



PRESS RELEASE

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Chiyoda Announces Third Favorable Revisions in Operating Result Forecast for FY2005

More than 25% Up in Ordinary and Net Profit, and Increase in Dividend

Chiyoda Corporation (Other OTC: CHYCF), a major Japanese industrial plant engineering company, today announced the following revisions to its non-consolidated and consolidated forecasts of operating results and dividends for the fiscal year ended March 31, 2005 due to recent trends in operating results. The new forecasts replace the forecasts that were announced on February 9, 2005.

Chiyoda cited steady progress in construction projects and a yen weaker than that projected at the beginning of the fiscal year to explain the revisions to the sales forecast. Ordinary profit and net profit forecasts have been revised due to higher-than-expected sales reflecting favorable progress in construction projects and to improvement in the operating margin due to higher royalties from Chiyoda's proprietary environmental technology's licensing business.

Chiyoda now expects to report non-consolidated ordinary profit of 9,100 million yen, 2,000 million yen or 28.2% higher than the previous forecast, on net sales from construction contracts of 223,000 million yen, 13,000 million yen or 6.2% higher. Net profit is now estimated at 11,800 million yen, 2,800 million yen or 31.1% higher.

Along with the above reasons, the consolidated revisions reflect the strong performances at consolidated subsidiaries. Increasing orders, particularly at domestic subsidiaries, are expected to have boosted consolidated sales. Higher sales combined with improved operating margins, mainly at domestic subsidiaries, are lifting consolidated ordinary profit.

Chiyoda now forecasting consolidated ordinary profit of 11,500 million yen, 2,300 million yen or 25.0% higher than the previous forecast, on net sales from construction contracts of 267,000 million yen, 17,000 million yen or 6.8% higher. Net profit is now estimated at 12,800 million yen, 2,800 million yen or 28.0% higher.

At the beginning of the fiscal year, Chiyoda estimated that it would pay a dividend per share of 5 yen. Based on these revisions to the forecasts, Chiyoda is now revising this dividend forecast to 6 yen.

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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