

CHIYODA CORPORATION
Consolidated Financial Results
for the Nine Months Ended December 31, 2007
(the Third Quarter of the Fiscal Year Ending March 31, 2008)



This document has been prepared as a guide to non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. This document is a translation of excerpts taken from the Japanese language original. All numbers are rounded down to the nearest unit in accordance with standard Japanese practice. Please be advised that the Company cannot accept responsibility for investment decisions made based on the information contained in this report. Please refer to "3. Qualitative Information on Forecast of Consolidated Results" on page 4 for notes concerning the assumptions on which results forecasts are based and the use of those forecasts.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2007 (the Third Quarter of the Year Ending March 31, 2008)

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1. Consolidated Results of Operations for the Nine Months Ended December 31, 2007

(1) Consolidated Business Results

	<i>Millions of Yen</i>			
	3Q FY2007 Apr. 1, 2007— Dec. 31, 2007	3Q FY2006 Apr. 1, 2006— Dec. 31, 2006	(reference) FY2006 Apr. 1, 2006— Mar. 31, 2007	
		<i>Change (%)</i>		<i>Change (%)</i>
Revenues	459,002	37.3%	334,417	29.2%
Operating Income	16,743	(20.4%)	21,038	49.7%
Recurring Profit	25,977	(1.9%)	26,485	69.2%
Net Income	15,998	(4.8%)	16,802	(0.4%)
Net Income per Share (Yen)	83.22		87.41	
Fully Diluted Net Income per Share (Yen)	83.17		87.31	
			484,895	
			28,700	
			36,797	
			23,531	
			122.41	
			122.28	

Notes: 1. Amounts less than 1 million are rounded down.
2. Percentage change figures are comparisons with the same period of the previous fiscal year.

(2) Change in Consolidated Financial Condition

	<i>Millions of Yen</i>		
	3Q FY2007 As of Dec. 31, 2007	3Q FY2006 As of Dec. 31, 2006	(reference) FY2006 As of Mar. 31, 2007
Total Assets	434,116	419,536	442,952
Net Assets	90,220	70,689	77,414
Shareholders' Equity Ratio	20.7%	16.8%	17.4%
Shareholders' Equity per Share (Yen)	467.25	365.70	400.56

(3) Consolidated Cash Flow

	<i>Millions of Yen</i>		
	3Q FY2007 Apr. 1, 2007 — Dec. 31, 2007	3Q FY2006 Apr. 1, 2006 — Dec. 31, 2006	(reference) FY2006 Apr. 1, 2006 — Mar. 31, 2007
Net Cash Provided by Operating Activities	3,489	26,856	35,531
Net Cash Used in Investing Activities	(863)	(2,429)	(3,458)
Net Cash Used in Financing Activities	(17,182)	(2,069)	(2,191)
Cash and Cash Equivalents, End of Period	62,607	69,332	77,051

2. Dividends per Share

	<i>Yen</i>
	<i>Full term</i>
Year Ended March 31, 2007	15.00
Year Ending March 31, 2008 (Forecast)	18.00

3. Outlook for the Year Ending March 31, 2008 (Consolidated)

(Percentages represent change compared with the previous fiscal year)

	<i>Millions of Yen</i>	
	FY2007 (Apr. 1, 2007 – Mar. 31, 2008)	
	<i>Full term</i>	
		%
Revenues	570,000	17.6
Operating Income	22,000	(23.3)
Recurring Profit	32,000	(13.0)
Net Income	19,500	(17.1)
Net Income per Share (Yen)	101.43	

4. Other

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No
- (2) Application of simplified accounting methods: Yes
- (3) Changes in accounting methods from the most recent fiscal year: Yes

Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Results of Operations

Regarding the market environment for Chiyoda during the nine months ended December 31, 2007, in overseas markets for plants, new plant construction plans around the world are being driven by continuing growth in global energy demand. In the Middle East, where there is an ongoing rush to construct new plants, project execution is severely constrained due to a tight supply of skilled workers. Under these circumstances, the Chiyoda Group is working to ensure steady execution of ongoing projects, mainly in Qatar, through stricter risk management, including measures to counter higher costs.

In the domestic market, the drive to invest remains firm in projects for new construction of large-scale LNG receiving terminals, and investment remains firm in new facility construction and existing facility renovation, mainly in the fields of petroleum and petrochemicals. Centered on the petroleum field, the Chiyoda Group's new contracts, ongoing projects and construction completions are proceeding smoothly.

New contracts on a consolidated basis were 211,757 million yen, a 56.4% decrease compared with the same period of the previous fiscal year, and the backlog of contracts decreased 29.0% to 802,149 million yen. Consolidated revenues increased 37.3% to 459,002 million yen, operating income decreased 20.4% to 16,743 million yen, recurring profit decreased 1.9% to 25,977 million yen and net income decreased 4.8% to 15,998 million yen.

2. Qualitative Information on Consolidated Financial Condition

Net assets as of December 31, 2007 increased 12,805 million yen from the end of the previous fiscal year, and the shareholders' equity ratio rose 3.3 percentage points from March 31, 2007 to 20.7%. Total assets decreased 8,835 million yen due to factors including a decrease in jointly controlled assets of joint venture resulting from progress on large-scale joint venture construction projects.

Net cash provided by operating activities was 3,489 million yen.

3. Qualitative Information on Forecast of Consolidated Results

Chiyoda is making no revisions at this time to its forecast of consolidated results for the fiscal year ending March 31, 2008, or to the forecast of the year-end dividend of 18 yen per share, announced on November 9, 2007. Forecasts continue to assume an exchange rate of 110 yen to the U.S. dollar.

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation)

None applicable

(2) Application of simplified accounting methods

Yes

(3) Changes in accounting methods from the most recent fiscal year

Yes

5. Summary Consolidated Financial Statements

(1) Summary Consolidated Balance Sheets

	Millions of Yen					
	3Q FY2007 As of Dec. 31, 2007	%	3Q FY2006 As of Dec. 31, 2006	%	FY2006 As of Mar. 31, 2007	%
Assets						
Current Assets						
Cash and cash equivalents and time deposits.....	51,213		69,487		77,177	
Notes and accounts receivable-trade.....	42,593		39,454		38,659	
Costs of construction contracts in process	29,808		32,975		27,656	
Deferred tax assets	3,964		1,499		5,884	
Jointly controlled assets of joint venture	238,236		239,528		256,060	
Other	29,074		12,492		12,640	
Allowance for doubtful accounts	(80)		(67)		(40)	
Total Current Assets	394,810	90.9	395,369	94.2	418,037	94.4
Fixed Assets						
Property, plant and equipment	23,174		7,403		7,464	
Intangible fixed assets.....	4,538		3,195		3,352	
Investments and other assets						
Investment securities	8,669		7,569		8,740	
Deferred tax assets.....	1,688		2,814		2,056	
Other investments.....	1,729		3,734		3,841	
Allowance for doubtful accounts.....	(494)		(550)		(539)	
Total investments and other assets	11,593		13,567		14,097	
Total Fixed Assets	39,306	9.1	24,166	5.8	24,915	5.6
Total Assets	434,116	100.0	419,536	100.0	442,952	100.0
Liabilities						
Current Liabilities						
Notes and accounts payable-trade	81,479		84,035		86,813	
Current portion of long-term debt	61		71		96	
Income taxes payable	1,172		7,161		13,070	
Advance receipts on construction contracts	230,969		226,824		231,818	
Reserves	5,316		4,557		6,688	
Other	11,901		10,316		12,957	
Total Current Liabilities	330,901	76.2	332,967	79.4	351,444	79.3
Non-Current Liabilities						
Long-term debt.....	10,036		10,102		10,067	
Reserves	2,039		4,051		2,276	
Other liabilities.....	919		1,724		1,748	
Total Non-Current Liabilities	12,994	3.0	15,879	3.8	14,093	3.2
Total Liabilities	343,896	79.2	348,846	83.2	365,537	82.5
Net Assets						
Shareholders' Equity						
Common stock	12,931		12,924		12,928	
Additional paid-in capital	6,714		6,707		6,711	
Retained earnings	71,512		51,669		58,398	
Treasury stock.....	(1,052)		(836)		(905)	
Total shareholders' equity	90,106	20.8	70,464	16.8	77,133	17.4
Valuation and Exchange Rate Adjustments						
Unrealized gain on available-for-sale securities	38		62		247	
Deferred loss on hedge transactions	(336)		(91)		(408)	
Foreign currency translation adjustments	22		(117)		49	
Total valuation and exchange rate adjustments	(274)	(0.1)	(147)	(0.1)	(110)	(0.0)
Minority interests	388	0.1	371	0.1	392	0.1
Total Net Assets	90,220	20.8	70,689	16.8	77,414	17.5
Total Liabilities and Net Assets	434,116	100.0	419,536	100.0	442,952	100.0

(2) Summary Consolidated Statements of Income

	<i>Millions of Yen</i>					
	3Q FY2007 Apr. 1, 2007– Dec. 31, 2007		3Q FY2006 Apr. 1, 2006– Dec. 31, 2006		FY2006 Apr. 1, 2006– Mar. 31, 2007	
		%		%		%
Revenues	459,002	100.0	334,417	100.0	484,895	100.0
Cost of Revenues	433,462	94.4	305,173	91.3	445,158	91.8
Gross profit	25,540	5.6	29,243	8.7	39,736	8.2
Selling, General and Administrative Expenses	8,797	1.9	8,204	2.4	11,036	2.3
Operating income.....	16,743	3.7	21,038	6.3	28,700	5.9
Other Income						
Interest.....	8,796		5,755		8,442	
Dividend income	335		36		68	
Equity in earnings of associated companies.....	229		243		375	
Other	615		379		486	
Total Other Income	9,977	2.2	6,415	1.9	9,373	1.9
Other Expenses						
Interest expense	316		237		310	
Other.....	425		730		965	
Total Other Expenses	742	0.2	968	0.3	1,275	0.2
Recurring Profit.....	25,977	5.7	26,485	7.9	36,797	7.6
Extraordinary Gain						
Gain on sales of investment securities	644		—		—	
Reversal of allowance for doubtful accounts	37		716		742	
Reversal of allowance for investment loss.....	—		263		263	
Other.....	72		124		166	
Total Extraordinary Gain	754	0.2	1,104	0.3	1,171	0.2
Extraordinary Loss						
Loss on valuation of investment securities	194		14		14	
Other.....	0		3		18	
Total Extraordinary Loss	195	0.1	18	0.0	33	0.0
Income before income taxes and minority interests	26,537	5.8	27,571	8.2	37,935	7.8
Total tax	10,528	2.3	10,722	3.2	14,342	2.9
Minority interests in net income	10	0.0	47	0.0	60	0.0
Net Income	15,998	3.5	16,802	5.0	23,531	4.9

(3) Summary Consolidated Statements of Cash Flow

	<i>Millions of Yen</i>		
	3Q FY2007 Apr. 1, 2007– Dec. 31, 2007	3Q FY2006 Apr. 1, 2006– Dec. 31, 2006	FY2006 Apr. 1, 2006– Mar. 31, 2007
Cash Flow from Operating Activities			
Income before income taxes and minority interests	26,537	27,571	37,935
Depreciation and amortization.....	1,131	1,154	1,507
(Increase) decrease in trade notes and accounts receivable, and costs and estimated earnings on long-term construction contracts	(3,946)	7,534	8,484
Increase in costs of construction contracts in process.....	(2,159)	(15,054)	(9,728)
Decrease in trade notes and accounts payable	(5,348)	(1,674)	947
(Decrease) increase in advance receipts on construction contracts.....	(838)	124,831	129,741
Decrease (increase) in jointly controlled assets of joint ventures.....	17,824	(108,191)	(124,724)
Other	(9,471)	(3,437)	(1,687)
Subtotal	23,727	32,734	42,475
Interest and dividends received.....	743	231	335
Interest paid.....	(313)	(239)	(317)
Project settlement money paid	—	(469)	(469)
Income taxes paid	(20,668)	(5,401)	(6,492)
Net Cash Provided by Operating Activities	3,489	26,856	35,531
Cash Flow from Investing Activities			
Purchases of property, plant and equipment and intangible fixed assets	(1,132)	(1,388)	(1,779)
Payments for purchase of investment securities.....	(498)	(1,682)	(2,419)
Proceeds from sales of investment securities	839	—	32
Payments for purchase of subsidiaries' stock due to changes in the scope of consolidation	(115)	—	—
Disbursements for originating long-term loans	—	(15)	(15)
Proceeds from collections of long-term loans	28	596	609
Other - net	15	59	114
Net Cash Used in Investing Activities	(863)	(2,429)	(3,458)
Cash Flow from Financing Activities			
Repayments of long-term debt	(14,149)	(41)	(46)
Proceeds from issuance of common stock.....	6	45	54
Payment of cash dividends	(2,879)	(1,914)	(1,915)
Payment of cash dividends to minority shareholders.....	(12)	—	(54)
Other - net	(147)	(160)	(229)
Net Cash Used in Financing Activities	(17,182)	(2,069)	(2,191)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents.....			
	111	163	357
Net (Decrease) Increase in Cash and Cash Equivalents	(14,444)	22,520	30,239
Cash and Cash Equivalents, Beginning of Period	77,051	46,878	46,878
Cash and Cash Equivalents of Exclusion of Consolidated Subsidiaries	—	(66)	(66)
Cash and Cash Equivalents, End of Period	62,607	69,332	77,051

6. Production, Contracts and Sales (Consolidated)

Millions of Yen						
3Q FY2007 Apr. 1, 2007 — Dec. 31, 2007						
Business Segment	New contracts		Revenues		Backlog of contracts	
	Amt	%	Amt	%	Amt	%
Engineering						
LNG plants	43,373	20.5	307,396	67.0	384,875	48.0
Gas and power utilities	28,863	13.6	63,854	13.9	260,272	32.5
Gas chemicals	217	0.1	702	0.2	1,229	0.1
Petroleum and petrochemicals...	97,618	46.1	54,218	11.8	116,478	14.5
General chemicals	17,761	8.4	18,225	4.0	17,303	2.2
Industrial machinery	4,470	2.1	6,821	1.5	3,061	0.4
Environment and other	15,214	7.2	3,545	0.7	18,928	2.3
Total Engineering	207,518	98.0	454,764	99.1	802,149	100.0
Other	4,238	2.0	4,238	0.9	—	—
Domestic	120,046	56.7	85,390	18.6	178,745	22.3
Overseas	91,711	43.3	373,612	81.4	623,404	77.7
Total	211,757	100.0	459,002	100.0	802,149	100.0

Millions of Yen						
3Q FY2006 Apr. 1, 2006 — Dec. 31, 2006						
Business Segment	New contracts		Revenues		Backlog of contracts	
	Amt	%	Amt	%	Amt	%
Engineering						
LNG plants	71,960	14.8	244,309	73.1	692,852	61.3
Gas and power utilities	296,950	61.2	17,156	5.1	311,868	27.6
Gas chemicals	482	0.1	1,251	0.4	1,840	0.2
Petroleum and petrochemicals...	70,721	14.6	46,452	13.9	80,200	7.1
General chemicals	17,715	3.7	11,657	3.5	25,370	2.2
Industrial machinery	13,189	2.7	4,808	1.4	10,084	0.9
Environment and other	8,898	1.8	3,453	1.0	7,527	0.7
Total Engineering	479,918	98.9	329,089	98.4	1,129,744	100.0
Other	5,328	1.1	5,328	1.6	—	—
Domestic	133,937	27.6	65,648	19.6	165,139	14.6
Overseas	351,308	72.4	268,769	80.4	964,604	85.4
Total	485,246	100.0	334,417	100.0	1,129,744	100.0

<i>Millions of Yen</i>						
FY2006						
Apr. 1, 2006 —						
Mar. 31, 2007						
	<i>New contracts</i>		<i>Revenues</i>		<i>Backlog of contracts</i>	
	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>	<i>Amt</i>	<i>%</i>
Business Segment						
Engineering						
LNG plants	122,045	21.9	337,927	69.7	646,332	61.6
Gas and power utilities	298,751	53.5	33,646	6.9	297,016	28.3
Gas chemicals	521	0.1	1,419	0.3	1,714	0.2
Petroleum and petrochemicals...	85,251	15.3	68,210	14.1	73,104	7.0
General chemicals.....	19,377	3.5	20,918	4.3	17,769	1.7
Industrial machinery	13,881	2.5	10,172	2.1	5,413	0.5
Environment and other	11,091	2.0	5,815	1.2	7,327	0.7
Total Engineering	550,922	98.8	478,110	98.6	1,048,679	100.0
Other.....	6,785	1.2	6,785	1.4	—	—
Domestic	155,297	27.8	106,550	22.0	145,542	13.9
Overseas	402,409	72.2	378,345	78.0	903,136	86.1
Total	557,707	100.0	484,895	100.0	1,048,679	100.0

Note: The backlog of contracts for the three months ended June 30, 2007 includes a decrease due to changes in construction contracts acquired in prior fiscal years, an increase due to adjustments in new contract amounts, and an increase due to foreign exchange translation adjustments.