



## PRESS RELEASE

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### **Chiyoda Announces FY 2007 First-Quarter Financial Results Net Income increased 21 % compared with the same period of FY2006**

Chiyoda Corporation (TSE: 6366; ISIN: JP3528600004), Japan's leading engineering and construction firm, today reported consolidated financial results for the first three months of the current fiscal year ending March 31, 2008.

On a consolidated basis, new contracts for the three months ended June 30, 2007 were 64,650 million yen, a 62.4% decrease compared with the same period of the previous fiscal year. The backlog of contracts as of June 30, 2007 was 1,002,381 million yen, a decrease of 3.2%. Revenues increased 54.0% to 140,371 million yen, operating income increased 9.2% to 7,266 million yen, recurring profit increased 38.4% to 10,685 million yen and net income increased 21.4% to 5,341 million yen. Net income per share came to 27.78 yen.

In overseas markets for plants, new plant construction plans around the world are being driven by continuing growth in global energy demand. In Japan, investment remains firm in new facility construction and existing facility renovation, mainly in the fields of petroleum and petrochemicals. In the Middle East, where there is an ongoing rush to construct new plants, project execution is severely constrained due to a continuing unavoidable decline in productivity caused by a tight supply of skilled workers. Under these circumstances, the Chiyoda Group is focusing on steady execution of ongoing projects, mainly in Qatar.

Net assets as of June 30, 2007 increased 2,561 million yen from the end of the previous fiscal year. Total assets increased 19,270 million yen due to factors including an increase in jointly controlled assets of joint venture resulting from advance receipts on construction contracts in connection with large-scale joint venture projects. Consequently, the equity ratio declined 0.2 percentage points from March 31, 2007 to 17.2%.

Net cash provided by operating activities was 362 million yen.

Chiyoda is making no revisions at this time to its interim and full-term consolidated forecasts of results for the fiscal year ending March 31, 2008, or to the forecast of year-end dividends of 18 yen per share, announced on May 14, 2007. Forecasts continue to assume an exchange rate of 115 yen to the U.S. dollar.

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 Asian regions. 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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