



## PRESS RELEASE

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### **Chiyoda Announces First-Quarter Financial Results of Fiscal Year Ending March 2007 Strong 1Q Results Amid Favorable Market Environment**

Chiyoda Corporation (TSE:6366 ISIN:JP3528600004), Japan's leading engineering and construction firm, today reported consolidated financial results for the first quarter of the current fiscal year ending March 31, 2007.

Consolidated operating income was 6,654 million yen, up 74.5% year-on-year, on a gain in revenues of 33.6% to 91,170 million yen. Net income declined mainly because the company resumed income tax payments as it returned to profitability. Net income per share came to 22.89 yen.

The price of crude oil and gas remained high due to rising worldwide demand. As natural gas demand is rising in energy-consuming nations, gas-related investments, such as in upstream facilities, by gas-producing nations and major energy companies are expected to continue to increase worldwide. In Japan, oil companies are making a series of large investments in petrochemical facilities to make them more competitive to target opportunities in Asian markets and in facilities targeting the growing gap between prices of heavy and light grades of oil, in addition to conducting large-scale energy-conservation projects.

On the strength of these and other factors, Chiyoda recorded consolidated new contracts with a value of 171,738 million yen, a 79.3% increase from the first quarter of the previous fiscal year. Backlog of contracts was 1,035,846 million yen, up 86.1% year-on-year. Major contracts included the Al Khaleej gas development project in Qatar for ExxonMobil Middle East Gas Marketing Limited.

Chiyoda has revised its full-year forecast of consolidated new contracts from 320,000 million yen to 400,000 million yen. However, Chiyoda has not changed its first-half and full-year forecasts released on May 15, 2006. For the fiscal year ending March 31, 2007, the Company forecasts revenues of 420,000 million yen, ordinary income of 28,000 million yen and net income of 16,500 million yen. Net income per share is projected at 85.85 yen. The forecasts assume an exchange rate of 110 yen to the U.S. dollar. Management is projecting a dividend of 14 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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