



PRESS RELEASE

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Chiyoda Announces FY 2006 Third-Quarter Financial Results Ordinary and Net Profit more than Doubles, Full-year Forecasts Revised Upward

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

Consolidated operating profit was 14,052 million yen, an increase of 99.5% compared to the same period a year earlier on a 41.8% increase in net sales to 258,834 million yen. Ordinary profit rose 108.8% to 15,650 million yen. Net profit for the nine-month period was 16,877 million yen, up 124.5% year-on-year. Net profit per share came to 88.18 yen.

In the global plant market, the U.S., the world's largest energy consumer, is certain to become increasingly reliant on LNG imports. In Europe, the U.K. is expected to increase LNG imports due to a downturn in North Sea gas production that is projected to begin in a few years. Due to this outlook, there are now many investments in Gas Value Chain projects that include gas developments and constructions of LNG plants, LNG carriers and LNG receiving terminals. The volume of these investments is particularly large in the Middle East, Russia and Africa.

In the plant market in Japan, Japanese oil companies are making substantial capital investments in facilities to manufacture petrochemical feedstocks. Companies are also considering major investments outside the petrochemical sector. These projects are aimed at adapting to future shifts in demand and responding to the widening price gap between heavy and light oil.

On the strength of these factors, Chiyoda recorded consolidated new contracts with a value of 751,122 million yen in the first nine months of the current fiscal year, a 106.7% increase from the same period of the previous fiscal year. Major contracts included those for the construction of LNG Plant Train 6 & 7 of Qatar Liquefied Gas Company Limited 3 and 4, which Chiyoda was awarded in December 2005. As a result, the backlog of contracts was 1,038,760 million yen, 87.4% higher than one year earlier.

In view of an improvement in the gross profit margin on construction contracts, Chiyoda has revised upward its full-year forecasts released on October 31, 2005. For the fiscal year ending March 31, 2006, the Company now forecasts consolidated new contracts of 800,000 million yen, up 33.3% and ordinary profit of 21,000 million yen, up 5.0%. Chiyoda has left the consolidated net sales and net profit forecast unchanged at 360,000 million yen and 17,500 million yen, respectively. Management is projecting a dividend of 10 yen per share, unchanged from the previous forecast.

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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