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Securities Code: 6366

June 2, 2021

Notice of the 93rd Ordinary General Meeting of Shareholders

Dear Shareholders,

The Company would hereby like to inform you that the 93rd Ordinary General Meeting of Shareholders of the Company will be held as follows.

If you are unable to attend the meeting in person, you may exercise your voting rights by using one of the following methods. Please refer to the reference materials for the meeting attached to this notice and exercise your voting right.

Voting in Writing (by Mail)

Please use the enclosed voting ballot to indicate your approval or disapproval of the proposals and return it to us by Tuesday, June 22, 2021.

Voting via the Internet

Please refer to “Exercising Your Voting Rights via the Internet or by Electronic Proxy” on page 3, and exercise your voting rights by 4:36 p.m. in Japan time, Tuesday, June 22, 2021.

If you vote both by mail and via the Internet, only your Internet vote will be deemed valid regardless of the receiving time.

Yours faithfully,

Kazushi Okawa, Representative Director, Chairman of
the Board & CEO
Chiyoda Corporation
6-2, Minato Mirai 4-chome, Nishi-ku,
Yokohama City, Kanagawa Pref.

- | | |
|--------------------------|--|
| 1. Date and Time: | 10:00 a.m. on Wednesday, June 23, 2021
(Reception will open at 9:00 a.m.) |
| 2. Venue: | Lecture Hall on the 11th floor of Minato Mirai Grand Central Tower,
6-2, Minato Mirai 4-chome, Nishi-ku, Yokohama City. |

3. Meeting Agenda:

- Matters to be reported:**
1. Business report, consolidated financial statements, and audit reports on consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Committee for the 93rd (from April 1, 2020 to March 31, 2021)
 2. Non-consolidated financial statements for the 93rd (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Appointment of eight Directors who are not Audit and Supervisory Committee Members
- Proposal 4:** Appointment of one Director who is an Audit and Supervisory Committee Member
- Proposal 5:** Revision of the system of compensation for Directors

* If you attend the meeting in person, please remember to hand in the enclosed voting ballot at the reception desk.

* When exercising your voting rights by an authorized representative (proxy), please hand in the voting ballot along with an identification document that verifies the authority of representation at the reception desk. The proxy will be limited to one person who is a shareholder of the Company with voting rights as stipulated in the Articles of Incorporation.

* The Company will post any modifications to the reference and attached materials for the meeting on the Company's website (<https://www.chiyodacorp.com/>)

Exercising Your Voting Rights via the Internet or by Electronic Proxy

1. How to vote via the Internet

Log on to the voting website (<https://evote.tr.mufg.jp/>) using the voter code and password indicated on the enclosed reference sheet and follow the on-screen instructions to register your vote for or against each proposal.

2. Electronic Proxy Voting Platform

Institutional investors may use the Electronic Proxy Voting Platform for Institutional Investors managed by ICJ, Inc. as an electronic method for the exercise of votes at the General Meeting of Shareholders of the Company.

Business Report

From April 1, 2020 to March 31, 2021

1. Information about Chiyoda shares (as of March 31, 2021)

(1) Total authorized shares

Common shares: 1,000,000,000 shares
Class A preferred shares: 175,000,000 shares

(2) Total issued and outstanding shares

Common shares: 260,324,529 shares (number of share unit: 100 shares)
Class A preferred shares: 175,000,000 shares (number of share unit: 1 share)

(3) Number of shareholders

Common shares: 43,494 persons (up 8,750 from March 31, 2020)
Class A preferred shares: 1 person

(4) Major shareholders (top 10)

1) Common shares

Shareholder	No. of shares held (thousands)	Interest (%)
Mitsubishi Corporation	86,931	33.57
MUFG Bank, Ltd.	9,033	3.49
Mitsubishi UFJ Trust and Banking Corporation	4,274	1.65
Chiyoda Employee Shareholding Association	3,769	1.46
Master Trust Bank of Japan, Ltd. (trust account)	2,502	0.97
Rakuten Securities, Inc.	2,500	0.97
Meiji Yasuda Life Insurance Company	2,265	0.88
Chiyoda Business Partner Shareholding Association	1,926	0.74
Custody Bank of Japan, Ltd. (trust account)	1,840	0.71
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,808	0.70

(Notes) Interest is calculated after deducting treasury shares (1,357,723 shares)

2) Class A Preferred Shares

Shareholder	No. of shares held (thousands)	Interest (%)
Mitsubishi Corporation	175,000	100.00

2. Company directors

(1) List of directors as of March 31, 2021

Name	Position and responsibilities	Significant concurrent positions
Kazushi Okawa	Representative Director, Chairman of the Board & CEO, CWO	
Masaji Santo	Representative Director, President & COO, CSO	
Koji Tarutani	Representative Director, Executive Vice President & CFO, Division Director, Finance & Accounting Division	
Tsunenori Kazama	Director	
Aiichiro Matsunaga	Director	Executive Vice President, Mitsubishi Corporation
Nobuo Tanaka	Director	Audit & Supervisory Board Member, INNOTECH CORPORATION
Hiroshi Yamaguchi	Director	Chairman of the Board, Kanto Electrical Safety Inspection Association Chairman of the Board, TEPCO Memorial Foundation
Takahiro Kitamoto	Director, Audit and Supervisory Committee Member (full time)	
Mika Narahashi	Director, Audit and Supervisory Committee Member	Attorney
Hisashi Ito	Director, Audit and Supervisory Committee Member	Mitsubishi UFJ Trust Systems Co., Ltd.

- (Notes)
1. Mr. Mikio Kobayashi completed his term as a director as of the end of the 92nd Ordinary General Meeting of Shareholders held on June 25, 2020.
 2. Mr. Nobuo Tanaka and Mr. Hiroshi Yamaguchi are outside directors. Ms. Mika Narahashi and Mr. Hisashi Ito are outside directors who serve as members of the Audit and Supervisory Committee.
 3. In order to enhance audit effectiveness and strengthen the audit and supervisory functions by improving information gathering and closely coordinating with the Internal Audit Department and other departments, Mr. Takahiro Kitamoto has been named to serve as the full-time member of the Audit and Supervisory Committee.
 4. Chiyoda has designated Mr. Nobuo Tanaka, Mr. Hiroshi Yamaguchi, Ms. Mika Narahashi, and Mr. Hisashi Ito as independent officers pursuant to Tokyo Stock Exchange, Inc. regulations, and we have filed this information with the exchange.
 5. Mr. Takahiro Kitamoto, a Directors who is an Audit and Supervisory Committee member, has served as CFO of a foreign subsidiary of Mitsubishi Corporation and has considerable knowledge of finance and accounting.
 6. Pursuant to Article 427, Paragraph 1 of the Companies Act, Chiyoda has entered into contracts with Mr. Tsunenori Kazama, Mr. Aiichiro Matsunaga, Mr. Nobuo Tanaka, Mr. Hiroshi Yamaguchi, Mr. Takahiro Kitamoto, Ms. Mika Narahashi, and Mr. Hisashi Ito to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. The maximum liability amount under these contracts is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 7. Chiyoda has entered into a contract with an insurance company for directors and officers liability insurance ("D&O insurance") as provided in Article 430-3, Paragraph

1 of the Companies Act, with Chiyoda directors and executive officers as the insureds. If the insureds are liable for damages arising from their work, the damages will be covered by the insurance policy (except under circumstances excluded under the insurance policy). The entire amount of the D&O insurance premiums is borne by Chiyoda.

8. CEO, COO, CSO, and CFO are acronyms for the following titles:
CEO: Chief Executive Officer
CWO: Chief Wellness Officer
COO: Chief Operating Officer
CSO: Chief Sustainability Officer
CFO: Chief Financial Officer

(2) Director compensation for the year under review**(i) Total compensation for the year under review**

	No. of persons	Base compensation (million yen)	Performance-based compensation (million yen)	Compensation for acquiring treasury shares (million yen)
Directors who are not Audit and Supervisory Committee Members (Outside directors)	6 (2)	121 (20)	8 (0)	18 (0)
Directors who are Audit and Supervisory Committee Members (Outside directors)	4 (3)	42 (18)	(N/A)	(N/A)

(Notes) The figures above include one Directors who is an Audit and Supervisory Committee member who completed his term as a director as of the end of the 92nd Ordinary General Meeting of Shareholders held on June 25, 2020, and they show the number of directors who received compensation for the year under review.

(ii) Policy for determining compensation

Chiyoda's executive compensation plan is designed to strengthen the link to performance, ensure that directors share the values of our shareholders, and improve the desire and drive to boost the company's performance. The following two components of the plan were approved at the Ordinary General Meeting of Shareholders held on June 23, 2015. (Number of directors elected at that Ordinary General Meeting of Shareholders: 10 directors who are not Audit and Supervisory Committee members and 3 directors who are Audit and Supervisory Committee members)

Additionally, on March 25, 2020 the Board of Directors approved the policy for setting compensation for individual directors (excluding the matters described in Items 1 and 3 below) and on February 24, 2021 the Board of Directors approved the policy for setting the composition of individual director compensation as described in Item 3 below. The Board of Directors has determined that the method for setting the compensation for individual directors for the year under review as well as the amounts decided are consistent with this policy, and therefore they are in accordance with the policy.

1. Directors who are not Audit and Supervisory Committee Members

Category (name)	Compensation rationale	Description of the compensation plan
Base compensation	Linked to job responsibilities	Up to 300 million yen annually
Performance-based compensation	Based on performance during the period	Taking into account quantitative factors such as net profit attributable to owners of the parent and the level of dividends, as well as qualitative factors such progress made towards achieving management goals, up to 200 million yen annually, but not greater than 1% of the net profit attributable to owners of the parent. The performance indicators associated with performance-based compensation include quantitative factors such as net profit attributable to owners of the parent and the level of dividends as well as qualitative factors such progress made towards achieving management goals. These indicators were selected with the aim of reinforcing the desire and drive to boost the company's performance. Chiyoda's performance-based compensation is calculated by multiplying the standard amount for each position by a coefficient that reflects these quantitative and qualitative factors.
Compensation for acquiring treasury shares	Linked to long-term performance improvement	Up to 90 million yen annually Directors other than Audit and Supervisory Committee members (excluding outside directors) acquire Chiyoda shares via the directors' stock ownership association.

(Note) 1. Outside directors receive only a base compensation.

2. On March 25, 2020 the Board of Directors decided that base compensation and compensation for acquiring treasury shares will be paid monthly, and that performance-based compensation will be paid annually at a set time.

2. Directors who are Audit and Supervisory Committee Members

Directors who are Audit and Supervisory Committee members receive up to 84 million yen annually as base compensation linked to job responsibilities. In view of their jobs, Directors who are Audit and Supervisory Committee members receive only base compensation, which is fixed monthly compensation.

3. Summary of the policy for setting the composition of individual director compensation
Director compensation comprises base compensation (fixed monthly compensation), performance-based compensation, and compensation for acquiring treasury shares. The proportions of base compensation (fixed monthly compensation), performance-based compensation, and compensation for acquiring treasury shares are set to ensure that compensation functions appropriately as an incentive for each director involved in business execution to improve corporate value while also functioning to appropriately reflect the degree of contribution to higher enterprise value.

(3) Outside directors and directors who are Audit and Supervisory Committee members

(i) Relationships between Chiyoda and other corporations and other entities where directors concurrently hold significant positions

There are no special business relationships between Chiyoda and entities where directors concurrently hold positions.

(ii) Director activity during the year under review

Category	Name	Attendance, remarks, and duties performed in relation to expected role
Outside director	Nobuo Tanaka	Director Tanaka attended all 18 of the board meetings held during the year under review and used his specialized knowledge and experience in the energy field to comment as necessary about Chiyoda's management, and from a variety of perspectives he played an appropriate role in ensuring the validity of the company's decision-making.
Outside director	Hiroshi Yamaguchi	Director Yamaguchi attended all 18 of the board meetings held during the year under review and used his ample expertise in the energy field to comment as necessary, and from a variety of perspectives he played an appropriate role in ensuring the reasonableness of the company's decision-making.
Director (Audit and Supervisory Committee member)	Takahiro Kitamoto	Director Kitamoto attended all 18 of the board meetings and all 14 of the Audit and Supervisory Committee meetings held during the year under review. As the full-time Audit and Supervisory Committee member, he also attended major internal meetings such as Executive Advisory Committee meetings as appropriate, playing a role in ensuring management soundness by commenting as necessary. At Audit and Supervisory Committee meetings he reported extensively on the status of audits and internal controls at Chiyoda and major subsidiaries.
Outside director (Audit and Supervisory Committee member)	Mika Narahashi	Director Narahashi attended all 18 of the board meetings and all 14 of the Audit and Supervisory Committee meetings held during the year under review. As an attorney, she played an appropriate role in ensuring the reasonableness of decision-making by explaining the purpose of laws from a legal perspective and by commenting as necessary.
Outside director (Audit and Supervisory Committee member)	Hisashi Ito	After he assumed his position as director on June 25, 2020, Director Ito attended all 18 of the board meetings and all 10 of the Audit and Supervisory Committee meetings held during the year under review. Using his management experience to comment as necessary on management audits, he played an appropriate role in ensuring the adequacy of Chiyoda's management from an objective and multifaceted perspective.

3. Independent auditor

(1) Name of the independent auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation to the independent auditor in the year under review

[1] Compensation to the independent auditor in the year under review

165 million yen

[2] Total amount of monetary and other financial benefits that must be paid by Chiyoda and Chiyoda subsidiaries

193 million yen

(Notes) 1. The contract with the independent auditor does not separate the fee for the Companies Act audit and the fee for the Financial Instruments and Exchange Act audit, so the compensation amount shown in Item 1) above is the total for both.

2. Of our major subsidiaries, our foreign subsidiaries are audited by an auditing firm other than our independent auditor.

3. The Audit and Supervisory Committee determined that the compensation to the independent auditor was appropriate and gave its consent as provided in Paragraphs 1 and 3 of Article 399 of the Companies Act. It did so after receiving the necessary materials and hearing reports from directors, related departments within the company, and the independent auditor. Along with verifying the details of the audit plan, including the auditing framework to be used by the independent auditor, as well as the basis for calculating the estimated fee, such as the time and rate, it also took into consideration the previous year's performance, other non-auditing work contracted to the firm, and examples at other companies.

4. Payments by Chiyoda to certified public accountants for non-auditing work are primarily payments for support services related to the adoption of new revenue recognition standards.

(3) Policy for dismissing or declining the reappointment of the independent auditor

The Audit and Supervisory Committee will dismiss the auditing firm that is the independent auditor ("current independent auditor") by unanimous consent of the Audit and Supervisory Committee members under any of the circumstances listed in Article 340, Paragraph 1 of the Companies Act. Under such circumstances, the Audit and Supervisory Committee will appoint a temporary independent auditor if necessary, and the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will also report and explain the reasons for the dismissal of the current independent auditor and the appointment of the temporary independent auditor at the first Ordinary General Meeting of Shareholders convened after such dismissal. If it becomes difficult for the current independent auditor to properly carry out the audit for some reason, or if it is determined that the current independent auditor must be changed in light of the quality, validity, or efficiency of the audit being performed by the current independent auditor, the Audit and Supervisory Committee will decide on a proposal to decline the reappointment of the current independent auditor and appoint a new independent auditor. Under such circumstances, at the Ordinary General Meeting of Shareholders the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will report and explain the reasons for declining to reappoint the current independent auditor and appointing a new independent auditor.

(Note) The Audit and Supervisory Committee decided the foregoing on June 25, 2019.

4. Frameworks and policies

Overview of the framework to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, framework to ensure that business is otherwise properly conducted, and the status of these systems

<Framework to ensure that business is properly conducted>

An overview of the framework established to ensure that business is properly conducted, approved by the Board of Directors (Basic Policy for Internal Control Systems), is presented below. (Latest revision: March 31, 2021)

[Basic approach to internal control systems]

In accordance with laws and regulations, Chiyoda puts in place and uses internal control systems to ensure that business is properly conducted. To strengthen internal controls, Chiyoda has established an Internal Controls Committee. This committee coordinates and collects opinions within the company and proposes improvements to internal controls to the President at the end of each period or as necessary. The President then reviews and approves such proposals through the Executive Advisory Committee, and Board of Directors makes any decisions regarding the internal control systems.

[Status of internal control systems]

1. Regulatory compliance framework

- (1) Chiyoda places the highest priority on conducting business in compliance with Japanese and foreign laws and regulations and in accordance with our corporate ethics. We carry out our business activities in accordance with our Corporate Philosophy and the Chiyoda Group Code of Conduct.

Additionally, with the objective of supporting sustainable growth and the medium to longer term enhancement of enterprise value, we have established a Corporate Governance Policy that sets out our fundamental approach to corporate governance and our basic policy, and we endeavor put this into practice as the foundation of our business activities. The directors take the initiative in setting an example, and the Board of Directors oversees the execution of duties by the directors to ensure regulatory compliance.

- (2) To strengthen the regulatory compliance framework, Chiyoda creates the position of Chief Compliance Officer (CCO) and the Compliance Committee. Furthermore, in addition to raising the awareness of our officers and employees by establishing related rules and manuals, conducting various training programs, and providing relevant information, Chiyoda also improves the effectiveness of our compliance efforts by establishing an internal whistleblower program and an advice desk. Those who have made reports or sought advice may not be subjected to retaliatory treatment as a result of the information reported.
- (3) In its decision-making process, the Board of Directors reviews legal issues and business decision-making processes with legal advisors as necessary to improve objectivity and transparency.
- (4) The Internal Audit Department performs audits of regulatory compliance within company departments.
- (5) Chiyoda resolutely confronts anti-social forces and does not furnish benefits to them. If we receive an improper demand from an anti-social force, we will address it as an organization by coordinating with outside professionals such as law enforcement and our legal counsel.

2. Information retention and management framework

- (1) Chiyoda ensures that the information handled by directors in the execution of their duties is properly retained and managed by defining basic matters such as the documents covered,

the responsible manager, and the retention period through internal rules governing the management of documents and confidential information.

- (2) Chiyoda properly retains and manages the minutes of important meetings such as Board of Directors and the Executive Advisory Committee meetings, which are prepared in accordance with laws and regulations as well as internal rules.

3. Loss management framework

- (1) The head of the department that is responsible for companywide risk management collaborates with the chief officer in charge and the department heads to build loss management systems for various types of risks, in accordance with internal rules and various manuals.
- (2) Winning orders for projects and then executing them is at the very core of our business. As part of our strategy of accepting orders only after taking into consideration the financial size of our company and the number of employees, we have established a permanent department that is responsible for managing project risk from start to finish. This department deliberates risk at every stage, starting before we even take up a project, and reviews every stage, including estimate guidelines and proposals. On the project execution side, the department provides management and project support both in terms of execution support and internal checks. It does this by establishing multi-track reporting lines, strengthening autonomous risk management within operating divisions, strengthening inter-department cooperation, and introducing mechanisms that make it possible to visually represent P&L and risk with a high degree of frequency.
- (3) A permanent department has also been established to oversee crisis management across the company, and it oversees the activities of the risk managers assigned to each department in an integrated fashion. While being constantly engaged in prevention and control activities such as disseminating relevant information and giving warnings, this risk oversight department also responds in emergencies by serving as a central coordinating office when a crisis arises.

4. Efficiency framework

- (1) The Board of Directors makes decisions regarding company-wide management policies and important business actions and it formulates specific business plans in order to achieve management goals. Additionally, to ensure that business decisions can be made swiftly, to the extent that it does not conflict with laws and regulations, some authority is transferred to the President to ensure that these duties are carried out efficiently.
- (2) To help ensure that management goals are achieved in an efficient manner, we have adopted a nimble organizational structure and clarified and delegated authority based on our internal rules governing authority and the assignment of duties.
- (3) To improve work efficiency across the company, internal rules are systematically developed and then enforced and administered in an appropriate way. We proactively use information systems to share information about these rules and analyze them.

5. Company group internal control framework

- (1) Through our Corporate Philosophy and the Chiyoda Group Code of Conduct, Chiyoda Group makes clear the values that are to be shared by all officers and employees of group companies, and Chiyoda and our group companies maintain close cooperation while carrying out our business.
- (2) Along with establishing internal rules to ensure that business is carried out in an appropriate and efficient manner as the Chiyoda Group, the group companies are managed and supervised by designating a supervising department for each group company. Furthermore,

a permanent department will be established to draft plans and proposals, exercise control, and provide instructions in relation to the group companies.

- (3) Group companies will establish an internal control framework that is consistent with Chiyoda's, including systems for reporting information to Chiyoda in a timely and appropriate manner and internal whistleblower programs, based on thinking that is consistent with Chiyoda's. Specifically, to address regulatory compliance, we will establish the Group Company Compliance Liaison Committee, comprising members from the group companies, to facilitate information sharing within Chiyoda Group. Risk management and crisis management systems that follow the Chiyoda framework are being developed for the group companies. Chiyoda's Internal Audit Department conducts internal audits of the group companies.
- (4) For major group companies, a member of Chiyoda's Audit and Supervisory Committee concurrently serves as auditor, and may conduct proper investigations as necessary.

6. Framework to ensure the effectiveness of audits by the Audit and Supervisory Committee

- (1) A dedicated staff member will be assigned to assist the Audit and Supervisory Committee in performing its duties, in order to support their auditing activities.
- (2) To ensure the independence of that staff member and to ensure the effectiveness of the instructions to that staff member, the personnel evaluations for that staff member are performed by the Audit and Supervisory Committee, any personnel changes must be approved in advance by the Audit and Supervisory Committee, and that staff member may not concurrently serve in any role concerning the execution of our business.

7. Audit and Supervisory Committee reporting framework

- (1) At the request of the Audit and Supervisory Committee, officers and employees report on their activities relating to internal controls on a regular basis or whenever important matters arise. Chiyoda will not subject those officers and employees who have made reports to the Audit and Supervisory Committee to retaliatory treatment as a result of a report.
- (2) In order to ensure the effectiveness of audits conducted by the Audit and Supervisory Committee, the representative directors meet regularly with the Audit and Supervisory Committee to exchange views on reports made by officers and employees to the Audit and Supervisory Committee. Additionally, when the Audit and Supervisory Committee asks that a member or members of the Audit and Supervisory Committee be seated at a Executive Committee meeting or other important meeting, the representative directors address such requests.
- (3) To ensure the effectiveness of reporting by group companies, the Audit and Supervisory Committee meets regularly with the auditors from major group companies to exchange views and share information about the group's internal control framework.
- (4) When the Audit and Supervisory Committee requests that an independent outside expert be appointed for an audit by the Audit and Supervisory Committee members, Chiyoda will bear the expense unless it is shown to be clearly unnecessary with respect to the duties of the Audit and Supervisory Committee members.

8. Framework to ensure reasonableness of financial reports

- (1) Chiyoda and our major group companies have developed and use an internal control framework, such as documenting business rules, to ensure the reasonableness of our financial reports as required under the Financial Instruments and Exchange Act. If a new risk is recognized or if some sort of defect or deficiency in this system is discovered, we work to promptly improve the framework.
- (2) To ensure the effectiveness of the internal control functions for financial reports spanning

the entire organization, Chiyoda has established a highly independent Internal Audit Department in order to gauge and verify the actual state of control activities within each department using audits of daily operations and other means.

<Overview of the status of framework to ensure that business is properly conducted>

Chiyoda uses the internal control systems described above, which are based on the basic approach to internal control systems that has been approved by the Board of Directors. The Internal Controls Committee, which has been established based on these systems, comprises the Chief Risk Management Officer (CRO) as committee chair and a number of other directors who are closely involved in internal control systems as its other members. The committee accelerates further improvements to internal control systems by grasping the circumstances in which Chiyoda operates as well as social changes in a timely manner, expediting decision-making, and swiftly issuing instructions to the relevant departments. It also makes recommendations to the President aimed at strengthening governance.

The Internal Controls Committee met twice during FY2020 to check the status of each department and share information. The Internal Controls Committee plans to meet twice in FY2021.

Major initiatives in FY2020:

[1] Regulatory compliance initiatives

- We have fundamentally reorganized and consolidated important internal rules, starting with our Corporate Philosophy, and we have made changes to internal disclosure methods.
- The Chief Compliance Officer regularly reports to the Board of Directors on the specific circumstances of important compliance-related cases, such as cases involving reputational risk to the Chiyoda Group and cases that could affect Chiyoda's business. The substance of these reports and any instructions or requests from the Board of Directors are shared with the compliance officers from various units at the Compliance Committee, leading to the implementation of effective measures to prevent such incidents from occurring.
- We conducted level-specific compliance training, training for individuals being assigned to positions overseas, and harassment training.
- We championed work-life balance reform, and as part of work process innovation we actively promoted system improvements, faster RPA (Robotic Process Automation), work-life balance reform, health and productivity management, and cost reductions.
- We are drafting detailed human resources plans in line with our Human Resource Development Policy, which shows the kinds of people we need, our human resources development goals, and the career paths taken by our employees. We view this an important element of our management policies aimed at fostering a robust organization and strong employees so that we can achieve the goals of our Revitalization Plan, and it will be disseminated to all of our employees as we revise and create new human resources policies and programs. (introduced in April 2021)
- The Internal Audit Department conducted audits of our compliance program, compliance framework, and compliance-related documentation.

[2] Information retention and management framework

Prompted by the COVID-19 pandemic, we began introducing digital contracts as part of the document digitization that plays a role in our business transformation.

[3] Loss management initiatives

- With respect to risk management, when we are seeking to win the order for a project, the responsible department conducts a cold eye review and relevant corporate units submit their opinions to the Executive Advisory Committee as we assess risk and determine whether to accept the order.
- On the project execution side, in addition to establishing multi-track reporting lines, strengthening autonomous risk management within operating divisions, and strengthening inter-department cooperation, we introduced mechanisms that make it possible to visually represent P&L and risk with a high degree of frequency, and along with expanding the scope to encompass medium sized projects (including subsidiary projects) and projects with deteriorating profitability, we have built a company-wide support system for important projects.
- In FY2020 we implemented safety measures across the company and all construction sites for crisis events that could affect our performance both inside and outside of Japan (including geopolitical risks and infectious diseases risks).
- We established a permanent organization to manage important information that could affect project P&L, so that we can promptly respond to such developments.

[4] Efficiency initiatives

- To ensure that important business decisions can be made swiftly and that they are deliberated in a timely and appropriate manner, to the extent allowed by law, the Chiyoda Board of Directors transfers some authority to the President to ensure that these duties are carried out efficiently.
- In FY2020, we introduced a new management accounting system that boosts the sensitivity to profits in a number of divisions, and also modifies and clarifies KPIs and improves the accuracy of P&L forecasts for individual projects.
- The Executive Advisory Committee, an advisory body to the President, deliberates on matters concerning business execution as decided by the Board of Directors, such as deliberating in advance on matters to be submitted to the Board of Directors, and the transparency of its decision-making is ensured by reporting to the President, who is the individual responsible for overseeing all business execution.
- To improve the information flow to directors and support a smooth decision-making process, the directors are provided with a report on the state of the business each quarter, rotating reports on the state of the divisions at the regular board meetings, and quick-response reports when there is substantial movement on a major project.
- We drastically overhauled internal rules to make them more systematic and transferred some authority with the objective of accelerating internal decision-making.

[5] Company group internal control initiatives

- Through our Corporate Philosophy and the Chiyoda Group Code of Conduct, as well as the Revitalization Philosophy that we published in support of our Revitalization Plan, Chiyoda Group makes clear the values that are to be shared by all officers and employees of group companies, and Chiyoda and our group companies maintain close cooperation while carrying out our business.
- In FY2020 we clarified the management policy for group companies, resetting the direction and positioning of these entities, and we have begun to implement this at major group companies.
- As part of Chiyoda Group's regulatory compliance efforts, representatives from compliance-related departments visit both Japanese group companies and overseas group companies in order to instill our CCO's guidance at major group companies. Through our educational efforts we strive to raise awareness about regulatory compliance

at domestic and foreign group companies. In addition, highly effective and specific countermeasures, based on case studies, were brought to group companies through vehicles such as the Group Company Compliance Liaison Committee.

- At Japanese group companies we conducted level-specific seminars tailored to each company in order to instill compliance awareness at the workplace.

[6] Initiatives to ensure the effectiveness of audits by the Audit and Supervisory Committee

- To ensure the effectiveness of its audits, the Audit and Supervisory Committee frequently met with the Representative Directors and also instituted regular twice-yearly meetings with the CCO.
- Audit and Supervisory Committee members attend meetings of the Executive Advisory Committee, Compliance Committee, and other important meetings. Furthermore, to liaise with internal control departments the Audit and Supervisory Committee attends meetings of the Internal Controls Committee and offers opinions.
- To verify the effectiveness of group company audits, the Audit and Supervisory Committee met twice with the auditors from major group companies to share information about the internal control framework for the company group.
- Chiyoda has assigned a dedicated staff member to assist the Audit and Supervisory Committee in performing its duties, in order to support their auditing activities. In FY2020 there was a personnel change, and the personnel evaluation was performed by the Audit and Supervisory Committee.

[7] Audit and Supervisory Committee reporting initiatives

- At the request of the Audit and Supervisory Committee, Chiyoda officers and employees report on their activities relating to internal controls on a regular basis or whenever important matters arise.
- The Audit and Supervisory Committee received reports from officers and employees about their own activities relating to internal controls in regular meetings or in separate hearings. It also proactively advises the Internal Controls Committee and major group companies, and supervises improvements to create effective internal controls. There were no instances in which the Audit and Supervisory Committee appointed an outside expert for an audit by the Audit and Supervisory Committee members.

[8] Framework to ensure reasonableness of financial reports

Off-balance-sheet liabilities for legal disputes involving Chiyoda or the group companies are assessed case-by-case.

(Note) Monetary amounts and numbers of shares stated in this business report are rounded down to the nearest unit.

Proposal 1: Appropriation of surplus

After thorough consideration of the future business development of the Chiyoda Group, including stabilization of its management base and strengthening of its financial position, the Company regrets to announce that it will not pay a year-end dividend on common shares for the current fiscal year, and seeks to pay a dividend on Class A preferred shares in accordance with issuance guidelines.

1. Type of dividend
Cash.
2. Dividend allocation and total dividend payment
The Company proposes to allocate 20.78 yen per preferred share.
The total amount of dividends will be 3,636,500,000 yen.
3. Effective date of payment
24 June 2021

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reason for proposal

The Company seeks to eliminate General Advisor(s) to improve transparency, increase effectiveness in management and enhance corporate governance.

2. Details of amendment

Details of amendment are as follows:

(Underlined portions indicate amendments)

Current Articles of Incorporation	Proposed amendments
Articles 1 to 27 (omitted)	Articles 1 to 27 (same as at present)
<u>(General Advisors)</u> <u>Article 28 The Company may have one or more</u> <u>General Advisor(s) who will be appointed by a</u> <u>resolution of the Board of Directors.</u>	(to be removed)
Articles <u>29</u> to <u>36</u> (omitted)	Articles <u>28</u> to <u>35</u> (same as at present)

Proposal 3: Appointment of eight Directors who are not Audit and Supervisory Committee Members

The term of all seven Directors who are not Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders.

Therefore, the Company proposes to elect eight Directors who are not Audit and Supervisory Committee Members, increasing the number of Directors by one to strengthen its management structure.

This Proposal was deliberated in the Audit and Supervisory Committee and obtained the opinion that all the nominees are qualified.

The table below lists the nominees for those positions.

[List of nominees]

Nomination No.	Name		Positions and responsibilities within the Company	Number of years in office as Director (at the closing of this General Meeting of Shareholders)
1	Masaji Santo	Reelection	Representative Director, President, COO & CSO	4 years
2	Koji Tarutani	Reelection	Representative Director, Executive Vice President, CFO and Division Director of Finance & Accounting Division	2 years
3	Tsunenori Kazama	Reelection	Director	2 years
4	Aiichiro Matsunaga	Reelection	Director	2 years
5	Nobuo Tanaka	Reelection Outside Director Independent Officer	Director	6 years
6	Masakazu Sakakida	New nominee		—
7	Masao Ishikawa	New nominee	Senior Advisor of the Company	—
8	Ryo Matsukawa	New nominee Outside Director Independent Officer		—

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
1	Masaji Santo (October 21, 1957)	<p>April 1981: Joined Mitsubishi Corporation</p> <p>April 2009: President of Mitsubishi Chile Ltda. (Santiago)</p> <p>April 2012: Senior Vice President of Mitsubishi Corporation President of Mitsubishi Chile Ltda. (Santiago)</p> <p>July 2012: Senior Vice President, Division COO of Environment & Infrastructure Business Division of Mitsubishi Corporation</p> <p>June 2013: Director of the Company (retired in June 2016)</p> <p>July 2013: Senior Vice President, Division COO of Infrastructure Business Division and Division COO of Environmental Business Division of Mitsubishi Corporation</p> <p>April 2015: Senior Vice President, Division COO of Infrastructure Business Division of Mitsubishi Corporation</p> <p>April 2016: Senior Vice President, Regional CEO for Latin America & the Caribbean of Mitsubishi Corporation</p> <p>April 2017: Senior Executive Vice President of the Company</p> <p>June 2017: Representative Director, President & CEO of the Company</p> <p>June 2019: Representative Director, President, COO & CSO of the Company (current position)</p>	Common shares: 100,454
<p><Reason for the nomination></p> <p>Mr. Masaji Santo is versed in the businesses of the Company and its group companies from having served as Outside Director of the Company for 3 years from June 2013, after having served as President of Mitsubishi Chile Ltda. and Senior Vice President of Mitsubishi Corporation. He was appointed as Representative Director, President & CEO of the Company in June 2017. Leveraging his global work experience and knowledge, he formulated and executed the Company's Revitalization Plan in May 2019. The Company has determined him to be suitable as a leader to continue carrying out this plan and as a person who contributes to improving its corporate value, and has renominated him as a candidate for Director.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
2	Koji Tarutani (May 13, 1962)	<p>April 1986: Joined The Mitsubishi Bank, Ltd.</p> <p>December 2012: General Manager of Corporate Business Risk Management Division and General Manager (Special Assignment) of Global Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014: General Manager of Credit Examination Office of Internal Audit Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>April 2016: General Manager (Special Assignment) of Internal Audit Division of Mitsubishi UFJ Financial Group and General Manager of Credit Examination Office of Internal Audit Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>September 2016: General Manager of Legal Division of Mitsubishi UFJ Financial Group and General Manager of Legal Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2019: Senior Advisor of the Company</p> <p>June 2019: Representative Director, Executive Vice President & CFO of the Company</p> <p>July 2019: Representative Director, Executive Vice President, CFO and Division Director of Finance & Accounting Division of the Company (current position)</p>	Common shares: 30,356
<p><Reason for the nomination></p> <p>Mr. Koji Tarutani has served as General Manager (Special Assignment) of Internal Audit Division and General Manager of Legal Division of Mitsubishi UFJ Financial Group, after serving as General Manager of Credit Examination Office of Internal Audit Division and General Manager of Legal Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Company has determined that by leveraging his extensive knowledge in finance and risk management as a Director, he is qualified to contribute to the growth of the Company and improve its corporate value, and has renominated him as a candidate for Director.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
3	Tsunenori Kazama (February 28, 1951)	<p>April 1976: Joined the Company</p> <p>September 2005: Project Manager for RGX6 Team of the Company</p> <p>March 2014: Project Sponsor for Jangkrick FPU Project of the Company</p> <p>September 2016: Project Sponsor for Yamal LNG Project of the Company</p> <p>May 2018: Project Director for Tangguh LNG Project of the Company</p> <p>January 2019: Strategic Project Development Department, Energy Project Operations Division of the Company</p> <p>June 2019: Director of the Company (current position)</p>	Common shares: 14,806
<p><Reason for the nomination></p> <p>Mr. Tsunenori Kazama has overseen various projects of the Company as a leader while having served as Project Sponsor for Jangkrick FPU Project and Yamal LNG Project, and Project Director for Tangguh LNG Project. The Company has determined that by leveraging his abundant track record in management and execution of projects and his global professional knowledge as a Director, he is qualified to contribute to the growth of the Company and improve its corporate value, and has renominated him as a candidate for Director.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
4	Aiichiro Matsunaga (March 14, 1963)	<p>April 1986: Joined Mitsubishi Corporation</p> <p>May 2013: General Manager of Power Systems International Dept., New Energy & Power Generation Division of Mitsubishi Corporation</p> <p>April 2014: President of Mitsubishi Corporation do Brasil S.A., Sao Paulo, and Deputy Regional CEO of Latin America and the Caribbean of Mitsubishi Corporation</p> <p>April 2017: Senior Vice President of Mitsubishi Corporation, Regional CEO of Latin America and the Caribbean, Sao Paulo, and President of Mitsubishi Corporation do Brasil S.A.</p> <p>April 2018: Senior Vice President, Regional CEO of Latin America and the Caribbean of Mitsubishi Corporation, and President of Mitsubishi Corporation do Brasil S.A.</p> <p>April 2019: Executive Vice President, Group CEO of Industrial Infrastructure Group of Mitsubishi Corporation (current position)</p> <p>June 2019: Director of the Company (current position)</p>	Common shares: 0
<p><Reason for the nomination></p> <p>Mr. Aiichiro Matsunaga has, after joining Mitsubishi Corporation, served as General Manager of Power Systems International Dept., New Energy & Power Generation Division of Mitsubishi Corporation, and President of Mitsubishi Corporation do Brasil S.A., thus he is versed in a range of business areas including infrastructure, power generation and new energy. Currently, he also serves as Executive Vice President, Group CEO of Industrial Infrastructure Group of Mitsubishi Corporation. The Company has determined that by leveraging his experience and knowledge in global management in general, he is qualified to contribute to the growth of the Company and improve its corporate value, and has renominated him as a candidate for Director.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
5	Nobuo Tanaka (March 3, 1950)	<p>April 1973: Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>October 1991: Director of Directorate for Science, Technology and Engineering of Organisation for Economic Co-operation and Development (OECD)</p> <p>June 1995: Director, Industrial Finance Division of Industrial Policy Bureau of Ministry of International Trade and Industry</p> <p>June 1998: Minister of Embassy of Japan in the United States of America, Ministry of Foreign Affairs of Japan</p> <p>June 2000: Vice President of Research Institute of Economy, Trade and Industry</p> <p>January 2002: Director-General, Multilateral Trade System Department of Trade Policy Bureau of Ministry of Economy, Trade and Industry</p> <p>July 2004: Director of Directorate for Science, Technology and Industry of OECD</p> <p>September 2007: Executive Director of International Energy Agency</p> <p>June 2012: Outside Audit & Supervisory Board Member of TEIJIN LIMITED</p> <p>June 2013: Outside Audit & Supervisory Board Member of INNOTECH CORPORATION (current position)</p> <p>April 2015: President of The Sasakawa Peace Foundation</p> <p>June 2015: Outside Director of the Company (current position)</p> <p>December 2016: Chairman of The Sasakawa Peace Foundation</p>	Common shares: 0
<p><Reasons for appointment and role expectations></p> <p>Although Mr. Nobuo Tanaka does not have direct experience in corporate management, he has supervised the management of the Company from an objective and expert perspective by drawing on his abundant experience in the energy field nurtured through his assignment as Executive Director of the International Energy Agency, and his knowledge from a global perspective. The Company has therefore renominated him as a candidate for Outside Director, expecting him to play a similar role in the future.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
*6	Masakazu Sakakida (November 11, 1958)	<p>April 1981: Joined Mitsubishi Corporation (Heavy Machinery Dept.)</p> <p>February 2001: Mitsubishi International Corporation, New York, U.S.A.</p> <p>April 2006: General Manager, Plant & Heavy Machinery Unit, Plant & Industrial Machinery Business Division of Mitsubishi Corporation</p> <p>April 2012: General Manager for Group Strategy Planning, Machinery Group CEO Office, and Group CIO, Machinery Group of Mitsubishi Corporation</p> <p>April 2013: Senior Vice President, Chairman & Managing Director, Mitsubishi Corporation India Private Ltd., and Deputy Regional CEO, Asia & Oceania (South Asia) (New Delhi)</p> <p>April 2017: Executive Vice President, Corporate Functional Officer, Chief Compliance Officer and Officer for Emergency Crisis Management Headquarters of Mitsubishi Corporation</p> <p>June 2017: Representative Director, Executive Vice President, Corporate Functional Officer, Chief Compliance Officer and Officer, Emergency Crisis Management Headquarters of Mitsubishi Corporation</p> <p>April 2021: Director of Mitsubishi Corporation (current position)</p>	Common shares: 0
	<p><Reason for the nomination></p> <p>Mr. Masakazu Sakakida has served in roles including General Manager, Plant & Heavy Machinery Unit, Plant & Industrial Machinery Business Division of Mitsubishi Corporation, General Manager for Group Strategy Planning, Machinery Group CEO Office, and Corporate Functional Officer, and is well versed in project management. The Company has determined that he is qualified to contribute to improving the corporate value of the Company by leveraging his abundant overseas knowledge and extensive track record in management, and has nominated him as a candidate for Director.</p>		

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
*7	Masao Ishikawa (August 21, 1956)	<p>April 1980: Joined the Company</p> <p>April 2011: General Manager, Gas LNG Process Engineering Department of the Company</p> <p>April 2013: Vice President and Deputy Division Director, Technology & Engineering Division of the Company</p> <p>April 2015: Senior Vice President and Division Director, Technology & Engineering Division of the Company</p> <p>April 2020: Executive Vice President and Division Director, Technology & Engineering Division of the Company</p> <p>April 2021: Senior Advisor of the Company (current position)</p>	Common shares: 67,763
<p><Reason for the nomination></p> <p>Mr. Masao Ishikawa has served as General Manager, Gas LNG Process Engineering Department and Division Director of Technology & Engineering Division, and was appointed as Senior Vice President of the Company in April 2015 and Managing Executive Officer of the Company in April 2020, where he has overseen a range of projects as the head of the Technology & Engineering Division. The Company has determined that by leveraging his expertise and global experience as a Director, he is qualified to contribute to the growth of the Company and improve its corporate value, and has nominated him as a candidate for Director.</p>			

No.	Name (date of birth)	Brief career history, positions, responsibilities, and significant concurrent positions	Class and number of shares of the Company held
*8	Ryo Matsukawa (February 23, 1955)	<p>April 1979: Joined Tokyo Shibaura Electric Co., Ltd (currently Toshiba Corporation)</p> <p>April 2007: General Manager, Technology Management Div., Toshiba Corporation Power Systems Company</p> <p>January 2011: General Manager, Fuchu Complex, Toshiba Corporation</p> <p>June 2013: Executive Quality Leader, Toshiba Corporation Power Systems Company</p> <p>June 2014: Representative Director, President and Chief Executive Officer, Toshiba Plant Systems & Services Corporation</p>	Common shares: 10,000
<p><Reasons for appointment and role expectations></p> <p>The Company has determined that Mr. Ryo Matsukawa will draw upon his wealth of knowledge in the energy industry and his experience of having served as President and Chief Executive Officer of Toshiba Plant Systems & Services Corporation to supervise the management of the Company from an objective and expert perspective, and have nominated him as a candidate for Outside Director.</p>			

- (Notes)
1. Asterisks (*) indicate new nominees for the position of Director who are not Audit and Supervisory Committee members.
 2. No conflict of interest exists between the Company and the above candidates. The Company will carefully handle instances of conflict in individual transactions, should such conflicts occur in the future.
 3. Number of shares of the Company held by each candidate includes ownership interest held through the Directors Holding Association (less than one share being rounded down).
 4. The company has registered Mr. Nobuo Tanaka as an independent officer based on the provisions stipulated by the Tokyo Stock Exchange, Inc. and the Independence Standards for Outside Directors set forth by the Company (refer to page 32). The company intends to continue his designation as an independent officer in the event that his election is approved. There is no business relationship between the Company and INNOTECH CORPORATION, where he serves as an outside audit & supervisory board member.
 5. The Company will register Mr. Ryo Matsukawa as an independent officer in the event that his election is approved based on the provisions stipulated by the Tokyo Stock Exchange, Inc. and the Independence Standards for Outside Directors set forth by the Company (refer to page 32).
 6. Mr. Nobuo Tanaka currently serves as an Outside Director of the Company, and his term of office as Outside Director will be 6 years at the closing of this Ordinary General Meeting of Shareholders.
 7. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Tsunenori Kazama, Mr. Aiichiro Matsunaga and Mr. Nobuo Tanaka to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. The maximum liability amount under these contracts is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act, and in the event that each of their re-election is approved, the Company intends to continue these contracts with them.
 8. In the event that Mr. Masao Ishikawa and Mr. Ryo Matsukawa are elected and both become non-executive directors, the Company intends to conclude contracts with them in accordance with Article 427, Paragraph 1 of the Companies Act that would limit the liability for damages stipulated in Article 423, Paragraph 1 of the Act, to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act.
 9. Chiyoda has entered into a contract with an insurance company for directors and officers liability insurance as provided in Article 430-3, Paragraph 1 of the Companies Act. If the insureds, including the Company's Directors, are liable for damages arising from their work, the damages will be covered by the insurance policy (except under circumstances excluded under the insurance policy). In the event that a candidate is elected as Director and assumes office, he or she will be insured under the insurance policy. Further, the insurance policy is expected to be renewed with the same content at the next renewal.
 10. COO: Chief Operating Officer
CSO: Chief Sustainability Officer
CFO: Chief Financial Officer
CEO: Chief Executive Officer
CIO: Chief Information Officer

Proposal 4: Appointment of one Director who is an Audit and Supervisory Committee Member

Mr. Takahiro Kitamoto, a Director who is an Audit and Supervisory Committee Member, will resign at the close of this General Meeting of Shareholders.
Therefore the Company proposes to elect one new Director who is an Audit and Supervisory Committee Member.
The Audit and Supervisory Committee has agreed to the submission of this proposal.
The table below lists the nominees for those positions.

[List of nominees]

Name		Positions and responsibilities within the Company	Number of years in office as a Director who is an Audit and Supervisory Committee Member (at the closing of this General Meeting of Shareholders)
Shingo Torii	New nominee	Senior Advisor of the Company	—

Name (date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held
* Shingo Torii (3 June 1967)	<p>April 1990: Joined Mitsubishi Corporation</p> <p>June 2012: General Manager, Corporate Accounting Department, Metal One Corporation</p> <p>April 2016: General Manager, Administration Dept., Chemicals Group, Mitsubishi Corporation</p> <p>April 2019: General Manager, Industrial Materials and Petroleum & Chemicals Administration Dept., Mitsubishi Corporation</p> <p>April 2021: Senior Advisor of the Company (current position)</p>	Common shares: 0

<Reason for the nomination>

Mr. Shingo Torii has extensive knowledge of risk management, finance and accounting after serving as the General Manager, Corporate Accounting Department of Metal One Corporation, and General Manager, Administration Dept., Chemicals Group and General Manager, Industrial Materials and Petroleum & Chemicals Administration Dept. of Mitsubishi Corporation. The Company has determined that he will contribute to enhancing the soundness of the management base of the Company through audits from a professional and management perspective, and has nominated him as candidate for Director who is an Audit and Supervisory Committee Member.

- (Notes)
1. Asterisks (*) indicate new nominees for the position of Director.
 2. No conflict of interest exists between the Company and the above candidate. The Company will carefully handle instances of conflict in individual transactions, should such conflicts occur in the future.
 3. In the event that Mr. Shingo Torii is elected, the Company intends to conclude a contract with him in accordance with Article 427, Paragraph 1 of the Companies Act that would limit the liability for damages stipulated in Article 423, Paragraph 1 of the Act, to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act.
 - 4 The Company has concluded a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers loss or damage incurred by the insured, including the Company's Directors, in the event that they are held liable for damages arising out of their duties (except for those that fall under exemptions prescribed in the insurance policy). In the event that Mr. Shingo Torii is elected as Director and assumes office he will be insured under the insurance policy. Further, the insurance policy is expected to be renewed with the same content at the next renewal.

[Reference] Independence Standards

To achieve appropriate decision making and management oversight by the Board of Directors from a variety of perspectives, the Company appoints Outside Directors from among highly insightful persons who possess an objective and professional perspective (persons who fulfill the requirements set forth in Article 2, Item 15 of the Companies Act). The Company bases the independence of Outside Directors on the factors determining independence set forth by Tokyo Stock Exchange, Inc. and deems an Outside Director to be independent if none of the following items are applicable.

1. Major Client or Supplier

- (1) A party for whom the Company is a major client or supplier (Note 1) or an executive thereof
- (2) A party that is the Company's major client or supplier (Note 2) or an executive thereof

2. Experts

Consultants, accountants, lawyers and persons affiliated with such organizations who receive annual compensation of 10 million yen or more in cash or other assets from the Company, other than compensation for directors and audit & supervisory board members

3. Major Shareholders

Major shareholders of the Company (a party holding 10% or more direct or indirect voting rights) or an executive thereof

4. Donation Recipients

Recipients to whom the Company donates in excess of an annual 10 million yen or an executive thereof

5. Historical Requirements

A party to whom any of 1. to 4. above applies in the past 10 years

6. Close Relatives

Spouse or relative within second degree of kinship of the following persons:

- (1) A party to whom any of 1. to 5. above applies
- (2) A Director, Executive Officer or other core employee of the Company or its subsidiary (Note 3)

- 7. Any party other than the above in special circumstances that do not allow said party to fulfill duties as an independent Director, including the existence of conflict of interest with the Company

The Company's Board of Directors will make efforts to nominate as candidates for the position of Independent Director persons who can be expected to contribute to frank, lively and constructive deliberations at the Board of Directors in accordance with these standards.

- (Notes) 1. "A party for whom the Company is a major client or supplier" refers to a party who received payment equivalent to 2% of said party's annual consolidated net sales or payment of 100 million yen or more, whichever is the higher of the two, in the most recent fiscal year.
2. "A party that is the Company's major client or supplier" refers to a party whose transactions with the Company were equivalent to 2% or more of the Company's annual consolidated net sales in the most recent fiscal year, or a party who provided loans to the Company equivalent to 2% or more of the Company's consolidated total assets in the most recent fiscal year.
3. "Core employee" refers to Division Director or superior.

Reference: Skills and experience of directors and audit and supervisory committee members (to be appointed) after this Ordinary General Meeting of Shareholders and Board of Directors meeting.

Name	Position and title (to be appointed) after this Ordinary General Meeting of Shareholders and Board of Directors meeting	Gender	Skills and experience				
			Management	Finance and accounting	Legal and compliance	Overseas experience	Project experience, technical expertise
Masakazu Sakakida	Representative Director, Chairman of the Board, CEO and CWO	Male	✓		✓	✓	✓
Masaji Santo	Representative Director, President, COO and CSO	Male	✓			✓	✓
Koji Tarutani	Representative Director, Executive Vice President, CFO	Male	✓	✓	✓	✓	
Tsunenori Kazama	Director	Male				✓	✓
Masao Ishikawa	Director	Male				✓	✓
Aiichiro Matsunaga	Director	Male	✓			✓	✓
Nobuo Tanaka	Outside Director	Male				✓	✓
Ryo Matsukawa	Outside Director	Male	✓		✓		✓
Shingo Torii	Director (Full-Time Audit and Supervisory Committee Member)	Male		✓	✓		
Mika Narahashi	Outside Director (Director who is Audit and Supervisory Committee Member)	Female			✓		
Hisashi Ito	Outside Director (Director who is Audit and Supervisory Committee Member)	Male	✓	✓		✓	✓

Proposal 5: Revision of Director's Compensation System

At the Ordinary General Meeting of Shareholders of the Company held on June 23, 2016, as to the amount of the compensation for our Directors who are not Audit and Supervisory Committee Members, it was approved, respectively, that (a) we would pay the base compensation linked to their job responsibilities up to the limit of 300 million yen per year, (b) taking into consideration certain quantitative factors such as the level of the current net profit and dividends attributable to the parent's shareholders as well as certain qualitative factors such as the actual achievement of our management goals, we would manage the performance-based compensation linked to individual performance evaluation each year within the combined limit of (i) 200 million yen per year, and (ii) 1 % of the current net profit attributable to the parent's shareholder, and (c) we would pay the compensation for acquiring treasury shares linked to the long-term improvement of our business performance up to the limit of 90 million yen per year; and further that, as to amount of the compensation for our Directors who are Audit and Supervisory Committee Members, we would pay the base compensation linked to their job responsibilities up to the limit of 84 million yen per year (hereinafter in this proposal collectively referred to as the "Current Compensation Plan"). We have reviewed the Current Compensation Plan and solicit your approval of the new compensation plan (hereinafter referred to as the "Plan"). We are introducing the Plan to improve medium-to-long term business performance and to heighten the mindset of contributing to the enhancement of corporate value, and we believe that the Plan is reasonable.

1. Amendment of Cap on Compensation for Directors

As regards the newly proposed compensation plan for Directors who are not Audit and Supervisory Committee Members, with respect to the base compensation under the Current Compensation Plan, in addition to the fixed compensation linked to job responsibilities, individual performance will be reflected partially in the base compensation, and the compensation for acquiring treasury shares will be changed to performance-based stock compensation. (We will describe the performance-based stock compensation in more detail in the next section.)

The new compensation plan consists of the following categories. Only fixed compensation will be paid to outside directors.

* Underlined portions indicate amendments from the current compensation plan.

Position	Category (Title)	Viewpoint	Amount
Directors who are not Audit and Supervisory Committee Members	Base compensation	Linked to job responsibilities <u>and individual performance evaluation each year</u>	
	Performance-based compensation	<u>Lined to the result of each year with reference to certain quantitative factors such as the level of the current net profit and dividends attributable to the parent's shareholders</u>	<u>Up to 290 million yen per year (sub-limit for outside directors being 30 million yen per year)</u>
	<u>Performance-based stock compensation</u>	<u>Linked to medium-to-long term business performance improvement</u>	<ul style="list-style-type: none"> • <u>The maximum cash we contribute is 70 million yen or less per year</u> • <u>The maximum number of shares to be delivered to directors and the shares the proceeds of which will be paid to directors will be 240,000 shares or less per year.</u> <p>* <u>The initial eligible period is three fiscal years from the year that ends on March 31, 2022 to the year that ends on March 31, 2024.</u></p>

Audit and Supervisory Committee Members	Base compensation	Linked to job responsibilities	<u>60 million</u> yen or less per year
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There are currently seven Directors who are not Audit and Supervisory Committee Members (including two outside directors), and three Directors who are Audit and Supervisory Committee Members. If Proposal 3 “Appointment of eight Directors who are not Audit and Supervisory Committee Members” and Proposal 4 “Appointment of one Director who is an Audit and Supervisory Committee Member” are approved as proposed, there will be eight Directors who are not Audit and Supervisory Committee Members (including two outside directors), and three Directors who are Audit and Supervisory Committee Members.

2. Introduction of performance-based stock compensation for eligible directors

We wish to propose to newly introduce the stock compensation plan (hereinafter referred to as the “Stock Compensation Plan”) under which our shares will be delivered as compensation to our directors who are eligible (hereinafter in this proposal excluding non-executive directors and non-residents of Japan).

Subject to the approval of this Proposal, we will no longer pay compensation for acquiring treasury shares.

(1) Overview of the Stock Compensation Plan

Under the Stock Compensation Plan, Chiyoda shares will be acquired by a trust or trusts using the cash entrusted by us that represents compensation for our directors, and it is planned to deliver or pay (hereinafter referred to as “Deliver” or the “Delivery”) Chiyoda shares corresponding to certain points granted to the directors depending on, among others, their positions and actual achievement of given performance goals, or cash equivalent to the proceeds of the sales of Chiyoda shares (hereinafter referred to as “Chiyoda Shares & Benefits”). (see Section (2) below and following sections for more details)

1) Persons eligible for Delivery of Chiyoda Shares & Benefits intended by this Proposal	Chiyoda directors (excluding non-executive directors and non-residents of Japan)
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2) How Chiyoda shares intended by this Proposal affects the total issued and outstanding shares	
The maximum cash we contribute to acquire Chiyoda shares for the Delivery to the directors (as described in Section (2) below)	<ul style="list-style-type: none"> • 70 million yen or less per year (Maximum amount for the initial three business years that represent the initial eligible period is 210 million yen)

	<p>(The initial eligible period is three fiscal years from the year that ends on March 31, 2022 to the year that ends on March 31, 2024.)</p> <p>* If the Trust is extended, the amount obtained by multiplying 70 million yen by the number of years of the new eligible period.</p> <p>(The the new eligible period is equal to the number of years corresponding to the mid-term management plan as of the decision to continue this Stock Compensation Plan)</p>
<p>Method to acquire Chiyoda shares (as described in Section (2) below) and maximum number of Chiyoda shares to be Delivered to the directors (as described in Section (3) below)</p>	<ul style="list-style-type: none"> • 240,000 shares or less per year (Maximum number of delivered shares of the total number of Chiyoda Shares & Benefits to be Delivered to the directors for three fiscal years that comprise the initial eligible period is 720,000 shares) • The percentage of the average number per fiscal year of maximum number of delivered shares described above, or 240,000 shares, against Chiyoda shares that are issued and outstanding (as of march 31, 2021 after deduction of treasury shares) is approximately 0.06%. • Chiyoda shares covered by the Stock Compensation Plan will be acquired from the market or Chiyoda (disposition of treasury shares). <p>* If the Trust is extended, the amount obtained by multiplying 240,000 shares by the number of the years included in the new eligible period</p> <p>(The the new eligible period is equal to the number of years corresponding to the mid-term management plan as of the decision to continue this Stock Compensation Plan)</p>

3) Conditions to evaluate achievement of performance (as described in Section (3) below)	<ul style="list-style-type: none"> • These conditions vary depending on actual achievement of given performance goals, and as the indicators used to evaluate the achievement, the current net profit attributable to the parent's shareholders and other factors are used.
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4) Timing of Delivery of Chiyoda Shares & Benefits to directors (as described in Section (4) below)	<p>In principal, upon their retirement.</p> <p>However, the directors must continue to hold Chiyoda shares acquired through the Stock Compensation Plan until one year has elapsed from their retirement.</p>
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(2) The maximum cash Chiyoda contributes

The Stock Compensation Plan covers three continuous fiscal years (initial period comprises three fiscal years from the fiscal year ending March 31, 2022 and to the fiscal year ending March 31, 2024)(the period covered by the Stock Compensation Plan hereinafter referred to as the "Eligible Period.").

With respect to the Eligible Period, we will contribute the trust money in the amount obtained by multiplying 70 million yen by the number of years of such Eligible Period (or 210 million yen for three fiscal years that comprise the initial Eligible Period.), and will create a trust (hereinafter referred to as the "Trust") covering the period equivalent to the Eligible Period designating the directors who satisfy the beneficiary requirements as the beneficiaries. The Trust will acquire Chiyoda shares either on the market or from Chiyoda (disposition of treasury shares) using the cash entrusted as instructed by the trust administrator. During the Eligible Period, we will grant certain points for the directors (as described in (4) below). After the directors retire (or after their death in case of their death, hereinafter the same), we will effect the Delivery of the Chiyoda Shares & Benefits that correspond to the cumulative points granted (hereinafter referred to as the "Cumulative Points").

Upon expiration of the trust period of the Trust, we may extend the Trust by modifying the trust agreement or making additional contribution to the trust in lieu of creating a new trust. In such case, the number of years covered by the medium-term management plan then in effect will become the new Eligible Period, and the trust period will be extended coterminous with such new Eligible Period. For each trust period so extended, we will provide additional contributions to the extent of the amount obtained by multiplying 70 million yen by the number of years of such new Eligible Period. However, in making such additional contribution, if there still remains within the trust property any Chiyoda share (excluding any Chiyoda Shares & Benefits corresponding to the points granted to the directors that are not fully Delivered yet) and cash money as of the last day of the trust

period that precedes the extended period (hereinafter referred to as the “Residual Shares & Benefits”), the maximum cash Chiyoda contributes must be less than the amount obtained by multiplying 70 million yen, representing the sum of the Residual Shares & Benefits and the trust money we contribute additionally, by the number of years of such new Eligible Period. In addition, if we neither change the trust agreement nor make additional contribution upon expiration of the trust period of each Trust, and there are any directors in office who can satisfy the beneficiary requirements, no points will be granted to the directors thereafter. However, we may extend the trust period of the relevant Trust until such directors retire and the Delivery of the Chiyoda Shares & Benefits to such directors is fully completed.

- (3) How the number of Chiyoda Shares & Benefits Delivered to Directors is calculated and its limit

The number of Chiyoda Shares & Benefits Delivered to directors will be determined by the points granted to them each year at a certain timing depending on, among others, their positions and actual achievement of given performance goals.

One point represents one Chiyoda common share, and if Chiyoda shares held by the Trust increase or decrease during the trust period due, among others, to share split or share consolidation, we will adjust the number of Chiyoda shares to be Delivered in line with the applicable split ratio or consolidation ratio.

The maximum number of points to be granted to directors during the trust period of the Trust will be the number obtained by multiplying 240,000 points by the number of years of the Eligible Period. The maximum number of Chiyoda Shares & Benefits that can be Delivered to the directors from the Trust during trust period of the Trust will be the number of shares that corresponds to such maximum points (hereinafter referred to as the “Maximum Number of Delivered Shares”). Accordingly, the applicable Maximum Number of Delivered Shares during the initial Eligible Period covering three fiscal years will be 720,000 shares (if one point represents one Chiyoda share). The Maximum Number of Delivered Shares is determined with reference to the fluctuation of share price with due regard to the maximum amount of cash to be contributed by us as described in Section (2) above. If the Trust is extended pursuant to Section (2) above, the Maximum Number of Delivered Shares during the trust period so extended will be the number of shares that corresponds to the points obtained by multiplying 240,000 points by the number of years of the new Eligible Period.

- (4) How Chiyoda Shares & Benefits are Delivered to the Directors & Officers and its Timing

When directors who satisfy the beneficiary requirements retires from their position as a director, the Trust will deliver to them the number of Chiyoda shares that corresponds to their current Cumulative Points. At this time, such directors will receive the number of Chiyoda shares that corresponds to certain percentage of the Cumulative Points (with any fraction of a share unit rounded up), and Chiyoda shares corresponding to any remaining points will be converted into cash in the Trust and they will receive the money in the amount equivalent to the proceeds of the conversion.

Chiyoda shares acquired through the Stock Compensation Plan must be continuously held for until one year has elapsed from the retirement.

(5) Clawback and Other Systems

If any material impropriety or violation occurs on the part of eligible directors, we will be entitled to forfeit their beneficiary right to the shares scheduled to be delivered to them under the Stock Compensation Plan (malus), or demand the refund of cash equivalent to value the shares or other benefits that have already been delivered (clawback).

(6) Voting rights regarding Chiyoda shares held by the Trust

The voting rights attached to Chiyoda shares held by the Trust will not be exercised during the trust period to ensure the neutrality of management.

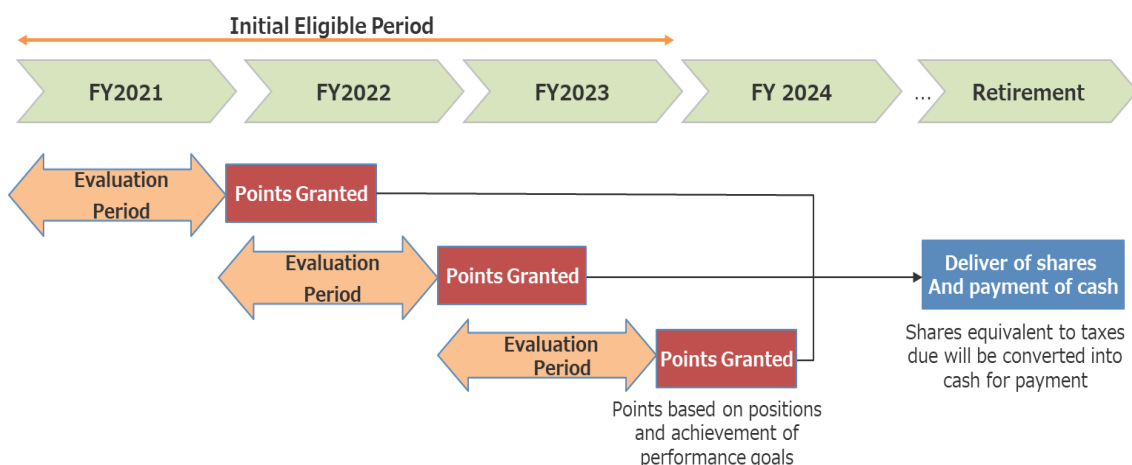
(7) Other details of the Stock Compensation Plan

Other details regarding the Stock Compensation Plan will be determined by the Board of Directors whenever the Trust is created, the trust agreement is changed or additional contribution to the Trust is made.

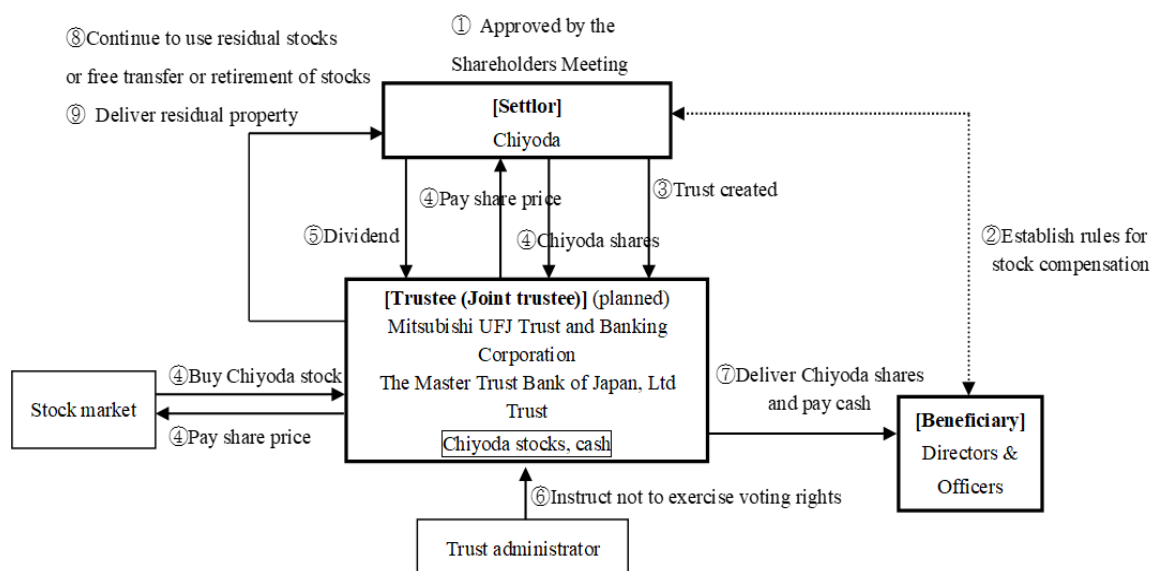
Other than as provided above, executive officers who are under contract with us (excluding non-residents of Japan, hereinafter referred to as “Executive Officers”) will be covered by the Stock Compensation Plan. We will contribute to the Trust the trust money for the acquisition of Chiyoda Shares & Benefits to be Delivered to Executive Officers. In the Trust, in addition to Chiyoda shares to be Delivered to directors, Chiyoda shares to be Delivered to Executive Officers will be managed by segregating the relevant accounts.

(for reference purpose) Overview of performance-based stock compensation

[Delivery of Shares Illustrated]



[Structure of the Trust] (partially extracted from the Timely Disclosure dated May 7, 2021 entitled “Notice Concerning the Introduction of Performance-Based Stock Compensation Plan”)



- 1) We will obtain the approval at the General Meeting of Shareholders for the introduction of the Plan.
- 2) The Board of Directors will establish the rules for the delivery of the shares for the Plan.
- 3) We will create a trust (Trust) to which we entrust cash to the extent approved at the General Meeting of Shareholders described in 1) above, and eligible directors and Executive Officers who satisfy certain beneficiary requirements (hereinafter referred to as “Directors & Officers”) will be the beneficiaries.
- 4) The Trust will acquire Chiyoda shares either on the market or from Chiyoda (disposition of treasury shares) using the cash entrusted as described in 3) above as instructed by the trust administrator.

The number of shares to be acquired by the Trust will be subject to the limit approved by the General Meeting of Shareholders described in 1) above.

- 5) Dividends will accrue on Chiyoda shares held by the Trust as on any other Chiyoda shares.
- 6) No voting rights will be exercised for the Chiyoda shares held by the Trust throughout the trust period.
- 7) During the trust period, certain points will be granted to the Directors & Officers each year at a certain timing depending on, among others, their positions and actual achievement of given performance goals in accordance with our stock compensation plan. In addition, if the Directors & Officers satisfy certain requirements for beneficiaries, they will receive Chiyoda shares corresponding to a certain percentage of the granted points, and, if any points remain

unused, such points will be converted into cash pursuant to the applicable provision of the trust agreement, and they will receive money in the amount equivalent to the proceeds of the conversion.

- 8) If any shares remain unclaimed upon expiration of the trust period due to reasons including the failure to achieve goals, we will extend the Trust under the Plan or under a new compensation plan similar to the Plan by changing the trust agreement or creating an additional trust, or such remaining shares will be assigned by the Trust to us free of charge, and, after acquiring the same free of charge, we will retire them by a resolution of the Board of Directors.
- 9) Upon termination of the Trust, the residual property that remains after distribution to the beneficiaries will be vested in us within the limit of the trust expense reserve that consists of the trust money less the stock acquisition fund. In addition, we intend to donate any money in excess of the trust expense reserve to organizations in which neither we nor the Directors & Officers have any interests.