CHIYODA CORPORATION

PRESS RELEASE

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Chiyoda Announces FY 2007 Interim Financial Results and Revisions to its Full-year Forecasts

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, 2008.

On a consolidated basis, new contracts for the six months ended September 30, 2007 were 180,313 million yen, a 51.5% decrease compared with the same period of the previous fiscal year. This includes a contract for a long residue catalytic cracker unit revamp project at a Singapore refinery. The backlog of contracts was 918,861 million yen. Revenues increased 48.1% to 312,547 million yen due to the progress of ongoing projects. Gross profit was 17,239 million yen, a decrease of 8.9%, despite an increase in revenues, due to a decline in productivity caused by a tight supply of skilled workers which negatively impacted the gross profit margin. Operating income decreased 15.4% to 11,420 million yen, recurring profit rose 3.6% to 17,303 million yen and net income decreased 4.8% to 10,641 million yen. Net income per share was 55.35 yen.

Chiyoda also announced revisions to its full-term consolidated forecasts of financial results for the fiscal year ending March 31, 2008.

Chiyoda is now forecasting full-term revenues of 570,000 million yen, 3.6% higher than the previous forecast. The forecast for operating income is now 22,000 million yen, a decrease of 26.7%, and the forecast for recurring profit is now 32,000 million yen, a decrease of 16.9%. The forecast for net income is now 19,500 million yen, a decrease of 17.0%. Chiyoda also revised the exchange rate assumption used for the above forecasts from 115 yen to 110 yen to the U.S. dollar.

The forecast for revenues increased because overseas projects now in progress, centered on design and procurement work, advanced more quickly than initial forecast, and changes to specifications and higher costs resulted in acquisition of additional contracts. The forecast for operating income decreased because increased labor costs due to the tight market for construction workers as well as lower productivity caused construction costs to increase. The reduced forecast for operating income led to a downward revision of the forecasts for recurring profit and net income, despite higher interest income due to growth in jointly controlled assets of joint venture.

The year-end dividend forecast, 18 yen per share, is unchanged.

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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