CHIYODA CORPORATION

PRESS RELEASE

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Chiyoda Announces Its Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2009 and Revisions to Its Full-Year Forecasts

Chiyoda Corporation (TSE: 6366; ISIN: JP3528600004), Japan's leading engineering and construction firm, today reported its consolidated financial results for the third quarter of the current fiscal year ending March 31, 2009 (the nine months ended December 31, 2008) and revisions to its full-year forecasts.

New contracts on a consolidated basis were 139,828 million yen, a 34.0% decrease compared with the same period of the previous fiscal year, and the backlog of contracts decreased 43.9% to 449,841 million yen. Revenues decreased 25.0% to 344,106 million yen. Operating income decreased 81.8% to 3,040 million yen, ordinary income decreased 75.1% to 6,463 million yen and net income decreased 78.6% to 3,425 million yen. Net income per share was 13.58 yen.

During the third quarter of the current fiscal year, Chiyoda made concentrated efforts to properly execute ongoing projects. These included completing and handing over Russia's first liquefied natural gas (LNG) plant and the first train of the ultra-large-scale LNG plants (7.8 million tonnes per annum each) in Qatar.
The prolonged negotiations with Qatar Liquefied Gas Co., Ltd. (3) and (4) to extend the construction period and increase the contracted price for construction of Trains 6 and 7 are almost concluded; however, which results will not cover the projected additional costs to be paid to subcontractors and others.
The decrease in revenues was due to the sharp appreciation of the yen. Ordinary income was impacted by a decrease in interest income from jointly controlled asset of joint venture resulting from interest rate cuts affecting the U.S. dollar and other currencies. The decrease in net income was due in part to the decrease in ordinary income and the recognition of loss on valuation of investment securities. New contracts also decreased due to the rapid slowdown of the global economy triggered by the financial crisis of fall 2008.

Given these conditions, Chiyoda has revised its performance forecasts for the fiscal year ending March 31, 2009, replacing the forecasts announced on May 14, 2008. The Company has lowered its forecast for new contracts by 53.3% to 210,000 million yen. Due to the change of the assumed exchange rate from 95 yen to the U.S. dollar, as of the November 12, 2008 announcement of consolidated financial results for the second quarter, to 90 yen to the U.S. dollar, Chiyoda has revised its forecast for revenues downward by 2.2% to 450,000 million yen. The forecast for operating income has been lowered by 44.0% to 7,000 million yen, and the forecast for ordinary income has been lowered by 37.5% to 10,000 million yen. The forecast for net income has been revised downward by 47.4% to 5,000 million yen.

At the beginning of the fiscal year, Chiyoda projected cash dividends of 11 yen per share for the fiscal year ending March 31, 2009, with a target payout ratio of 30% of net income. However, due to the downward revision of net income, Chiyoda regrets that the dividend forecast has been revised to 6 yen per share.

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