



PRESS RELEASE

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Chiyoda Announces FY 2006 First-Quarter Financial Results Smooth Implementation of Major Overseas Projects Lifts Earnings

Chiyoda Corporation (Other OTC: CHYCF), Japan's leading engineering and construction firm, today reported consolidated financial results for the first quarter of the current fiscal year ending March 31, 2006.

Consolidated operating profit was 3,814 million yen on construction contracts of 68,261 million yen. Net profit for the quarter was 4,832 million yen. Net profit per share came to 25.30 yen.

In the global plant market, increasing energy demand drove the price of crude oil to record highs, stimulating a clear shift to gas. Following in India's footsteps last year, China is to become a major LNG importing nation. The result of this is a large volume of investments by gas-producing nations; in Russia, the Middle East, Asia, Africa and elsewhere.

In Japan, rising profits have made oil refiners more willing to make capital investment. New investment can be anticipated in facilities for the manufacture of petrochemical feed stock to meet growing demand in Asia, particularly in China. Chiyoda also expects to see a steady flow of orders for upgrades and expansion of existing facilities, and for related maintenance work.

On the strength of these and other factors, Chiyoda recorded consolidated new contracts with a value of 95,791 million yen, 27.8% increase from the first quarter of the previous fiscal year. Major contracts included additional orders related to expansion of LNG Plant Train 4 & 5 of Qatar Liquefied Gas Company Limited (II).

Chiyoda has not revised its full-year forecasts released on May 18, 2005. For the fiscal year ending March 31, 2006, the Company forecasts consolidated new contracts of 350,000 million yen, construction contracts of 310,000 million yen, ordinary income of 14,000 million yen and net income of 14,500 million yen. Net income per share is projected at 75.85 yen. The forecasts assume an exchange rate of 100 yen to the U.S. dollar. Management is projecting a dividend of 8 yen per share, up by 2 yen from the previous 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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