

# Financial Results for FY2004

(Year ended March 31, 2005)

May 18, 2005



# 1. Financial Data

(¥ billion)

	2004/3	2005/3	Difference	YoY increase	2005/3 forecast revision in Feb	Difference
New contracts	290.6	411.2	120.6	42%	400.0	11.2
Construction contracts	206.8	267.6	60.8	29%	250.0	17.6
Operating profit	5.8	11.0	5.2	88%	8.8	2.2
Ordinary profit	6.3	11.5	5.2	83%	9.2	2.3
Net profit	6.6	12.8	6.2	94%	10.0	2.8
Shareholders' equity	22.8	36.9	14.1			
Equity ratio	15.9%	20.2%	4.3%			
Dividend	¥0	¥6	¥6			
Exchange rate	¥105/\$	¥107/\$				

## 2. Construction Contracts and Operating Profit

(¥ billion)

	2004/3	2005/3	Difference
Construction contracts	206.8	267.6	60.8
Operating profit margin	2.8%	4.1%	1.3%
Operating profit	5.8	11.0	5.2

(1) Factors driving operating profit growth of ¥ 5.2 billion

(¥ billion)

	contribution amount	contribution ratio
Increase in completed construction contracts	2.1	40%
Improvement of operating profit margin (operating profit/construction contracts)	3.1	60%
Total	5.2	100%

## 2. Breakdown of Construction Contracts and Operating Profit

(2) Breakdown of ¥ 60.8 billion increase in construction contracts

(¥ billion)

	2004/3	2005/3	Difference	YoY
Gas & Power	96.3	162.5	66.2	69%
LNG	75.6	110.8	35.2	47%
Gas development	6.9	33.5	26.5	382%
Receiving terminals and others	13.7	18.2	4.5	32%
Gas chemicals	38.3	14.7	(23.6)	(62%)
Petroleum and petrochemicals	38.3	57.0	18.7	49%
Fine industries and others	33.9	33.4	(0.5)	(1%)
<b>Total</b>	<b>206.8</b>	<b>267.6</b>	<b>60.8</b>	<b>29%</b>

(3) Breakdown of ¥ 1.3% increase in operating profit

	2004/3	2005/3	Difference
Gross profit ratio	6.8%	7.4%	0.6%
SG&A ratio	4.0%	3.3%	(0.7%)
Operating profit margin	2.8%	4.1%	1.3%

### 3. Other Income and Expenses

(¥ million)

	2004/3	2005/3
<b>Other Income</b>		
Interest	360	723
dividend income	50	19
Foreign exchange gain	294	-
Equity in earnings of associated companies	155	152
Rent income	146	247
Others	170	141
<b>Other Expenses</b>		
Interest expense	(374)	(304)
Cost of rent income	(84)	(149)
Foreign exchange loss	-	(102)
Others	(250)	(218)

\* Interest balance: Interest and dividend income (¥742 million) less Interest expense (¥304 million) = ¥438 million

## 4. Extraordinary Gain and Loss

(¥ million)

	2004/3	2005/3
<b>Extraordinary Gain</b>		
Reversal of allowance for doubtful accounts	485	1,073
Allowance for contingency loss	600	200
Others	112	34
<b>Extraordinary Loss</b>		
Loss on sale of fixed assets	-	(390)
Impairment loss	-	(233)
Loss on removal of fixed assets	-	(98)
Loss on guarantee of construction performance in affiliated companies	(1,679)	-
Others	(497)	(124)

\* Actual impairment loss adjusted for loss on sale of property, plant and equipment was ¥623 million. Impairment loss was largely written off in the current interim period.

# 5. Consolidated Balance Sheets

(¥ billion)

	04/3	05/3	Difference		04/3	05/3	Difference
<b>Current assets</b>	120.5	161.9	41.4	<b>Current liabilities</b>	104.8	139.7	34.9
Cash and time deposit	41.6	42.4	0.8	Short-term loans	0.1	10.1	10.0
Trade receivables and costs of construction contracts in progress	43.5	62.6	19.1	Trade payables and advance receipts on construction contracts	89.9	118.8	28.9
Jointly controlled asset of joint venture	28.4	49.9	21.5	Others	14.8	10.8	(4.0)
Others	7.0	7.0	0				
<b>Fixed assets</b>	22.3	20.9	(1.4)	<b>Non-current liabilities</b>	15.2	6.2	(9.0)
Property, plant and equipment	6.9	6.8	(0.1)	Long-term debt	10.3	0.2	(10.1)
Intangible fixed assets	2.6	2.8	0.2	Others	4.9	6.0	1.1
Investments and other assets	12.8	11.3	(1.5)	<b>Total Shareholders' Equity</b>	22.8	36.9	14.1
<b>Assets</b>	142.8	182.8	40.0	<b>Total Liabilities and Shareholders' Equity</b>	142.8	182.8	40.0

## [Notes]

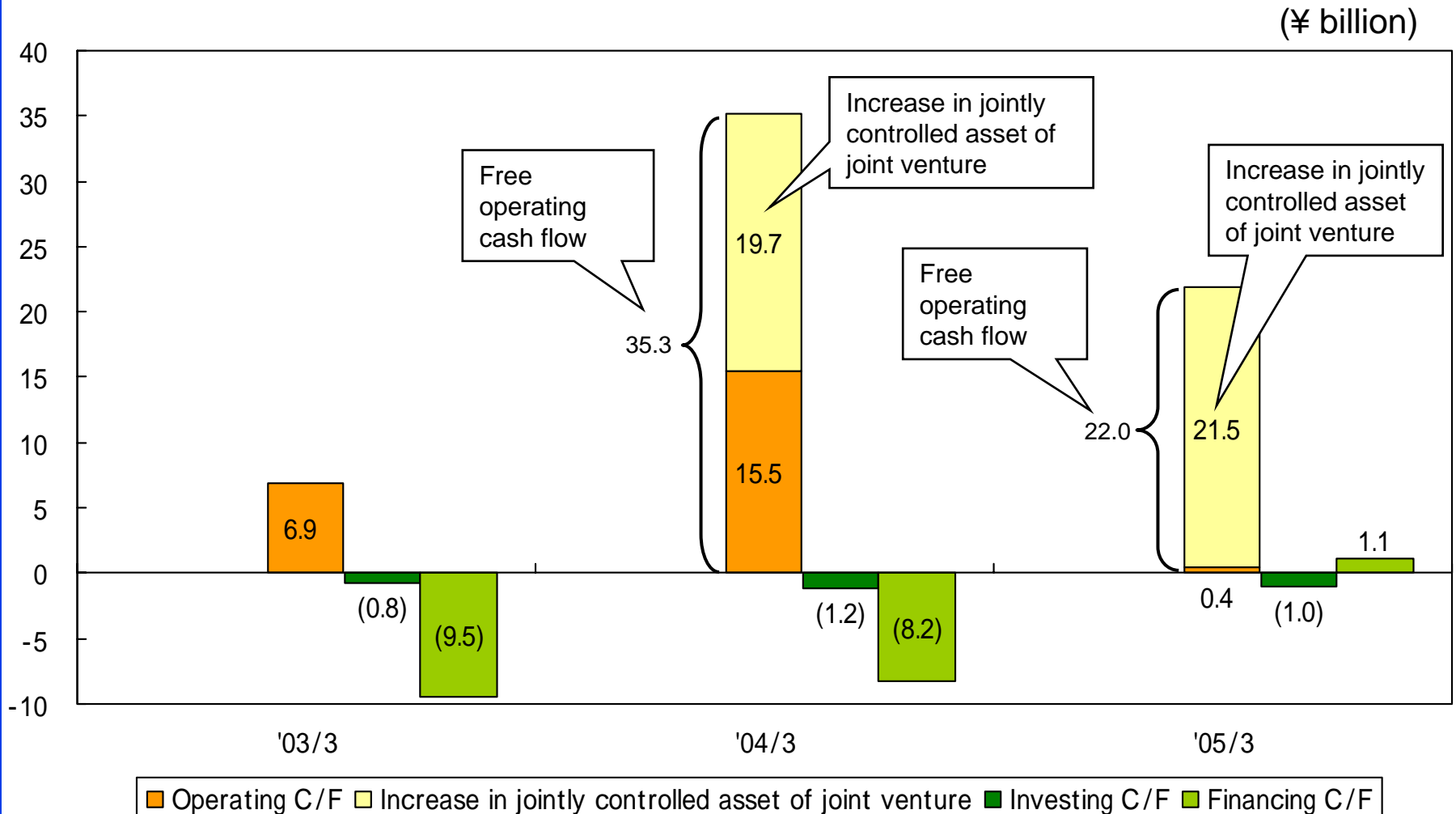
Trade receivables and costs of construction contracts in progress): Notes receivable + Trade receivables (completed construction contracts) + Costs of construction contracts in progress

Trade payables and advance receipts on construction contracts : Notes payable + Trade payables (construction contracts) + Advance receipts on construction contracts

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

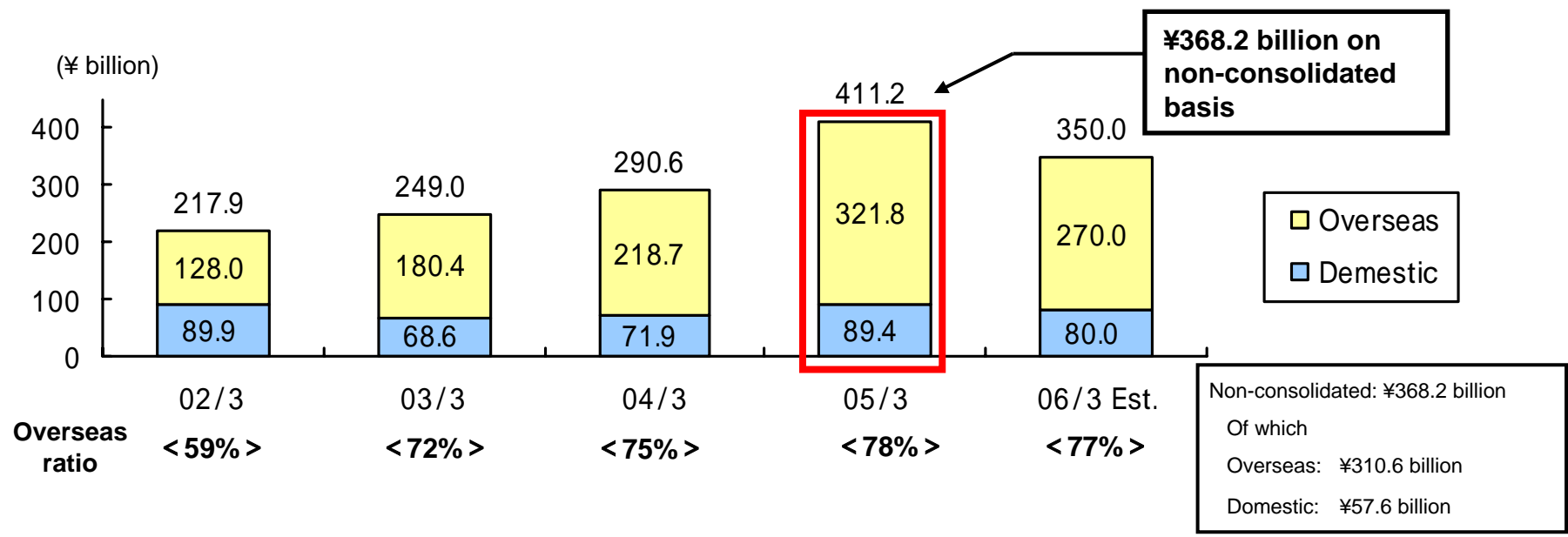
Cash equivalents: Cash and time deposit 424 + Jointly controlled asset of construction contracts in progress 499 = 923

# 6. Consolidated Cash Flow





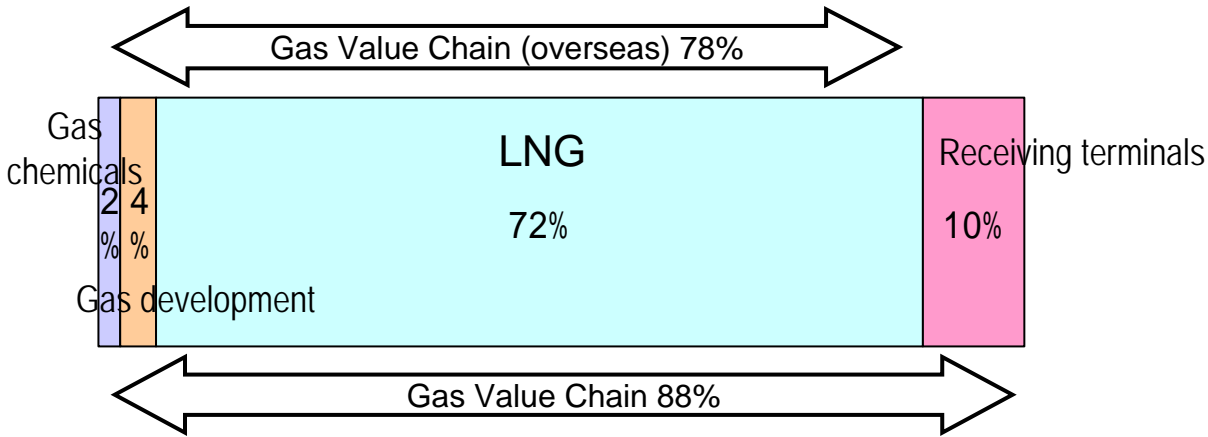
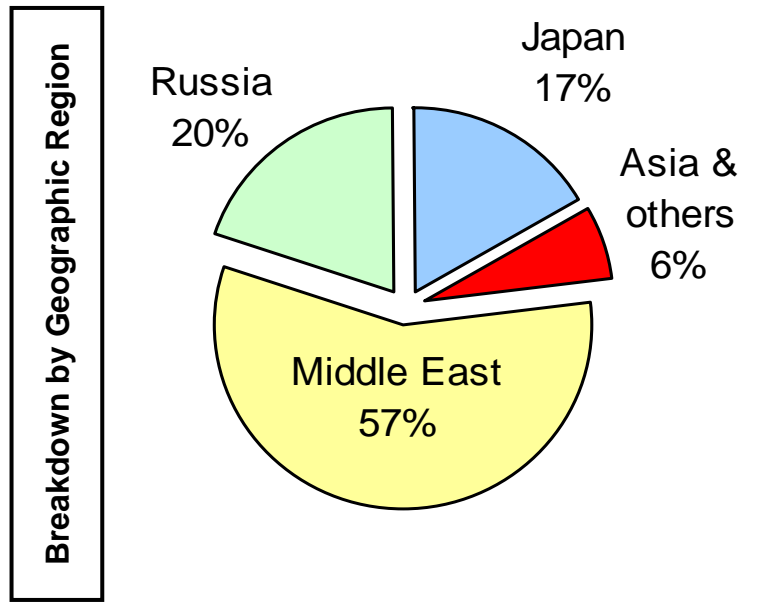
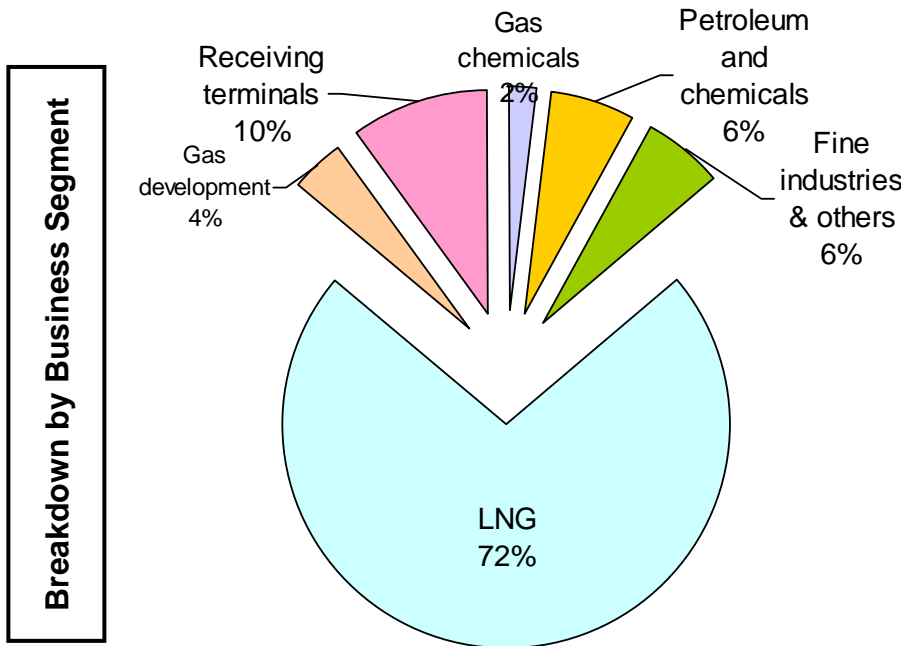
# 7. Consolidated New Contracts



## Major New Contracts

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>LNG plant Train 4 &amp; 5 for Qatar Liquefied Gas (II) in Qatar</li> <li>LNG plant Train 5 for Ras Laffan Liquefied Natural Gas (II) in Qatar</li> </ul>	
Under 10 billion yen	<ul style="list-style-type: none"> <li>Ethylene plant expansion in Saudi Arabia</li> <li>Tank terminal in Singapore</li> <li>Provision of licenses for flue gas desulfurization technology in U.S.A</li> </ul>	<ul style="list-style-type: none"> <li>Lube oil/grease mixing and filling plant for Nippon Petroleum Refining</li> <li>Mixed xylene plant and refinery maintenance for Seibu Oil</li> <li>Ethylene cracker for Mitsubishi Chemical Engineering and Mitsubishi Chemical</li> <li>Synthesizing plant for clinical trial for Eisai</li> </ul>

# 8. Consolidated Backlog of Contracts



**Consolidated Backlog of Orders**

**¥522.4 billion**

(As of March 2005)

## 9. Forecasts for the fiscal year ending March 31, 2006 (consolidated)

11/15

(¥ billion)

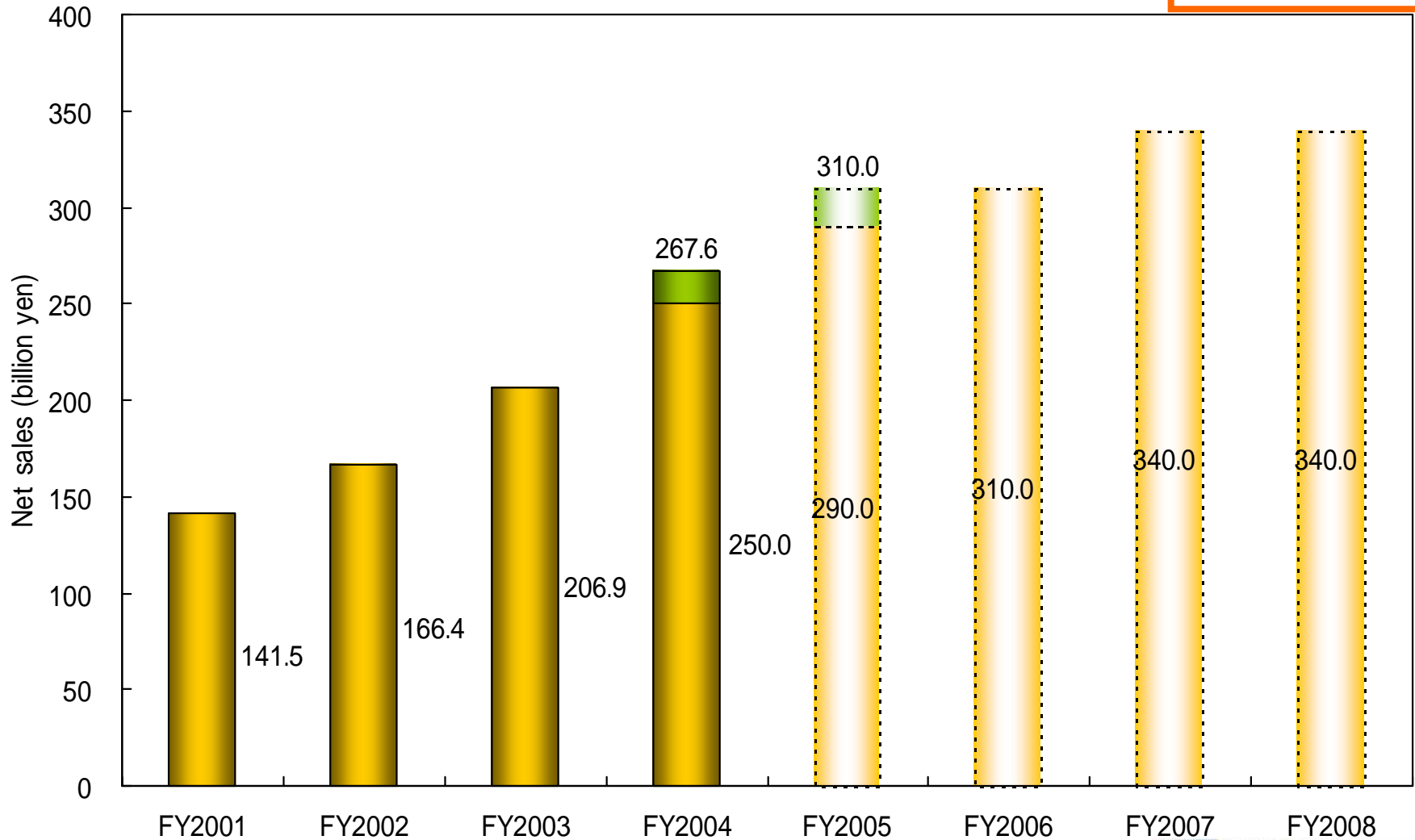
	2005/3	2006/3 forecast	Difference	2005/9 forecast	2004/9 actual
New contracts	411.2	350.0	(61.2)	200.0	121.4
Construction contracts	267.6	310.0	42.4	150.0	116.3
Operating profit	11.0	14.0	3.0	6.0	4.7
Ordinary profit	11.5	14.0	2.5	6.0	5.1
Net profit	12.8	14.5	1.7	6.5	5.0
Dividend	¥6	¥8	¥2		
Exchange rate	¥107/\$	¥100/\$			

### Forward-looking Statements

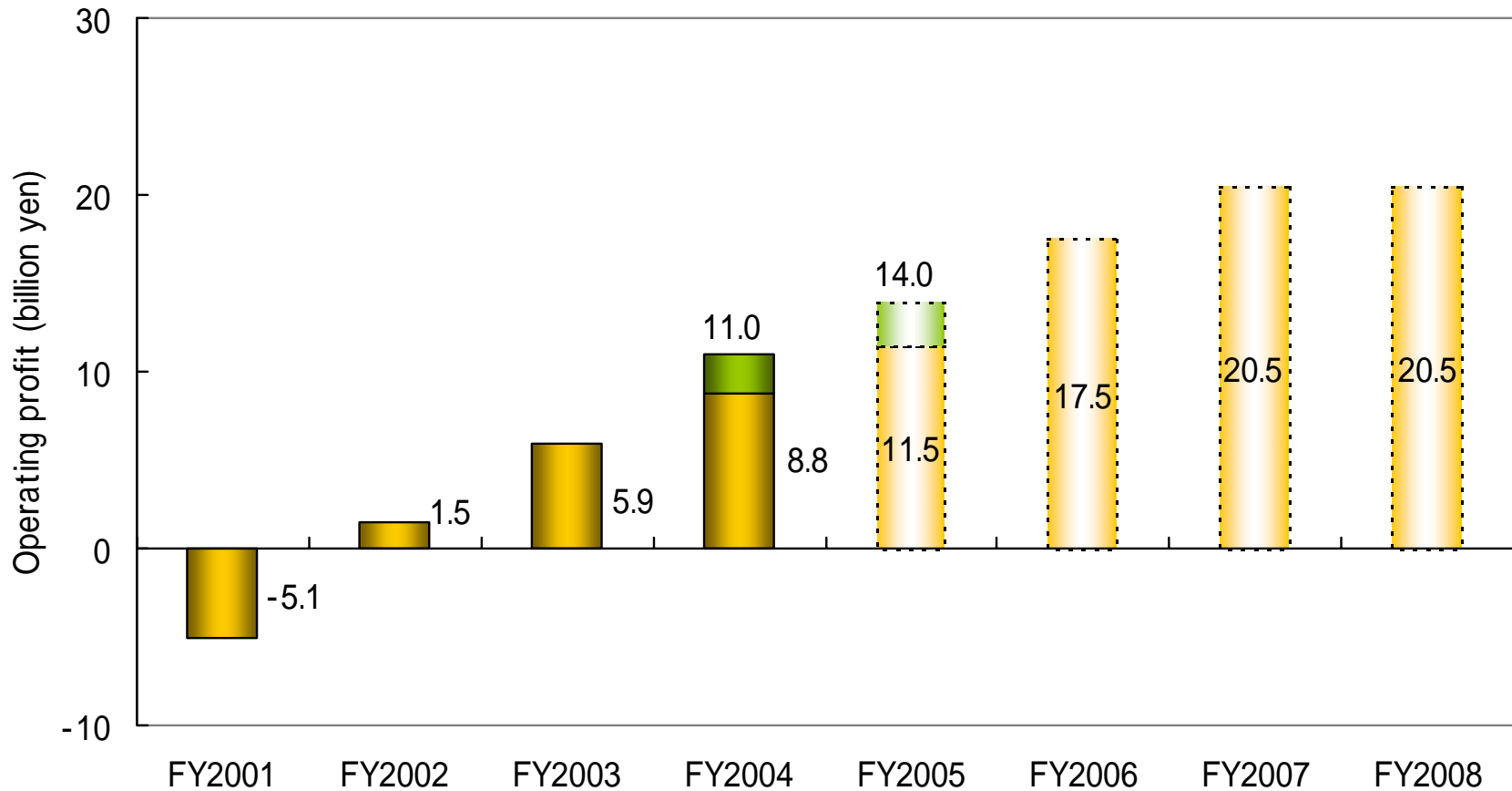
The forecasts and plans in this presentation are based on information available to management on May 18, 2005, the date these materials were prepared. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to changes in economic conditions and operating environment in Japan and overseas.

# 10. Growth Projection (Construction Contracts)

Business Plan

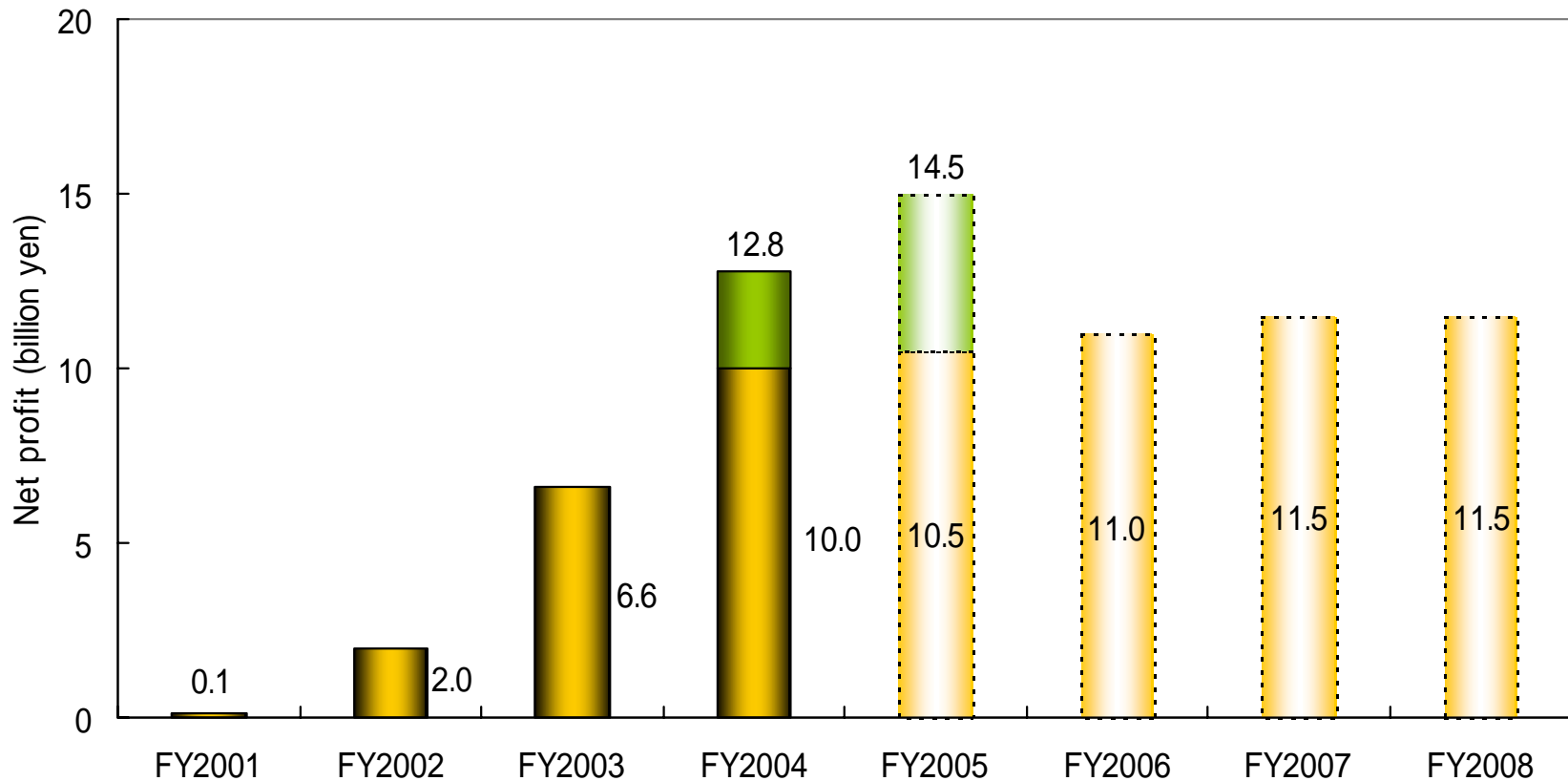


# 11. Growth Projection (Operating Profit)

**Business Plan**

# 12. Growth Projection (Net Profit)

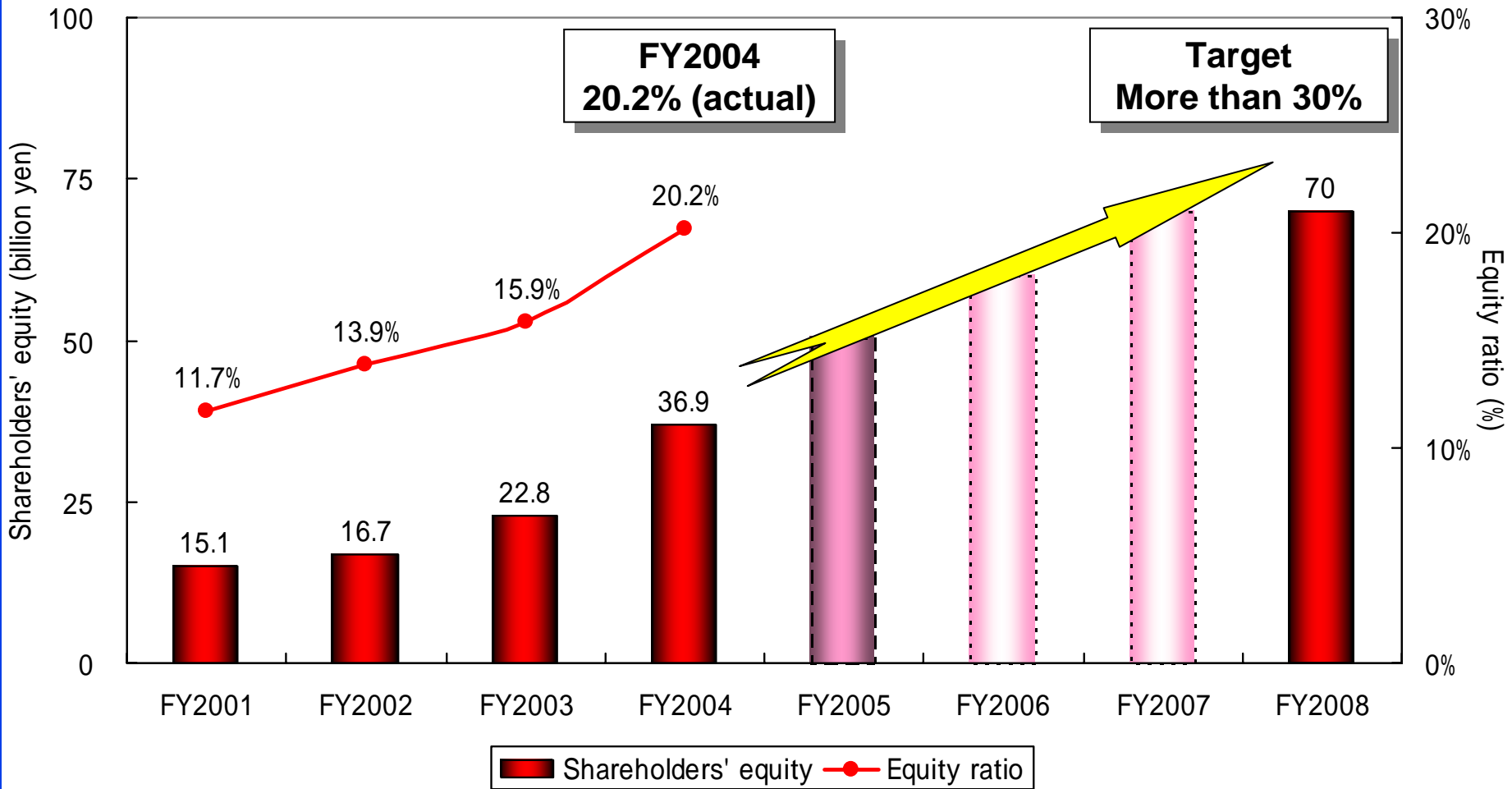
Business Plan



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

# 13. Performance Targets (Financial)

Business Plan



## Consolidated Performance Indicators

	03/3	04/3	05/3	06/3 forecast
Gross profit rate (%)	6.3	6.8	7.4	7.7
SG&A expenses to construction contracts (%)	5.4	4.0	3.3	3.2
Operating profit to construction contracts (%)	0.9	2.8	4.1	4.5
Ordinary profit to construction contracts (%)	1.4	3.1	4.3	4.5
Net profit to construction contracts (%)	1.2	3.2	4.8	4.7
Return on assets (ROA) (%)	1.9	4.8	7.1	-
Return on equity (ROE) (%)	12.0	33.7	43.1	-
Net profit per share (EPS) (Yen)	10.79	35.91	68.62	-
Book-value per share (BPS) (Yen)	90.01	123.04	193.22	-
Equity ratio (%)	13.9	15.9	20.2	-
Current ratio (%)	108.4	115.0	115.9	-
Fixed ratio (%)	140.2	98.0	56.6	-
Debt-to-equity ratio (DER) (Times)	1.12	0.46	0.28	-



## Consolidated Segment Information

		Net sales (%)				New contracts (%)				Backlog of contracts (%)				
		03/3	04/3	05/3	06/3 Est.	03/3	04/3	05/3	06/3 Est.	03/3	04/3	05/3	06/3 Est.	
Business segment	Gas & Power	29	46	61	/	59	73	74	/	63	80	85	/	
	Gas chemicals	9	19	6	/	8	2	3	/	13	3	2	/	
	Petroleum and petrochemicals	41	19	21	/	24	15	13	/	16	11	7	/	
	Fine industries & others	21	16	12	/	9	10	10	/	8	6	6	/	
Geographic segment	Japan	50	31	33	31	28	25	22	22	26	24	17	13	
	Overseas	Middle East	28	44	36	/	46	16	70	/	52	28	57	/
		Russia	1	11	19	69	8	50	3	78	6	37	20	87
		Asia and others	21	14	12	/	18	9	5	/	16	11	6	/

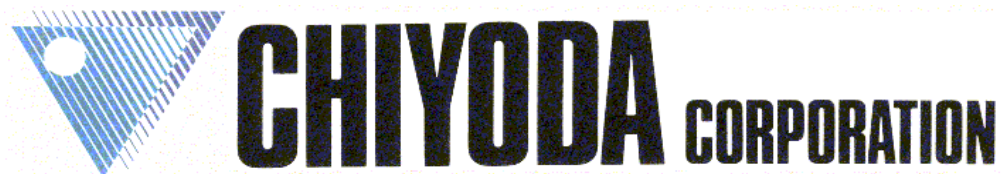
## Completed construction contracts

\* completed portion

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>· Sakhalin II LNG project in Russia *</li> <li>· LNG plant Train 4 &amp; 5 for Ras Laffan Liquefied Natural Gas (II) in Qatar *</li> <li>· LNG plant in Oman *</li> <li>· Gas development project additional work for ExxonMobil in Qatar *</li> </ul>	
Under 10 billion yen	<ul style="list-style-type: none"> <li>· Natural gas development in Indonesia *</li> <li>· Fertilizer plant in Iran *</li> <li>· Methanol plant in Saudi Arabia</li> <li>· Expansion of Puerto La Cruz refinery in Venezuela</li> </ul>	<ul style="list-style-type: none"> <li>· Mizushima LNG terminal *</li> <li>· LPG storage terminals in Kamisu, Fukushima and Namikata *</li> <li>· Ultra low sulfur gasoline projects for Showa Yokkaichi Sekiyu and Seibu Oil</li> <li>· Maintenance project for TOA Oil</li> <li>· Gasoline desulfurization plant for Idemitsu Kosan</li> <li>· Pharmaceutical laboratory for Mitsubishi Pharma</li> <li>· E-6 (Circuit Board Materials) Plant for Nippon Steel Chemical</li> </ul>

## Major Contracts carried over

	Overseas	Domestic
Over 10 billion yen	<ul style="list-style-type: none"> <li>· LNG plant Train 4 &amp; 5 for Qatar Liquefied Gas (II) in Qatar</li> <li>· Sakhalin II LNG project in Russia</li> <li>· LNG plant Train 5 for Ras Laffan Liquefied Natural Gas (II) in Qatar</li> <li>· LNG plant in Oman</li> </ul>	<ul style="list-style-type: none"> <li>· LPG storage terminals in Kamisu, Fukushima and Namikata</li> </ul>
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### **Forward-looking Statements**

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