Annual Report 2009

For the year ended March 31,2009

CHIYODA CORPORATION

Photo: Courtesy of Sakhalin Energy Investment Company Ltd.

Profile

Since its establishment in 1948, Chiyoda Corporation has engaged in engineering and construction work and services at numerous industrial plants both in Japan and overseas in the fields of oil, natural gas and other energy sources; petrochemicals and chemicals; pharmaceuticals; and general industrial machinery.

Thirty-seven years ago in 1972, Chiyoda's founder was already emphasizing in a booklet entitled *Legacy for the Twenty-first Century* that sustainable social development should progress by harmonizing nature and industrial development.

We were one of the first companies to state our intention to contribute to sustainable social development through our engineering and technology by providing appropriate solutions to the various energy and environmental issues we currently face, and have been putting those words into action ever since. This booklet is available on our website.

With over 60 years of technological experience, Chiyoda is working to build on its position as the "Reliability No. 1" project company with a high level of customer and investor trust, not only in terms of technology but also in terms of our people and management. At the same time, we will continue to improve our financial strength and to raise our corporate value.

Corporate Philosophy

Enhance our business in aiming for harmony between energy and the environment, and contribute to the sustainable development of a society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology.

Forward-Looking Statements:
This annual report contains forward-looking statements about Chiyoda Corporation's outlooks, plans, forecasts, results and other items that may take place in the future. Such statements are based on data available as of June 24, 2009. Unknown risks and other uncertainties that happen in the future may cause our actual results to be different from the forward-looking statements contained in this report. The risks and uncertainties include business and economic conditions, competitive pressure, changes in laws and regulations, addition or elimination of products, and exchange rate fluctuation, among others.


Photo: Courtesy of Sakhalin Energy Investment Company Ltd.

Contents


Photo: Courtesy of Qatargas


Photo: Courtesy of Sakhalin Energy Investment Company Ltd.


Photo: Courtesy of Qatargas

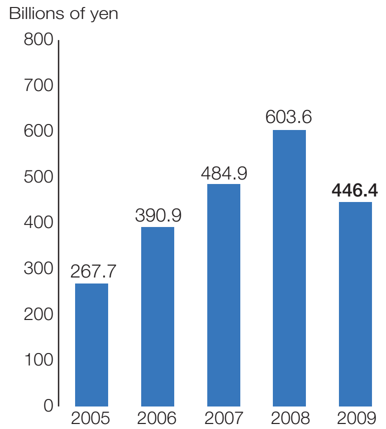
Financial Highlights

Years Ended March 31, 2009, 2008, 2007, 2006 and 2005

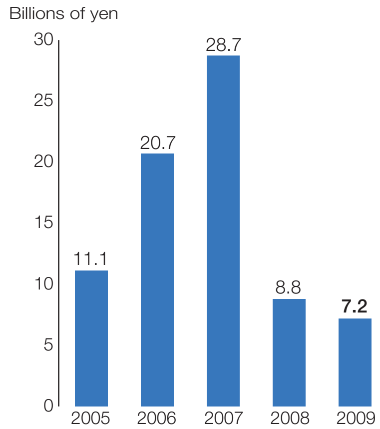
	Millions of yen					Thousands of U.S. dollars
	2009	2008	2007	2006	2005	2009
For the Year						
Revenues	¥446,438	¥603,560	¥484,895	¥390,875	¥267,655	$4,555,497
Cost of revenues	427,461	583,035	445,159	360,322	247,905	4,361,852
Operating income	7,227	8,840	28,700	20,729	11,078	73,747
Income before income taxes and minority interests	9,651	18,992	37,935	21,906	12,049	98,479
Net income	6,498	9,641	23,532	19,400	12,863	66,311
At Year-End						
Total assets	¥357,816	¥378,820	¥442,953	¥279,721	¥182,893	$3,651,193
Total equity	145,917	81,638	77,415	55,509	36,873	1,488,956
Long-term debt	10,004	22	10,067	10,169	215	102,081
Current ratio (%)	161.1	115.0	118.9	125.1	115.9	
Per Common Share (Yen and U.S. dollars)						
Earnings per share (EPS)	¥25.58	¥50.15	¥122.41	¥101.27	¥68.62	
Book value per share (BPS)	561.12	422.24	400.56	288.88	193.22	
Dividends per share	7.5	10.0	15.0	10.0	6.0	0.08
Ratios (%)						
Return on assets <ROA>	3.1	4.7	10.2	10.0	7.1	
Return on equity <ROE>	5.7	12.2	35.5	42.0	43.1	

Note: 1. U.S. dollar amounts are translated, for convenience only, at the rate of ¥98 = US$1, the approximate exchange rate at March 31, 2009.
2. Yen amounts are rounded to the nearest million. U.S. dollar amounts and percentages are rounded to the nearest unit.
3. Total equity of fisical years prior to FY2006 are calculated on the basis of the former accounting standards.

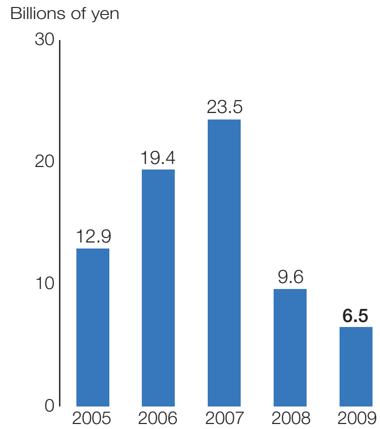
Revenues



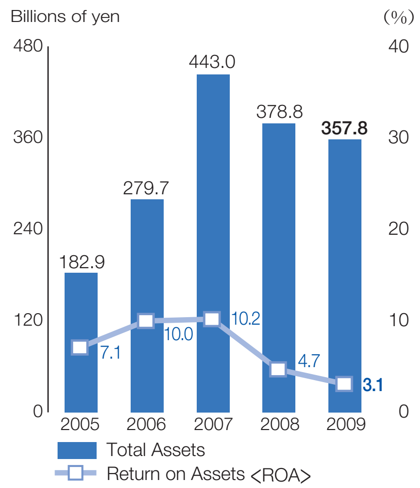
Operating Income



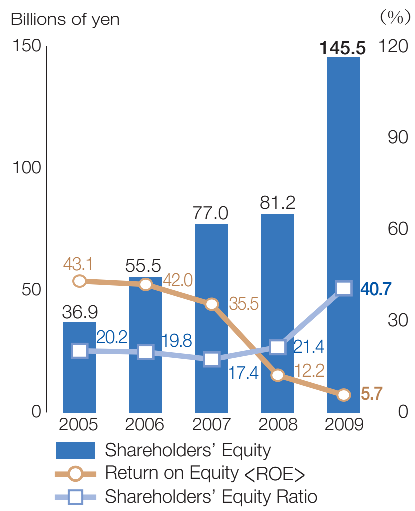
Net Income



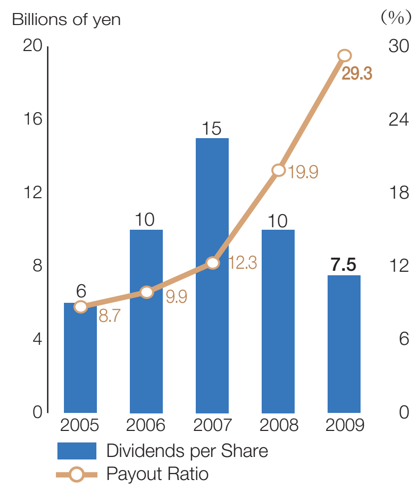
Total Assets and Return on Assets <ROA>



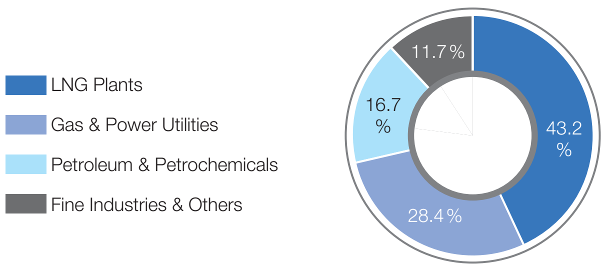
Shareholders' Equity, Return on Equity <ROE> and Shareholders' Equity Ratio



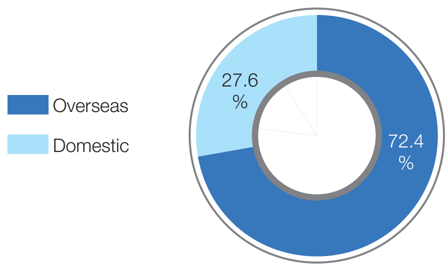
Dividends per Share and Payout Ratio



Revenues by Industry



Revenues by Region



Takashi Kubota
President & CEO

Career Summary

1969: Joined Chiyoda Corporation
1995: Project General Manager, Second Overseas Project Division
1998: Director; General Manager, Asia & Australia Project Division
2001: Managing Director, International Project Operation
2004: Director; Deputy General Manager, Domestic Project Operation
2005: Managing Director, Technology & Engineering
2007: President & CEO

Notable Developments in Fiscal 2008

I am pleased to present some of the highlights that took place during fiscal 2008—Chiyoda Group's 81st fiscal term that ended March 31, 2009.

Fiscal 2008 marked the completion of construction and subsequent operational starts of several large-scale liquefied natural gas (LNG) projects that the Chiyoda Group has been involved in for several years. These included Russia's first LNG plant on Sakhalin Island and the first of six LNG trains currently under construction in Qatar that ranks as the world's largest operating plant.

Chiyoda's plant engineering business has not been immune to international financial volatility or the serious ramifications that this disruption had on the global real economy. A notable consequence for the Chiyoda Group was the growing trend among clients to review investment plans, which led to some project rescheduling. However, we will strive to expand orders for new overseas projects and maintain progress on the backlog of projects already under construction to achieve higher profitability.

To cope with these changes, and to rise far above the challenges created by the current operating environment, the Chiyoda Group embarked on a new medium-term management plan— "Engineering Excellence, Value Creation 2012"—for the fiscal years from 2009 through 2012. A key component of this four-year blueprint for growth is higher corporate value, and our executives are united in their determination to accomplish this goal.

Medium-term Management Plan

The corporate philosophy that defines and influences the activities of the entire Chiyoda Group is as follows: Expand business activities and contribute to sustainable social development as an integrated engineering organization, while drawing on accumulated insights and sophisticated technologies to ensure harmony between energy needs and environmental responsibility. Guided by this philosophy, we will realize Groupwide management practices worthy of the trust and support of all stakeholders, including shareholders, clients, suppliers, employees and the communities in which members of the Group maintain a presence.

Engineering Excellence, Value Creation 2012 is designed to raise the corporate value of the Group. Through this plan, Chiyoda will effectively utilize its abundant capital resources while reinforcing the Group's operating platform to complement its overall core competence in the engineering, procurement and construction (EPC) business with greater activity in the energy, environmental and resource development fields.

Efforts will be channeled to realize three themes that will fuel a shift toward preeminent engineering services, create added value and secure the Company's place at the top of the industry ladder in terms of profitability. The three themes are:

1. Technology challenge: Enhance, acquire, accumulate and promote new technologies.
2. Optimum solutions: Present environmentally responsible, optimum solutions that address client and social needs.
3. Global diversification: Expand global operations.

The Group has honed a sharp competitive edge by executing its projects with exceptional results, a strength backed by leading-edge, constituent technologies. Engineering Excellence, Value Creation 2012 will chart the Group's next stage of development through strategic business alliances, mergers and acquisitions, technology-oriented R&D, a stronger overseas network, personnel recruitment and training, and an enhanced information technology infrastructure.

The Company is promoting three additional strategies to cement a solid foundation for future growth.

1. Reinforce core businesses.
2. Establish a well-balanced business portfolio for stable growth.
3. Strengthen integrated operations within the Group.

Return to Shareholders

Targeting a payout ratio of 30%, based on consolidated net income, management maintains a dividend policy that emphasizes the return of profits to shareholders while retaining sufficient internal reserves to fund future business development.

The dividend for fiscal 2008 has been set at ¥7.50 per share. Given the difficulties presented by the current business environment, management anticipates a dividend of ¥6.0 per share for fiscal 2009.

I ask for your understanding of the challenges faced by the Chiyoda Group and respectfully request your continued support.

August 2009

Takashi Kubota
President & CEO

Medium-term Management Plan

The corporate philosophy that defines and influences the activities of the entire Chiyoda Group is as follows: Enhance our business in aiming for harmony between energy and the environment and contribute to the sustainable development of a society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology.

Every Chiyoda Group employee engages in our corporate activities with this philosophy in mind as we strive for corporate Group management that earns the trust and empathy of all of our stakeholders, including shareholders, customers, business partners, employees and local communities.

In order to achieve continuous growth into the future and expanding corporate value, we formulated a new medium-term management plan, Engineering Excellence, Value Creation 2012 ("the medium-term plan") commencing in fiscal year 2009 (ending on March 31, 2010), and runs through fiscal year 2012 (ending on March 31, 2013).

The medium-term plan aims for sustainable and stable earnings growth with Chiyoda Group's EPC core competence through further reinforcement of its business fundamentals by way of its steadily increased capital strength.

In our business fields, i.e., Energy, Resource Development, and Environment, we will exercise our top quality services by way of following three concepts aiming at such sustainable and stable growth that also contributes to customers and society.

1 Technology Challenge

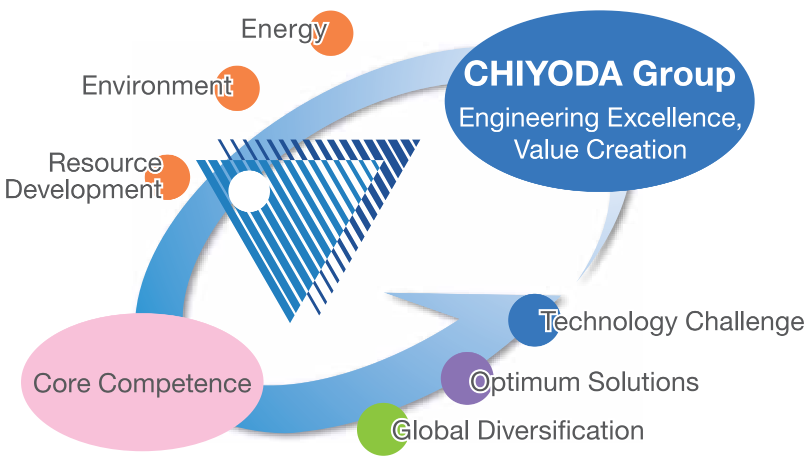
The Chiyoda Group is constantly focused on the leading-edge technologies for in-depth research and development and to further its applications. We are always engaging on technological challenges such as the renewable energy field and those required for strengthening our project execution capabilities to cope with tighter environmental restrictions under harsh conditions such as extremely cold weather, offshore locations, etc.

2 Optimum Solutions

We will provide environmentally responsible, optimum solutions to meet the needs of customers and society. From feasibility studies (FS) to decommissioning of plants, we will provide these optimum solutions from various angles, ranging from EPC to technology consulting services.

3 Global Diversification

In addition to diversifying our business regions purporting to manage various risks, we will strengthen and diversify our global network through business and/or capital alliances (M&As) and other measures. Furthermore, by enhancing global operational efficiency with the expansion of Global Engineering Satellites (GES) responsibilities, our cost competitiveness will be strengthened.



FY 2012 Performance Assumption

(Billions of yen)

Revenues	550
Operating income	34
Ordinary income	38
Net income	23

Business Targets
Strategies to Achieve Plan Target

1 Strengthen Core Businesses

1. Expand to new countries and regions
- Establish offices in regions with profit potential, including Australia and Brazil
- Strengthen relationships with NOCs
- Promote business development in new regions through collaboration with Mitsubishi Corporation

2. Respond to diversified project environment
- Pursue floating LNG business (established FPSO Department)
- Broaden opportunities through diverse contracting strategy
- Seek strategic partners (by region/technical specialty)

3. Adhere to safety-and environment-first policy in plant design and construction

2 Build a Balanced Portfolio

1. Differentiate to acquire refinery, petrochemical, synthetic gas and other projects
- Strategic application of Chiyoda's proprietary technologies and licensors' technologies.

2. Expand environmental business field
- Expand into renewable energy segment
- Carbon management business for a low-carbon society

3. Expand into non-EPC business fields
- Build a technology consulting business
- Expand licensing business
- Strengthen IT solutions business

3 Strengthen Unified Group Operation

1. Strengthen regional sales and execution focus
- Expand subsidiaries' operations in Singapore and Saudi Arabia
- Full-scale operation of subsidiary in Qatar

2. Enhance global operational efficiency
- Expand and promote GES (Global Engineering Satellite) operations

3. Develop business in new regions through capital and business alliances with other companies

Main Strategies

Qatar LNG Projects

Completed Train 4 for Qatargas 2, World's Largest LNG Plant

On April 6, 2009, the inauguration ceremony for the world's largest LNG plant took place at Ras Laffan Industrial City in Qatar, a country on a peninsula that juts out from the eastern coast of the Arabian Peninsula into the Persian Gulf.

Chiyoda's involvement in the construction of this plant—Train 4 of the Qatargas 2 Project—lasted for more than four years. Construction was completed in March 2009, and Train 4 is now producing LNG for export to the United Kingdom.

Capable of producing 7.8 million tonnes of LNG per year, Train 4 boasts a massive increase in capacity—more than 50%—over similar facilities that previously held the distinction of being the world's largest. The achievement of such an immense undertaking is the culmination of a successful journey through uncharted territory, which required that many facets of design and execution needed a new or innovative approach.

Chiyoda is currently involved in the construction of another 5 LNG trains of the same scale, and is steadily moving toward delivery, currently scheduled for the end of 2010.

Once all 6 trains are in operation, Qatar will have an LNG production capacity of 77 million tonnes per year, which will account for 30% of global production capacity. As many as 75,000 people from more than 80 countries were engaged at the peak of construction for the 6 trains.

Train 4 for the Qatargas 2 Project, which will be an important milestone in our project history, was completed with a record of 20 million man-hours without a lost time incident.

As for the remaining 5 trains, we will demonstrate our capabilities in project execution beyond any doubt and strive diligently to add another success to our project history. Solid results will cement a position of excellence for the Chiyoda Group in the field of EPC services for LNG plant construction.

Established Chiyoda Almana Engineering L.L.C.

Qatar is one of the most important markets for Chiyoda, where the Company has completed a considerable number of plants. Indeed, management also views Qatar as fertile ground for new contracts—with EPC services not limited to only mega-sized projects but also extending to small and medium-sized projects as well—and a source of stable demand for a variety of other services.

In March 2008, we established a local subsidiary, Chiyoda Almana Engineering L.L.C. (CAEL), with the Almana Group, a prominent conglomerate with whom we have developed an amicable, long-term relationship.

In March 2009, CAEL inked an all-encompassing contract with RasGas Company Limited to provide EPC services for small and medium-sized projects. The four-year contract responds to the needs of RasGas and facilitates access to the services that not only CAEL but also Chiyoda will provide under a business model, Plant Lifecycle Engineering (PLE).

CAEL plans to offer its services under this business model to other clients in Qatar and will use the format to underpin its contribution to the economic and social development of this Middle East emirate through its engineering capabilities.

PLE:
A business model providing feasibility studies, front end engineering design (FEED), detailed engineering, procurement and construction (EPC), operation, maintenance, expansion, modification, upgrading and revamping from the client's perspective.

Photo: Courtesy of RasGas

Photos: Courtesy of Qatargas

Sakhalin LNG Project

Russian resources and Japanese technologies came together to realize Russia's first LNG plant.

The contract to build an LNG plant on Sakhalin Island was awarded in 2003 and the project was completed in 2008.

In February 2009, Taro Aso, prime minister of Japan, and Dmitry Medvedev, president of Russia, attended a ceremony to mark the start of operations. The first shipment of LNG left the port of Prigorodnoye in March 2009.

Dealing with Extreme Cold

Harsh weather conditions, exemplified by winter temperatures dipping as low as -30°C, created a challenging project environment. With a limited window of opportunity for large-scale construction activities, minor mistakes in work management—such as not properly addressing working conditions—could have delayed annual progress by six months. Through various efforts, Chiyoda overcame the challenges caused by Sakhalin's bitter climate to finish the project on schedule.

In constructing the plant, we kept environmental impact to a minimum, emphasized project safety and applied our ingenuity and resourcefulness to surmount difficult circumstances. In the end, the project to build Russia's first LNG plant was successfully accomplished.

Safety Initiatives

When constructing the plant, Chiyoda placed considerable weight on project safety, and well-thought-out safety initiatives led to more than 20 million man-hours logged without a single lost-time incident and some 40 million kilometers traveled without accident. Our emphasis on safety was also recognized by Royal Dutch Shell plc, an investor in Sakhalin Energy Investment Company Ltd.,—our client—and earned us the inaugural Shell Chief Executive HSE Award in 2007. HSE stands for health, safety and environment.

Contributing to the Local Community, Protecting the Environment

In the Sakhalin LNG Project, Chiyoda implemented sustainable development initiatives to enable the local community to foster continuous growth. We contributed to the development of the local economy through personnel training and job creation programs, including training for junior engineers. At the peak of construction, we employed more than 5,000 Russians in the project.

This project is also noteworthy for a heightened emphasis on environmental protection. We demonstrated good stewardship of the natural surroundings around the salmon rivers that run through the project site, and we complied with strict ecological requirements. We also monitored the results of restoration efforts following construction, based on environmental assessments, and submitted reports to the Russian authorities.

Connection to Japan

The LNG produced from Sakhalin reserves is exported to several markets, including Japan. The project was important to Russia, for many reasons, but it carried great significance for Japan, as well.

It was an event that brought Russian resources and Japanese technology together and secured an energy source right next door, so to speak, rather than half a world away, in the Middle East and elsewhere, which Japan has previously had to rely upon. The project was presented to the children of Sakhalin as a link between Russia and Japan.

These aspects of the project drew positive attention, exemplified in March 2009 by the receipt of a Japan Project International Award by the Minister of Land, Infrastructure, Transport and Tourism.

Photos: Courtesy of Sakhalin Energy Investment Company Ltd.

Corporate Governance

The basic premise behind corporate governance within the Chiyoda Group is that the management practices that underpin operations must emphasize corporate social responsibility (CSR) and earn the trust and support of all stakeholders, including shareholders, customers and employees.

To sustain quality growth over the medium to long term, we are continuously striving to reinforce our business platform, ensure sound management practices and enhance management transparency. Along with steady progress toward the goals laid out in our new medium-term management plan—Engineering Excellence, Value Creation 2012—upon which we embarked April 1, 2009, we will prioritize measures to improve corporate governance and fortify our internal control structure.

Management Structures

Chiyoda has adopted the corporate auditor system. The Company has also embraced the executive officer system to promote decision-making that accurately matches the fast-paced changes which characterize current social and economic conditions. Under this structure, executive officers and directors assume separate functions, with the former shouldering responsibility for day-to-day operations, thus leaving the latter able to focus on decision-making and management supervision. This separation of functions ensures the appropriate execution of duties and business activities. Executive officers provide regular reports on the status of operations within their respective areas of authority at the monthly meeting of the Executive Committee, at which directors are also present.

The Board of Directors comprises nine directors, including four representative directors, and meets once a month. This management group monitors the activities of executive officers and makes decisions pertaining to management policy and the execution of operations. To accelerate the decision-making process and fine-tune decisions according to rapidly changing social and economic conditions, the Board of Directors delegates some decision-making authority to the representative directors on the Executive Committee.

The Executive Committee, which consists of four representative directors, undertakes decisions within its authority regarding the execution of operations and also engages in the preliminary discussion of issues that will be brought before the Board of Directors for final approval.

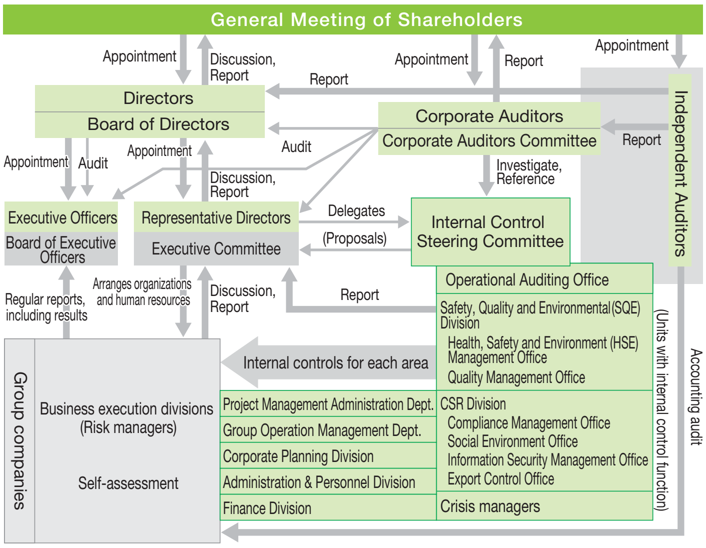
The Corporate Auditors Committee has four members, three of whom are full-time auditors. Three of the committee members are external auditors. Corporate auditors maintain close ties with the independent auditors of the Company's accounting firm and meet regularly with them to keep apprised of such events as the annual audit plan and the year-end audit of the Company's financial statements. The Corporate Auditors Office, with one full-time employee, assists corporate auditors in the execution of their duties.

The Company established the Operational Auditing Office to determine, from an independent perspective, whether the overall framework for internal controls is well structured and also if the various components of this framework are performing as intended. The office is staffed by 10 full-time employees.

Internal Control Structure

Chiyoda seeks to maintain effective and efficient operations, ensure reliable financial reporting, comply with prevailing laws and regulations, and protect its assets. Toward this end, the Company has created the following internal control structure, based on the features that define its business activities.

Corporate Governance and Internal Controls Correlation Chart



Compensation for Directors and Corporate Auditors in Fiscal 2008

	Number	Basic Compensation	Performance-linked Compensation	Addition to Reserve for Directors' and Corporate Auditors' Retirement Benefits
Directors	11	¥222 million	¥53 million	¥70 million
Corporate Auditors	6	¥63 million	—	¥11 million

Notes:

1. Total compensation for directors was ¥346 million and for corporate auditors, ¥74 million. Total compensation for the four outside executives—four external auditors—was ¥51 million. The total compensation amount includes provision to reserve for directors' retirement benefits. The number of directors includes one director who did not receive compensation.
2. The compensation limit for directors, excluding the portion paid as salary to directors holding concurrent positions as employees of the Company, was ¥25 million per month, based on shareholder approval of a proposal put forward at the 73rd Ordinary General Meeting of Shareholders on June 28, 2001. The compensation limit for corporate auditors was ¥7 million per month, based on shareholder approval of a proposal put forward at the 67th Ordinary General Meeting of Shareholders on June 29, 1995.
3. Performance-linked compensation for directors is held to 1% of consolidated net income, with a limit of ¥200 million annually, in accordance with shareholder approval of a proposal put forward at 78th Ordinary General Meeting of Shareholders on June 22, 2006.

Compliance

Chiyoda believes that the trust and affinity of society and customers underlie the foundation of the Group's corporate activities. To ensure that the Group's business pursuits conform to social standards, management seeks unconditional respect from all members of the Group for domestic and international laws and regulations, global agreements and internal rules.

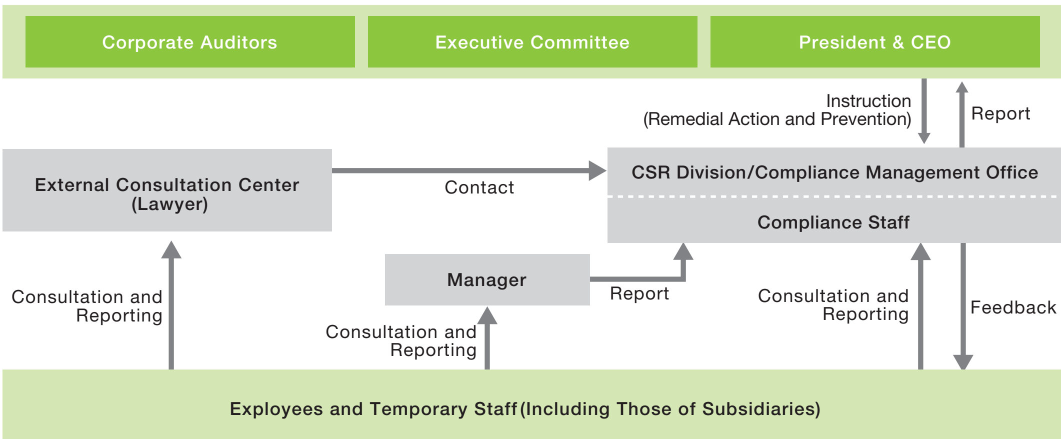
To this end, the Company instituted the Group code of conduct in April 2006 and established the Compliance Management Office to promote widespread understanding of compliance issues.

Group companies have access to a compliance-oriented consultation and reporting system—a hotline casually referred to as "Welcome to All About Compliance," which translates roughly as "the anything-you-want-to-know-about-compliance office." The office acts as a processing point for advice and reports on perceived illegal or unethical behavior by individuals or organizations within the Group and thereby facilitates quick detection of improper conduct, remedies the situation or, better yet, prevents problems from appearing in the first place.

The hotline itself is run jointly by nine Group companies and has an external link to a lawyer as well as staff who specialize in women's workplace issues. Everyone employed by Chiyoda and its Group companies may take advantage of the hotline.

In fiscal 2008, the hotline received 11 reports, and the Company duly provided feedback about the measures it took to deal with the reports.

Compliance Consultation and Reporting System "Welcome to All About Compliance"



Board of Directors, Corporate Auditors and Executive Officers

Board of Directors

President & CEO	Takashi Kubota *
Executive Vice President	Yoichi Kanno *
Executive Vice President	Hiroshi Shibata *
Senior Managing Executive Officer	Madoka Koda *
Managing Executive Officer	Sumio Nakashima Technology & Engineering
Managing Executive Officer	Satoru Yokoi Business Development Operation
Managing Executive Officer	Hiroshi Ogawa Project Operations
Managing Executive Officer	Kazuo Obokata Projects Logistics & Construction
Executive Officer	Seiji Shiraki

* Representative Directors / Members of Executive Committee

Corporate Auditors

Hiroshi Ida **
Wataru Shimono
Masanori Ito **
Yukihiro Imadegawa **

** Outside Corporate Auditor

Executive Officers

Managing Executive Officer	Takaharu Saegusa Corporate Planning, Management & Finance	Executive Officer	Takao Kamiji Business Development Operation
Managing Executive Officer	Hideo Kobayashi Project Operations Project Director	Executive Officer	Katsutoshi Kimura Corporate Planning, Management & Finance General Manager, Finance Division
Managing Executive Officer	Toshiyuki Ohnuma Corporate Planning, Management & Finance	Executive Officer	Kenjiroh Miura Project Operations General Manager, Project Planning & Administration
Managing Executive Officer	Manabu Mitani Projects Logistics & Construction	Executive Officer	Hiromi Koshizuka Project Operations
Executive Officer	Tsuyoshi Kakizaki General Manager, SQE Division	Executive Officer	Shougo Shibuya Technology & Engineering
Executive Officer	Eisaku Yamashita Business Development Operation General Manager, Business Development Division 1	Executive Officer	Ryosuke Shimizu Corporate Planning, Management & Finance General Manager, Corporate Planning Division
Executive Officer	Koichi Shirakawa Project Operations General Manager, International Project Division 2	Executive Officer	Masahiko Kojima General Manager, Corporate Plan Implementation Office

Business Results

Regarding the market environment for Chiyoda during the year ended March 31, 2009, major crude oil and natural gas producing countries as well as energy majors had planned substantial capital investment. However, with a downturn in the product market, shrinking demand and other effects of the rapidly worsening economy, conditions became uncertain, including a growing trend toward revising timing and other conditions of investment.

Under these circumstances, the Chiyoda Group made concentrated efforts to properly execute ongoing projects. These efforts included completing and handing over the first liquefied natural gas (LNG) plant in Russia and the first of six trains of the world-largest LNG plants (7.8 million tonnes per annum) in Qatar. While the prolonged commercial discussions with Qatar Liquefied Gas Co., Ltd. (3) and (4) to extend the construction period and increase the contracted price for construction of Train 6 and Train 7 of the LNG plant have concluded, the construction budget could not be maintained because the price increase secured fell short of projected additional costs to be paid to subcontractors and other parties.

As a result, on a consolidated basis, new contracts were ¥209,422 million, a 19.1% decrease compared with the same period of the previous year, and the backlog of contracts was ¥425,043 million, a decrease of 36.6%. Revenues decreased 26.0% to ¥446,438 million, operating income decreased 18.2% to ¥7,227 million, ordinary income decreased 40.1% to ¥11,449 million, and net income decreased 32.6% to ¥6,498 million.

Results by Business Segment

Natural Gas and Electric Power

Overseas, the Chiyoda Group focused on acquiring contracts for study and Front-End Engineering and Design (FEED) under gas-related investment plans by national and international oil companies. For the fiscal year ended March 31, 2009, in addition to an LNG plant project in Algeria, Chiyoda was awarded contracts including the FEED and Execution Planning Order for the Barzan onshore gas processing project in Qatar, an EPC Competition Contract for participation in an EPC design competition for an LNG plant in Papua New Guinea and the FEED services for the Ichthys LNG project in Australia. In addition, in promoting its plant life cycle engineering business, Chiyoda was awarded a long-term Engineering, Procurement, Construction Management (EPCm) Services Contract for LNG and gas processing plants through its subsidiary in Qatar. Furthermore, Chiyoda worked to secure contracts for floating LNG facilities, in which investment is expected to grow.

In Japan's gas and electric power sector, new construction and expansion of LNG receiving terminals are being planned as a result of the shift to LNG as an energy source for reasons including demands to curb CO_2 emissions and growth in gas-related businesses. Amid these conditions, the Group acquired contracts including the FEED for large-scale LNG receiving terminal in addition to the three terminals under construction.

Petroleum, Petrochemicals and Gas Chemicals

In the overseas petroleum sector, despite uncertainty about the future, Chiyoda worked to acquire contracts related to planned investments in petroleum refineries in the Middle East and Southeast Asia.

In Japan's petroleum sector, Chiyoda steadily promoted ongoing projects and worked to acquire new contracts for various investment projects including those for strengthening the competitiveness of industrial areas and environmental measures centered on energy conservation.

In the petrochemicals sector, although some investment projects were delayed due to the economic downturn, the Group focused on acquiring contracts for facility maintenance and repair while promoting development projects including pilot facilities.

General Chemicals and Industrial Machinery

The Group has worked to enter into the promising fields of solar battery components, reflecting global policies to promote wider use of solar batteries, and lithium batteries for automobiles.

The Group has steadily acquired new contracts in the pharmaceuticals sector due to an increasing drive to invest in new construction and expansion of existing plants in order to adapt to recent changes in the business environment.

Environment and Others

Chiyoda continued to conduct marketing activities in Japan and overseas for its original CT-121 flue gas desulfurization process technology. In Europe, where environmental restrictions are severe, Chiyoda licensed its proprietary technologies for use at a major power station in Denmark.

Major Completed Construction

Overseas	• Feed gas preparation works of Pearl GTL project for Qatar Shell GTL Ltd. in Qatar (*) • LNG plant Trains 6 & 7 for Ras Laffan Liquefied Natural Gas Co., Ltd. (3) in Qatar (*) • LNG plant Trains 6 & 7 for Qatar Liquefied Gas Company Limited (3) & (4) in Qatar (*) • LNG plant Trains 4 & 5 for Qatar Liquefied Gas Company Limited (2) in Qatar (*) • Al Khaleej Gas Phase 2 project for ExxonMobil in Qatar (*) • Sakhalin II LNG project in Russia
Domestic	• CCR unit for Seibu Oil Co., Ltd. (*) • Expansion of Mizushima LNG receiving terminal for Mizushima LNG Company, Limited (*) • RFCC complex for Taiyo Oil Co., Ltd. (*)

(*) Completed portion

Cash Flow Analysis

Assets, Liabilities and Net Assets

• Assets

Despite an increase in cash and cash equivalents and certificates of deposit (short-term investment securities) of ¥64,604 million, which included an amount received for allocation of new shares to a third party, current assets decreased by ¥17,359 million. A major reason for the decline in asset value was a decrease of ¥92,256 million in the jointly-controlled asset fund of joint ventures through outgoing payments to vendors and subcontractors as large-scale joint venture projects progressed. As a result, total assets decreased ¥21,003 million from the end of the previous fiscal year.

• Liabilities

Total liabilities decreased ¥85,283 million. This was mainly due to a ¥93,360 million decrease in the balance of advances received on uncompleted construction contracts.

• Net Assets

Total net assets were ¥145,917 million due to a ¥30,457 million increase from the third-party allocation that Chiyoda implemented, and a ¥65,377 million increase in shareholders' equity due to factors including a ¥30,390 million increase in retained earnings. The equity ratio increased 19.3 points compared with the end of the previous fiscal year to 40.7%.

Cash Flow

• Cash flow from operating activities

Net cash provided by operating activities was ¥8,971 million. Contributing factors included:

- a decrease of ¥104,124 million in working capital
  - total notes and accounts receivable for trade, costs on uncompleted construction projects, and
  - notes and accounts payable for trade and advances received on uncompleted construction projects
- income before income tax and minority interests of ¥9,651 million
- depreciation and amortization of ¥1,957 million
- a decrease of ¥92,256 million in jointly controlled assets of joint venture due to the progress of large-scale joint venture projects
- interest and dividend income of ¥1,347 million

• Cash flow from investment activities

Net cash used for investment activities was ¥1,072 million, due to capital expenditure on, for example, the purchase of software for ¥1,720 million and other factors.

• **Cash flow from financing activities**

Net cash provided by financing activities was ¥58,548 million. Factors included ¥60,577 million from the allocation of new shares to a third party, and cash dividends paid totaling ¥1,920 million.

As a result of this, net cash and cash equivalents as of March 31, 2009 totaled ¥135,536 million, an increase of ¥65,447 million from the end of the previous fiscal year.

Issues Requiring the Group's Attention

It is clear that the turmoil in the international finance community, triggered by the U.S. subprime mortgage crisis, has had serious repercussions for the real global economy. A major short-term consequence of worldwide recession for the Chiyoda Group is the postponement of projects caused by a sluggish demand for energy and the general expectation that plant costs will drop. It will be imperative that management closely watches market trends and is ready to act on business opportunities when they emerge.

The targets and strategies laid out in the new medium-term management plan—Engineering Excellence, Value Creation 2012—were formulated with the challenges of the current business environment in mind. To achieve stated targets and successfully execute the strategic blueprint, the Group will emphasize the following issues during fiscal 2010, the first year of Engineering Excellence, Value Creation 2012.

Secure orders for new projects

Given the swiftly changing economic situation overseas, Group companies will track the investment trends of respective clients and focus efforts on winning new orders, not only in the areas of LNG- and gas-related projects but in other industry sectors such as oil and petrochemicals. Toward this end, measures will be drawn up to reinforce R&D capabilities and cost competitiveness, and to retain and train essential personnel.

In Japan, the objective will be to look beyond existing fields of pursuit to maximize the Group's overseas presence and develop business activities that will lead to orders for various industrial facilities and for projects by domestic clients expanding their operations abroad.

Complete existing orders

The profitability of some LNG projects under construction in Qatar is being squeezed, due mainly to factors such as a shortage of workers causing costs to exceed initial estimates. The Group must therefore carefully manage the progress of big projects at home and abroad, including existing LNG projects, and reinforce its reputation for reliability among clients by taking an even stronger stance on safety and ensuring the steady execution of construction work.

Cultivate new businesses

Efforts will be directed into areas in the environment sector where the Company boasts a superior technological capability. The Group will foster opportunities to provide software services, such as feasibility studies, and develop processes that can be turned into marketable activities. An internal business execution structure will be established for non-engineering, procurement and construction businesses to underpin new business development.

Add new points to the Group's overseas map

Management plans to attract essential personnel to execute projects and run operations at local subsidiaries throughout the Group network. This will create a business and execution structure that is fine-tuned to each region. The Group will utilize its international specialized capabilities to underpin its cost-competitiveness, along with measures to reinforce and extend the function of our overseas design subsidiaries.

Business Risks

The primary issues that could affect investor decisions regarding investment risk, such as material issues related to the Chiyoda Group's financial position, performance and cash flow, and the Chiyoda Group's response to such issues, include but are not limited to the issues outlined below. The Chiyoda Group recognizes the potential occurrence of these risks and works to avoid them to the maximum extent possible. The Chiyoda Group also moves to respond as quickly as possible to minimize the impact of issues that present risks if and when they occur.

Chiyoda Group management acknowledges that the issues outlined below may present risks in the future outlined below and has made them the focus of risk management.

Changes in Exchange Rates

In overseas construction projects, payments made to Chiyoda for construction are often in currencies different to those made by Chiyoda to vendors for equipment and materials and/or subcontractors. Foreign currency exchange rates may therefore affect the financial results of the projects. The Chiyoda Group works to avoid and minimize such foreign currency fluctuation risks by using forward foreign exchange contracts and matching planned outlays in multiple currencies with construction payments and receivables.

Rapid Changes in Economic Trends

Cancellation, delays or revisions of the investment plans of customers, or other factors resulting from changes in economic trends exceeding forecasts, could impact the Chiyoda Group's performance. In addition, construction execution plans and budgets and collection of receivables may be affected by worsening business conditions of business partners involved in plant construction, including subcontractors and suppliers of equipment and materials.

The Group will work to avoid and minimize risk in ways such as sufficiently analyzing the credit standing of business partners, while monitoring economic trends, to confirm whether and under what conditions to transact business.

Terrorism, Conflicts and Other Force Majeure Events

Force majeure events such as terrorism or conflicts may cause direct losses, delays in procuring or delivering materials and equipment, threats to the safety of workers, cessation of construction work and other problems at construction sites in Japan and overseas.

While placing top priority on the avoidance of human injury, the Chiyoda Group has structured a threat management system that includes cooperation with customers and other related parties to support rapid initial response should such events occur. In addition, the Chiyoda Group will take other steps to avoid or minimize these risks, including negotiating contractual provisions that rationally allocate additional costs to customers.

Plant Accidents

The possibility exists that a serious incident such as an explosion or fire may occur at plants that the Chiyoda Group is constructing or has completed. The Chiyoda Group could be judged responsible for such accidents, including being held liable for damages, which could impact the Chiyoda Group's performance.

The Chiyoda Group works to avoid or minimize this risk in ways such as taking all possible measures to preclude the occurrence of such incidents, including quality control and safety management. Other countermeasures include maintaining the appropriate insurance coverage and negotiating contracts that rationally allocate customer responsibility for damages.

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Financial Statements for the Years Ended March 31, 2009 and 2008, and Independent Auditors' Report

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Balance Sheets
March 31, 2009 and 2008

ASSETS	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
CURRENT ASSETS:			
Cash and cash equivalents	¥ 135,536	¥ 70,089	$ 1,383,025
Short-term investments	52	895	533
Notes and accounts receivable—trade (Note 4)	33,090	27,230	337,662
Allowance for doubtful accounts	(3)	(5)	(38)
Costs and estimated earnings on long-term construction contracts (Note 5)	17,560	9,139	179,184
Costs of construction contracts in process	16,920	16,802	172,656
Accounts receivable—other (Note 4)	5,177	10,441	52,827
Jointly controlled assets of joint venture	100,426	192,684	1,024,764
Deferred tax assets (Note 13)	9,872	5,337	100,742
Prepaid expenses and other	2,215	5,596	22,605
Total current assets	320,848	338,208	3,273,964
PROPERTY, PLANT AND EQUIPMENT (Note 9):			
Land	11,953	11,936	121,979
Buildings and structures	14,752	14,894	150,534
Machinery and equipment	870	1,261	8,881
Tools, furniture and fixtures	5,010	5,467	51,127
Construction in progress	1		10
Total	32,588	33,558	332,533
Accumulated depreciation	(10,586)	(10,485)	(108,028)
Net property, plant and equipment	22,001	23,073	224,504
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 6)	3,765	5,583	38,423
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 8)	3,203	3,734	32,692
Software	3,546	3,566	36,189
Deferred tax assets (Note 13)	1,348	1,650	13,764
Other assets (Note 10)	3,435	3,496	35,055
Allowance for doubtful accounts	(333)	(490)	(3,401)
Total investments and other assets	14,967	17,539	152,724
TOTAL	¥ 357,816	¥ 378,820	$ 3,651,193

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars (Note 1) 2009
CURRENT LIABILITIES:			
Current portion of long-term debt (Note 9)	¥ 18	¥ 10,039	$ 183
Notes and accounts payable—trade (Note 4)	77,020	74,038	785,925
Advance receipts on construction contracts	91,661	185,023	935,326
Income taxes payable	5,457	1,408	55,690
Deposits received	4,468	4,970	45,592
Allowance for warranty costs for completed works	3,801	2,099	38,789
Allowance for losses on construction contracts	4,302	4,045	43,900
Accrued expenses and other (Note 4)	12,488	12,364	127,430
Total current liabilities	199,218	293,986	2,032,838
NON-CURRENT LIABILITIES:			
Long-term debt (Note 9)	10,004	22	102,081
Liability for retirement benefits (Note 10)	2,288	2,226	23,352
Other liabilities	388	948	3,964
Total non-current liabilities	12,681	3,196	129,398
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 4, 15, 16 and 17)			
EQUITY (Notes 11, 16 and 19):			
Common stock—authorized, 570,000 thousand shares; issued, 260,292 thousand shares in 2009 and 193,183 thousand shares in 2008	43,392	12,935	442,782
Preferred stock—authorized, 80,000 thousand shares			
Capital surplus	37,108	6,718	378,662
Retained earnings	69,730	65,155	711,539
Unrealized loss on available-for-sale securities	(775)	(847)	(7,912)
Deferred loss on derivatives under hedge accounting	(1,368)	(1,668)	(13,961)
Foreign currency translation adjustments	(1,469)	(6)	(14,993)
Treasury stock—at cost, 963 thousand shares in 2009 and 904 thousand shares in 2008	(1,105)	(1,059)	(11,285)
Total	145,513	81,228	1,484,831
Minority interests	404	410	4,125
Total equity	145,917	81,638	1,488,956
TOTAL	¥ 357,816	¥ 378,820	$ 3,651,193

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Income
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
REVENUE (Notes 4 and 5)	¥ 446,438	¥ 603,560	$ 4,555,497
COST OF REVENUE (Notes 4 and 5)	427,461	583,035	4,361,852
Gross profit	18,977	20,525	193,644
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 4 and 14)	11,749	11,685	119,897
Operating income	7,227	8,840	73,747
OTHER INCOME (EXPENSES):			
Interest and dividend income	5,101	10,901	52,052
Interest expense	(340)	(405)	(3,477)
Equity in earnings of associated companies	137	435	1,405
Foreign exchange loss	(435)	(979)	(4,440)
Loss on a partial termination of a defined benefit pension plan (Note 10)		(485)	
Reversal of allowance for doubtful accounts	127	72	1,296
Gain on sales of investment securities (Note 6)		644	
Reversal of impairment loss (Note 7)		268	
Loss on valuation of investment securities	(1,859)	(617)	(18,978)
Other—net	(306)	318	(3,126)
Other income—net	2,423	10,152	24,732
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	9,651	18,992	98,479
INCOME TAXES (Note 13):			
Current	7,120	7,355	72,656
Deferred	(3,996)	1,968	(40,784)
Total income taxes	3,123	9,323	31,871
MINORITY INTERESTS IN NET INCOME	29	28	296
NET INCOME	¥ 6,498	¥ 9,641	$ 66,311

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Income
Years Ended March 31, 2009 and 2008

	Yen		U.S. Dollars
	2009	2008	2009
PER SHARE OF COMMON STOCK (Notes 2.s and 18):			
Basic net income	¥ 25.58	¥ 50.15	$ 0.26
Diluted net income	25.58	50.12	0.26
Cash dividends applicable to the year	7.50	10.00	0.08

See notes to consolidated financial statements.

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Changes in Equity
Years Ended March 31, 2009 and 2008

	Thousands			
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings
BALANCE, APRIL 1, 2007	192,289	¥ 12,928	¥ 6,712	¥ 58,398
Net income				9,641
Issuance of common stock by stock option plan (Notes 11 and 12)	57	7	6	
Cash dividends, ¥15.00 per share				(2,884)
Repurchase of treasury stock	(67)			
Net change in the year				
BALANCE, MARCH 31, 2008	192,279	12,935	6,718	65,155
Net income				6,498
Issuance of common stock to a third party (Note 11)	67,080	30,454	30,387	
Issuance of common stock by stock option plan (Notes 11 and 12)	30	3	3	
Cash dividends, ¥10.00 per share				(1,922)
Repurchase of treasury stock	(60)			
Net change in the year				
BALANCE, MARCH 31, 2009	259,328	¥ 43,392	¥ 37,108	¥ 69,730

	Common Stock	Capital Surplus	Retained Earnings
BALANCE, MARCH 31, 2008	$ 131,988	$ 68,553	$ 664,848
Net income			66,311
Issuance of common stock to a third party (Note 11)	310,758	310,073	
Issuance of common stock by stock option plan (Notes 11 and 12)	35	35	
Cash dividends, $0.10 per share			(19,620)
Repurchase of treasury stock			
Net change in the year			
BALANCE, MARCH 31, 2009	$ 442,782	$ 378,662	$ 711,539

See notes to consolidated financial statements.

Millions of Yen						
Unrealized (Loss) Gain on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
¥ 248	¥ (408)	¥ 50	¥ (905)	¥ 77,023	¥ 392	¥ 77,415
				9,641		9,641
				13		13
				(2,884)		(2,884)
			(154)	(154)		(154)
(1,095)	(1,260)	(56)		(2,411)	18	(2,393)
(847)	(1,668)	(6)	(1,059)	81,228	410	81,638
				6,498		6,498
				60,841		60,841
				6		6
				(1,922)		(1,922)
			(46)	(46)		(46)
71	299	(1,462)		(1,091)	(6)	(1,097)
¥ (775)	¥ (1,368)	¥ (1,469)	¥ (1,105)	¥ 145,513	¥ 404	¥ 145,917

Thousands of U.S. Dollars (Note 1)						
Unrealized Loss on Available-for-sale Securities	Deferred Loss on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
$ (8,644)	$ (17,016)	$ (70)	$ (10,813)	$ 828,845	$ 4,193	$ 833,038
				66,311		66,311
				620,832		620,832
				71		71
				(19,620)		(19,620)
			(471)	(471)		(471)
732	3,055	(14,922)		(11,135)	(68)	(11,203)
$ (7,912)	$ (13,961)	$ (14,993)	$ (11,285)	$ 1,484,831	$ 4,125	$ 1,488,956

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 9,651	¥ 18,992	$ 98,479
Adjustments for:			
Income taxes paid	(72)	(20,913)	(741)
Depreciation and amortization	1,957	1,594	19,971
Reversal of allowance for doubtful accounts—net	(158)	(77)	(1,616)
Provision for warranty costs for completed works	1,754	522	17,899
Provision for loss on construction contracts	43	4,035	447
Reversal of retirement benefits—net	(56)	(473)	(576)
Reversal of impairment loss		(268)	
Gain on sales of investment securities—net		(644)	
Loss on valuation of investment securities	1,859	617	18,978
Foreign exchange (gain) loss—net	(26)	81	(270)
Equity in earnings of associated companies	(137)	(435)	(1,405)
Loss on a partial termination of a defined benefit pension plan		485	
Changes in operating assets and liabilities:			
(Increase) decrease in trade notes and accounts receivable, and costs and estimated earnings on long-term construction contracts	(13,859)	2,216	(141,420)
Decrease in costs of construction contracts in process	171	10,855	1,748
Decrease in jointly controlled assets of joint venture	92,256	63,377	941,396
Increase in interest and dividend receivable	(3,753)	(9,874)	(38,303)
Increase (decrease) in trade notes and accounts payable	2,772	(12,740)	28,293
Decrease in advance receipts on construction contracts	(93,209)	(46,788)	(951,113)
(Decrease) increase in deposits received	(511)	183	(5,221)
Decrease in accounts receivable—other	2,654	978	27,083
Decrease in accrued liability of a defined contribution pension plan	(811)	(833)	(8,279)
Other—net	8,446	3,384	86,192
Total adjustments	(679)	(4,718)	(6,938)
Net cash provided by operating activities—(Forward)	¥ 8,971	¥ 14,274	$ 91,541

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Net cash provided by operating activities—(Forward)	¥ 8,971	¥ 14,274	$ 91,541
INVESTING ACTIVITIES:			
Payments for time deposits		(827)	
Proceeds from withdrawal of time deposits	888	68	9,067
Payments for purchases of investment securities	(65)	(2,306)	(672)
Proceeds from sales of investment securities		839	
Purchases of property, plant and equipment	(563)	(360)	(5,751)
Purchases of intangible assets	(1,156)	(1,257)	(11,803)
Proceeds from collections of long-term loans		35	
Payments for acquisition of shares in subsidiary affecting scope of consolidation, net of cash acquired (Note 3)	(215)	(116)	(2,196)
Other—net	40	7	410
Net cash used in investing activities	(1,072)	(3,917)	(10,945)
FINANCING ACTIVITIES:			
Proceeds from long-term debt	10,000		102,040
Repayments of long-term debt	(10,039)	(14,186)	(102,438)
Proceeds from issuance of common stock	60,577	13	618,133
Payments of cash dividends	(1,920)	(2,880)	(19,592)
Payments of cash dividends to minority shareholders	(10)	(12)	(105)
Other—net	(59)	(155)	(605)
Net cash provided by (used in) financing activities	58,548	(17,220)	597,432
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(999)	(100)	(10,199)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	65,447	(6,963)	667,828
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	70,089	77,052	715,196
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 135,536	¥ 70,089	$ 1,383,025

Chiyoda Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2009 and 2008

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
ADDITIONAL INFORMATION:		
IT Engineering Ltd. was included in the scope of consolidation for the year ended March 31, 2009, through the acquisition of shares. The acquisition cost and payments for the acquisition were as follows:		
Current assets	¥ 3,238	$ 33,043
Investments and other assets	122	1,254
Current liabilities	(1,829)	(18,671)
Long-term liabilities	(250)	(2,555)
Net assets acquired	1,280	13,071
Goodwill	225	2,298
Pre-acquisition carrying amount of investment	(441)	(4,505)
Cash acquired	(849)	(8,668)
Net of cash acquired	¥ 215	$ 2,196

See notes to consolidated financial statements.

Chiyoda Corporation and Consolidated Subsidiaries

Notes to Consolidated Financial Statements
Years Ended March 31, 2009 and 2008

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share data, from the year ended March 31, 2009.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2008 financial statements in order for them to conform to classifications and presentations used in 2009.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Chiyoda Corporation (the "Company") is incorporated and principally operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98 to $1, the approximate rate of exchange at March 31, 2009. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

U.S. dollar figures less than a thousand U.S. dollars are rounded down to the nearest thousand U.S. dollars, except for per share data, from the year ended March 31, 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements for the year ended March 31, 2009 include the accounts of the Company and its 17 significant (16 in 2008) subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated and those companies over which the Group has a significant influence are accounted for by the equity method.

Investments in 3 (5 in 2008) associated companies are accounted for by the equity method. Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of the Company's investments in consolidated subsidiaries and associated companies accounted for by the equity method over its equity in the fair value of the net assets at the respective dates of acquisition, was charged to income at the time of acquisition as the amount involved was not material.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. ***Business Combination*—**In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations," and on December 27, 2005, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures." These new accounting pronouncements were effective for fiscal years beginning on or after April 1, 2006.

The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

On November 28, 2007, the Company acquired 85.1% of the shares of Sunrise Real Estate Co., Ltd. ("Sunrise"), which trades and leases land and buildings, and merged with Sunrise on January 1, 2008. The Company accounted for the acquisition by the purchase method of accounting. The negative goodwill arising in the transaction was charged to income.

c. ***Revenue*—**Revenues on construction contracts greater than ¥100 million and having a construction duration exceeding one year are recognized on the percentage-of-completion method based on the ratio of costs incurred to total estimated costs. Under this method, related costs and estimated earnings in excess of progress billings are presented as a current asset.

Unbilled costs on the other contracts, which are accounted for by the completed-contract method, are stated as cost of construction contracts in process.

Payments received in excess of costs and estimated earnings on the contracts, which are accounted for by the percentage-of-completion method, and payments received on the other contracts are presented as current liabilities.

Costs of preparation work for unsuccessful proposals and other projects which are not realized are charged to income and are included in costs of revenue.

d. ***Cash Equivalents*—**Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits both of which mature or become due within three months of the date of acquisition.

e. ***Investment Securities*—**All marketable securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Non-marketable securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, non-marketable securities are reduced to net realizable value by a charge to income.

f. ***Allowance for Doubtful Accounts—***The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

g. ***Property, Plant and Equipment—***Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method, except for buildings owned by the Company which are depreciated using the straight-line method, at rates based on the estimated useful lives of the assets. The range of useful lives is from 11 to 57 years for buildings and structures, from 4 to 13 years for machinery and equipment, and from 2 to 15 years for tools, furniture and fixtures. Equipment held for lease is depreciated by the straight-line method over the respective lease periods.

h. ***Long-lived Assets—***The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. ***Other Assets—***Intangible assets are carried at cost less accumulated amortization, which is calculated by the straight-line method over their estimated useful lives. Software for internal use is amortized on a straight-line basis over its estimated useful life (five years at the maximum).

j. ***Allowance for Warranty Costs for Completed Work—***The allowance for warranty costs for completed work is provided based on past rate experience.

k. ***Allowance for Losses on Construction Contracts—***The allowance for losses on construction contracts is provided for an estimated amount of probable losses to be incurred in future years in respect of construction projects in progress.

l. ***Retirement Benefits—***Employees of the Company are, under most circumstances, entitled to payments from the defined contribution pension plan and the qualified defined benefit pension plan. Employees of certain of the Company's consolidated subsidiaries are, under most circumstances, entitled to certain lump-sum severance payments and pension payments.

Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

The transitional obligation of ¥5,696 million ($58,126 thousand) is being amortized and charged to income over 15 years using the straight-line amortization method and presented as an operating expense in the consolidated statements of income for the years ended March 31, 2009 and 2008.

Retirement benefits to directors, officers and corporate auditors are provided at the amount which would be required if all directors, officers and corporate auditors terminated at the end of each period.

m. ***Research and Development Costs—***Research and development costs are charged to income when incurred.

n. ***Leases***—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Group applied the revised accounting standard effective April 1, 2008. In addition, the Group accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change was not material.

All other leases are accounted for as operating leases.

o. ***Income Taxes***—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

The Group has filed a tax return under the consolidated corporate-tax system from the fiscal year ended March 31, 2003, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

p. ***Foreign Currency Transactions***—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date.

The foreign exchange gains and losses from translation are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

q. ***Foreign Currency Financial Statements***—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date.

r. ***Derivative Financial Instruments***—The Company uses a variety of derivative financial instruments, including foreign currency forward exchange contracts as a means of hedging exposure to foreign currency risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, with gains or losses recognized in the income statement and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting, because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward exchange contracts are utilized to hedge foreign exchange risks. Certain assets and liabilities on construction contracts denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

s. ***Per Share Information—***Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

t. ***New Accounting Pronouncements***

Business Combinations—On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

(1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.

(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—The current accounting standard requires to unify accounting policies within the consolidation group. However, the current guidance allows to apply the equity method for the financial statements of its foreign associated company which have been prepared in accordance with generally accepted accounting principles in their respective jurisdictions without unification of accounting policies.

On December 26, 2008, the ASBJ issued ASBJ Statement No. 16 (Revised 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments." The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (3) expensing capitalized development costs of R&D; (4) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation of the cost model accounting; (5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to the financial statements have been incorporated; and (6) exclusion of minority interests from net income, if contained.

This standard is applicable to equity method of accounting for investments effective on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

Construction Contracts—Under the current Japanese GAAP, either the completed-contract method or the percentage-of-completion method is permitted to account for construction contracts. In December 2007, the ASBJ issued a new accounting standard for construction contracts. Under this new accounting standard, the construction revenue and construction costs should be recognized by the percentage-of-completion method, if the outcome of a construction contract can be estimated reliably. When total construction revenue, total construction costs and the stage of completion of the contract at the balance sheet date can be reliably measured, the outcome of a construction contract can be estimated reliably. If the outcome of a construction contract cannot be reliably estimated, the completed-contract method shall be applied. When it is probable that total construction costs will exceed total construction revenue, an estimated loss on the contract should be immediately recognized by providing for loss on construction contracts. This standard is applicable to construction contracts and software development contracts and effective for fiscal years beginning on or after April 1, 2009 with early adoption permitted for fiscal years beginning on or before March 31, 2009 but after December 27, 2007.

3. BUSINESS COMBINATION

On November 28, 2007, the Company acquired 85.1% of the shares of Sunrise. As a result, Sunrise became a wholly owned subsidiary of the Company and the Company merged with Sunrise on January 1, 2008. The business of Sunrise was to trade and lease real estate and the Company was leasing real estate from Sunrise. This acquisition was made to own and manage the real estate which the Company was previously leasing from Sunrise. The results of operations of Sunrise are included in the Company's consolidated statements of income from November 28, 2007.

The Company accounted for this business combination by the purchase method of accounting. The acquisition cost, ¥284 million, was determined based on the net assets of Sunrise.

The total cost of acquisition has been allocated to the assets acquired and the liabilities assumed based on their respective fair values. Negative goodwill recorded in connection with the acquisition totaled ¥297 million. The negative goodwill was charged to income due to immateriality.

The estimated fair values of the assets acquired and the liabilities assumed at the acquisition date are as follows:

	Millions of Yen
Current assets	¥ 287
Investments and other assets	16,518
Total assets acquired	16,805
Current liabilities	(902)
Long-term liabilities	(15,306)
Total liabilities assumed	(16,208)
Net assets acquired	597
Negative goodwill	(297)
Pre-acquisition carrying amount of investment in Sunrise	(15)
Cash acquired	(169)
Net of cash acquired	¥ 116

Pro forma results of operations for the above business combination have not been presented because the effects were not material to the consolidated financial statements.

4. TRANSACTIONS WITH UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

Significant transactions with and balances due from/(to) unconsolidated subsidiaries and associated companies are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
Transactions for the Year Ended March 31	2009	2008	2009
Revenue	¥ 122	¥ 31	$ 1,253
Cost of revenue	(6,041)	(7,158)	(61,650)
Selling, general and administrative expenses	(1,290)	(1,652)	(13,168)
Balances at March 31			
Notes and accounts receivable—trade	23	31	238
Accounts receivable—other	18	59	189
Notes and accounts payable—trade	(297)	(472)	(3,031)
Accrued expenses and other	(106)	(318)	(1,088)

The Company guaranteed the indebtedness of a certain unconsolidated subsidiary in the amount of ¥288 million ($2,946 thousand) at March 31, 2009.

5. REVENUE

Costs and estimated earnings recognized with respect to revenue which is accounted for by the percentage-of-completion method at March 31, 2009 and 2008, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Costs and estimated earnings	¥ 1,191,100	¥ 1,115,404	$ 12,154,089
Amounts billed	(1,173,540)	(1,106,265)	(11,974,905)
Net	¥ 17,560	¥ 9,139	$ 179,184

6. INVESTMENT SECURITIES

Investment securities at March 31, 2009 and 2008, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Equity securities	¥ 3,765	¥ 5,583	$ 38,423

The carrying amounts and aggregate fair values of investment securities with readily determinable fair values at March 31, 2009 and 2008, were as follows:

	Millions of Yen			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale—Equity securities	¥ 3,400	¥ 193	¥ 966	¥ 2,626
March 31, 2008				
Available-for-sale—Equity securities	5,259	170	982	4,447

	Thousands of U.S. Dollars			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale—Equity securities	$ 34,693	$ 1,971	$ 9,861	$ 26,804

Available-for-sale securities whose fair value was not readily determinable at March 31, 2009 and 2008, were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Equity securities	¥ 1,138	¥ 1,136	$ 11,619

Proceeds from sales of available-for-sale securities for the year ended March 31, 2008, were ¥839 million. Gross realized gains on these sales, computed on the moving average cost basis, were ¥644 million for the year ended March 31, 2008.

7. REVERSAL OF IMPAIRMENT LOSS

Reversal of impairment loss of ¥268 million represents that impairment loss recognized in prior periods for buildings and structures of a foreign subsidiary which was reversed under the generally accepted accounting principles applied to the foreign subsidiary.

8. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in and advances to unconsolidated subsidiaries and associated companies at March 31, 2009 and 2008, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Investments	¥ 3,190	¥ 3,720	$ 32,553
Long-term receivables	13	14	138
Total	¥ 3,203	¥ 3,734	$ 32,692

9. LONG-TERM DEBT

Long-term debt at March 31, 2009 and 2008, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Long-term loans from banks, maturing serially through 2012, with interest rates ranging from 2.5% to 5.8% at 2009 and 2008:			
Collateralized	¥ 22	¥ 61	$ 224
Uncollateralized	10,000	10,000	102,040
Total	10,022	10,061	102,265
Less current portion	(18)	(10,039)	(183)
Long-term debt, less current portion	¥ 10,004	¥ 22	$ 102,081

Subordinated loan in the amount of ¥10,000 million from The Bank of Tokyo-Mitsubishi UFJ, Ltd. was included in 'Uncollateralized' at March 31, 2008.

Annual maturities of long-term debt at March 31, 2009, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 18	$ 183
2011	4	40
2012	10,000	102,040
Total	¥ 10,022	$ 102,265

Commitment-line contracts at March 31, 2009, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Commitment-line contracts	¥ 15,000	$ 153,061
Unused commitments	¥ 15,000	$ 153,061

The following assets were pledged as collateral for long-term debt at March 31, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Land	¥ 381	$ 3,889
Buildings and structures—net of accumulated depreciation	472	4,821
Total	¥ 853	$ 8,710

10. RETIREMENT BENEFITS

Employees of the Company are, under most circumstances, entitled to payments from the defined contribution pension plan and the qualified defined benefit pension plan upon retirement or termination.

Employees of certain of the Company's domestic consolidated subsidiaries are, under most circumstances, entitled to certain lump-sum severance payments and pension payments upon retirement or termination.

Two of the Company's domestic consolidated subsidiaries, Chiyoda Keiso and Chiyoda Kosho, transferred their retirement benefit plan to a defined contribution pension plan and the reformed qualified defined pension plan as of April 1, 2008. As a result of this transfer, "loss on a partial termination of a defined benefit pension plan" of ¥485 million was recorded in other expenses for the year ended March 31, 2008.

Liability for retirement benefits includes retirement benefits to directors, officers and corporate auditors in the amount of ¥681 million ($6,956 thousand) and ¥536 million for the years ended March 31, 2009 and 2008, respectively. The retirement benefits to directors and corporate auditors are paid subject to the approval of the shareholders.

The liability for employees' retirement benefits at March 31, 2009 and 2008, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation	¥ 26,682	¥ 27,455	$ 272,268
Fair value of plan assets	(17,827)	(20,338)	(181,909)
Unrecognized transitional obligation	(3,661)	(4,307)	(37,365)
Unrecognized actuarial loss	(5,287)	(3,634)	(53,954)
Unrecognized prior service cost	1,204	1,381	12,290
Net accrued pension liabilities	1,110	557	11,329
Prepaid pension cost	496	648	5,067
Loss on a partial termination of a defined benefit pension plan		485	
Liability for employees' retirement benefits	¥ 1,606	¥ 1,690	$ 16,396

The components of net periodic benefit costs for the years ended March 31, 2009 and 2008, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost	¥ 1,027	¥ 903	$ 10,482
Interest cost	381	371	3,894
Expected return on plan assets	(303)	(532)	(3,093)
Amortization of transitional obligation	610	615	6,225
Recognized actuarial loss	610	335	6,228
Amortization of prior service cost	(176)	(176)	(1,798)
Subtotal	2,149	1,516	21,938
Loss on a partial termination of a defined benefit pension plan		485	
Payment to defined contribution pension trust	237	176	2,427
Net periodic benefit costs	¥ 2,387	¥ 2,177	$ 24,366

Assumptions used for the years ended March 31, 2009 and 2008, are set forth as follows:

	2009	2008
Discount rate	1.5%	1.5%
Expected rate of return on plan assets	1.6%	2.7%
Recognition period of actuarial gain/loss	10 years	10 years
Amortization period of transitional obligation	15 years	15 years
Amortization period of prior service cost	10 years	10 years

11. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

d. Issuance of New Ordinary Shares to a Third Party

On April 30, 2008, the Company issued new ordinary shares to a third party based on the resolution of the Board of Directors meeting held on March 31, 2008. Details are as follows:

(1)	Allocated third party:	Mitsubishi Corporation
(2)	Number of shares issued:	Ordinary shares, 67,080 thousand shares
(3)	Issue price:	¥907 per share
(4)	Aggregate issue amount:	¥60,841 million ($620,832 thousand)

The Company's common stock and capital surplus were increased by ¥30,454 million ($310,758 thousand) and ¥30,387 million ($310,073 thousand), respectively.

12. STOCK OPTIONS

The stock options outstanding as of March 31, 2009 were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
2002 Stock Option	8 directors 8 officers 623 employees	7,896,000 shares	June 27, 2002	¥232 ($2.37)	From July 1, 2004 to June 30, 2009

The stock option activity was as follows:

	2002 Stock Option (Shares)
For the Year Ended March 31, 2008	
Vested:	
March 31, 2007—outstanding	123,000
Exercised	(57,000)
March 31, 2008—outstanding	66,000
For the Year Ended March 31, 2009	
Vested:	
March 31, 2008—outstanding	66,000
Exercised	(30,000)
March 31, 2009—outstanding	36,000

13. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 41% for the years ended March 31, 2009 and 2008.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets:			
Cost of revenue	¥ 5,600	¥ 4,182	$ 57,147
Allowance for employees' bonus	1,367	1,610	13,949
Allowance for warranty costs for completed works	1,422	731	14,518
Allowance for losses on construction contracts	1,661	1,644	16,953
Deferred loss on derivatives under hedge accounting	1,033	1,368	10,545
Other	4,714	4,046	48,109
Less valuation allowance	(1,278)	(766)	(13,044)
Total	14,521	12,815	148,179
Deferred tax liabilities	3,309	5,828	33,769
Net deferred tax assets	¥ 11,212	¥ 6,987	$ 114,410

Net deferred tax assets as of March 31, 2009 and 2008 were recorded in the accompanying consolidated balance sheets as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred tax assets—current assets	¥ 9,872	¥ 5,337	$ 100,742
Deferred tax assets—investments and other assets	1,348	1,650	13,764

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2009 and 2008, is as follows:

	2009	2008
Normal effective statutory tax rate	41%	41%
Expenses not deductible for income tax purposes	2	1
Non-taxable dividend income	(1)	(1)
Tax credit	(2)	(2)
Temporary difference on change in tax act	(5)	
Increase in valuation allowance for deferred tax assets	3	
Equity in earnings of associated companies	(1)	
Lower income tax rates applicable to subsidiaries	(4)	(3)
Lower tax basis of enterprise tax	(1)	1
Corporate income tax for previous years		1
Earnings retained by tax haven company		10
Other—net		1
Actual effective tax rate	32%	49%

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥1,797 million ($18,344 thousand) and ¥1,659 million for the years ended March 31, 2009 and 2008, respectively.

15. LEASES

The Group leases certain machinery, computer equipment and other assets. Total lease payments under finance leases were ¥138 million ($1,408 thousand) and ¥128 million for the years ended March 31, 2009 and 2008, respectively.

As discussed in Note 2.n, the Group accounts for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. Pro forma information of such leases existing at the transition date, such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense on an "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows:

Year Ended March 31, 2009

	Millions of Yen				Thousands of U.S. Dollars			
	Buildings and Structures	Tools, Furniture and Fixtures	Other	Total	Buildings and Structures	Tools, Furniture and Fixtures	Other	Total
Acquisition cost	¥ 67	¥ 475	¥ 77	¥ 619	$ 689	$ 4,851	$ 785	$ 6,326
Accumulated depreciation	12	244	43	299	126	2,495	439	3,061
Net leased property	¥ 55	¥ 230	¥ 33	¥ 319	$ 562	$ 2,355	$ 346	$ 3,265

Obligations under finance leases:

	Millions of Yen	Thousands of U.S. Dollars
Due within one year	¥ 110	$ 1,125
Due after one year	209	2,139
Total	¥ 319	$ 3,265

Year Ended March 31, 2008

	Millions of Yen			
	Buildings and Structures	Tools, Furniture and Fixtures	Other	Total
Acquisition cost	¥ 68	¥ 450	¥ 76	¥ 594
Accumulated depreciation	6	219	34	259
Net leased property	¥ 62	¥ 231	¥ 42	¥ 335

Obligations under finance leases:

	Millions of Yen
Due within one year	¥ 109
Due after one year	226
Total	¥ 335

Depreciation expense as lessee, which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method was ¥138 million ($1,408 thousand) and ¥128 million for the years ended March 31, 2009 and 2008, respectively.

The amounts of obligations, acquisition cost and depreciation under finance leases include the imputed interest income portion and interest expense portion, respectively.

The minimum rental commitments under noncancelable operating leases at March 31, 2009 and 2008 were as follows:

Year Ended March 31, 2009

	Millions of Yen	Thousands of U.S. Dollars
Due within one year	¥ 144	$ 1,471
Due after one year	1,545	15,773
Total	¥ 1,690	$ 17,245

Year Ended March 31, 2008

	Millions of Yen
Due within one year	¥ 105
Due after one year	751
Total	¥ 856

16. DERIVATIVES

The Company enters into foreign currency forward exchange contracts to hedge foreign exchange risk associated with certain assets and liabilities on construction contracts denominated in foreign currencies. It is the Company's policy to use derivatives only for the purpose of reducing foreign exchange risks associated with such assets or liabilities. The Company does not hold or issue derivatives for trading purposes.

Because the counterparties to these derivatives are limited to major international financial institutions, the Company does not anticipate any losses arising from credit risk.

The basic policies for the use of derivatives are approved by the executive committee and the execution and control of derivatives are controlled by the financing department. The hedging effectiveness in reducing foreign exchange risks is periodically assessed and reported to the accounting department and executive officers.

The Company had the following foreign currency forward exchange contracts outstanding at March 31, 2009 and 2008.

	Millions of Yen			Thousands of U.S. Dollars		
	2009			2009		
	Contract Amount	Fair Value	Unrealized Loss	Contract Amount	Fair Value	Unrealized Loss
Buying:						
Euro	¥ 19	¥ 18		$ 194	$ 188	$ (5)
U.K.£	21	14	¥ (6)	217	152	(64)
Selling:						
U.S.$	14,990	15,022	(31)	152,965	153,288	(323)
Euro	1,331	1,332	(1)	13,589	13,599	(10)

	Millions of Yen		
	2008		
	Contract Amount	Fair Value	Unrealized Gain
Buying:			
U.S.$	¥ 9	¥ 9	
Euro	14	15	¥ 1
Selling:			
U.S.$	20,621	20,522	99
Euro	2	2	

Foreign currency forward exchange contracts which qualify for hedge accounting for the years ended March 31, 2009 and 2008, are excluded from the disclosure of market value information.

The contract or notional amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the Company's exposure to credit or market risk.

17. CONTINGENT LIABILITIES

At March 31, 2009, the Group had the following contingent liabilities:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees on employees' housing loans	¥ 511	$ 5,217
Performance bond for an unconsolidated subsidiary	288	2,946

18. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2009 and 2008 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2009	Net Income	Weighted-average Shares	EPS	
Basic EPS—Net income available to common shareholders	¥ 6,498	254,000	¥ 25.58	$ 0.26
Effect of dilutive securities—Stock options		42		
Diluted EPS—Net income for computation	¥ 6,498	254,043	¥ 25.58	$ 0.26
Year Ended March 31, 2008				
Basic EPS—Net income available to common shareholders	¥ 9,641	192,256	¥ 50.15	
Effect of dilutive securities—Stock options		95		
Diluted EPS—Net income for computation	¥ 9,641	192,351	¥ 50.12	

19. SUBSEQUENT EVENT

The following appropriation of retained earnings at March 31, 2009, is scheduled for approval at the Company's shareholders meeting on June 23, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥7.50 ($0.08) per share	¥ 1,944	$ 19,846

20. SEGMENT INFORMATION

Information about geographical segments and sales to foreign customers of the Company and consolidated subsidiaries for the years ended March 31, 2009 and 2008, was as follows:

(1) Geographical Segments

	Millions of Yen					
Year Ended March 31, 2009	Japan	Asia	Other	Subtotal	Eliminations (Corporate)	Consolidated
Revenue:						
Outside customers	¥ 429,879	¥ 16,548	¥ 9	¥ 446,438		¥ 446,438
Intersegment	16	2,103	42	2,161	¥ (2,161)	
Total	429,896	18,651	52	448,600	(2,161)	446,438
Operating expenses	424,825	16,497	46	441,369	(2,157)	439,211
Operating income	¥ 5,070	¥ 2,154	¥ 5	¥ 7,230	¥ (3)	¥ 7,227
Assets	¥ 347,936	¥ 10,338	¥ 636	¥ 358,912	¥ (1,095)	¥ 357,816

	Thousands of U.S. Dollars					
Year Ended March 31, 2009	Japan	Asia	Other	Subtotal	Eliminations (Corporate)	Consolidated
Revenue:						
Outside customers	$ 4,386,530	$ 168,865	$ 102	$ 4,555,497		$ 4,555,497
Intersegment	164	21,459	429	22,053	$ (22,053)	
Total	4,386,695	190,324	531	4,577,551	(22,053)	4,555,497
Operating expenses	4,334,952	168,339	473	4,503,766	(22,015)	4,481,750
Operating income	$ 51,742	$ 21,984	$ 58	$ 73,785	$ (37)	$ 73,747
Assets	$ 3,550,376	$ 105,493	$ 6,497	$ 3,662,367	$ (11,174)	$ 3,651,193

Year Ended March 31, 2008	Japan	Asia	Other	Subtotal	Eliminations (Corporate)	Consolidated
	Millions of Yen					
Revenue:						
Outside customers	¥ 588,606	¥ 14,954		¥ 603,560		¥ 603,560
Intersegment		1,638	¥ 63	1,701	¥ (1,701)	
Total	588,606	16,592	63	605,261	(1,701)	603,560
Operating expenses	581,030	15,323	77	596,430	(1,710)	594,720
Operating income (loss)	¥ 7,576	¥ 1,269	¥ (14)	¥ 8,831	¥ 9	¥ 8,840
Assets	¥ 369,452	¥ 9,620	¥ 815	¥ 379,887	¥ (1,067)	¥ 378,820

Notes:

1. The Company and consolidated subsidiaries operate within three geographic segments based on the countries where the companies are located.

   The segments consisted of the following countries in 2009 and 2008:

   Asia: Indonesia, Singapore, Philippines, Myanmar, Malaysia and Thailand
   Other: United States of America and Nigeria

2. Corporate assets mainly consist of long term loans and investment securities of the Company. Corporate assets as of March 31, 2009 and 2008 were ¥3,273 million ($33,398 thousand) and ¥2,153 million, respectively.

(2) Sales to Foreign Customers

Year Ended March 31, 2009	Millions of Yen				
	Asia	The Middle and Near East	Russia and Central Asia	Other	Total
Overseas sales (A)	¥ 20,380	¥ 277,627	¥ 23,308	¥ 1,966	¥ 323,282
Consolidated sales (B)					446,438
(A)/(B)	4.56%	62.19%	5.22%	0.44%	72.41%

Year Ended March 31, 2009	Thousands of U.S. Dollars				
	Asia	The Middle and Near East	Russia and Central Asia	Other	Total
Overseas sales (A)	$ 207,961	$ 2,832,934	$ 237,839	$ 20,066	$ 3,298,801
Consolidated sales (B)					4,555,497
(A)/(B)	4.56%	62.19%	5.22%	0.44%	72.41%

Year Ended March 31, 2008	Asia	The Middle and Near East	Russia and Central Asia	Other	Total
	Millions of Yen				
Overseas sales (A)	¥ 17,093	¥ 425,970	¥ 49,408	¥ 1,015	¥ 493,486
Consolidated sales (B)					603,560
(A)/(B)	2.83%	70.58%	8.19%	0.16%	81.76%

Note: The Company and consolidated subsidiaries are summarized into four segments by geographic area based on the countries where the companies are located.

The segments consisted of the following countries in 2009 and 2008:

Asia:	Singapore, Indonesia, Malaysia and others
The Middle and Near East:	Qatar, UAE and others
Russia and Central Asia:	Russia
Other:	Australia, Algeria and others

The Company and its consolidated subsidiaries operate predominantly in the engineering business, while certain subsidiaries operate in leasing and software producing businesses which are minor in relation to the total business. Accordingly, the presentation of industry segment information is not required under Japanese accounting standards.

* * * * * *

Deloitte.

Deloitte Touche Tohmatsu
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel: +81(3) 3457 7321
Fax: +81(3) 3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Chiyoda Corporation:

We have audited the accompanying consolidated balance sheets of Chiyoda Corporation (the "Company") and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chiyoda Corporation and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 12, 2009

Member of
Deloitte Touche Tohmatsu

Global Network (As of July 1, 2009)

Head Office

Yokohama Head Office
12-1, Tsurumichuo 2-chome, Tsurumi-ku
Yokohama 230-8601, Japan
Tel: (81) 45-521-1231
Fax: (81) 45-503-0200

Koyasu Office & Research Park
13, Moriya-cho 3-chome, Kanagawa-ku
Yokohama 221-0022, Japan
Tel: (81) 45-441-1268
Fax: (81) 45-441-1297
Research & Development Center
Tel: (81) 45-441-9132
Fax: (81) 45-441-9728

Osaka Office
14-10, Nishinakajima 5-chome,
Yodogawa-ku Osaka 532-001, Japan
Tel: (81) 6-6390-3411
Fax: (81) 6-6889-5101

Overseas Offices

Abu Dhabi Office
Clock Tower Bldg. Al Najda Street,
P.O. Box 43928, Abu Dhabi, U.A.E.
Tel: (971) 2-671-7161
Fax: (971) 2-671-7162

Beijing Office
Room No. 1028, China World Tower No.1,
Jianguomenwai Street, Chaoyang District,
Beijing, 100004, China
Tel: (86) 10-6505-2678
Fax: (86) 10-6505-1118

Jakarta Office
9th Floor, Mid-Plaza Bldg. Jalan Jenderal
Sudirman Kav. 10-11 Jakarta, 10220, Indonesia
Tel: (62) 21-570-7579
Fax: (62) 21-570-6276

Korea Representative Office
1358-8, Tal-dong Nam-ku, Ulsan, Korea
Tel: (82) 52-256-5721/5722
Fax: (82) 52-256-5723

Middle East Headquarters Doha Office
Al Mana Tower Airport Road,
P.O. Box 20243, Doha Qatar
Tel: (974) 462-2875/2876
Fax: (974) 462-2716

Milan Representative Office
Viale Della Liberazione 18, 20124 Milan, Italy
Tel: (39) 02-303517-111
Fax: (39) 02-303517-35

Singapore Human Resources Office
10 Anson Road, #03-02, International Plaza,
Singapore 079903
Tel: (65) 6324-0080
Fax: (65) 6324-0090

The Hague Representative Office
Parkstraat 83, 2514 JG
The Hague, The Netherlands
Tel: (31) 70-385-9453
Fax: (31) 70-346-3779

Major Subsidiaries & Affiliated Companies

Overseas

Chiyoda Almana Engineering LLC
Services: Design and construction of industrial facilities
Almana Tower, 5th floor, Airport RD,
P.O. Box 22961, Doha, Qatar
Tel: (974) 462-2926
Fax: (974) 462-6404

Chiyoda Corporation (Shanghai)
Services: Project consulting
29F-Room E, Pufa Tower, No. 588,
Pudong Rd. (S), Pudong New Area,
Shanghai 200120, China
Tel: (86) 21-5877-6266
Fax: (86) 21-5877-6366

Chiyoda do Brasil Representações Ltda.
Services: Business activities in South America
Praia de Botafogo, 228-5 andar,
22250-040 Rio de Janeiro -RJ- Brasil
Tel: (55) 21-3738-8280
Fax: (55) 21-3738-6835

Chiyoda International Corporation
Services: Business activities in the U.S.A.
1177 West Loop South, Suite 680
Houston, TX 77027, U.S.A.
Tel: (1) 713-965-9005
Fax: (1) 713-965-0075

Chiyoda Malaysia Sdn. Bhd.
Services: Design and construction of industrial facilities
15th Floor, Menara Maxisegar Jalan Pandan
Indah, 4/2 Pandan Indah, 55100
Kuala Lumpur, Malaysia
Tel: (60) 3-4297-0988
Fax: (60) 3-4297-0800
URL: http://www.chiyoda.com.my/

Chiyoda Oceania Pty Limited
Services: Design and construction of industrial facilities
Level 28, AMP Tower 140 St Georges Terrace,
Perth WA 6000, Australia
Tel: (61) 8-9278-2599
Fax: (61) 8-9278-2727

Chiyoda Petrostar Ltd.
Services: Design and construction of industrial facilities
Al-Khobar Office
P.O. Box 31707, Al-Khobar 31952
The Kingdom of Saudi Arabia
Tel: (966) 3-864-0839
Fax: (966) 3-864-0986

Chiyoda Philippines Corporation
Services: Design
Chiyoda Bldg. Meralco Avenue Corner,
General Araneta Street, San Antonio,
Pasig City, Metro Manila, Philippines
Tel: (63) 2-636-1001/1008
Fax: (63) 2-636-1013/1023
URL: http://www.chiyodaphil.com.ph

Chiyoda & Public Works Co., Ltd.
Services: Design and construction of industrial facilities
SEDONA HOTEL Room 308 ~ 309 No. 1,
Kaba Aye Pagoda Road, Yankin Township,
Yangon, Myanmar
Tel: (95) 1-545605
Fax: (95) 1-545227

Chiyoda Singapore (Pte) Limited
Services: Design and construction of industrial facilities
14 International Business Park Jurong
East, Singapore 609922
Tel: (65) 6563-3488
Fax: (65) 6567-5231
URL: http://www.chiyoda.com.sg/

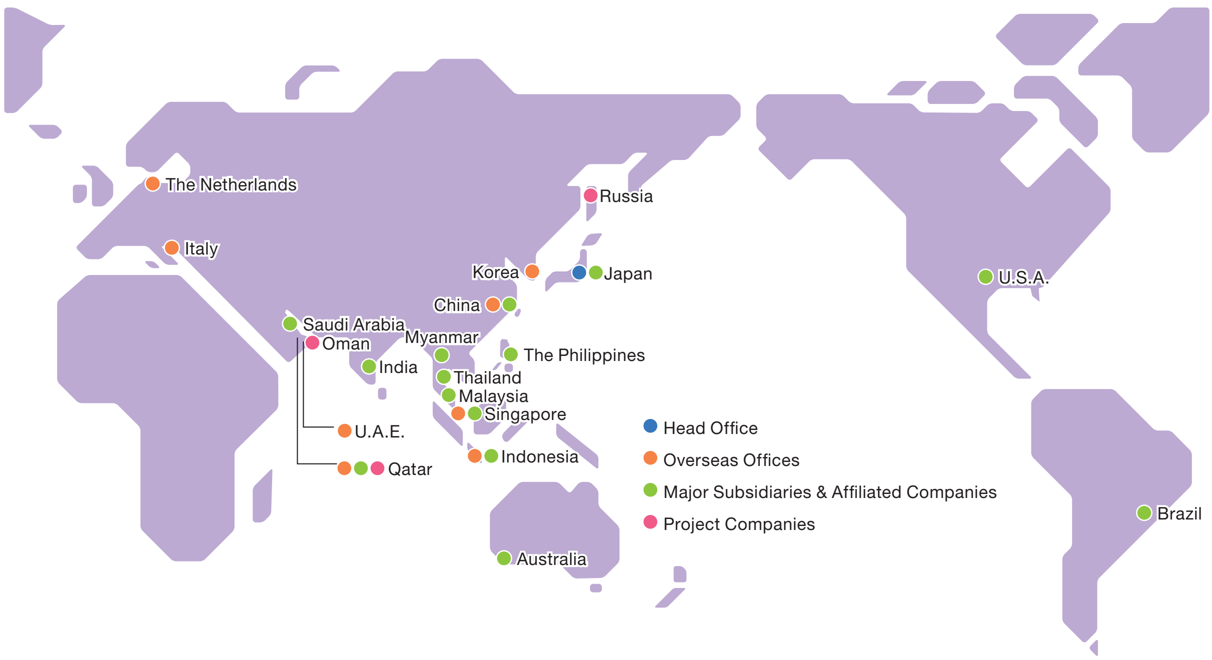
Chiyoda (Thailand) Limited
Services: Design and construction of industrial facilities
140/42 ITF Tower II, 20th Floor,
Silom Road, Kwaeng Suriyawong,
Khet Bangrak, Bangkok 10500, Thailand
Tel: (66) 2-231-6441/6442
Fax: (66) 2-231-6443

L&T-Chiyoda Limited
Services: Design
B.P. Estate, National Highway No. 8,
Chhani Baroda-391740, Gujarat State, India
Tel: (91) 265-2771003/2772855
Fax: (91) 265-2774985
URL: http://www.lntchiyoda.com/

PT. Chiyoda International Indonesia
Services: Design and construction of industrial facilities
9th Fl. Midplaza Bldg. J1. Sudirman Kav. 10-11
Jakarta 10220, Indonesia
Tel: (62) 21-570-4693
Fax: (62) 21-573-5723

Project Companies

Oman, Qatar, Russia



Major Subsidiaries & Affiliated Companies

Domestic

• Engineering Business

Chiyoda Advanced Solutions Corporation
Services: Advanced engineering consulting
1-25, Shinurashima-cho 1-chome
Kanagawa-ku, Yokohama 221-0031, Japan
Tel: (81) 45-441-1260
Fax: (81) 45-441-1264
URL: http://www.chiyoda-as.co.jp/

Chiyoda Keiso Co., Ltd.
Services: Design, procurement and construction for electrical and instrumentation facilities
13, Moriya-cho 3-chome, Kanagawa-ku
Yokohama 221-0022, Japan
Tel: (81) 45-441-1433
Fax: (81) 45-441-1434
URL: http://www.ckc.chiyoda.co.jp/

Chiyoda Kosho Co., Ltd.
Services: Design, construction and maintenance for domestic projects
34-26, Tsurumichuo 4-chome, Tsurumi-ku
Yokohama 230-0051, Japan
Tel: (81) 45-506-7662
Fax: (81) 45-506-7667
URL: http://www.cks-ykh.co.jp/

Chiyoda TechnoAce Co., Ltd.
Services: Design and construction for pharmaceutical facilities
13, Moriya-cho 3-chome, Kanagawa-ku
Yokohama 221-0022, Japan
Tel: (81) 45-441-9600
Fax: (81) 45-450-5236
URL: http://www.cta.chiyoda.co.jp/

Chiyoda U-Tech Co., Ltd.
Services: Consulting and human resources placement
15-19, Tsurumichuo 2-chome, Tsurumi-ku
Yokohama 230-0051, Japan
Tel: (81) 45-502-7618
Fax: (81) 45-503-5399
URL: http://www.utc-yokohama.com/

• Other Businesses

Arrow Business Consulting Corporation
Services: Consulting for finance and accounting
32-1, Tsurumichuo 4-chome, Tsurumi-ku
Yokohama 230-0051, Japan
Tel: (81) 45-502-5774
Fax: (81) 45-502-5753

Arrowhead International Corporation
Services: Travel services and supply of spare parts
7-8, Shibakoen 1-chome, Minato-ku
Tokyo 105-0011, Japan
Tel: (81) 3-5470-0880
Fax: (81) 3-5470-0890
URL: http://www.arrowhead.co.jp/

Arrow Mates Co., Ltd.
Services: Placement of technicians and office staff and reemployment support
43, Hon-cho 4-chome, Naka-ku
Yokohama 231-0005, Japan
Tel: (81) 45-662-1126
Fax: (81) 45-662-1173
URL: http://www.arrowmates.co.jp/

IT Engineering Limited
Services: IT consulting and solution provider
1-25, Shinurashima-cho 1-chome,
Kanagawa-ku, Yokohama 221-0031, Japan
Tel: (81) 45-441-9123
Fax: (81) 45-441-1466
URL: http://www.ite.co.jp/

Corporate Information (As of March 31, 2009)

Chiyoda Corporation

Head Office
12-1, Tsurumichuo 2-chome, Tsurumi-ku,
Yokohama 230-8601, Japan
Tel: (81) 45-521-1231
Fax: (81) 45-503-0200

Established
January 20, 1948

Paid-in Capital
¥43,392 million

Number of Employees:
1,290 (Non-Consolidated)
3,376 (Consolidated)

Annual Fiscal Close
March 31

Shareholders' Meeting
June

Number of Shares per Unit
1,000

Stock Code
ISIN: JP3528600004
SEDOL 1: 6191704 JP
TSE: 6366

Transfer Agent of Common Stock
Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi, Chiyoda-ku, Tokyo

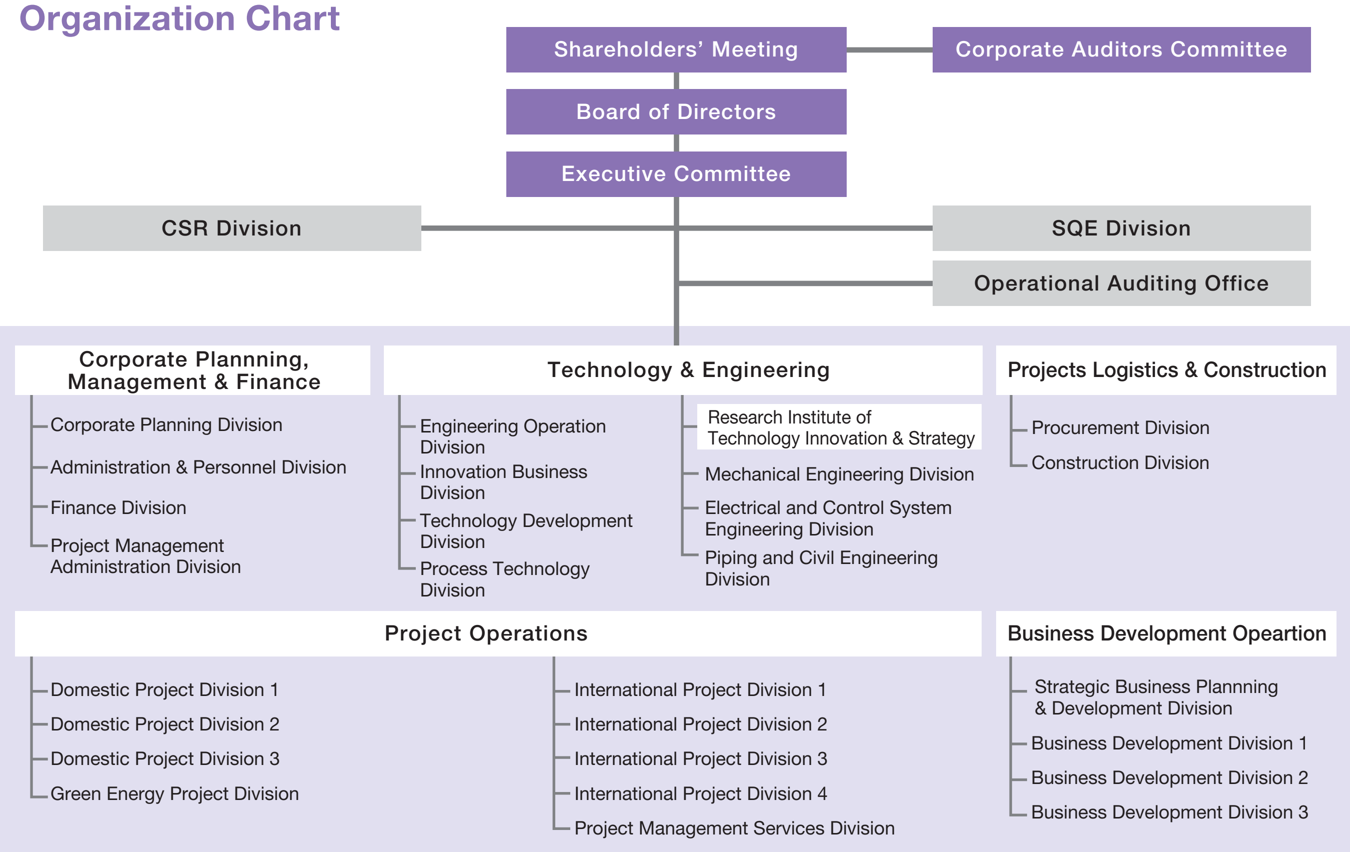
Authorized Shares
650,000,000

Capital Stock Issued
260,292,529

Number of Shareholders
16,521

URL
http://www.chiyoda-corp.com

Organization Chart

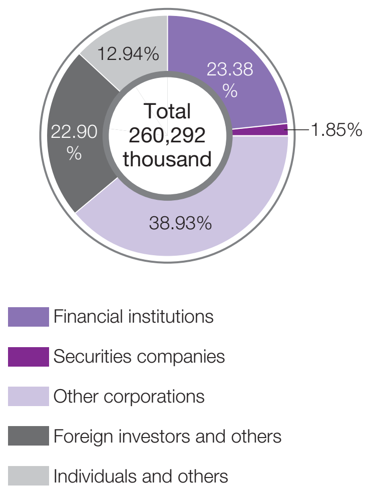


(As of August 10, 2009)

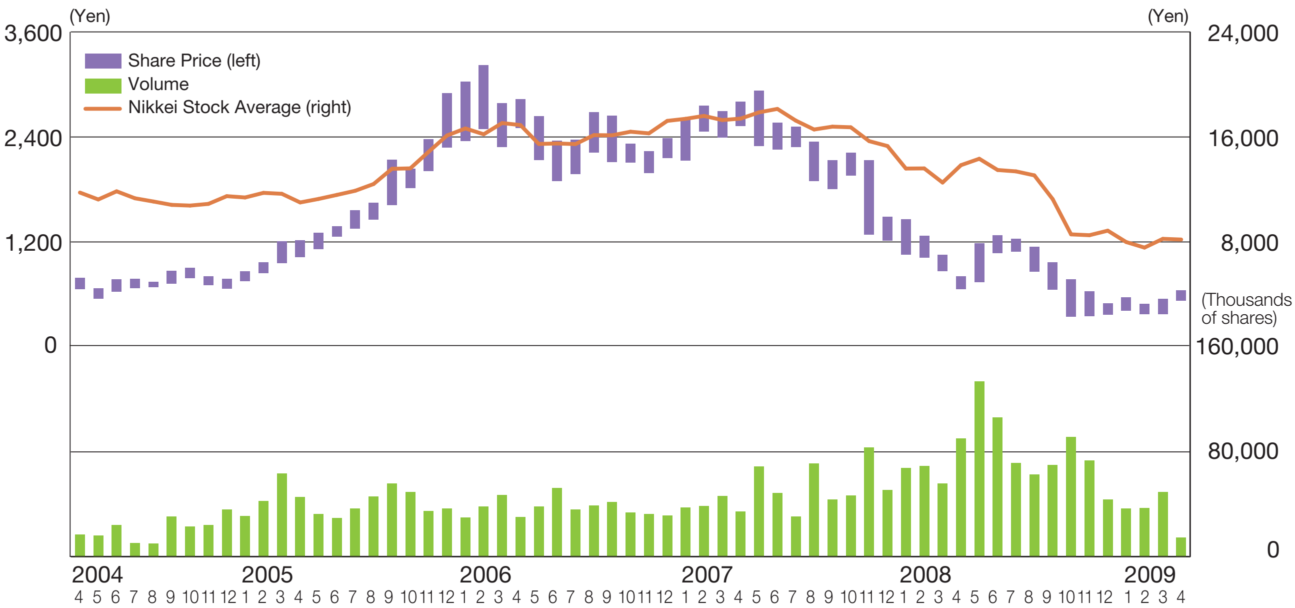
Major Shareholders

	Number of Shares Owned (thousands of shares)	Ratio of Number of Shares Owned to Aggregate Number of Shares Issued (%)
Mitsubishi Corporation	86,931	33.39
The Master Trust of Japan, Ltd. (Trust Account)	11,357	4.36
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,033	3.47
Japan Trustee Services Bank, Ltd. (Trust Account)	8,617	3.31
Mitsubishi UFJ Trust and Banking Corporation	8,032	3.08
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	7,694	2.95
The Bank of New York, Treaty JASDAEC Account	6,311	2.42
JPMCB Omnibus US Pension, Treaty JASDEC 380052	3,669	1.40
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,495	1.34
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,760	1.06

Breakdown by Shareholder



Monthly Stock Price Range on the Tokyo Stock Exchange



CHIYODA CORPORATION

12-1, Tsurumichuo 2-chome, Tsurumi-ku,
Yokohama 230-8601, Japan
Tel: (81) 45-521-1231
Fax: (81) 45-503-0200
http:// www.chiyoda-corp.com

FTSE4Good

MS-SRI

Dow Jones Sustainability Indexes
Member 2009/10

PRINTED WITH SOY INK
Printed in Japan with soy ink.

CHIYODA GROUP

To commemorate the 60th anniversary of Chiyoda Corporation in 2008, management solicited suggestions from employees of the Chiyoda Group for a new Group logo. The logo adopted is shown at the left.

The new logo design maintains the original significance of the current logo of Chiyoda Corporation by incorporating two inverted triangles signifying consensus, breakthrough and a unified hardware and software system, and a white circle representing "heart." The addition of the letter "G" surrounding the triangles expresses the Group's united efforts to expand globally. Blue stands for progress and technology, and green for internationalization and the environment.