



CHIYODA CORPORATION

CSR

Group CSR Report 2011

Fiscal Year Ended March 31, 2011

# Corporate Profile

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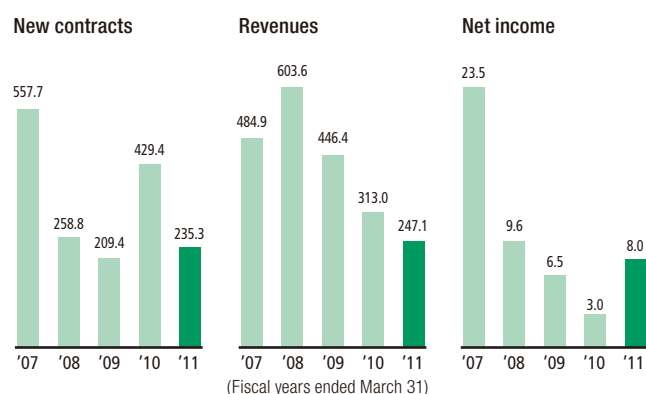
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Chiyoda Corporation is an integrated engineering company primarily engaged in the design and construction of plants and facilities in Japan and around the world. The Chiyoda Group strives to contribute to the sustainable development of society while promoting harmony between energy and the environment.

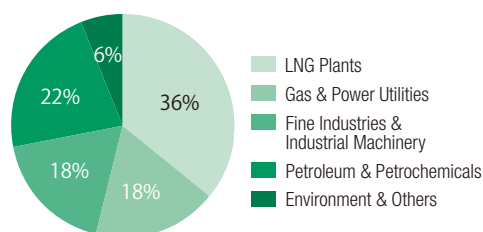
(As of March 31, 2011)

<b>Name:</b>	Chiyoda Corporation
<b>Address:</b>	12-1, Tsurumichuo 2-chome, Tsurumi-ku, Yokohama 230-8601, Japan
<b>Main Offices:</b>	Yokohama Head Office (Tsurumi-ku, Yokohama, Japan) Koyasu Office & Research Park (Kanagawa-ku, Yokohama, Japan) Kawasaki Office (Saiwai-ku, Kawasaki, Japan)
<b>Paid-in Capital:</b>	¥43,396 million
<b>Main Business Fields:</b>	Consulting, planning, engineering, procurement, construction, commissioning (test operation), consulting and training for operation and maintenance, research and development, technology services, and project management for plants and facilities in fields including energy, chemicals, pharmaceuticals, biotechnology and the environment
<b>Number of Group Companies:</b>	Domestic: 9 Overseas: 12
<b>Number of Group Employees:</b>	4,104
<b>URL:</b>	<a href="http://www.chiyoda-corp.com/en/">http://www.chiyoda-corp.com/en/</a>

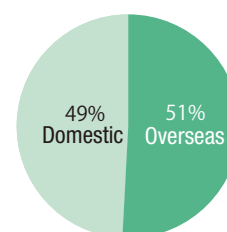
### Consolidated Financial Highlights (Billions of yen)



### Revenues by Industry (Fiscal year ended March 31, 2011)



### Revenues by Region (Fiscal year ended March 31, 2011)



# Editorial Policy

The Chiyoda Group reports its CSR activities on its website and in the CSR Report.

## Differentiation of Website and Report Content

The diagram at the right shows the differentiation of the content reported on the website and the CSR Report. We have reorganized our website to present basic CSR information and activities for each CSR Vision rather than each stakeholder group to facilitate the understanding of visitors to the site.



## Composition of the CSR Report

The CSR Report focuses on the highlights of activities in the fiscal year ended March 31, 2011.

This year, in addition to the corporate profile, a discussion of the Chiyoda Group's CSR activities between President Kubota and Link and Motivation Inc. President Ozasa, and presentation of activities according to CSR Vision, we are highlighting the CSR activities of the Chiyoda Group overseas.

## Scope of the Report

The report encompasses the CSR activities of 22 Chiyoda Group companies (Chiyoda Corporation and 21 consolidated subsidiaries and companies accounted for using the equity method), unless otherwise specified.

## Applicable Period and Date of Publication

Applicable Period: Fiscal year ended March 31, 2011  
(April 1, 2010 to March 31, 2011)

Date of Publication: August 2011

## Guidelines

This report is prepared with reference to the Global Reporting Initiative's (GRI) new Guidelines (G3) and the Reporting Guidelines (2007 Version) of the Ministry of the Environment in Japan.

## “Commitment to CSR” on Our Website

The “Commitment to CSR” section of our website includes full details of the Chiyoda Group's CSR activities, including initiatives outside the scope of the report as well as environmental data and other information.



We also carry the booklet *Legacy for the 21st Century*, which can be called the DNA of the Chiyoda Group, back issues of the CSR Report and other publications.

<http://www.chiyoda-corp.com/csr/en/>



## Contact Us

As we would like to reflect your opinions and thoughts in our future activities, please go to the “Contact Us” page on our website, select “CSR (Corporate Social Responsibility)” and submit your comments using the form provided.

# A Conversation with President Kubota

A Discussion of the Chiyoda Group's CSR Activities

## The Chiyoda Group's Approach to CSR Is to Put Its Corporate Philosophy into Practice to Achieve a Sustainable Society

President Kubota discusses the Chiyoda Group's corporate social responsibility (CSR) with Yoshihisa Ozasa, a corporate change consultant broadly supported by the business community.

### Takashi Kubota

President & CEO  
Chiyoda Corporation

### Yoshihisa Ozasa

President and Representative Director  
Link and Motivation Inc.

#### Putting the Corporate Philosophy into Practice Is Chiyoda's Approach to CSR

**Ozasa:** Chiyoda conducts CSR by putting its corporate philosophy into practice. Its initiatives have included proactive efforts to address environmental problems since the 1970s, quite some time before the term CSR came into popular use.

**Kubota:** Chiyoda's predecessor was the construction unit of Mitsubishi Oil Co., Ltd. (currently, JX Nippon Oil & Energy Corporation). After nearly all of the Pacific coastal oil refineries were destroyed during the Second World War, the said construction unit of Mitsubishi Oil was reorganized as an independent engineering company, namely Chiyoda, with a view to sustaining the technical resources and expertise necessary for the post-war reconstruction of Japan. When Chiyoda was established in 1948, its corporate philosophy was to serve society through technology. We contributed to the reconstruction of post-war Japan by putting our engineering capabilities to work in creating a system for the stable supply of energy.

The substantial increase in energy demand in Japan during the high-growth period from the 1960s to the early 1970s, when the shift from coal to petroleum energy accelerated, brought environmental degradation into focus. Something had to be done. Under the theme of harmonizing energy and the environment within the context of the Earth's

#### Yoshihisa Ozasa

Born 1961 in Osaka. Entered Recruit Co., Ltd. after graduating from Waseda University. Involved in recruiting and other activities in the personnel department. Left Recruit after serving in positions including general manager of organizational and personnel consulting. Established Link and Motivation Inc. in 2000 with a core technology developed to analyze motivation. The Link and Motivation Group currently encompasses eight companies. Author of numerous published works including the recent *Motteiru Hito ga Motteiru Kyoutsuten* ("What 'The Haves' Have") (Gentosha Inc.)



limited resources, Chiyoda began developing technology that contributes to society in two key areas: (1) desulfurization of petroleum products and flue-gas desulfurization for power plant boilers and other applications and (2) treatment of industrial wastewater discharged from petroleum refineries, petrochemical plants and chemical plants.

## Chiyoda's Corporate DNA

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**Ozasa:** While every company has its own unique DNA, Chiyoda's corporate DNA has been clear since the company was established. Two factors influence corporate DNA: temporal perspective and breadth of vision. Chiyoda has shared common technological interests with its customers for decades, ranging from plant construction to maintenance. This gives Chiyoda a long-term perspective in decision-making and the will to refrain from actions that may be an advantage today but will be a problem for society in the future. Likewise, Chiyoda's breadth of vision extends beyond energy to include the environment. Given this long-term, broad perspective in your corporate DNA, and Chiyoda's commitment to putting its corporate philosophy into practice, you must be unaffected by all this current fuss about CSR.

**Kubota:** Yes. Plants for natural gas and other energy resources require about 10 years to move from resource discovery to plant completion, and then operate for another 30 years or so. All together, that's about half a century. Guaranteeing construction through to performance assurance for a certain period is vital for contributing to the economic development of resource-producing countries, so Chiyoda provides assistance at every stage from construction to operation and maintenance.

**Ozasa:** Looking at various companies, those in businesses that end with the sale of some item tend to emphasize self-interest rather than altruism. Companies that operate in businesses requiring longstanding relationships, however, seem to gain awareness over the course of projects lasting 10, 20 or 30 years that their own benefits truly do come from helping others succeed.

**Kubota:** In other words, win-win relationships. I would

say their value is self evident. Chiyoda's founding philosophy had three emphases: 1) cultivating people; 2) technology and trust; and 3) contributing to communities worldwide. This philosophy has not changed. We pass on a corporate culture that revolves around the utmost importance of communication in putting our philosophy into practice. We bring together a diverse array of technologies and people in long-term projects with a single goal, which makes communication absolutely essential.

**Ozasa:** Which means by extension that communication engineering is important. After all, communication is also something we build up. While my own company differs with Chiyoda in scale, as a manager I see that communication is a structure of posts and beams that facilitate the flow of information much like the flow of blood through the human body. That's why I am always thinking about how to engineer communication.

I'm referring to deep and universal elemental technologies and organizational frameworks constructed over many years, not a superficial notion of information flow. Chiyoda understands the difference between universality and the kind of information that is useful today but useless in a year.

**Kubota:** Exactly. Society may appear to change on its surface, but its roots hardly change at all. Conversely, a fresh look at root issues can be the source of new directions.

## Putting the Corporate Philosophy into Practice through Projects

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**Ozasa:** Chiyoda is contributing significantly to the development of resources and preservation of the environment in Qatar. What are the features and significance of your projects there?

**Kubota:** Some of the world's largest gas fields have been discovered and developed along the coast of Qatar. The Chiyoda Group has been continuously involved in liquefied natural gas (LNG) projects in Qatar for about 20 years, since the early 1990s. Today, Qatar produces 77 million tons of LNG annually, which is about one-third of global LNG production volume. Chiyoda was involved in engineering all of Qatar's LNG production facilities. Doha,



the capital of Qatar, now has a wonderful skyline of high-rise buildings, but it was a small fishing village 20 years ago. Development has improved the standard of living for local residents and the city of Doha has bloomed, but a key point was deciding what support was necessary

for the development of the local community. At their peak, the Qatar projects brought together upwards of 75,000 construction workers, and almost all of them were from more than 80 countries besides Qatar. We wanted to leave something with the local community, and therefore created a maintenance and inspection company three and a half years ago, progressively training young engineers from the local community so the company would take root.

Qatar kindly offered to supply an extra 4 million tons of LNG to Japanese electric power companies immediately following the Great East Japan Earthquake. This was the result of the longstanding relationship between Japan and Qatar. It keenly reaffirmed the absolute importance of building trust with the community by determining what the construction of a plant can bring to an area.

Chiyoda has also built numerous LNG receiving terminals in Japan since the 1960s, which has contributed to the stable supply of energy.



An LNG plant in Qatar, one of the world's largest with two trains that are each capable of producing 7.8 million tons of LNG annually  
(Photo courtesy of Qatar Gas Operating Company Limited)

## Reconstruction after the Great East Japan Earthquake

**Ozasa:** I imagine that Chiyoda is required to play a significant role in the restoration and recovery following the Great East Japan Earthquake.

**Kubota:** First of all, we offer our deepest condolences to the victims of the recent earthquake. The Chiyoda Group has more than ten customers with numerous plants in the area from Aomori to the Kanto region that suffered earthquake damage. Immediately after the earthquake, Chiyoda Group engineers called on these companies to conduct diagnostics and relief reconstruction. We have established the Reconstruction Support Task Team and are concurrently proceeding with construction at dozens of locations. Our intent is to deploy the entire Group in order to complete reconstruction as quickly as possible. Longer term, we believe our support for restoration and reconstruction will build “bonds of trust,” and we clearly understand that it is critical to rebuild supply chains in Japan.

**Ozasa:** The earthquake certainly exposed many of the connections of everyday life that people take for granted. Conversely, Chiyoda is naturally aware of these connections because it works with a long-term perspective. The words “bonds of trust” would not come to you if you are not aware of those connections.

Chiyoda has supported Japan's post-war reconstruction and growth, indeed the growth of the global economy.



Japan's first LNG receiving terminal, Tokyo Gas Co., Ltd.'s LNG receiving terminal in Negishi

Naturally, therefore, Chiyoda is involved in reconstruction following the Great East Japan Earthquake.

**Kubota:** Well, we are professionals in the construction, maintenance, inspection and reconstruction of plants and production facilities, and that is how we can contribute best.

### Cultivating Human Resources: Strong Employees Who Contribute to Society

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**Ozasa:** Cultivating human resources is part of Chiyoda's DNA. How does Chiyoda develop its people through projects?

**Kubota:** I worked for eight years in Indonesia beginning in 1987. We were expanding an LNG plant on Kalimantan, and with the first order the Indonesian government requested that we cultivate a local Indonesian engineering company. At the peak of the project, Chiyoda had 40 Japanese engineers involved in areas including engineering, procurement and construction in Jakarta to meet this request. At that time, the local engineering company had 150 employees, but after eight years it had grown to employ 1,500. My experience in Indonesia taught me to share the viewpoint of others and respect them. With such basic thoughts in mind, I managed the site activities, putting the highest priority on safety.

Safety is our core value. It is the basis for building trust with stakeholders, and we repeatedly instill this value in everyone we work with.

**Ozasa:** Chiyoda is currently executing a medium-term management plan that it will complete in the year ending March 2013. Under the theme of "change and creation," Chiyoda is taking on the challenge of entering areas such as new energy. How will Chiyoda cultivate employees to achieve the targets of the plan and the Company's future goals beyond the plan?

**Kubota:** As I mentioned, Chiyoda has embraced human capital as a core component of its corporate philosophy since its founding. I want employees to develop their intellect. Intelligence encompasses wisdom and courage. I want strong, vibrant employees who possess these qualities.

I ask our people to develop the strength and wisdom

needed to understand their customers and colleagues by studying history and classical thought and by communicating with a variety of people. This will give them the capability to make the bold, complex decisions our businesses require. A company composed of strong employees is likewise strong and well able to contribute to a sustainable society, which is Chiyoda's objective.

**Ozasa:** I regularly urge employees of my company to maintain an i-Company\* mindset. All employees need to think of themselves as a company, to put their thoughts to work for the prosperity and development of their company by linking their personal growth with the growth of their company. People who are both independent and committed are hard to find, so we need to cultivate and increase the number of motivated young people who ask themselves how they can contribute.

\* i-Company: a mindset in which people look at themselves as a company, and as a manager growing themselves into an excellent company, eschewing corporate co-dependence in building their own career under their own volition.



### Challenges for the Future

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**Ozasa:** In closing, in this time of intense change, what challenges will the Chiyoda Group take on in the future?

**Kubota:** We intend to constantly build the social infrastructure people require in their daily lives while contributing to social development. The key will be relying on our corporate philosophy to meet the emerging quests of society, focusing our attention and actions on areas in which we can contribute.

**Ozasa:** I see. The depth of the Chiyoda Group's organization will remain unchanged as it accommodates the current trends in its operations. I also realize that the Chiyoda Group's CSR is embodied in its business activities, based on its corporate philosophy. I look forward to your company's continued success.

# The Chiyoda Group's CSR

## Chiyoda Group 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.

## Chiyoda Group CSR Visions

As an integrated engineering company, the Chiyoda Group pledges to contribute to the sustainable development of society through its business activities, and to constantly strive to increase corporate value and earn the trust and understanding of all stakeholders by adhering to the following principles:

### 1. A Reliable Company

We strive to be a reliable company to our customers and other business partners by providing world-class technologies and knowledge.

### 2. Environmental Initiatives

We will work to remain an invaluable company to society by utilizing refined technologies to promote harmony between the global environment and economic and social activities.

### 3. Social Contributions through Business Activities

Through our engineering business in Japan and overseas, we contribute to local communities in ways including human resources development, technology transfer and environmental protection.

### 4. Respect for Human Rights

We are dedicated to respecting the human rights of all people. We will create a corporate culture where the diversity, individuality and character of employees are respected, where people are motivated to do their best, and of which employees and their families are proud.

### 5. Commitment to Fairness

We are dedicated to achieving even greater transparency and stability by conducting our operations fairly in accordance with the highest ethical standards.



The Chiyoda Group corporate philosophy shows the mission that we should fulfill. The CSR Visions are values that all Chiyoda Group members should share in order to achieve this mission. We have also established the Code of Conduct of the Chiyoda Group and the Compliance Manual as guides to rely on when acting according to our mission and values.

Please visit the web pages below to view the Code of Conduct and Compliance Manual.

**Code of Conduct of the Chiyoda Group**

<http://www.chiyoda-corp.com/company/en/policy/behavior.html>

**Chiyoda Group Compliance Manual**

<http://www.chiyoda-corp.com/company/en/policy/compliance.html>

ISO 26000 Core Subjects*	Action Policies	Actions in the Fiscal Year Ended March 31, 2011	Concrete Initiatives
⑥	<ul style="list-style-type: none"> <li>• Provide industrial plants that earn customer trust through engineering of outstanding quality</li> <li>• Share our CSR principles with vendors, subcontractors and other business partners</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives for a stable supply of energy</li> <li>• Contribution to advancing customer-developed technologies to the semi-commercial stage</li> <li>• Provision of high-quality services that conform to world-class management standards</li> </ul>	P. 8
④	<ul style="list-style-type: none"> <li>• Develop and provide environmentally friendly energy and conservation technologies</li> <li>• Conduct business activities that contribute to environmental conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of LNG facilities and environmental preservation facilities to help achieve a low-carbon society</li> <li>• Promotion of business process improvements through ISO 14001 environmental activities</li> <li>• Promotion of activities for biodiversity</li> </ul>	P. 9
⑦	<ul style="list-style-type: none"> <li>• Contribute to society through integrated engineering business activities</li> <li>• Enhance social contribution activities by providing knowledge and labor</li> </ul>	<ul style="list-style-type: none"> <li>• Technology transfer and human resource development through our engineering business</li> <li>• Promotion of regional vitality with social contribution activities in Japan and overseas</li> <li>• Promotion of education for the next generation</li> </ul>	P. 10
② , ③	<ul style="list-style-type: none"> <li>• Create a lively and energetic working environment and help employees develop their talents</li> <li>• Instill in everyone involved that safety is a core value</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of comfortable work environments</li> <li>• Initiatives to raise awareness of safety</li> <li>• Enhancement of support system for foreign engineers</li> </ul>	P. 11
① , ⑤	<ul style="list-style-type: none"> <li>• Conduct business activities based on strict compliance and a high degree of transparency</li> <li>• Conduct a thorough risk management program</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancement of education and training activities</li> <li>• Collaboration with field offices and Group companies (compliance)</li> <li>• Response to revision of the Foreign Exchange and Foreign Trade Act (export control)</li> <li>• Promotion of ISO 27001 acquisition and renewal (information security)</li> </ul>	P. 12

\*The 7 core subjects in the Guidance on Social Responsibility (ISO 26000) developed by the International Organization for Standardization have been incorporated and reflected in Chiyoda's five CSR Visions, which were formulated earlier.



### Initiatives for a Stable Supply of Energy

Japan relies on imports for the majority of its energy supplies. Chiyoda has participated in most national oil stockpiling projects since the Company was established. We also emphasize harmony between energy and the environment by making an effort to introduce clean energy, and have won the trust of many customers through our involvement in the construction of numerous LNG and LPG receiving terminals. We have construction experience in over 60 LNG receiving terminal projects, starting with the Negishi Terminal of Tokyo Gas in 1969.

In April 2011, we completed Phase 2 construction at the LNG receiving terminal for MIZUSHIMA LNG COMPANY, LIMITED with the same high level of construction expertise as we showed in Phase 1. We are currently constructing three large-scale LNG receiving terminals.

Demand for LNG is forecast to increase in the future as a form of clean energy that emits little CO<sub>2</sub>. Chiyoda will continue to put its advanced engineering and construction capabilities to work in building safe, high-quality LNG terminals.



LNG receiving terminal of MIZUSHIMA LNG COMPANY, LIMITED  
(Photo courtesy of MIZUSHIMA LNG COMPANY, LIMITED)

### Collaborating in Advancement of a Customer-Developed Technology

In May 2011, Chiyoda successfully completed the installation of a semicommercial plant at the Mizushima Refinery of JX Nippon Oil & Energy Corporation to demonstrate the high severity fluid catalytic cracking (HS-FCC) process. The construction was part of a project sponsored by the Ministry of Economy, Trade and Industry (METI) to develop innovative, next-generation oil refining technologies.

The HS-FCC process uses a downflow reactor to achieve uniform reaction times by working with gravity. It is a revolutionary technology that enables high-yield production of propylene, high-octane gasoline and other products from heavy oil. Developer JX Nippon Oil & Energy Corporation and others involved have high expectations for this domestically developed oil refining process.

The HS-FCC project started as a technical assistance project of the Japan Cooperation Center, Petroleum (JCCP) in 2000. A small-scale 30-barrel-a-day demonstration plant was constructed in Saudi Arabia by Chiyoda Petrostar Ltd. and operated by JX Nippon Oil & Energy for two years from 2003 with King Fahd University of Petroleum & Minerals and the Saudi Arabian Oil Company. Design of a 3,000 barrel-a-day large-scale semicommercial plant began in 2007 as part of a Japan Petroleum Energy Center technology development project. With the completion of the plant at the Mizushima Refinery, JX Nippon Oil & Energy has begun full-scale trial operation.

Through this project, Chiyoda contributed to the realization of the customer's semicommercial plant based on the customer-developed new technology by overcoming various issues in design and fabrication of the processing unit for the new system and by using its ingenuity in onsite construction to reduce construction time and ensure safety.

We will continue to contribute to the establishment of the customer's new technology.



The HS-FCC Plant at Mizushima Refinery of JX Nippon Oil & Energy Corporation  
(Photo courtesy of JX Nippon Oil & Energy Corporation)

### Comment from the Customer

Chiyoda Corporation is involved in PTT Chem Group's EPCC, which is world-class supervision.

At PTT Chem Group, we not only focus on business and operation excellence, but also take both the environment and social well-being into consideration. Moreover, we took a big step towards being a global socially responsible company by participating in the United Nations Global Compact.

To further enhance PTT Chem Group's social responsibility, we plan to get recognition from SRI evaluation bodies, as Chiyoda has already been included in both Dow Jones Sustainability Indexes and FTSE4Good.

Mr. Jiamsak Nantanate  
Executive Vice President, Operational Excellence  
PTT Chemical Public Company Limited, Thailand





<http://www.chiyoda-corp.com/csr/en/kankyo/>

CHIYODA Vision 2

Search

A report explaining our activities in more depth is available on our website.

### Initiatives for Biodiversity

#### In the Philippines

At the Mindanao Island Nickel Smelting Plant Construction Project site in the Philippines, the owner carried out preliminary surveys on plant and animal habitats to preserve the ecosystem and species. As a member of the joint venture, we are cooperating in construction while conducting environmental monitoring four times a year and taking measures such as forestation and planting of mountain slopes and preservation of mangroves in compliance with customer policies.



A hillside planted with trees and vegetation

#### In Malaysia

At the Sarawak Polycrystalline Silicon Plant Construction Project site in Malaysia, we have set up a sedimentation pond to prevent turbid water caused by rain onsite from flowing directly into the sea. In addition, every three months we monitor the environment, including water quality in nearby rivers, noise and atmospheric pollution. In this way, we are striving to reduce impact on the ecosystem near the site.



Onsite sedimentation pond

#### In Papua New Guinea

At the Papua New Guinea LNG Plant Construction Project site, we are making an effort to preserve the natural ecosystem by complying with the local government's environmental assessment system and conducting periodic environmental monitoring. In construction to set up the site facilities, we maintained the natural vegetation as much as possible. Topsoil was applied on completed slopes to assist natural revegetation by native grass so as to prevent soil erosion. Sedimentation controls such as sedimentation ponds, silt fences and check dams were installed to prevent pollution to nearby rivers and sea.

We are also working to conserve resources by adopting the 3R System (Reuse, Reduce and Recycle) to minimize the waste material generated at the project site.



Conducting periodic environmental monitoring

#### Executing Environment-Friendly Work

Chiyoda proactively makes environmental proposals to customers in its main business of engineering, procurement and construction for plants and other facilities. In an indirect way, this helps to raise employee awareness of biodiversity preservation. We made a total of 263 proposals in the fiscal year ended March 31, 2011.

## Overview of Chiyoda's Environmental Technology **iWater™ System**

Chiyoda has developed a next-generation water recycling system, the iWater™ System, as a solution to cope with increasingly severe water pollution and water shortages. This recycling system purifies and reclaims industrial wastewater from petroleum and chemical plants for re-use in plants as cooling water or boiler feed water. The reclaimed water can be supplied in the volume and quality that users require.

One project related to this system is an order received in March 2011 from Marafiq, a power and water utility company in Jubail Industrial City, Saudi Arabia, to determine the feasibility of treating and re-using industrial wastewater in the industrial park. Through pilot tests and other processes, Chiyoda is aiming to contribute to the water environment in the industrial park by designing and proposing an iWater™ System.

Chiyoda will continue to aggressively promote the iWater™ System for effective use of water resources.

Please see the environmental technology section of Chiyoda's website for further details on Chiyoda's environmental technologies.

<http://www.chiyoda-corp.com/technology/en/environment/>





[http://www.chiyoda-corp.com/csr/en/syakai\\_kouken/](http://www.chiyoda-corp.com/csr/en/syakai_kouken/)

CHIYODA Vision 3

Search

A report explaining our activities in more depth is available on our website.

### Beach Cleanup on the Qatar Peninsula

In collaboration with Qatar's Ministry of Municipal Affairs & Urban Planning, about 150 employees of Chiyoda Almana Engineering LLC participated in a cleanup of the Al-Dhalouf beach on the northern Qatar Peninsula on March 6, 2011. Under the leadership of General Manager Kazumi Ikeda, the volunteers collected two tons of garbage in two hours.

The cleanup was covered in the March 16 edition of the *Gulf Times*.



### Science Lab on Space, the Environment and Living Organisms

In February 2011, Chiyoda Advanced Solutions Corporation conducted a class for fifth- and sixth-grade students from two elementary schools in Chiba Prefecture with a focus on space. Vacuum and gravity experiments got the students to think about the relationship between the Earth's environment and living organisms, and devices for living in space were also introduced. The program was well received by the students.



Students listening attentively to a lesson

### Workplace Tours for Local Elementary School Students

Chiyoda Keiso Co., Ltd. invited 16 sixth-grade students from Chigusa Elementary School in Ichihara City, Chiba Prefecture for a workplace tour as part of their career education. The program, which was also held in the fiscal year ended March 31, 2010, included an explanation of the Chiyoda Group's business and demonstrations of control systems using 3D-CAD and touch panels. The experience inspired the children to dream about their future and gave them a look at the workplace environment.



Children operating a touch panel

### Instructors Dispatched to Universities to Contribute to Local Development

As part of its social contribution activities, Chiyoda Philippines Corporation sends employees to serve as instructors for seminars held at universities in the Philippines. In the fiscal year ended March 31, 2011, one employee instructor gave a lecture on LNG to around 25 chemical engineering students at Pamantasan ng Lungsod ng Maynila (University of the City of Manila). Another employee gave a lecture on group management to 40 students at University of Santo Tomas.

The lectures received positive reviews from the students for their fresh content, including information about technologies not taught in school.

The company plans to continue this instructor dispatch program to contribute to the development of the Philippines through cultivation of human resources.



Instructor and students after a lecture at the University of the City of Manila

### Other Activities in the Fiscal Year Ended March 31, 2011

- Cooperation with university education (instructor dispatch): 11 people
- Corporate training of teachers: 12 people
- Training of interns: 35 people
- TABLE FOR TWO: Total of 2,055 meals
- Cleanup campaigns: Held three times with a total of 189 participants



### Support for Foreign Engineers

The Great East Japan Earthquake of March 2011 had a significant impact on foreign engineers who were in Japan at the time. Chiyoda provided food, information on scheduled power outages and train operation, and other forms of support to help restore stability and safety to the lives of those who decided to remain in Japan to fulfill their duties. They also participated in fire drills in their neighborhoods and proactively shared information such as evacuation procedures with local residents.



Fire drill

### Establishment of a Culture of Safety

To establish a culture of safety, it is necessary to raise everyone's awareness of dangers in their daily lives and reduce accidents in the workplace. Nipping small accidents in the bud can also help to prevent larger accidents. In the fiscal year ended March 31, 2011, Chiyoda conducted Basic Risk Education for all Company officers and employees from the president on down. The program was designed to teach them about the risk of accidents based on the various risks encountered in everyday life, and to get them to think about ways to avoid risks. Of those who took the course, 99 percent said the program raised their interest in and sensitivity to risk. We will continue this program to establish a culture of safety at Chiyoda.

### Enhancement of Short-Time Employment and Leave Program

In addition to its existing systems, Chiyoda introduced the following programs in connection with the June 2010 revision of the Child Care and Family Care Leave Law.

#### New Short-Time Employment Systems

We have established two short-time employment systems that enable employees to care for their children and other family members.

1. A system in which scheduled working hours are set at six hours a day, excluding lunch breaks
2. A flextime system that sets monthly working hours at six hours times the number of work days in the month

Employees can use these systems to care for children until their third year of elementary school or up to one year per person for other family members who need care.

#### Child Care and Family Care Leave System

Employees may take a leave of absence to care for children up to the age of 18 months, or up to one year per family member needing care.

In accordance with the enhancement of this program, regulations that were previously difficult to understand because they were scattered throughout the Company's work rules were combined under "Child Care and Family Care Support Regulations" for easy reference by employees

### Comments from an Employee

My four months of training at Chiyoda's Yokohama office were an eye-opening experience. Chiyoda provided me a place to "Learn Everything You Can, Anytime You Can, from Anyone You Can." I had an excellent time learning new technical knowledge and was provided with very dedicated and knowledgeable trainers. They were always there when I needed guidance and advice. Besides engineering knowledge, I also learned about Japanese culture through participation in company events like the *mikoshi* festival. Being a foreigner in Japan for the first time, I felt a warm welcome from the support I was given. I would like to take this opportunity to express my deepest thanks towards Chiyoda for the time and effort they put in training me. I would say that even in a short period of time, my experience at Chiyoda has been rewarding and productive.



Ms. Loh Pow Ee  
Chiyoda Malaysia Sdn. Bhd.



<http://www.chiyoda-corp.com/csr/en/compliance/>

CHIYODA Vision 5

Search

A report explaining our activities in more depth is available on our website.

### Compliance Initiatives

Chiyoda has strengthened and expanded collaboration with field offices (construction sites) and Group companies. Site managers, who have overall responsibility for field offices, are given pre-assignment training to shore up risk response capabilities on the front lines of our business. In addition, we have expanded feedback on issues and customer trends to the entire company. In view of the importance of managerial staff in the organization, we conduct a self-check of compliance awareness for all line managers with an e-learning program to promote renewed consciousness of the responsibilities of their position.

Reports to the Consultation and Reporting Hotline	
Reports related to workplace improvements	4
Reports related to compliance with workplace rules	4
Requests for reminders	0
Other	1



Lawyer leading a workshop on foreign corrupt practices prevention for overseas project staff

### Export Control Initiatives

In accordance with the revision of the Foreign Exchange and Foreign Trade Act, Chiyoda has revised its compliance program (CP) and registered it with the Ministry of Economy, Trade and Industry. Based on the CP, we continue periodic internal audits and training for regular employees and coordinators in charge of export control in each division.

### Information Security Measures



Chiyoda Philippines Corporation's ISO 27001 certificate

Chiyoda conducted training and issued reminders in February and September, which it has designated as Information Security Check Months to promote thorough familiarity with information security management system (ISMS) rules. We further upgraded information control by introducing a tool throughout the Company to prevent misdirected e-mail transmissions. Chiyoda Philippines Corporation acquired ISO 27001 certification during the fiscal year ended March 31, 2011, bringing the number of ISO 27001-certified Chiyoda Group companies to five.

### Training Conducted in the Fiscal Year Ended March 31, 2011

People are the foundation of our commitment to fairness. In the fiscal year ended March 31, 2011, we focused on expanding education and training.

#### Compliance

Compliance e-learning	2,100 participants
Self-check of compliance awareness for managers	176 participants
Executive officer compliance training	28 participants
Training for heads of overseas Group companies	7 participants
Construction industry law workshop	54 participants
Foreign corrupt practices prevention workshop	37 participants
Training for Consultation and Reporting Hotline staff	19 participants
Pre-assignment training for site managers of field offices	23 times, 40 participants
Companywide notifications (about laws and regulations)	7 times

#### Export Control

Export control general training	5 times, 72 participants
Export control coordinator training	3 participants
Companywide notifications (export control official notices)	6 times

#### Information Security

Information security e-learning	3 times, 3,200 participants
Information security training	2 times, 160 participants
Companywide notifications (Information Security Check Months)	2 times

#### CSR Training

CSR training for new employees	78 participants
CSR training for mid-career hires	4 times, 42 participants
CSR training for clerical experts	8 participants

# Overseas Group Company Activity Highlights

## Awards System to Develop Employee Strengths

L&TC introduced the ICONS (Immense Contribution of Noteworthy Significance) awards system to promote excellence in various facets of work, personal development, social contribution and professional expertise, as well as to nurture a culture of appreciation in the organization. Under the ICONS system, candidates from among all employees from the trainee level up to deputy general manager are nominated by Team Leaders and evaluated in categories such as business development, handling customers, achieving customer delight, business execution, achieving company objectives, and communication and teamwork in the workplace. ICONS are given every quarter. Nominations are screened by the Apex Committee, and all the winners receive a trophy, certificate and a gift voucher. A total of 257 employees have been selected for ICONS to date.

L&T-Chiyoda Limited (L&TC)  
<http://www.lntchiyoda.com/>



## Support to Our Local Community

Chiyoda Philippines Corporation (CPh)  
<http://www.chiyodaphil.com.ph/>

CPh directs its efforts towards making a positive and visible impact in the community through in-kind support and using its available resources. In March 2011, CPh donated existing old furniture (for example, cabinets, tables and bulletin boards that did not fit at the new CPh office) to Highway Hills Elementary School in Mandaluyong City.

## A Multinational Company that Respects Human Rights

Chiyoda Almana Engineering LLC (CAEL)  
<http://www.cael.com.qa/>

CAEL has employees of 26 different nationalities and manages its business with the mottos, "Help Each Other" and "Respect Each Other." We are exploring new business models as we unite the diverse cultures and values of the world with Chiyoda's DNA.



## Engineering for a Cleaner Environment

Chiyoda Singapore (Pte) Limited (CSL)  
<http://www.chiyoda.com.sg/>

CSL has been undertaking the SCOT & BUGIS Project since the Front End Engineering and Design Phase, and it is now in the detail engineering stage. The SCOT & BUGIS Project is to desulfurize fuel oil, producing fuel that has less impact on the environment. Once the SCOT & BUGIS Project is completed, end products will have less sulfur than those produced by the conventional refining process. CSL is proud to be the main engineering contractor on this environmental project.



## Planning Events that Contribute to Society

Chiyoda Malaysia Sdn. Bhd. (CMSB)  
<http://www.chiyoda.com.my/>

CMSB organizes a blood donation campaign every year through the CMSB Recreation Club on the ground floor of our office building. We get full support and cooperation from the building management, and the response from our employees, the passing crowd and individuals working in surrounding area is truly encouraging. There is always a shortage of blood, so the cooperation of the private sector can help to save many lives.



## Family Day Special - "The Dunking Machine"

Buy a ball and throw it at a target, and if it hits, whoever's sitting on top (guess who) will get dunked into a pool of water. All money collected throughout the game was donated to the Club Rainbow



(Singapore), which is a charity committee contributing to society by helping children and youths suffering from a range of chronic and potentially life-threatening illnesses. In this way, CSL supported a good cause with a fun-filled and memorable day for employees and their families, as well as making a noble contribution to society.

# We consolidate Group strengths in our business operations.

Major Group Companies (Chiyoda Corporation's consolidated subsidiaries or companies accounted for using the equity method as of March 31, 2011)



## Overseas Group Companies


Industrial Machinery and Equipment Engineering, Etc.

**Chiyoda Philippines Corporation (Philippines)**  
**L&T-Chiyoda Limited (India)**

Industrial Machinery and Equipment Engineering and  
Construction, Etc.

**Chiyoda Singapore (Pte) Limited (Singapore)**  
**Chiyoda International Corporation (United States)**  
**PT. Chiyoda International Indonesia (Indonesia)**  
**Chiyoda & Public Works Co., Ltd. (Myanmar)**  
**Chiyoda Malaysia Sdn. Bhd. (Malaysia)**  
**Chiyoda (Thailand) Limited (Thailand)**  
**Chiyoda Alman Engineering LLC (Qatar)**  
**Chiyoda Nigeria Limited (Nigeria)**  
**Chiyoda Sarawak Sdn. Bhd. (Malaysia)**  
**Chiyoda Petrostar Ltd. (Saudi Arabia)**

## Domestic Group Companies

 **Chiyoda Kosho Co., Ltd.**

Engineering, construction and maintenance of various industrial machinery and equipment; insurance agent

 **Chiyoda Keiso Co., Ltd.**

Engineering, procurement, construction and maintenance of electrical, instrumentation, control and factory automation equipment

 **Chiyoda TechnoAce Co., Ltd.**

Consulting, planning, engineering, construction and test operation, etc. for civil engineering of pharmaceutical and petroleum facilities

 **Chiyoda Advanced Solutions Corporation**

Consulting and engineering on various analytical technologies, industrial machinery and equipment upgrades, computer-based systems, space environment, etc.

 **Arrow Business Consulting Corporation**

Consulting and business outsourcing services, etc., for finance, accounting and tax



**Arrowhead International Corporation**

Travel agent; air cargo agent; materials export



**Chiyoda U-Tech Co., Ltd.**

General consulting on industrial machinery and equipment, regional development, etc.; review services for ISO certification renewal, temporary staffing



**IT Engineering Limited**

General IT systems consulting, development and operation; ERP and Web-based systems engineering, etc.



**Arrow Human Resources Co., Ltd.**

Temporary staffing, placement consulting, and education and training

Recognition by SRI (Socially Responsible Investment) evaluation bodies as a company fulfilling CSR standards

(As of August 2011)



Selected in FTSE Group's responsible investment index



Included in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)



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