

October 27, 2004

### **Chiyoda Announces Upward Revisions in Forecasts for Operating Results and Dividend**

Chiyoda Corporation (ISIN: JP3528600004), Japan's leading engineering and construction firm, today revised its forecasts for net sales from construction contracts, profits and dividends for the fiscal year ending March 31, 2005.

Chiyoda cited steady progress in construction projects and a yen weaker than what had been projected at the beginning of the fiscal year to explain the revisions to the interim sales forecast. Ordinary profit and net profit forecasts have been revised due to higher-than-expected sales and to an improvement in the operating margin. Along with the above reasons, the consolidated revisions reflect the strong performances at consolidated subsidiaries.

Chiyoda now expects to report consolidated interim ordinary profit of ¥5,000 million, ¥1,700 million or 51.5% higher than the previous forecast, on net sales from construction contracts of ¥115,000 million, ¥15,000 million or 15.0% higher than the previous forecast. Interim net profit is now estimated at ¥5,000 million, ¥1,600 million or 47.1% higher.

Consolidated forecasts for the fiscal year that were announced at the beginning of the fiscal year have been revised due to the outlook for a continuation in the strong performance at consolidated subsidiaries that was recorded during the first half and the impact on new orders of the sharply higher cost of materials and equipment.

Chiyoda now expects consolidated net sales from construction contracts for the full fiscal year to be ¥250,000 million, ¥30,000 million or 13.6% higher than the previous forecast. Ordinary profit is likely to exceed the previous forecast by ¥1,600 million or 22.5% to reach ¥8,700 million. Net profit is projected at ¥8,300 million, up ¥1,000 million, or 13.7%, from the previous forecast.

At the beginning of the fiscal year, Chiyoda estimated that it would pay a dividend per share of between ¥3 and ¥5. Based on these revisions to the forecasts, Chiyoda is now revising this dividend forecast to ¥5.

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