<Translation for Reference>>

October 31, 2018

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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 and Dividend

Chiyoda Corporation ("Chiyoda") announces today, October 31th 2018, the following revisions to the consolidated financial forecast and dividend forecast for the fiscal year ending March 31, 2019.

1. Revisions to the Full-Year Consolidated Financial Forecast for the Fiscal Year 2018, ending March 31, 2019

(Millions of Yen)

	Revenues	Operating Income	Ordinary Income	Profit *1	EPS *2 (Yen)
Previous Forecast (A)	400,000	11,500	12,500	6,500	25.10
Revised Forecast (B)	400,000	(86,500)	(86,500)	(105,000)	(405.46)
Increase (Decrease) (B)-(A)	0	(98,000)	(99,000)	(111,500)	-
Percentage increase (decrease)	0	-	-	-	-
(Reference) Results FY2017	510,873	(12,330)	(10,100)	6,445	24.89

*1: Attributable to owners of parent

*2: Earnings per share

2. Reasons for the Revisions to the Full-Year Consolidated Financial Forecast

Due to significantly increased construction cost for ongoing LNG projects, notably the Cameron LNG Project in Louisiana in the U.S. of 85,000 million yen, Chiyoda has revised its forecasts as follows: Operating loss to 86,500 million yen and Ordinary loss to 86,500 million yen. In addition, Loss attributable to owners of parent will become 105,000 million yen due to reversal of deferred tax assets.

Since August 2018, Chiyoda has made an assessment on the execution plan for the Cameron LNG Project together with the joint venture partner McDermott International Inc. In the course of this assessment, it has become apparent that the following two factors have made a significant increase in the overall construction cost:

Firstly, an escalation of labor cost along a severe shortage of skilled labor in the Gulf Coast region caused by 1) a surge in shale development projects due to rising oil prices and 2) major reconstruction efforts in the aftermath of Hurricane Harvey.

Secondly, the lower than expected productivity of the labor contributed to a sharp increase in construction costs. One of the reasons for the low productivity is the high turnover in the labor force due to the remote and inconvenience of Cameron LNG Project, which led to overall labor productivity decrease from May 2018.

3. Revisions to the year-end dividend forecast

	Dividend per Share (Yen)	
	Year-End Dividend	Total
Previous Forecast (May 11, 2018)	7.50	7.50
Revised Forecast	0.00	0.00
Previous Results FY2017 (March 31, 2018)	7.50	7.50

4. Reasons for revisions to the year-end dividend forecast

Under the Medium-Term Management Plan (2017-2020) "Mirai Engineering" A Grand Opportunity for the Future, Chiyoda set a minimum full-year dividend of 6.00 yen per share with an original forecasts of 7.50 yen per share for the fiscal year ending March 31, 2019.

Due to the revisions in the full year consolidated forecast, a dividend will not be paid to shareholders for the fiscal year.

(Note) Forward-looking Statements

The forecasts and plans in this announcement are based on the information available to management on October 31, 2018, the date these materials were prepared. Actual results may differ significantly from these forecasts for the number of factors, including but not limited to changes in economic conditions and operating environment in Japan and overseas. Investors should not solely rely on this forecast to make any investment decision.