

**PRESS RELEASE**

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**Chiyoda Corp. Reports Favorable Nine-month Financial Results  
Announces Second Significant Revision to FY 2005 Ordinary and Net Profit Forecasts**

Chiyoda Corporation (Other OTC: CHYCF), a major Japanese industrial plant engineering company, today reported financial results for the first nine months of the current fiscal year ending March 31, 2005.

Consolidated operating profit for the nine-month period ended December 31, 2004 was 7,043 million yen on net sales of 182,474 million yen. Net profit was 7,518 million yen and net profit per share came to 40.28 yen. Chiyoda did not present year-on-year comparisons since this is the first nine-month financial report for the Company.

Consolidated new contracts were 363,339 million yen. Of the total, domestic orders represented 67,590 million yen, or 18.6%, and overseas orders 295,749 million yen, or 81.4%. Net sales from construction contracts were 182,474 million yen. Domestic sales amounted to 62,103 million yen, representing 34.0% of total sales and overseas sales accounted for 120,370 million yen, or 66.0% of total sales. The backlog of contracts as of the end of December was 554,351 million yen, up from 375,854 million yen at the end of the previous fiscal year.

In earnings, gross profit on construction contracts was 13,252 million yen as the gross margin improved, rising from 6.8% in the previous fiscal year to 7.3%. Operating profit was 7,043 million yen as the operating profit margin rose from 2.8% to 3.9%. Ordinary profit was 7,493 million yen and net profit was 7,518 million yen. Ordinary and net profit margins rose from 3.1% to 4.1% and 3.2% to 4.1%, respectively.

With regard to the fiscal year forecast for new contracts that was announced on November 11, 2004, the Company now expects consolidated new contracts of 400 billion yen (previous forecast was 260 billion yen) and non-consolidated new contracts of 360 billion yen (previous forecast was 220 billion yen). This revision includes a very large contract for two LNG trains in Qatar, each having an annual output of 7.8 million tons.

Chiyoda has revised its consolidated and non-consolidated forecasts announced on October 27, 2004 due to higher-than-expected new contracts as of the time when first half-results were announced, a revision in the projected U.S. dollar exchange rate from 105 yen to 100 yen, a review of foreign and other tax liabilities, and other items. Chiyoda is now forecasting consolidated ordinary profit of 9,200 million yen and net profit of 10,000 million yen on sales of 250,000 million yen. There is no change to the projected dividend of 5 yen per share applicable to the fiscal year.

Chiyoda Corporation, headquartered in Yokohama, Japan, provides services on a global basis in the field of engineering, procurement and construction (EPC) for gas processing, refineries, and other hydrocarbon or other industrial plant projects, particularly for LNG, GTL and DME.

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