

Fiscal Year Ended March 31, 2008

Management Policies for the Fiscal
Year Ending March 31, 2009

Takashi Kubota
President and CEO
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Contents

- Management Policies for the Fiscal Year Ending March 31, 2009
- New Medium-Term Management Vision and Plan

Management Policies for the Year Ending March 31, 2009

- Management Slogan for 2008: “New Horizons, Infinite Experience”
 - Issues to be dealt with -
 - ➡ Steadily Execute Existing Large-Scale Projects Overseas and in Japan
 - ➡ Strictly Control Costs and Improve Profitability
 - ➡ Enhanced Safety First Policy
 - ➡ Acquire Large-Scale Contracts Overseas
 - ➡ Consolidate Growth Strategy based on mid-term management plan

New Contract Target for the Year Ending March 31, 2009

- Chiyoda Group: JPY450.0 billion
- FEED works for LNG projects commencing in the year ending March 31, 2010 and beyond
- Large-scale overseas projects
- Domestic projects firm in various fields

New Medium-Term Management Vision – Awareness of the Current Condition

To engender growth, Chiyoda must

- **Transform its portfolio. LNG plants currently account for 70% of revenues. Chiyoda will shift to a more balanced portfolio that includes plants and facilities for LNG, gas processing, oil refining, chemicals, environmental applications, pharmaceuticals, upstream, offshore, utilities, and industrial facilities.**
- **Form technical partnerships with customers, and pursue growth in revenues and a higher operating margin.**
- **Further expand the presence of the Chiyoda Group brand.**

A Diverse Business Domain

Gas upstream
LNG (liquefaction,
receiving terminals)
Synthesis gas
GTL



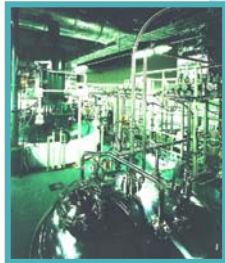
Olefins
Aromatics
Methanol
Fertilizer

Petrochemicals &
Chemicals

Refineries



Flue gas desulfurization
Acid gas/CO₂ capture and storage
Energy conservation



Pharmaceuticals

Environmental
Protection



Metals &
Mining

General
Industry

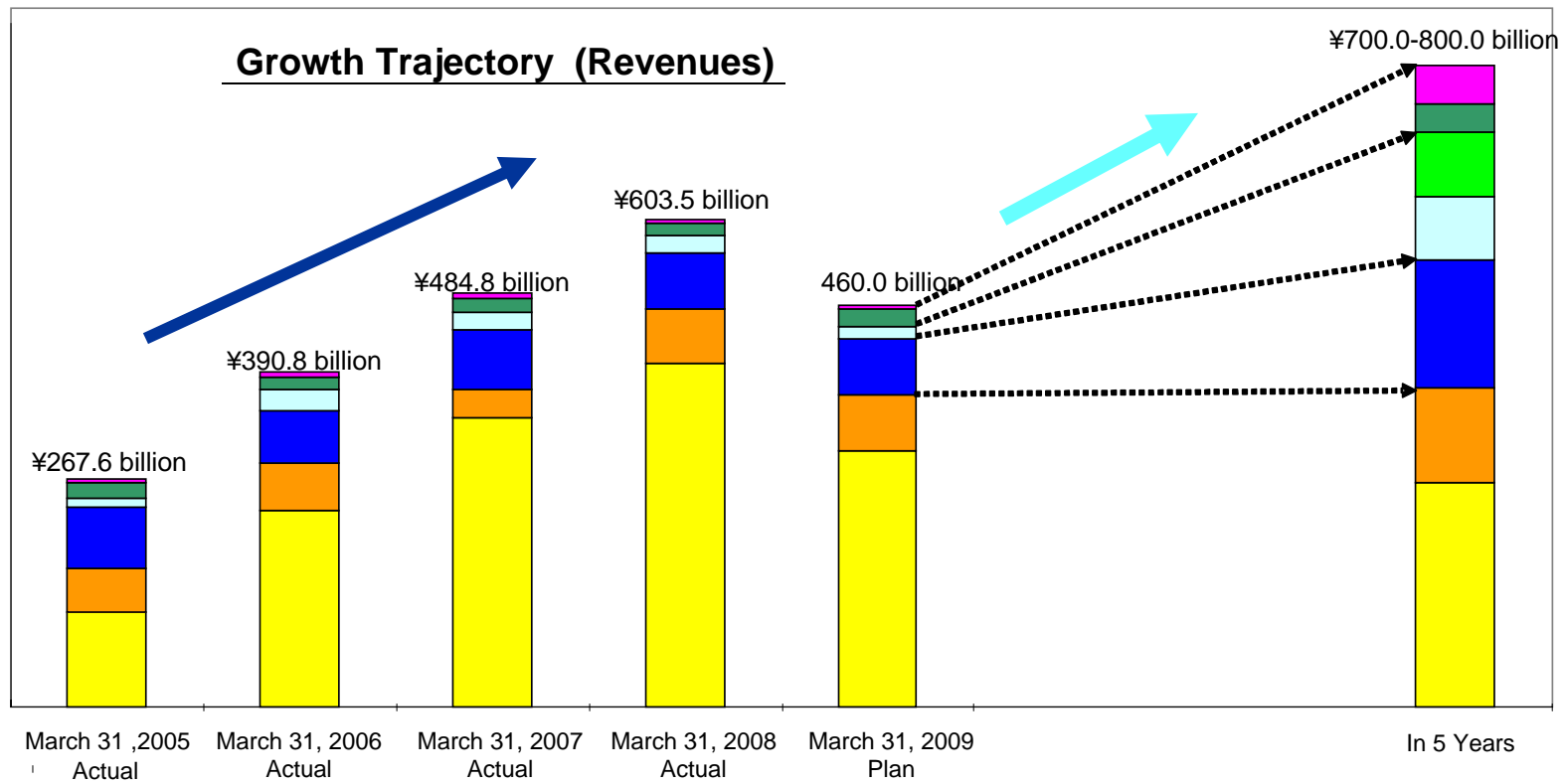


Electronic materials
Food processing



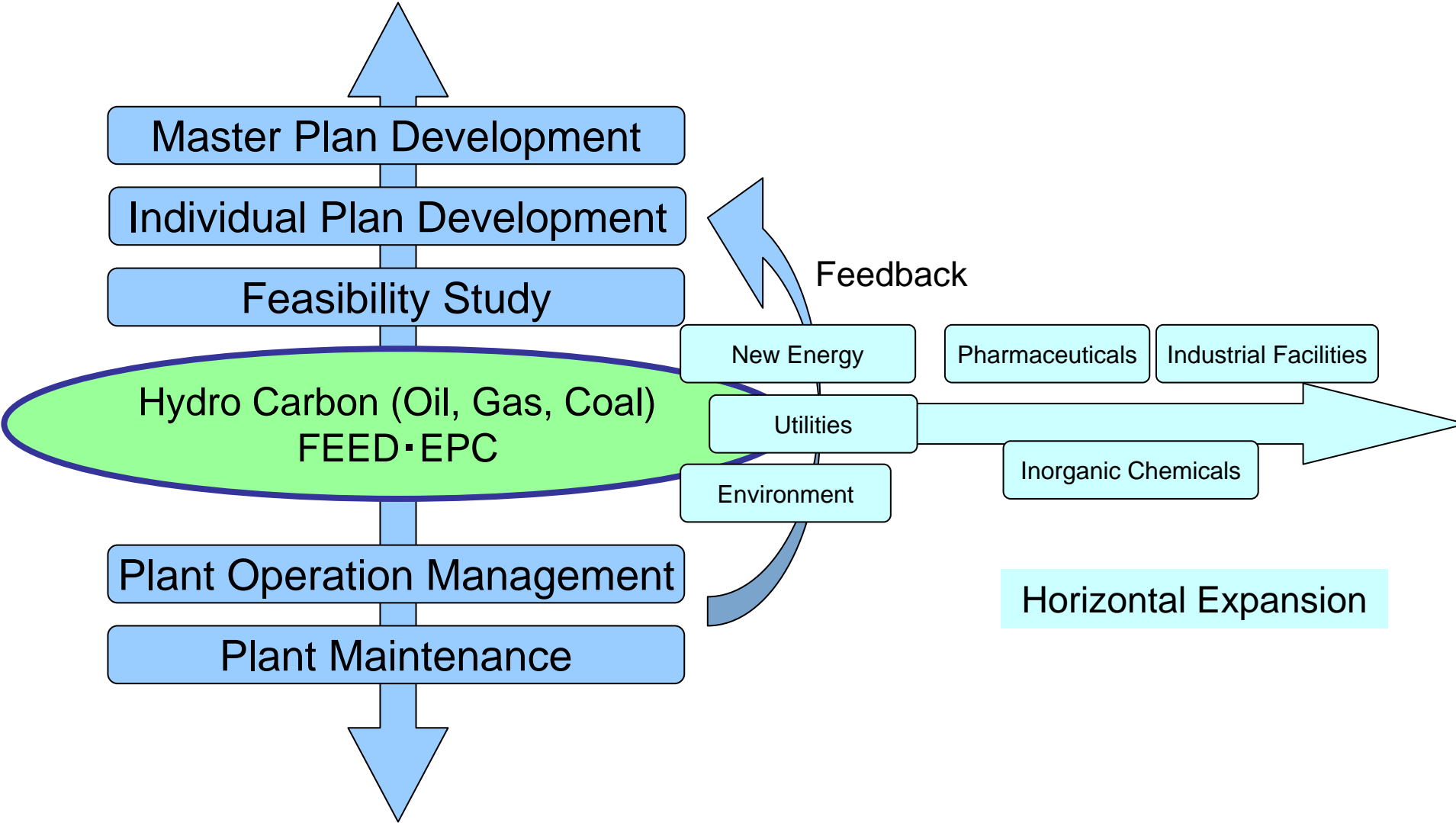
Results Trajectory – Past Growth and Present Situation

- Average 30% year-on-year growth in revenues during the three years from March 31, 2005- March 31, 2008
- The projected decrease in revenues in the year ending March 31, 2009 calls for a new growth scenario



Directions of Business Expansion

Vertical Expansion



New Medium-Term Management Plan

- Respond to customer needs by becoming a world-class comprehensive engineering company providing an end-to-end range of facilities, from upstream to downstream, in the fields of energy, resources and the environment
- Strengthen the Chiyoda Group's brand image as the "Reliability No.1" Comprehensive Engineering Company that delivers outstanding technical capability with an established culture of safety

By forming a capital and business alliance with Mitsubishi Corporation, Chiyoda aims to achieve diversity in both regional coverage and scope of business with LNG and gas facilities at the core of its operations.

In 5 years, Chiyoda expects to achieve consolidated annual revenues on the scale of ¥700-800 billion, and a ratio of recurring profit to net income of 7%.

Strategy for Growth under the Capital and Business Alliance with Mitsubishi Corporation

Pursue a growth strategy through synergy and functional integration in the field of plant engineering

Investment in Enhancing Engineering Capabilities

- Accomplishing projects via enhancing engineering capabilities
 - ◆ Business alliance or M&A with overseas and domestic engineering companies
 - ◆ Reinforcement of construction control

Investment in Expansion of the Business Domain

Technology and business alliances in upstream resource development, including capital participation

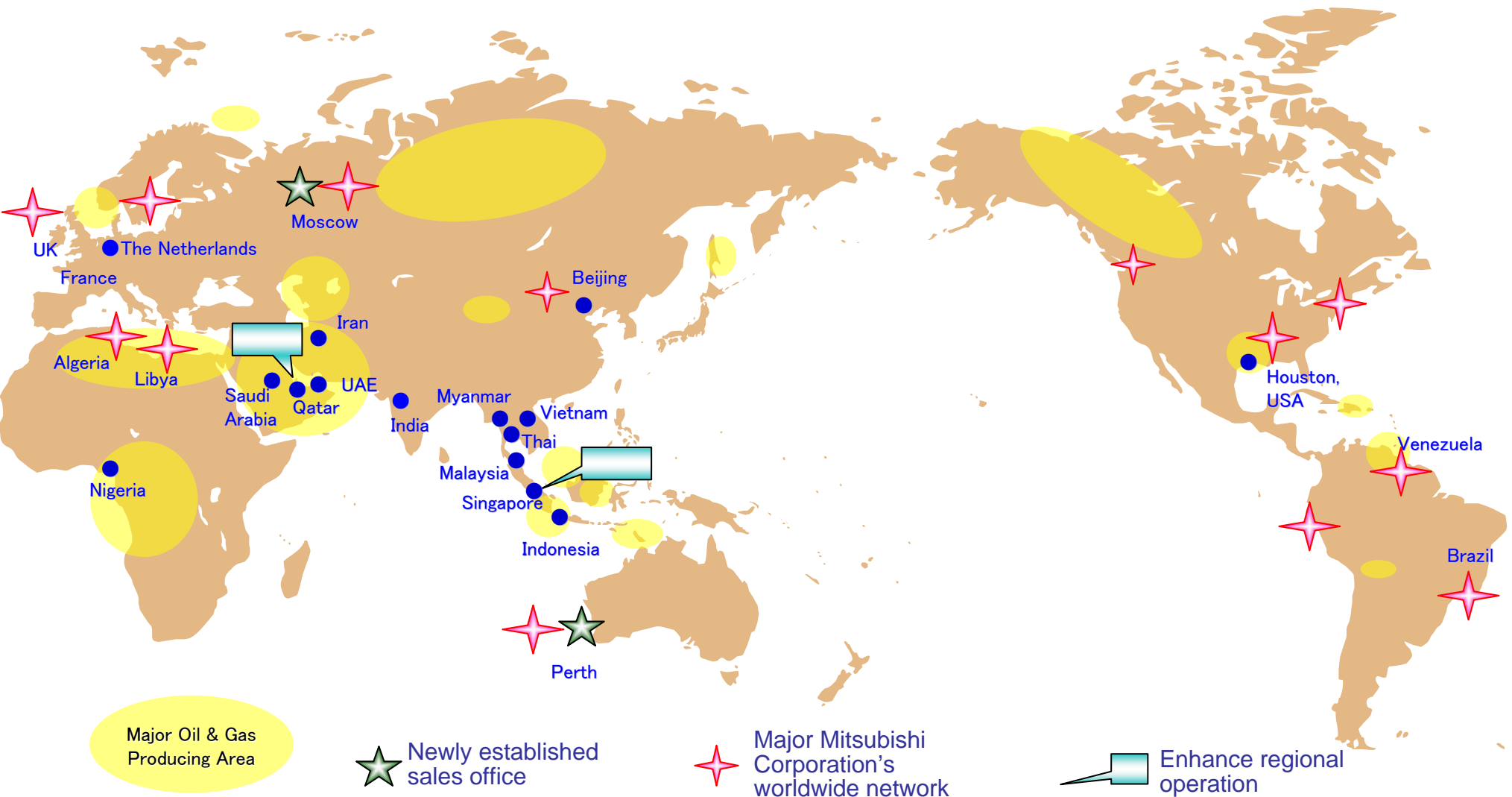
- ◆ Expand business fields by promoting Carbon Lifecycle Engineering
- ◆ FPSO, Offshore facilities, utilizing modular technology (LNG, gas processing facilities, etc.)
 - Business alliances or joint ventures with upstream major players
 - Business alliances or joint ventures with overseas engineering companies
- ◆ Expand utility facilities business (water treatment, electric power generation, steam, etc.)

Investment in Expansion of the Business Domain

Increase investment in companies acting as operational bases in Southeast Asia and other regions.

- ◆ Establish a new operational framework for bases in Southeast Asia such as Chiyoda Singapore (Pte) Limited in order to execute overseas petroleum and petrochemical projects.
- ◆ Establish a new operational base of Chiyoda-Almana Engineering to ensure constant securing of EPC work at Qatar LNG facilities.

Regional Expansion of Operations



Investment in Technological Research and Development

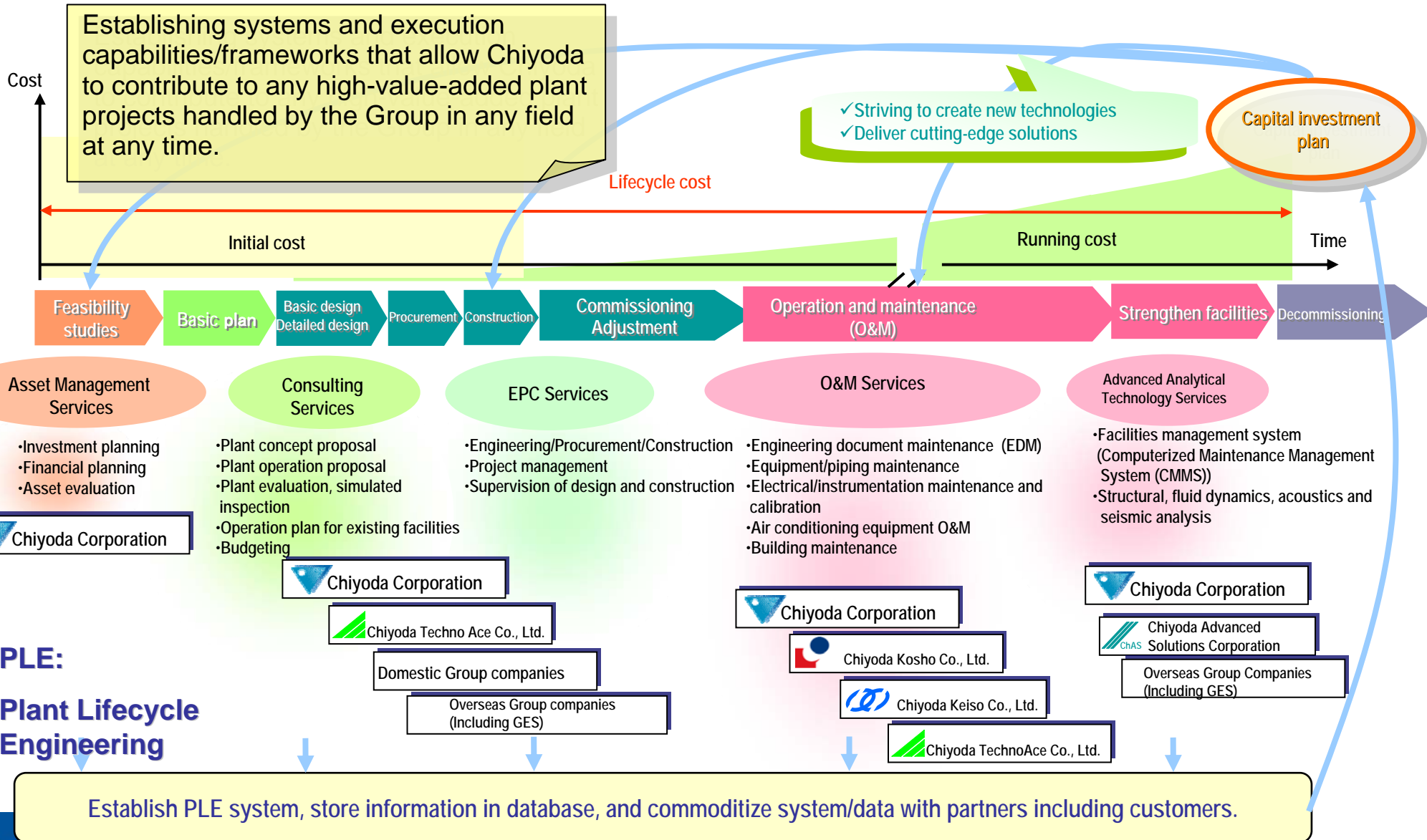
- ◆ Investment in catalyst development
- ◆ Investment in technology for processing ultra-heavy oil
- ◆ Investment in synthesis gas technology
- ◆ Investment in CRI-related technology development

Investment in the Plant Lifecycle Engineering (PLE) Business

Expand into related businesses through business alliances and capital participation

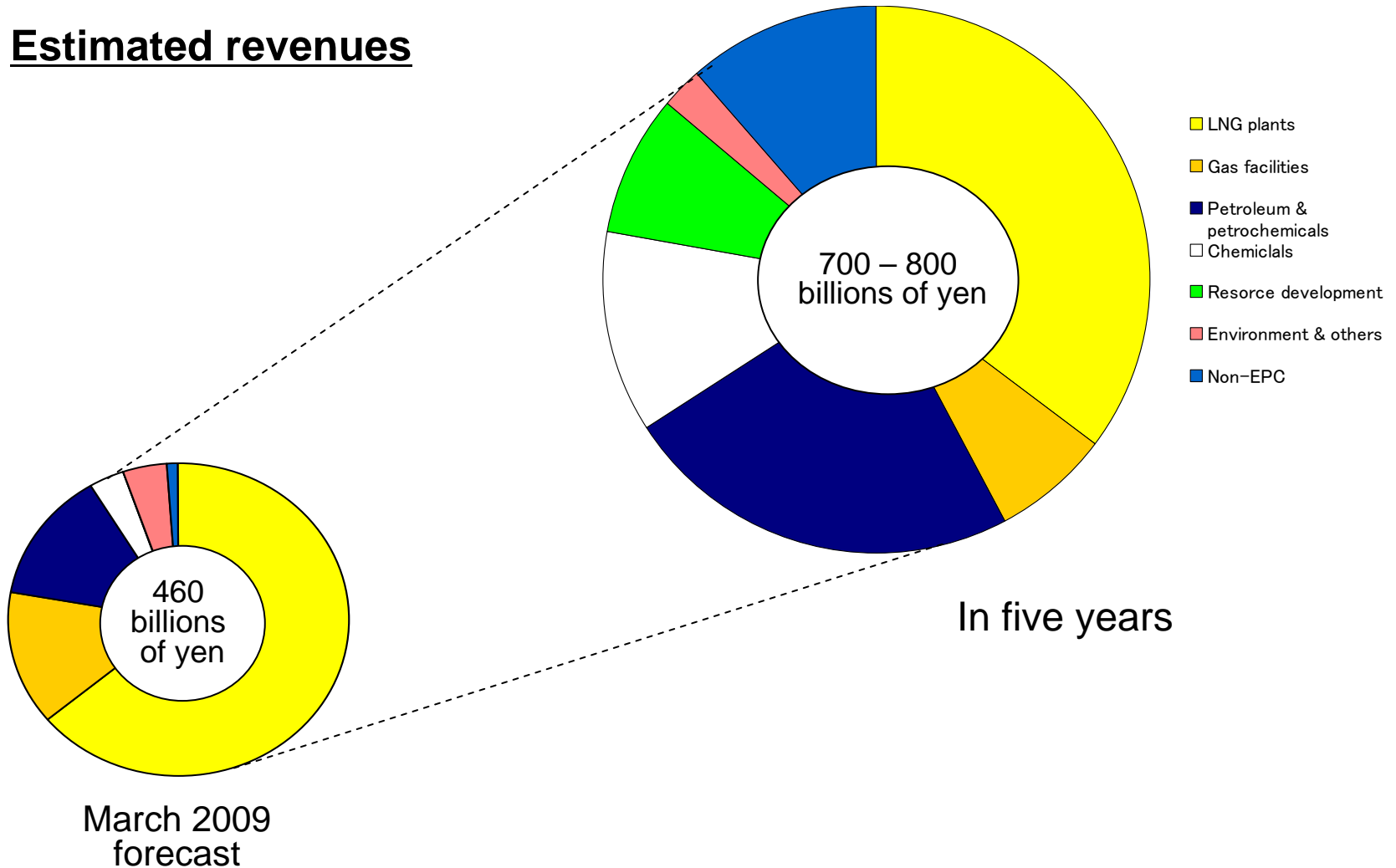
- ◆ Expand technical consulting through the Chiyoda Group's technological expertise, centered on ChAS, and expand the PLE business including operation and maintenance.
- ◆ Promote license business for CT121/ACETICA/CO₂ reforming, etc.
- ◆ Expand sales of the Chiyoda Group's IT technological expertise and IT software.

PLE and Integrated Group Operations

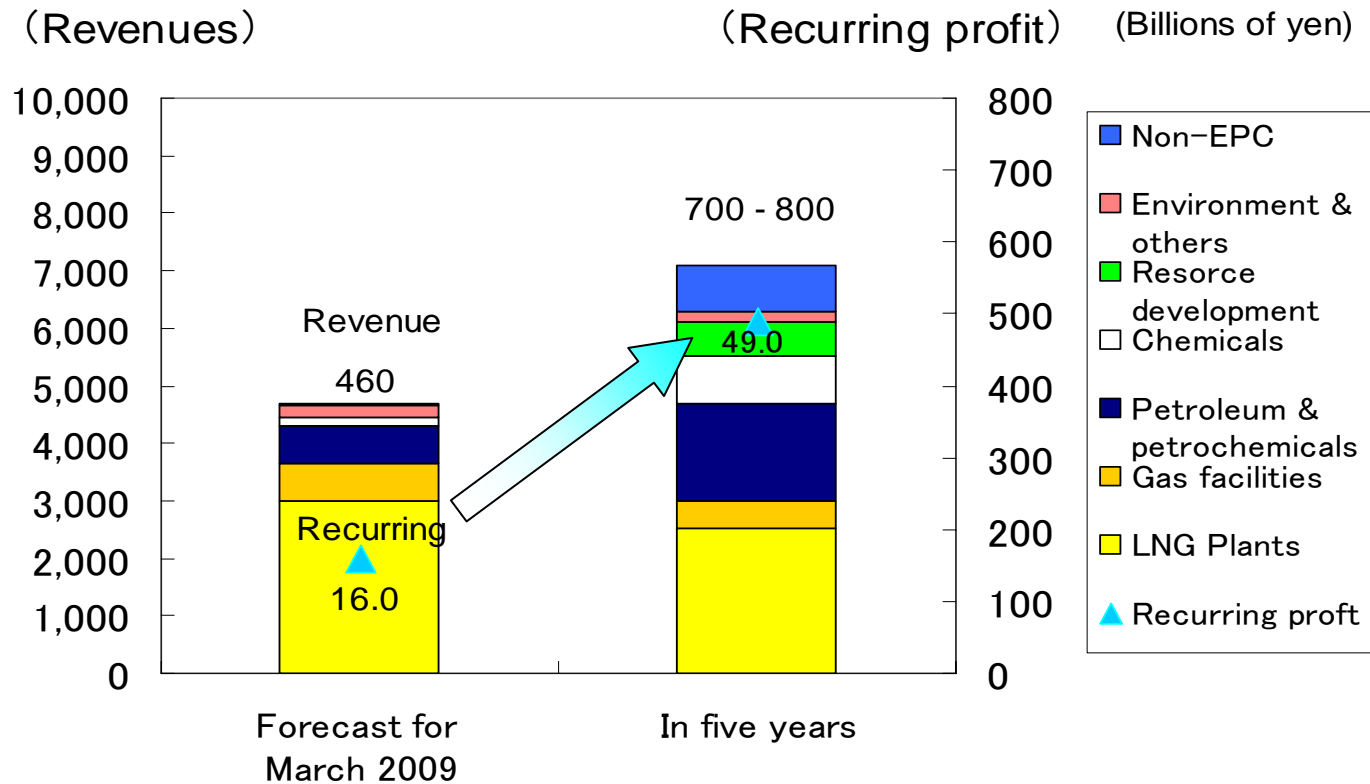


Blueprint for the Expanding

Estimated revenues

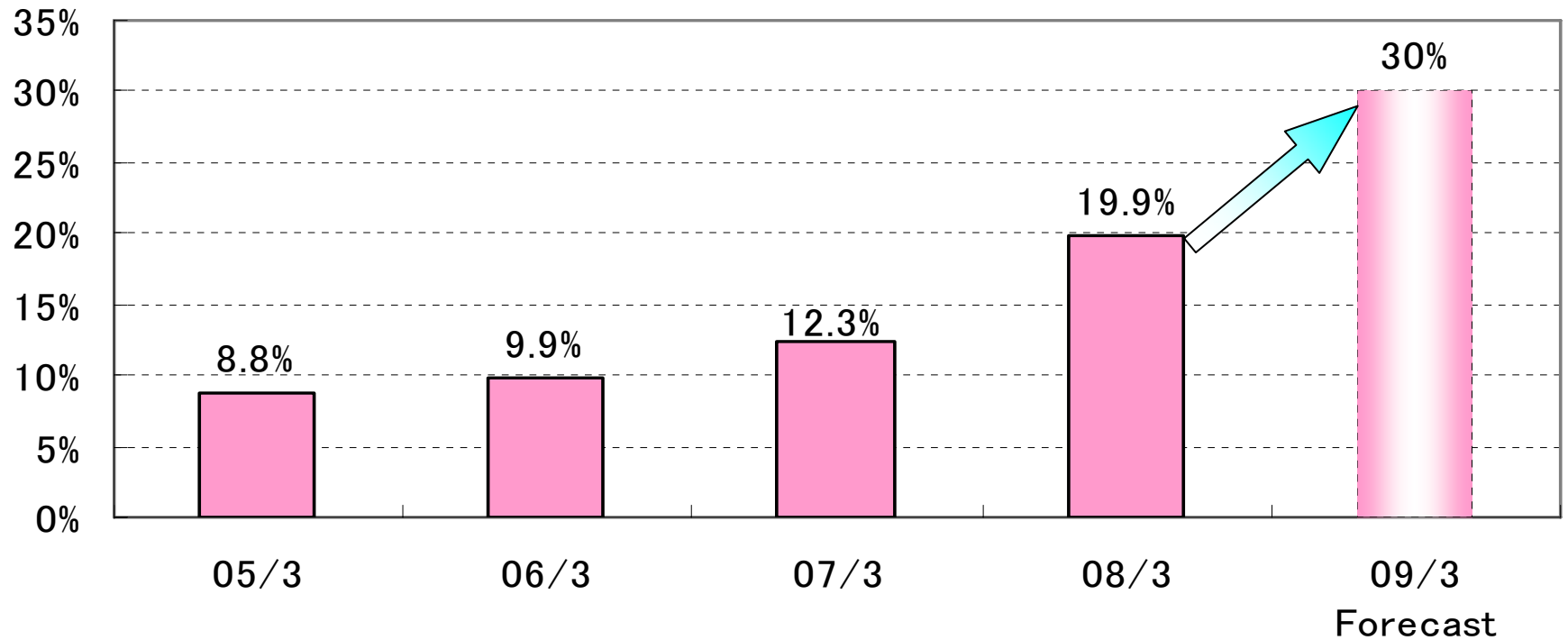


Blueprint for the Growth



Earnings Distribution

Payout ratio



Increase Corporate Value

Business strategy

Capital strategy

Increase corporate value

Aim for 30%

High payout ratio

Enhance business performance

Strengthen management

Develop and enhance growth businesses

Strengthen technical capabilities

Expand fields of operations

Keep core competencies strong

Expand area of business

Strengthen capital and business alliances

Accelerate reforms

M&A and alliances

Increase rating in capital market

Increase shareholder value

Please address inquiries to:
IR & Corporate Relations Office
Tel: +81-45-506-7538
Fax: +81-45-506-7085

e-Mail: CHYOD@ykh.chiyoda.co.jp
URL: <http://www.chiyoda-corp.com>

Forward-looking Statements

The forecasts and plans in this presentation are based on information available to management on May 14, 2008, 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.