

PRESS RELEASE

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Chiyoda Announces Revisions to Forecasts of Financial Results

Chiyoda Corporation today announced the following revisions to its forecast of financial results that were announced on November 9, 2007.

1. Revision to the consolidated full-year financial results forecast (year ending March 31, 2008)

(Millions of yen)

	Revenues	Operating income	Recurring profit	Net Income	Net income per share (Yen)
Previous forecast (A) (announced November 9, 2007)	570,000	22,000	32,000	19,500	101.43
Revised forecast (B)	590,000	7,000	18,000	10,500	54.61
Increase (decrease) (B-A)	20,000	(15,000)	(14,000)	(9,000)	—
Percentage increase (decrease) (%)	3.5	(68.2)	(43.8)	(46.2)	—
(Reference) Results for fiscal year ended March 2007	484,895	28,700	36,797	23,531	122.41

2. Reasons for revisions to financial results forecast

The forecast of revenue increased due to increase of change orders in overseas projects now in peak progress of their construction work.

Declines in income and profit forecasts were brought because construction cost increase caused by increased labor costs due to the tight market for construction workers as well as lower productivity has been enlarged beyond the level foreseeable at the latest forecast announcement on November 9, 2007.

To overcome such a severe situation, Chiyoda has been continuing discussions with clients on the changes of the contract conditions, with regard to schedule extension and additional compensation for the increased construction costs. Agreements on the changes have been concluded for the Qatargas II Train 4 & 5, and the Rasgas Train 6 & 7, in a month period starting from the end of January 2008. Discussions of the changes for Qatargas III (Train 6), and for Qatargas IV (Train 7), will be finalized beyond the end of this fiscal year. Because settlement for the latter two trains remains outstanding through the end of the fiscal year, while additional payments for subcontractors and prolongation costs for these projects have been disbursed in advance and provisions have been set aside, we are obliged to report the substantial decrease in the financial result of the 4th quarter of this fiscal year ending March 31, 2008.

The labor shortages and material cost increase, mainly causing decreased financial result, are the phenomenon solely occurring in Qatar in a scale far beyond control of the internationally recognized contractor like us. Performance of the projects in other oversea countries and domestic, and results of our group companies are as projected. The world largest LNG trains, now under construction in Qatar, will be completed one by one from next fiscal year. Chiyoda will exert its best effort, to deliver total 6 such trains to the clients in accordance with the schedule, and to recover part of suffered losses by acquiring change orders from the clients.

Chiyoda also revised the exchange rate assumption used for the above forecasts from 110 yen to 100 yen to the U.S. dollar.

3. Revision to the year-end dividend forecast

The year-end dividend forecast, 18 yen per share, has been changed to 10 yen per share, accordingly.

Cash Dividend	Dividend per share (Yen)	
	Year End	Year Total
Previous forecast (A) (announced November 9, 2007)	18	18
Revised forecast (B)	10	10
Increase (decrease) (B-A)	(8)	(8)
Results for fiscal year ended March 2007	15	15

4. Reasons for revisions to dividend forecast

Because of the substantial decrease of income forecast as above, we have to revise forecast of the dividend per share from 18 yen to 10 yen accordingly. This revision was made in accordance with our basic dividend policy to maintain steady dividend of 10 yen or more every year.

5. Responsibility of the Corporate Management

In order to correctly recognize the managements' responsibility for the above revision, we will resolve to cut the management compensation.

6. Forward-looking Statements

The forecasts and plans in this announcement are based on information available to management on March 31, 2008, the date these materials were prepared. Actual results may differ significantly from these forecasts for a number of factors, including but not limited to changes in economic conditions and operating environment in Japan and overseas. We strongly request you not to rely only on this forecast, in making investment decisions.