



PRESS RELEASE

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Chiyoda Announces Positive FY 2007 Third-Quarter Financial Results Full-Year Forecast Revised Upward 30% for New Contracts, 20% for Net Income

Chiyoda Corporation (TSE: 6366; ISIN: JP3528600004), 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, 2007.

New contracts on a consolidated basis were 485,246 million yen, a 35.4% decrease compared with the same period of the previous year, bringing the backlog of contracts to 1,129,744 million yen. Revenues increased 29.2% to 334,417 million yen, operating income was up 49.7% to 21,038 million yen, and ordinary income rose 69.2% to 26,485 million yen. Net income decreased 0.4% to 16,802 million yen, or 87.41 yen per share.

Overseas, natural gas producing countries and Energy Majors continued to invest on a worldwide scale, including in the upstream sector, reflecting growing demand for gas. In the domestic market, oil companies invested in expansion of light oil production, and are also investing aggressively in petrochemical facilities to maximize the added value of crude oil. The Chiyoda Group received a number of new contracts related to these investments.

Currently Chiyoda is executing three large-scale LNG projects and two gas processing plant projects in Qatar. In November 2006, Chiyoda successfully completed the RasGas (II) LNG Project (Train 5) in Qatar just 28 months after signing the contract.

Given these conditions, Chiyoda has revised its performance forecast for the fiscal year ending March 31, 2007, replacing the forecast announced on November 13, 2006. Citing a strong environment for orders, Chiyoda has increased its forecast for new contracts by 32.5% to 530,000 million yen. With the change to an assumed exchange rate of 120 yen to the U.S. dollar, resulting in a weaker yen than the assumption of the previous forecast (110 yen = US\$1), and higher-than-projected orders, the forecast for revenues has been revised upward by 9.5% to 460,000 million yen. The operating income forecast has been increased by 8.0% to 27,000 million yen on the increase in revenues. The forecasts for ordinary income and net income have been revised upward by 21.4% to 34,000 million yen and by 27.3% to 21,000 million yen, respectively, due to the increase in revenues as well as higher interest income reflecting an increase in jointly controlled assets of joint venture.

In view of the upward revision of the performance forecast, Chiyoda plans to pay a year-end dividend of 15 yen per share, 1 yen higher than previously announced.

Chiyoda Corporation, headquartered in Yokohama, Japan, provides services in the field of engineering, procurement and construction (EPC) for gas processing, oil refineries and other hydrocarbon processing and industrial plant projects, particularly in Gas Value Chain areas, on a global basis including the Middle East, Russia, Africa and South East Asia. For almost 60 years, Chiyoda has constantly leveraged its extensive experience and a far-reaching global network to give it an unrivaled advantage.

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