

<< Translation for Reference >>

May 7, 2019

Company Name: Chiyoda Corporation

President&CEO: Masaji Santo

Stock Code: 6366

Stock Listing: First Section of the Tokyo Stock Exchange

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Notice of Revisions to the Forecast of Consolidated Results

Chiyoda Corporation (“Chiyoda”) announces today, May 7th 2019, the following revisions to its consolidated financial forecast for the fiscal year ended March 31, 2019, previously revised on October 31, 2018.

**1. Revisions to the Full-Year Consolidated Financial Forecasts
for the Fiscal Year ended March 31, 2019 (April 1, 2018 - March 31, 2019).**

(Millions of Yen)

	Revenues	Operating Income	Ordinary Income	Profit* ¹	EPS* ² (Yen)
Previous Forecast (A)	400,000	(86,500)	(86,500)	(105,000)	(405.46)
Revised Forecast (B)	340,000	(200,000)	(193,000)	(215,000)	(830.22)
Increase (Decrease) (B-A)	(60,000)	(113,500)	(106,500)	(110,000)	-
Percentage Increase (Decrease) (%) (Reference)	(15.0)	-	-	-	-
Results FY ended March 31, 2018	510,873	(12,330)	(10,100)	6,445	24.89

*1= Attributable to owners of parent

*2= Earnings per Share

2. Reason for Revisions to the Full-Year Consolidated Financial Forecasts

The new “Strategy & Risk Integration Division”, including the engagement of external specialists as senior management, started its operation and further enhance existing risk management capability in order to cope with various risk factors including unforeseeable external incidents. As a result of this extensive re-assessment of potential risks, based on strict standards from a third party’s perspective, a significant amount of additional costs for ongoing large scale LNG projects, pending arbitration cases and small to medium size projects were recognized. The outlines are as follows:

A substantial volume of unanticipated additional works occurred in the final phase of construction work of Cameron Train-1. Furthermore, a continuously high turnover ratio of labor has led to ongoing low productivity in the workforce. As a result of the strict re-assessment of these project conditions, similar constraints are expected for completion of Trains 2 and 3 and therefore are recognized as additional costs. The Tangguh LNG Project in Indonesia: The project schedule is being impacted by several factors, and requires significant amount of additional works and costs to complete the project. The client and contractor are under negotiations on schedule and costs. In addition to risk assessment for project execution, risk evaluation of pending arbitration cases has been revised.

Due to the above reasons, Chiyoda has revised its forecasts as follows: partly due to less than previously anticipated progress ratio, the revenue is expected to be 340.0bn JPY, 60bn yen less than initially

forecasted, Operating loss forecast increased 113.5 bn to 200bn yen, Ordinary loss forecast increased 106.5 to 193.0 bn yen and Loss attributable to owners of parent forecast increased 110.0 bn to 215.0 bn yen.

Details to be announced in the year end results on May 9, 2019.

Forward-looking Statement

The forecast and plans in this announcement are based on information available to the management on May 7, 2019, 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 operation environment in Japan and overseas.

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