon GTL Technology Research Association to demonstrate a gas-to-liquid (GTL) process and continue working to commercialize it.

・In environment-related businesses, the Chiyoda Group will expand into the field of renewable energy including solar power and battery power. We will cooperate closely with customers in EPC and non-EPC projects related to carbon management such as CCS (Carbon Capture and Storage) to promote a low-carbon society.

・In expanding the business domain into non-EPC businesses, the Chiyoda Group will provide a variety of services including conceptual design and FS for energy-saving and facility upgrading, as well as technology consulting for water and integration of utilities and for coal and heavy oil gasification. We will also pursue EPC business in these areas where possible.

Further Strengthen Unified Group Operations

- The Chiyoda Group will build a sales and execution system with a strong regional focus. We had already made progress by establishing a support organization within head office for subsidiaries in Singapore and Qatar. In addition, we are studying how to strengthen our subsidiary in Saudi Arabia. Those subsidiaries will undertake small and medium-scale EPC and expand their capabilities to provide post-mechanical- completion services including investigation of plant soundness and providing solution for problems.

- The Chiyoda Group will promote global operational efficiency in order to increase cost competitiveness. GES and other Group companies will not only support design divisions in head office, they will also assume more active roles in global project execution. By expanding business functions in the Group companies, we aim to improve our global project execution capabilities.

- The Chiyoda Group will develop business in new regions such as North America, Central America, South America, Africa and the Commonwealth of Independent States. Recognizing the importance of stable operations, we will diversify our regional portfolio through means including collaboration with other companies, as well as capital and business alliances.

- While clarifying the responsibilities of Group companies, the Chiyoda Group will strive to more strongly promote unified Group operations in order to expand business in areas such as operation and maintenance (O&M), plant lifecycle engineering, pharmaceuticals and inorganic chemistry.

(4) Issues to Be Dealt With

From a wide view of the business environment surrounding the Chiyoda Group, confusion in international financial conditions due to the subprime loan crisis in the United States has severely affected the real economy. In the short term, market trends require monitoring as a result of a lull in energy demand and project delays due to expectations of a drop in plant costs. In order to achieve the management indicators and strategies of the medium-term management plan “Engineering Excellence, Value Creation 2012,” which was formulated amid these conditions, Chiyoda must deal with the following issues in the plan’s first year ending March 31, 2010.

1. Acquiring Contracts for New Projects

   Overseas, where economic conditions are changing rapidly, Chiyoda will focus on acquiring contracts for new projects in the petroleum and petrochemicals segments in addition to the LNG and gas segments, while monitoring the investment trends of customers. To that end, Chiyoda will formulate measures to strengthen technological development and cost competitiveness, and secure and train necessary personnel.

   In Japan, the Chiyoda Group will utilize its overseas bases to promote sales aimed at acquiring contracts for a variety of industrial facilities and projects for customers investing overseas.

2. Executing Ongoing Projects

   Due to the shortage of construction workers at LNG projects currently underway in Qatar, labor costs have risen above initial expectations, resulting in a significant reduction in earnings. Chiyoda will maintain thorough project control at large-scale projects in Japan and overseas including ongoing LNG projects, working to earn greater trust from customers through an even stricter focus on safety and steady progress.

3. Developing New Businesses

   In implementing measures to build the environment business Chiyoda will focus on areas in which it has technical superiority in order to create opportunities to supply FS and other soft services. Chiyoda will also strengthen sales in non-EPC businesses by establishing a dedicated execution support organization in head office.

4. Overseas Base Expansion
   Chiyoda is establishing measures to increase project execution personnel and sales personnel at regional subsidiaries in order to build a sales and execution system with a strong regional focus. Chiyoda is also developing measures to expand the scope of functions of overseas design subsidiaries and in order to promote global operational efficiency to increase cost competitiveness.

Because of the severe business environment, Chiyoda will focus on prudent cash management. However, while monitoring the progress of the above measures, Chiyoda will respond to changes in the market by smoothly and flexibly allocating capital through strategic investments for growth, investment to strengthen its management foundation, and investment in research and development.

7. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets (1/2)

(Millions of yen)

	As of March 31, 2009	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	38,747	60,484
Notes receivable, accounts receivable from completed construction contracts	50,651	36,368
Short-term investment securities	96,841	10,500
Costs on uncompleted construction contracts	16,920	16,801
Deferred tax assets	9,872	5,336
Jointly controlled assets of joint venture	100,426	192,683
Other	7,392	16,037
Allowance for doubtful accounts	(3)	(5)
Total current assets	320,848	338,207
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,130	8,354
Machinery and vehicles, net	637	930
Tools, furniture and fixtures, net	1,278	1,852
Land	11,953	11,935
Construction in progress	1	0
Total property, plant and equipment	22,001	23,072
Intangible assets	4,921	4,714
Investments and other assets		
Investment securities	6,955	9,302
Deferred tax assets	1,348	1,649
Other	2,074	2,362
Allowance for doubtful accounts	(333)	(490)
Total investments and other assets	10,045	12,824
Total noncurrent assets	36,968	40,612
Total assets	357,816	378,819

Consolidated balance sheets (2/2)

(Millions of yen)

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	77,020	74,037
Current portion of long-term loans payable	18	10,039
Income taxes payable	5,457	1,408
Advances received on uncompleted construction contracts	91,661	185,022
Provision for warranties for completed construction	3,801	2,098
Provision for loss on construction contracts	4,302	4,044
Provision for bonuses	3,557	4,196
Other	13,398	13,137
Total current liabilities	199,218	293,986
Noncurrent liabilities		
Long-term loans payable	10,004	22
Provision for retirement benefits	1,606	1,690
Provision for directors' retirement benefits	681	536
Other	388	947
Total noncurrent liabilities	12,681	3,196
Total liabilities	211,899	297,182
Net assets		
Shareholders' equity		
Capital stock	43,392	12,934
Capital surplus	37,108	6,718
Retained earnings	69,730	65,155
Treasury stock	(1,105)	(1,059)
Total shareholders' equity	149,126	83,748
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(775)	(847)
Deferred gains or losses on hedges	(1,368)	(1,667)
Foreign currency translation adjustment	(1,469)	(6)
Total valuation and translation adjustments	(3,613)	(2,521)
Minority interests	404	410
Total net assets	145,917	81,637
Total liabilities and net assets	357,816	378,819

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Fiscal year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)
Consolidated quarterly statements of income		
Net sales of completed construction contracts	446,438	603,559
Cost of sales of completed construction contracts	427,461	583,035
Gross profit on completed construction contracts	18,977	20,524
Selling, general and administrative expenses	11,749	11,684
Operating income	7,227	8,839
Non-operating income		
Interest income	4,454	10,373
Dividends income	646	526
Equity in earnings of affiliates	137	435
Real estate rent	247	242
Other	127	451
Total non-operating income	5,614	12,030
Non-operating expenses		
Interest expenses	340	404
Foreign exchange losses	435	978
Stock issuance cost	271	-
Rent expenses on real estates	152	176
Other	192	189
Total non-operating expenses	1,392	1,748
Ordinary income	11,449	19,121
Extraordinary income		
Gain on sales of investment securities	-	644
Reversal of impairment loss	-	267
Reversal of allowance for doubtful accounts	127	71
Other	-	68
Total extraordinary income	127	1,051
Extraordinary loss		
Loss on valuation of investment	1,859	616
Loss on abolishment of retirement benefit plan	-	485
Other	65	79
Total extraordinary losses	1,925	1,181
Income before income taxes and minority interests	9,651	18,991
Income taxes-current	7,120	7,355
Income taxes-deferred	(3,996)	1,967
Total income taxes	3,123	9,323
Minority interests in income	29	27
Net income	6,498	9,640

(3) Consolidated statement of cash flows (1/2)

(Millions of yen)

	Fiscal year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Fiscal year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,651	18,991
Depreciation and amortization	1,957	1,593
Reversal of impairment loss	–	(267)
Increase (decrease) in allowance for doubtful accounts	(158)	(77)
Interest and dividends income	(5,101)	(10,900)
Interest expenses	340	404
Foreign exchange losses (gains)	(26)	80
Equity in (earnings) losses of affiliates	(137)	(435)
Loss (gain) on sales of investment securities	–	(644)
Loss (gain) on valuation of investment securities	1,859	616
Loss on abolishment of retirement benefit plan	–	485
Decrease (increase) in notes and accounts receivable-trade	(13,859)	2,215
Decrease (increase) in costs on uncompleted construction contracts	171	10,854
Increase (decrease) in notes and accounts payable-trade	2,772	(12,740)
Increase (decrease) in advances received on uncompleted construction contracts	(93,209)	(46,788)
Increase (decrease) in provision for bonuses	(847)	(901)
Increase (decrease) in provision for retirement benefits	(181)	(473)
Increase (decrease) in provision for warranties for completed construction	1,754	522
Increase (decrease) in provision for loss on construction contracts	43	4,034
Decrease (increase) in accounts receivable-other	2,229	627
Decrease (increase) in jointly controlled asset of joint venture	92,256	63,377
Increase (decrease) in accrued consumption taxes	424	351
Increase (decrease) in deposits received	(511)	183
Increase (decrease) in accrued liability of a defined contribution pension plan	(811)	(832)
Other, net	9,477	4,195
Subtotal	8,094	34,473
Interest and dividends income received	1,347	1,026
Interest expenses paid	(398)	(312)
Income taxes paid	(72)	(20,912)
Net cash provided by (used in) operating activities	8,971	14,274

Consolidated statement of cash flows (2/2)

(Millions of yen)

	Fiscal year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)	Fiscal year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)
Net cash provided by (used in) investment activities		
Payments into time deposits	–	(826)
Proceeds from withdrawal of time deposits	888	68
Purchase of property, plant and equipment	(563)	(360)
Proceeds from sales of property, plant and equipment	41	5
Purchase of intangible assets	(1,156)	(1,256)
Purchase of investment securities	(65)	(2,305)
Proceeds from sales of investment securities	–	839
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(215)	(115)
Collection of long-term loans receivable	–	35
Other, net	(0)	0
Net cash provided by (used in) investment activities	(1,072)	(3,917)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	10,000	–
Repayment of long-term loans payable	(10,039)	(14,186)
Proceeds from issuance of common stock	60,577	13
Cash dividends paid	(1,920)	(2,879)
Cash dividends paid to minority shareholders	(10)	(12)
Repayments of finance lease obligations	(13)	–
Other, net	(46)	(154)
Net cash provided by (used in) financing activities	58,548	(17,219)
Effect of exchange rate change on cash and cash equivalents	(999)	(99)
Net increase (decrease) in cash and cash equivalents	65,447	(6,962)
Cash and cash equivalents at beginning of period	70,089	77,051
Cash and cash equivalents at end of period	135,536	70,089

8. Production, Contracts and Sales (Consolidated)

	Millions of Yen					
	FY2009 Apr. 1, 2008 — March. 31, 2009					
	New contracts		Net sales		Backlog of contracts	
	Amt	%	Amt	%	Amt	%
Business Segment						
Engineering						
LNG plants	42,845	20.5	192,769	43.2	137,214	32.3
Gas and power utilities	72,160	34.5	127,007	28.4	168,936	39.8
Gas chemicals	240	0.1	467	0.1	845	0.2
Petroleum and petrochemicals	53,445	25.5	74,131	16.6	83,458	19.6
General chemicals	25,522	12.2	24,232	5.4	20,862	4.9
Industrial machinery	4,032	1.9	9,216	2.1	1,788	0.4
Environment and other	5,133	2.4	12,889	2.9	11,064	2.6
Total Engineering	**203,379**	**97.1**	**440,713**	**98.7**	**424,170**	**99.8**
Other	6,043	2.9	5,724	1.3	873	0.2
Domestic	148,936	71.1	123,156	27.6	215,740	50.8
Overseas	60,486	28.9	323,282	72.4	209,303	49.2
Total	**209,422**	**100.0**	**446,438**	**100.0**	**425,043**	**100.0**

	Millions of Yen					
	FY2008 Apr. 1, 2007 — March. 31, 2008					
	New contracts		Revenues		Backlog of contracts	
	Amt	%	Amt	%	Amt	%
Business Segment						
Engineering						
LNG plants	54,522	21.1	389,340	64.5	290,599	43.4
Gas and power utilities	41,009	15.8	98,505	16.3	226,651	33.8
Gas chemicals	306	0.1	948	0.2	1,072	0.1
Petroleum and petrochemicals	107,188	41.4	71,991	11.9	108,333	16.2
General chemicals	22,157	8.6	22,696	3.8	17,227	2.6
Industrial machinery	10,380	4.0	8,581	1.4	7,212	1.1
Environment and other	17,577	6.8	5,970	1.0	18,866	2.8
Total Engineering	**253,143**	**97.8**	**598,034**	**99.1**	**669,964**	**100.0**
Other	5,611	2.2	5,525	0.9	86	0.0
Domestic	158,187	61.1	110,073	18.2	190,508	28.4
Overseas	100,567	38.9	493,486	81.8	479,541	71.6
Total	**258,754**	**100.0**	**603,559**	**100.0**	**670,050**	**100.0**

Note: The backlog of contracts for the fiscal year ended March 31, 2008 includes a decrease due to changes in construction contracts acquired in prior fiscal years, an increase due to adjustments in new contract amounts, and an increase due to foreign exchange translation adjustments.