



PRESS RELEASE

November 13, 2006

Chiyoda Reports Strong Performance for Interim FY 2007 Steady Progress in Construction; Substantial Profit Increase on Improved Operating Margin

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

Consolidated operating income rose 64.1% from the first half of the previous fiscal year to 13,490 million yen, and revenues rose 27.5% to 210,981 million yen against a backdrop of steady progress in construction and strong performance by domestic Chiyoda Group companies. Revenues totaled 44,657 million yen in Japan (up 5.3%), and 166,324 million yen overseas (up 35.1%). Ordinary profit increased 84.9% to 16,697 million yen due to factors including higher interest income from an increase in jointly controlled assets of joint venture. Net income was up 5.2% to 11,173 million yen. Net income per share climbed to 58.14 yen.

In the first half of the fiscal year, consolidated new contracts were 371,840 million yen, 15.9% lower than one year earlier. Chiyoda has thus nearly achieved its full-year consolidated new contract forecast of 400,000 million yen in the first half. New contracts in Japan totaled 70,885 million yen, up 7.7% from the first half of the previous fiscal year, and overseas contracts were 300,954 million yen, a year-on-year decrease of 20.0%.

Operating income increased to 13,490 million yen as the operating income to revenues improved by 1.4 percentage points compared to the previous fiscal year to 6.4%. This was due to a 1.4% improvement in the gross margin compared with the same period of the previous year and a 0.1% decrease in selling, general and administrative expenses ratio.

Revenues increased 27.5% over the same period of the previous year. Overseas, constructions in Qatar and Sakhalin proceeded steadily, and the LNG field grew significantly. In Japan, the petroleum and petrochemicals field grew substantially with the brisk progress of chemical refinery integration. The fine industries field increased steadily, with firm investment in pharmaceuticals and electronic materials.

Based on the assumption of an exchange rate of 110 yen to the U.S. dollar, the Company is forecasting revenues of 420,000 million yen, ordinary income of 28,000 million yen and net profit of 16,500 million yen for the fiscal year ending March 2007. These forecasts have not been revised as of this interim period. This is because the attitude of the Russian authorities with regard to the Sakhalin 2 Project remains unclear, and because the Company plans to wait a little longer to see the effects of the worldwide shortage of site construction workers on the progress of construction. Chiyoda plans to pay a dividend of 14 yen per share, as announced in May.

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.

For more information, please contact:
Ken Ito/ Aki Tanaka
Chiyoda Corporation
Corporate Communications Office
Tel: 81-45-506-7538, Fax: 81-45-506-7085
Email Address: kito@ykh.chiyoda.co.jp
URL: <http://www.chiyoda-corp.com/>