CHIYODA CORPORATION

PRESS RELEASE

May 14, 2008

Chiyoda Announces Financial Results for the Fiscal Year Ended March 31, 2008

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

New contracts for the fiscal year were 258,754 million yen on a consolidated basis, a 53.6% decrease compared with the previous fiscal year. New contracts decreased 75.0% to 100,567 million yen overseas, and increased 1.9% to 158,187 million yen in Japan. The backlog of contracts as of March 31, 2008 was 670,050 million yen. Consolidated revenues increased 24.5% to 603,559 million yen. Operating income decreased 69.2% to 8,839 million yen, recurring profit decreased 48.0% to 19,121 million yen and net income decreased 59.0% to 9,640 million yen. Net income per share was 50.15 yen. Chiyoda plans to pay a year-end dividend of 10 yen per share.

During the fiscal year ended March 31, 2008, the demand for plants was very strong. Overseas, many new projects are being planned in various locations as a result of growth of global-scale energy demand. Investment in domestic refineries and petrochemical plants is becoming active as well. Project execution, however, remains challenging, particularly in Qatar, where plant construction is booming and the supply of skilled construction workers remains tight.

In this severe environment, Chiyoda has exerted its best efforts to manage increased construction costs and associated risks, with the aim of executing the world's largest LNG plants in Qatar as originally planned. Increased labor costs and lower productivity due to the shortage of construction workers, much more severe than initial predictions, have resulted in a decline in earnings. The environment in Qatar, including tight labor supply and material cost increases, is extraordinary and far beyond international contractors' professional control capabilities. Other overseas and domestic projects are generally proceeding smoothly. Construction of Train 1 of the Sakhalin II project, the first LNG plant in Russia, was completed. In the domestic market, Chiyoda successfully acquired many new contracts and steadily executed ongoing projects primarily in the fields of petroleum and petrochemicals, yielding a high level of revenues.

Regarding the fiscal year ending March 31, 2009, Chiyoda will work to acquire new contracts, focusing on projects where the Company's technological advantages are highly recognized while maintaining an optimum balance with ongoing project execution. Chiyoda will also manage the high cost of materials and the tight supply of labor in order to execute as scheduled the three large-scale LNG projects in Qatar (six LNG trains with an annual capacity of 7.8 million tons each), as well as other ongoing projects in Japan and overseas.

For the fiscal year ending March 31, 2009, Chiyoda forecasts consolidated new contracts of 450,000 million yen, revenues of 460,000 million yen, operating income of 12,500 million yen, recurring profit of 16,000 million yen and net income of 9,500 million yen. Chiyoda plans to pay a year-end dividend of 11 yen per share. The assumed exchange rate is 100 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, South East Asian, Africa and Oceania regions. For 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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