

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010

Company name: **CHIYODA CORPORATION**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 6366
 URL: <http://www.chiyoda-corp.com/>
 Representative: Takashi Kubota, President & CEO
 Inquiries: Shinji Kusunoki, General Manager, Accounting Department
 TEL: +81-45-506-9410 (from overseas)

Scheduled date to file Quarterly Report: August 11, 2009

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first quarter of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 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 | % |
| 1Q ended June 30, 2009 | 82,677 | (27.7) | 2,870 | 112.1 | 3,848 | 17.5 | 2,081 | 16.6 |
| 1Q ended June 30, 2008 | 114,347 | - | 1,353 | - | 3,274 | - | 1,785 | - |

| | Net income per share | Fully diluted net income per share |
|------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| 1Q ended June 30, 2009 | 8.03 | 8.03 |
| 1Q ended June 30, 2008 | 7.50 | 7.50 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2009 | 351,875 | 148,376 | 42.0 | 570.07 |
| As of March 31, 2009 | 357,816 | 145,917 | 40.7 | 561.12 |

Reference: Equity As of June 30, 2009: 147,849 million yen As of March 31, 2009: 145,513 million yen

2. Cash dividends

| Record date | Cash dividends per share | | | | |
|--|--------------------------|----------------|---------------|-----------------|--------|
| | First quarter | Second quarter | Third quarter | Fiscal year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2009 | - | - | - | 7.50 | 7.50 |
| Fiscal year ending March 31, 2010 | - | - | - | - | - |
| Fiscal year ending March 31, 2010 (Forecast) | - | - | - | 6.00 | 6.00 |

Note: Revision of the forecast in the first quarter of the fiscal year ending March 31, 2010: None

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 (cumulative) | 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 |

Note: Revision of the forecasts in the first quarter of the fiscal year ending March 31, 2010: None

4. Others

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of simplified accounting as well as specific accounting for preparing the quarterly consolidated financial statements: None
- (3) 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

- (4) Number of issued shares (common stock)
- | | | |
|----|---|--------------------|
| a. | Total number of issued shares at the end of the period (including treasury stock) | |
| | As of June 30, 2009 | 260,324,529 shares |
| | As of March 31, 2009 | 260,292,529 shares |
| b. | Number of treasury stock at the end of the period | |
| | As of June 30, 2009 | 973,228 shares |
| | As of March 31, 2009 | 963,763 shares |
| c. | Average number of shares during the period (cumulative from the beginning of the fiscal year) | |
| | For the first quarter of the fiscal year ending March 31, 2010 | 259,332,534 shares |
| | For the first quarter of the fiscal year ended March 31, 2009 | 237,976,425 shares |

* Proper use of earnings forecasts, and other special directions

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 Statements.”

5. Qualitative Information related to Consolidated Performance

(1) Analysis Results

In the first quarter of the consolidated fiscal year under review, we have seen signs of a resumption in investment projects that had been postponed due to the impact of the fall-off in the product market and contraction in demand caused by the dramatic economic decline that started during the prior fiscal year.

Under these circumstances, the Chiyoda Group has focused on securing new contracts while engaging in the steady execution of existing projects. Of the six trains (7.8 million ton/year each) being constructed in Qatar for a ultra-large-scale LNG plant, the Chiyoda Group has completed a total of three; two completed recently in addition to the train completed during the prior period.

Consolidated New Contracts for the first quarter of the consolidated fiscal year under review was 54.27 billion yen (a 17.3% year-on-year increase), while consolidated Contract Backlog amounted to 395.465 billion yen (36.3% year-on-year decrease). Consolidated Revenues amounted to 82.677 billion yen (27.7% year-on-year decrease), with Operating Income of 2.87 billion yen (112.1% year-on-year increase), Ordinary Income of 3.848 billion yen (17.5% year-on-year increase), and Quarterly Net Income of 2.081 billion yen (16.6% year-on-year increase).

Progress according to business segment is as described below.

<Natural Gas, Electric Power>

Overseas: Given recent movement in the resumption of gas-related investment plans by gas-producing countries and major energy firms, the Chiyoda Group has focused its energies on new contracts. In addition to construction work on large-scale LNG plants, the Group has continued implementation of basic design/project execution planning services. Our subsidiary established in Qatar began work related to long-term services in LNG/gas processing plant design/procurement/construction management services contracted during the prior period. The Chiyoda Group is capitalizing on these types of long-term services to promote our Plant Lifecycle Engineering (PLE) business, which we have been planning to build for some time.

Domestic electric power/gas industry: Given the fuel shift toward LNG associated with the demand to decrease CO₂, as well as the expansion of the gas sales business, there have been plans for new construction of and expansions to large-scale LNG receiving terminals. The Chiyoda Group has won new contracts for basic design services related to LNG receiving terminal construction.

<Petroleum, Petrochemicals, Gas Chemicals>

In the overseas petroleum segment, the Chiyoda Group has aimed projects for refineries in the Middle East and Southeast Asia. In Saudi Arabia, we were awarded EPC (engineering/procurement/construction) work for a Coker Unit.

The domestic petroleum segment has experienced a contraction in investment plans; however, there is a persistent sentiment for investment in energy conservation/environmental protection projects and efficiency improvement projects, combined with active investment in new energy/renewable energy, and the Chiyoda Group as a whole is responding by increasing activities to win new contracts.

The Group noted some postponements of investment projects in the petrochemical segment; however, we are actively engaged in work toward new contracts for maintenance projects in this field.

<General Chemicals, Industrial Machinery, Environment and Others>

In the General Chemicals/Industrial Machinery field, the Chiyoda Group has focused efforts on entry into the related materials market reflecting global policies for the widespread adoption of solar cells, as well as markets related to lithium ion batteries for automotive use.

With increasing new entries and increased production in the biopharmaceutical (antibodies/vaccines) segment of the pharmaceuticals field, the Chiyoda Group is responding by stepping up our sales activities to win new contracts in this segment.

(Note) See Page X for more information about segment New Orders, Revenues, and Contract Backlog.

6. Consolidated quarterly financial statements

(1) Consolidated balance sheets

(Millions of yen)

| | As of June 30, 2009 | As of March 31, 2009 (Summary) |
|---|---------------------|-----------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 36,172 | 38,747 |
| Notes receivable, accounts receivable from completed construction contracts | 54,200 | 50,651 |
| Short-term investment securities | 88,841 | 96,841 |
| Costs on uncompleted construction contracts | 20,958 | 16,920 |
| Jointly controlled assets of joint venture | 97,377 | 100,426 |
| Other | 17,017 | 17,265 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 314,564 | 320,848 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 8,045 | 8,130 |
| Land | 11,953 | 11,953 |
| Other, net | 1,807 | 1,916 |
| Total property, plant and equipment | 21,807 | 22,001 |
| Intangible assets | 4,811 | 4,921 |
| Investments and other assets | | |
| Investment securities | 7,911 | 6,955 |
| Other | 3,114 | 3,423 |
| Allowance for doubtful accounts | (332) | (333) |
| Total investments and other assets | 10,693 | 10,045 |
| Total noncurrent assets | 37,311 | 36,968 |
| Total assets | 351,875 | 357,816 |

(Millions of yen)

| | As of June 30, 2009 | As of March 31, 2009 (Summary) |
|--|---------------------|-----------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts | 74,178 | 77,020 |
| Current portion of long-term loans payable | 18 | 18 |
| Income taxes payable | 1,980 | 5,457 |
| Advances received on uncompleted construction contracts | 92,357 | 91,661 |
| Provision for warranties for completed construction | 3,969 | 3,801 |
| Provision for loss on construction contracts | 3,218 | 4,302 |
| Provision for bonuses | 1,778 | 3,557 |
| Other | 13,673 | 13,398 |
| Total current liabilities | 191,174 | 199,218 |
| Noncurrent liabilities | | |
| Long-term loans payable | 10,004 | 10,004 |
| Provision | 1,760 | 2,288 |
| Other | 560 | 388 |
| Total noncurrent liabilities | 12,325 | 12,681 |
| Total liabilities | 203,499 | 211,899 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 43,396 | 43,392 |
| Capital surplus | 37,112 | 37,108 |
| Retained earnings | 69,887 | 69,730 |
| Treasury stock | (1,112) | (1,105) |
| Total shareholders' equity | 149,283 | 149,126 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 173 | (775) |
| Deferred gains or losses on hedges | (457) | (1,368) |
| Foreign currency translation adjustment | (1,150) | (1,469) |
| Total valuation and translation adjustments | (1,434) | (3,613) |
| Minority interests | 527 | 404 |
| Total net assets | 148,376 | 145,917 |
| Total liabilities and net assets | 351,875 | 357,816 |

(2) Consolidated statement of income

(Millions of yen)

| | First quarter ended June 30, 2008 (From April 1, 2008 to June 30, 2008) | First quarter ended June 30, 2009 (From April 1, 2009 to June 30, 2009) |
|---|---|---|
| Net sales of completed construction contracts | 114,347 | 82,677 |
| Cost of sales of completed construction contracts | 110,221 | 76,821 |
| Gross profit on completed construction contracts | 4,126 | 5,856 |
| Selling, general and administrative expenses | 2,773 | 2,985 |
| Operating income | 1,353 | 2,870 |
| Non-operating income | | |
| Interest income | 1,894 | 348 |
| Dividends income | 57 | 51 |
| Equity in earnings of affiliates | - | 89 |
| Foreign exchange gains | 271 | 489 |
| Real estate rent | 64 | 35 |
| Other | 58 | 69 |
| Total non-operating income | 2,345 | 1,083 |
| Non-operating expenses | | |
| Interest expenses | 85 | 61 |
| Equity in losses of affiliates | 4 | - |
| Rent expenses on real estates | 42 | 26 |
| Stock issuance cost | 271 | - |
| Other | 20 | 17 |
| Total non-operating expenses | 424 | 105 |
| Ordinary income | 3,274 | 3,848 |
| Income before income taxes and minority interests | 3,274 | 3,848 |
| Income taxes-current | 497 | 2,081 |
| Income taxes-deferred | 988 | (345) |
| Total income taxes | 1,486 | 1,735 |
| Minority interests in income | 3 | 30 |
| Net income | 1,785 | 2,081 |

(3) Consolidated statement of cash flows

(Millions of yen)

| | First quarter ended June 30, 2008 (From April 1, 2008 to June 30, 2008) | First quarter ended June 30, 2009 (From April 1, 2009 to June 30, 2009) |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 3,274 | 3,848 |
| Depreciation and amortization | 482 | 507 |
| Interest and dividends income | (1,951) | (399) |
| Decrease (increase) in notes and accounts receivable-trade | 5,452 | (3,201) |
| Decrease (increase) in costs on uncompleted construction contracts | (6,866) | (3,977) |
| Increase (decrease) in notes and accounts payable-trade | (9,728) | (3,565) |
| Increase (decrease) in advances received on uncompleted construction contracts | (9,042) | 602 |
| Decrease (increase) in jointly controlled asset of joint venture | 16,643 | 3,049 |
| Other, net | 7,794 | (914) |
| Subtotal | 6,058 | (4,052) |
| Interest and dividends income received | 199 | 192 |
| Interest expenses paid | (84) | (64) |
| Income taxes paid | (1,035) | (5,060) |
| Net cash provided by (used in) operating activities | 5,138 | (8,984) |
| Net cash provided by (used in) investment activities | | |
| Proceeds from withdrawal of time deposits | 87 | - |
| Purchase of property, plant and equipment | (121) | (227) |
| Purchase of intangible assets | (351) | (248) |
| Other, net | 2 | (26) |
| Net cash provided by (used in) investment activities | (382) | (502) |
| Net cash provided by (used in) financing activities | | |
| Proceeds from issuance of common stock | 60,570 | 7 |
| Cash dividends paid | (1,652) | (1,678) |
| Cash dividends paid to minority shareholders | (10) | (7) |
| Other, net | (9) | (9) |
| Net cash provided by (used in) financing activities | 58,897 | (1,688) |
| Effect of exchange rate change on cash and cash equivalents | (360) | 308 |
| Net increase (decrease) in cash and cash equivalents | 63,292 | (10,867) |
| Cash and cash equivalents at beginning of period | 70,089 | 135,536 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | - | 290 |
| Cash and cash equivalents at end of period | 133,382 | 124,959 |