PRESS RELEASE

March 31, 2008

Issuance of New Shares via Third-Party Allocation/
Capital and Business Alliance with Mitsubishi Corporation/
Announcement of Associated Company

On March 31, 2008, Chiyoda Corporation ("Chiyoda" TSE:6366; ISIN: JP3528600004) has decided to increase its capital via a third-party allocation and issue new shares, all of which will be allocated to Mitsubishi Corporation ("Mitsubishi"). This capital increase is scheduled to take place on April 30, 2008.

１． General Description of the Issuance of New Shares

(1) Number of new shares: 67,080,000 shares (common stock)
(2) Price: 907 yen per share
(3) Total amount payable by Mitsubishi: 60,841,560,000 yen
(4) Number of shares held by Mitsubishi
as of September 30, 2007 :   19,851,220 shares (10.27% of total shares)
(5) Number of shares to be held by
Mitsubishi after capital increase: 86,931,220 shares(33.40% of total shares)

２． Purpose of Capital Increase

Chiyoda intends to utilize this new capital as funds for the new growth by way of various investments in the field of the plant lifecycle engineering services including diversification of engineering field to upstream area, research and developments, expanding regional operation in line with the mid-term corporate strategic plan from fiscal year 2009 to 2013 to be announced within this year, as well as to enhance our financial strength and engineering capacities.

３． Alliance with Mitsubishi

At this occasion, both Chiyoda Corporation and Mitsubishi Corporation reached an agreement to reinforce its relationship to explore opportunities for synergies in the area of plant engineering business activities. Chiyoda will strive to maximize the synergies based on the strength of each party, develop Chiyoda's business activities and improve the competitiveness, and further to enhance the corporate value through this strategic alliance.

４． Associated Company

As Mitsubishi is planning to hold 33.40% of the total shares, Chiyoda will become an equity-method affiliate of Mitsubishi.

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